



# THINK SPACE

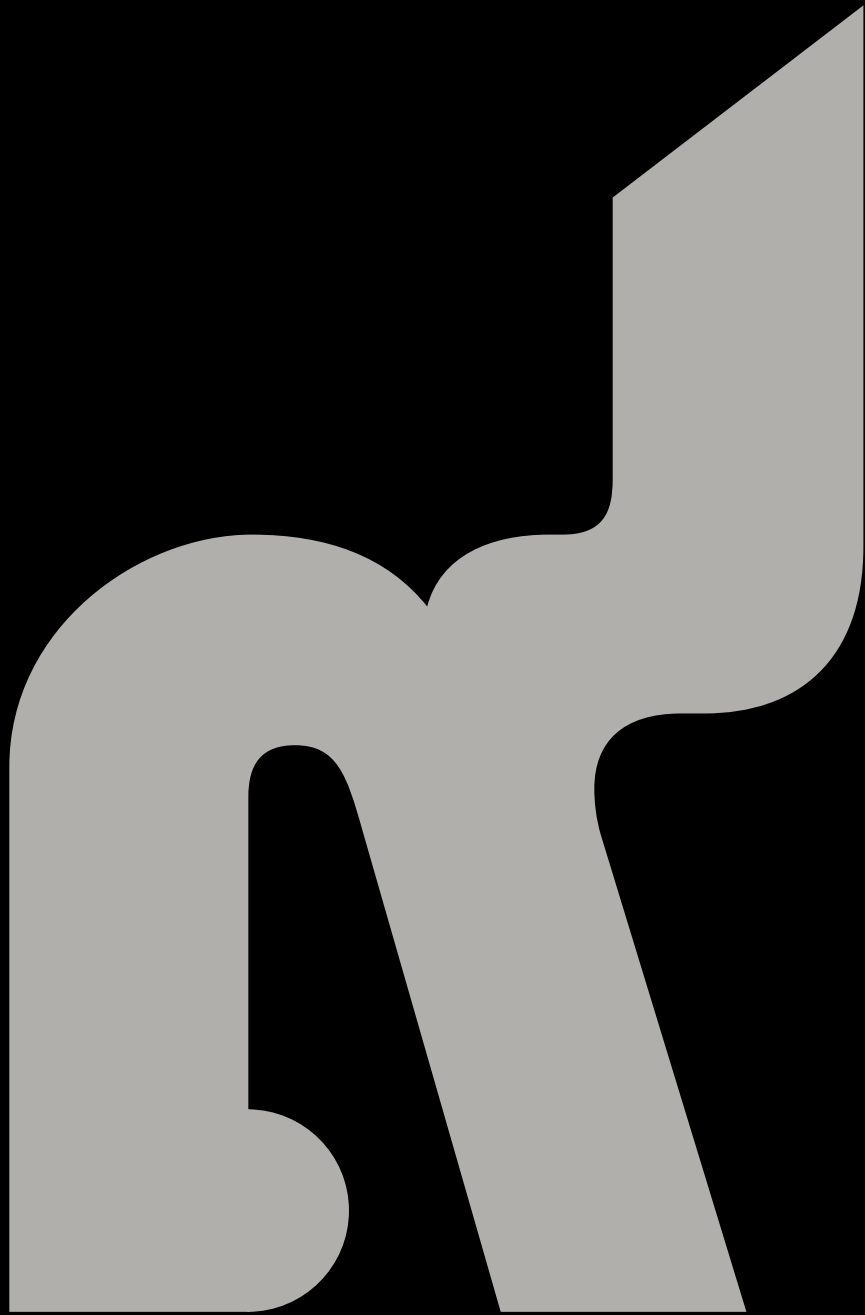
ANNUAL REPORT 2016



YEARS

25 YEARS OF CONTINUED SPACE REVOLUTION





**In Remembrance of His Majesty  
The late King Bhumibol Adulyadej  
(1927-2016)**

Board of Directors, Management and Employees of  
AP (Thailand) Public Company Limited

# 25<sup>th</sup> ANNIVERSARY

For 25 years, AP THAILAND's ultimate goal remains the same. We dream for your better living. We dream to creating homes that cater to all dimensions of your modern life. Throughout 25 years of continued space revolution, we have become Thailand's recognized leader in the real estate industry. But we will not rest. We will continue to propose new ideas, new living solution, innovative space utilization for better living... changing the way we live through AP space design.





# Content

**02** AP DESIGN PHILOSOPHY

**14** OUR AWARDS

**18** CEO TALK

**20** BOARD OF DIRECTORS

**24** MANAGEMENT TEAM

**25** AP (THAILAND)  
STRUCTURE

**26** PROPERTY  
MARKET OUTLOOK

**30** MANAGEMENT  
DISCUSSION  
AND ANALYSIS

**39** POLICY AND OVERVIEW  
OF THE COMPANY  
BUSINESS OPERATION

**42** CHARACTERISTICS  
OF BUSINESS

**46** STOCKS  
AND MAJOR SHAREHOLDERS

**48** MANAGEMENT  
STRUCTURE

**67** RISK FACTORS

**70** INTERNAL CONTROL  
AND  
RISK MANAGEMENT

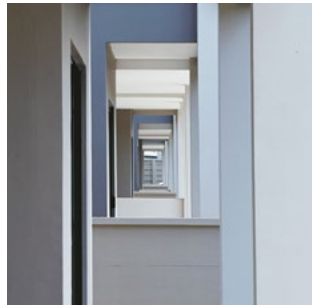
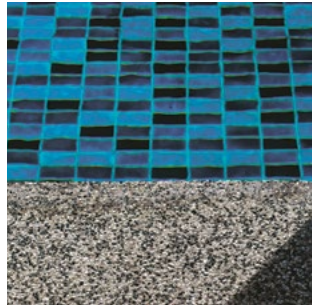
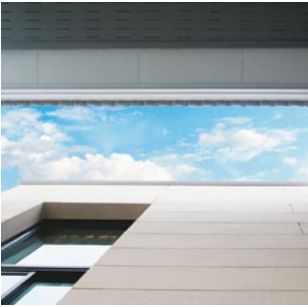
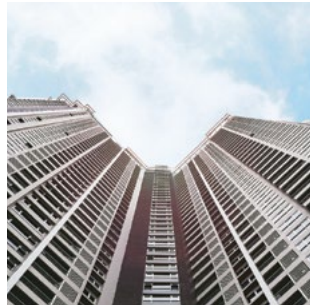
**71** RELATED  
TRANSACTION

**74** STATEMENTS OF  
FINANCIAL POSITION  
AND REPORTS

**141** CORPORATE  
GOVERNANCE  
AND SUSTAINABLE  
DEVELOPMENT

**168** ANTI-CORRUPTION  
PRACTICES

**169** RELEVANT INFORMATION  
AND  
OTHER IMPORTANT INFORMATION





# THE PHILOSOPHY OF AP SPACE

**AP has developed three design principles that guide our thinking on space:**

## **SPACE MAXIMIZE**

Challenges the idea of limited space and maximizes every inch to the maximum.

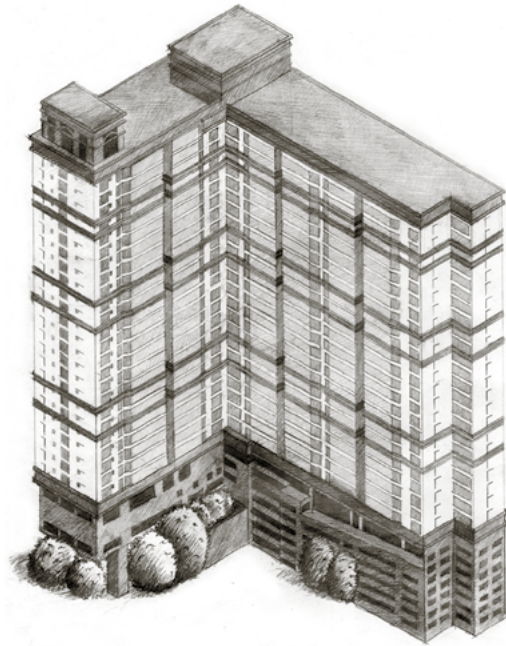
## **SPACE PRIVACY**

Creates common spaces while also preserving personal privacy and providing a great sense of serenity.

## **SPACE CONNECT**

Encourages family members to connect with each other, while provides for convenient connections and access in the most promising locality.

# A SHORT HISTORY OF AP



## AP BEGINS ITS SPACE JOURNEY

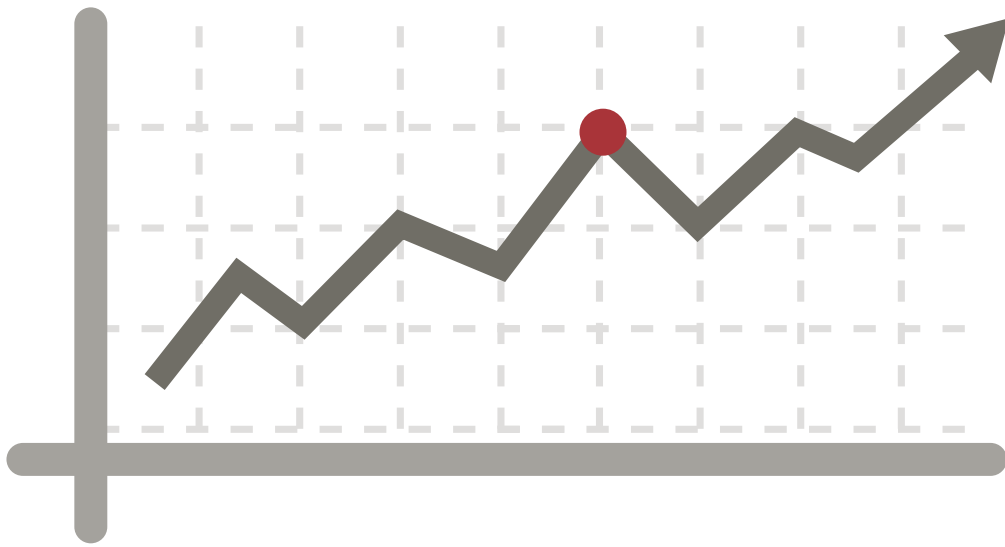
Beginning in 1991, AP started to rethink the idea of the traditional shop houses. By opening up available space and remodeling layouts, we successfully reinvented the shop-houses which were previously-regarded for only commercial use, into a new residential concept known today as "Modern Townhouse".

## PIONEERING INNOVATION

In 1994, AP introduced a new dimension to high-rise living. With the 'Corner Unit' concept, every unit is afforded 180 degrees' views in the heart of the city for the first time, creating a new visual dynamic for condo dwellers.

1991

1994



### **LEADING THROUGH CRISIS**

In 1997, the financial crisis devastated the property sector in Thailand, but under steady leadership, AP was the first developer to emerge from the crisis, recovering in just one year.

### **AP PUBLICLY LISTED**

In 2000, AP was listed on the stock exchange of Thailand and became AP (Thailand) Public Company Limited, ushering in a new era of growth and accountability.

**1998**

**2000**



## BEYOND TYPICAL SPACE

In 2002, AP launched Baan Klang Krung Thonglor, introducing the first ever premium townhouse project in prime Bangkok location. With never-before-seen generous layouts, and a high degree of privacy, it marked a new era for AP's dominance of townhouse development.

## SPACE FOR ALL JOURNEYS

In 2004, AP became the first developer to extend its reach to all property types: from single houses to townhomes and condominiums, thus bringing its unique perspective on space to every lifestyle needs.

2002

2004



## SPACE REVOLUTION

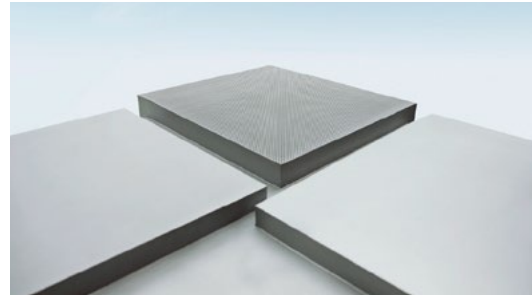
In 2008, AP continued to defy development conventions to create spaces that matched new lifestyles, introducing first-to-market innovations like the panoramic Sky Kitchen, Double Access Bathroom Planning, Interlocked Layout, and the Engawa Approach that erased the boundary between indoor and outdoor.

## AP LOCALITY

In 2010, AP challenged traditional ideas of location and created a new norm in property development by adopting the principle of AP Locality - "5 Radiuses of Comfort" principles taking into account: Mass Transit, Health, Culture, Education and Community. The development principles quickly garnered AP a reputation for the best-located developments. The result was rapid growth, with revenues reaching 13 billion baht for the fiscal year.

2008

2010



## AP SOCIETY

In 2011, AP went beyond innovating space and took a holistic approach to community development by establishing AP SOCIETY. Aiming to create an ideal residential community, AP Society caters to domestic activities and co-living programs to encourage bonding among AP neighbors.

## AP DESIGN LAB

In 2013, AP established AP Design Lab in order to continue pushing the boundaries of new space designs under the AP Space Philosophy. Innovations from the Design Lab have helped grow our revenue to over 20 billion baht.

2011

2013



## AP x MITSUBISHI ESTATE GROUP

In 2014, AP Thailand partnered with Mitsubishi Estates, Japan's leading developer and a company with a shared passion for innovative space design, setting new standards for AP's development in space utilization and human management.

## WORLD CLASS COLLABORATION

In 2015, AP began collaborating with world-renowned designers to further our space innovation concept and create architectural breakthroughs. Furthermore, AP fully recognizes its responsibility to society and created AP Academy, Thailand's first estate development institute, to provide opportunities to young people, help develop their skills and realize their potential.

2014

2015

2016

# OUR AWARDS



**1. Thailand Property Award 2011**  
Real Estate Personality of the Year (2011)  
Mr. Anupong Assavabhokhin

**4. Thailand Property Award**  
Real Estate Personality of the Year (2011)  
Mr. Anupong Assavabhokhin

**7. Securities Analysts Association 2010**  
Best IR of Property and Construction Sector  
Mr. Pumipat Sinacharoen

**2. Thailand Property Awards 2009**  
Best Condo Development (Bangkok)  
The Address Chidlom

**5. Securities Analysts Association 2010**  
Best CEO of Property and Construction Sector  
Mr. Anupong Assavabhokhin

**8. The Stock Exchange of Thailand 2005**  
Best Corporate Governance Report

**3. Agency for Real Estate Affairs 2011**  
Best Single Detached House Project  
The Palazzo

**6. Thailand Property Awards 2011**  
Best Affordable Condo Development  
(Bangkok)  
Rhythm Ratchada





1.



3.



5.



7.



9.



2.



4.



6.



8.

**1. Thailand Property Awards 2014**  
Highly Commended  
Best Developer  
AP (Thailand) Public Company Limited

**2. Awards for Listed Companies 2014**  
Best CEO  
Property and Construction Sector  
Mr. Anupong Assavabhokhin  
Investment Analysis Association

**3. Thailand Property Awards 2014**  
Winner  
Best Housing Development (Bangkok)  
Soul Ratchadaphisek 68  
by AP (Thailand) Public Company Limited

**4. Thailand Zocial Awards 2016**  
The Most Popular Brand on twitter

**5. Thailand Property Awards 2015**  
Highly Commended  
Best Housing Development (Bangkok)  
DISTRICT SRIWARA  
by AP (Thailand) Public Company Limited

**6. Asia Responsible Entrepreneurship Awards (AREA)**  
Investment in People category

**7. 2014 South East Asia Property Awards**  
Highly Commended  
Best Villa Development (Thailand)  
Soul Ratchadaphisek 68  
by AP (Thailand) Public Company Limited

**8. Award for 2015/2016**  
Industry: Property & Construction  
Mr. Anupong Assavabhokhin  
AP (Thailand) Public Company Limited

**9. SET Awards 2015**  
Outstanding Investor Relations Awards  
SET market capitalization  
of THB 10 bln. - THB 30 bln.  
AP (Thailand) Public Company Limited

# COMPREHENSIVE PROPERTY SERVICES



## **Bangkok CitiSmart**

An investment consultant specializing in real estate and helping you maximize your investment.



## **AP Fix It**

A high-quality, reliable home maintenance service.



## **SQE Construction**

Providing quality construction on AP's expanding building projects.

---

Beyond space innovation, AP Thailand is also focused on meeting residents' and investors' needs through a range of affiliates.

---

## 'SMART

### **Smart Service Management Property Management**

---

A professional real estate management company committed to serving AP communities.

---

## **AP CALL SERVICE**

### **AP Call Service**

---

Offering real-time advice and help to ensure AP residents a smooth living.

---



# CEO TALK

The passing of His Majesty the King Bhumibol Adulyadej on 13<sup>th</sup> October 2016 was a great loss to Thailand and all the Thai people. We, the management and employees of AP (Thailand) Public Company Limited, are deeply saddened. His Majesty the King will forever live in our hearts.

Last year, domestic and external factors affecting the real estate industry challenged the way we think about our work. If you ask me about the industry trend on whether Thailand's real estate sector today is similar to or different from 25 years ago, one thing remains the same: real estate changes in response to the country's overall economy. The same is true for consumer confidence.

However, the real estate industry today is at a crossroad as competition becomes more intense and fierce among major operators with the same capabilities. Consumer behavior also changes in response to global developments. These are key factors driving everyone at AP to change our working approach to quickly cope with the changes based on our corporate mission to continue to make a difference and make the most important dream of all human beings a reality, that is, to own a place they can call "home" where every square inch matters.

Our goal of making a difference through our products and services is imperative if we are to move forward. But to reach that goal we need more than a sharp vision. We cannot succeed without "people" as the core asset. Last year, to ensure that we deliver quality products to all our customers, we attached great importance to developing the potential of AP people through various courses under AP Academy, the first institution in Thailand designed for comprehensive real estate learning.

Last year we worked very hard to ensure continued growth and our business partner Mitsubishi Estate Group was no exception. The year 2016 marked the third year of our joint venture. We signed joint venture agreements to develop eight projects worth over Bht 26,700 million. In 2016, we also saw the completion of four of our joint venture projects which were ready for occupancy. The four projects are: RHYTHM Asoke II, RHYTHM Sukhumvit 36-38, ASPIRE Ratchada-Wongsawang and ASPIRE Sathom-Thapra. All of them received positive consumer response.

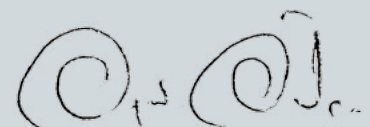
In addition to integrating fresh knowledge into our joint venture projects in 2016 we and the Mitsubishi Estate Group also looked to developing a process by which we work closer together with more efficiency. That's why Mitsubishi Estate Group posted their professionals to AP's headquarters so we can work together on our joint venture projects with greater convenience and speed under Premium Residence Limited, the principal company in charge of all our joint ventures from now on.

While the Thai economy was challenged by many developments that greatly affected consumer confidence, our AP team continued to deliver satisfactory results. We recorded Bht 22,365 million in sales, of which Bht 12,330 million from horizontal properties were less affected than condominiums. Since the market in the fourth quarter of 2016 was not favourable to new condominiums launches, we decided to postpone our launch dates to 2017 as we wait for the right timing and for the market to be ready.

In 2016 we realised revenues of Bht 20,255 million, down 8% on the previous year. Our net profit was Bht 2,705 million. Our net profit margin per revenue increased from 11.8% to 13.3% thanks to efficient management and control of sales and operating expenses as well as transfer of ownership for joint venture projects. Last year our share of profits from joint venture projects was Bht 371 million.

For 2017 we will continue to make a difference to our products and services that will be of high quality as always. We will continue to develop 'quality people' as our core asset. We want our people to be knowledgeable in theory as well as in practice as we lay down a systematic work process under efficient cost management. Over the past 25 years we have developed more than 200 projects in the categories of single detached homes, townhomes and condominiums. As we enter our 26<sup>th</sup> year, we have a commitment to remain innovative in our design so that every square inch of our properties are truly the best places to live for city residents.

On behalf of AP (Thailand) Public Company Limited, I would like to thank our shareholders, including holders of our debentures as well as all our partners for their continued support. I sincerely hope that each and every one of you will walk on this path to success with us for years to come.



**Anuphong Assavabhokhin**  
Chief Executive Officer

# BOARD OF DIRECTORS



**Mr. Siripong Sombutsiri**  
Director

**Mr. Pichet Vipavasuphakorn**  
Managing Director

**Mr. Anuphong Assavabhokhin**  
Vice Chairman  
and Chief Executive Officer

**Prof. Dr. Naris Chaiyasoot**  
Chairman of the Board  
and Independent Director



**Mr. Phanporn Dabbaransi**

Chairman of the Audit Committee,  
Chairman of Nomination  
and Remuneration Committee  
and Independent Director



**Mr. Nontachit Tulayanonda**

Audit Committee Member  
and Independent Director



**Mr. Kosol Suriyaporn**

Audit Committee Member,  
Chairman of  
Corporate Governance  
and Risk Management Committee  
and Independent Director

# BOARD OF DIRECTORS



**Mr. Wason Naruenatpaisan**  
Executive Director



**Mr. Visanu Suchatlumpong**  
Executive Director  
and Advisor



**Ms. Kittiya Pongpujaneegul**  
Executive Director  
and Advisor





**Mr. Somyod Suteerapornchai**  
Director  
and Independent Director



**Mr. Pornwut Sarasin**  
Director  
and Independent Director



**Mr. Shaw Sinhaseni**  
Director  
and Independent Director

# MANAGEMENT TEAM



Ms. Kittiya Pongpujaneegul  
Executive Director and Advisor



Mr. Visanu Suchatlumpong  
Executive Director and Advisor



Mr. Wason Naruenatpaisan  
Executive Director  
and Chief Strategic  
Property Investment



Mr. Tanit Paiboon  
Managing Director (SQE)



Mr. Piyawat Suepaisal  
Deputy Chief and Advisor



Mr. Opas Ruangrajitpakorn  
Advisor



Mr. Pumipat Sinacharoen  
Chief People Excellence Officer  
and Corporate Secretary



Mr. Somchai Wattanasawapak  
Chief IT Officer



Mr. Vittakarn Chandavimol  
Chief Business Group - CD1



Mr. Pamorn Prasertsan  
Chief Business Group - TH



Ms. Chidapa Amralikit  
Chief Financial Officer



Mr. Ratchayud Nunthachotsophol  
Chief Business Group - SDH



Mr. Pipat Settheechaichana  
Deputy Chief Business Group -  
Upcountry



Mr. Worrapong Virojtananugoon  
Deputy Chief Business Group - TH



Mr. Boonchai Jankrajanglerd  
Deputy Chief  
Supply Chain Officer

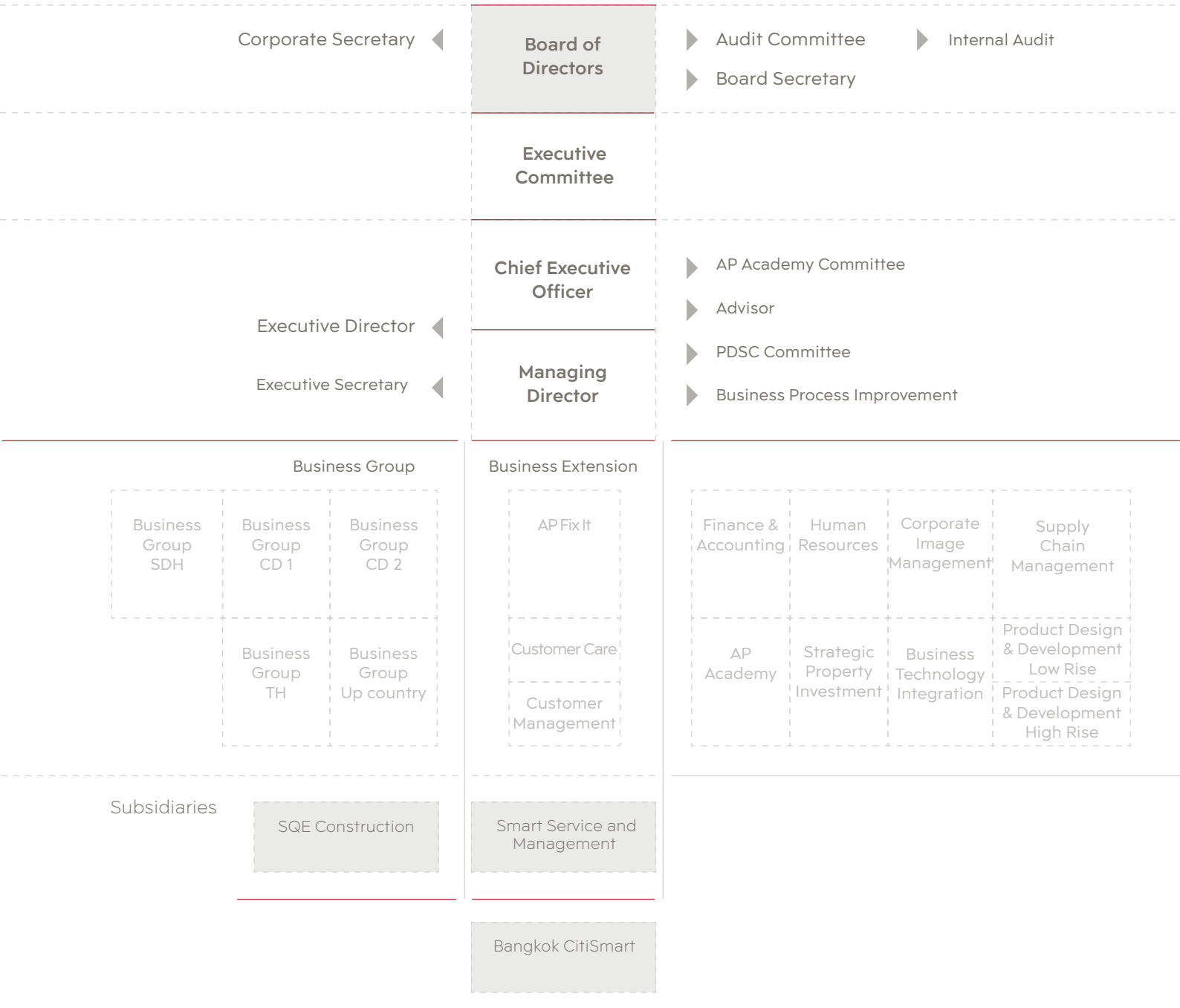


Mr. Pattaraphurit Rungjaturapat  
Deputy Chief  
Corporate Image Management



Mr. Set Srisayant  
Deputy Chief Business Extension

# AP (THAILAND) STRUCTURE



# PROPERTY MARKET OUTLOOK

## Property Market Outlook

Numbers of new project launches for property market in 2016 showed a declined for the third consecutive years at -7.2% comparing with the preceding year. Launches in single-detached houses and Condominium dropped by 11.1% and 13.3% consecutively, whereas Townhouse was the only segment that managed to grow by 9.8% (Table 1). There were several factors attributed to a declined of new launches i.e. Speed of recovery for Thai's economic, high level of household debt and tightening mortgage from commercial bank. On top of that, property's demand was somewhat absorbed by "The Government's property stimulus package" i.e. a reduction of mortgage registration fees and transfer fees which was finished by end of April 2016. As a result of that, during the first half developers were cautious in launching new projects. According to data from the Agency for Real Estate Affairs, numbers of new launches in the first half was declined by 31.1%. Whereas, in the second half, some listed developers had postponed new project launches due to unsupportive market sentiment and shifted their focus to landed property because it reflects real demand and able to develop by phase and realized revenues faster than condominium. From table 1, in the second half, new launch of townhouse showed 42.5% growth, making total year grew at 9.8% versus preceeding year.

**Table 1: Project launches in 2016 in comparison with 2015**

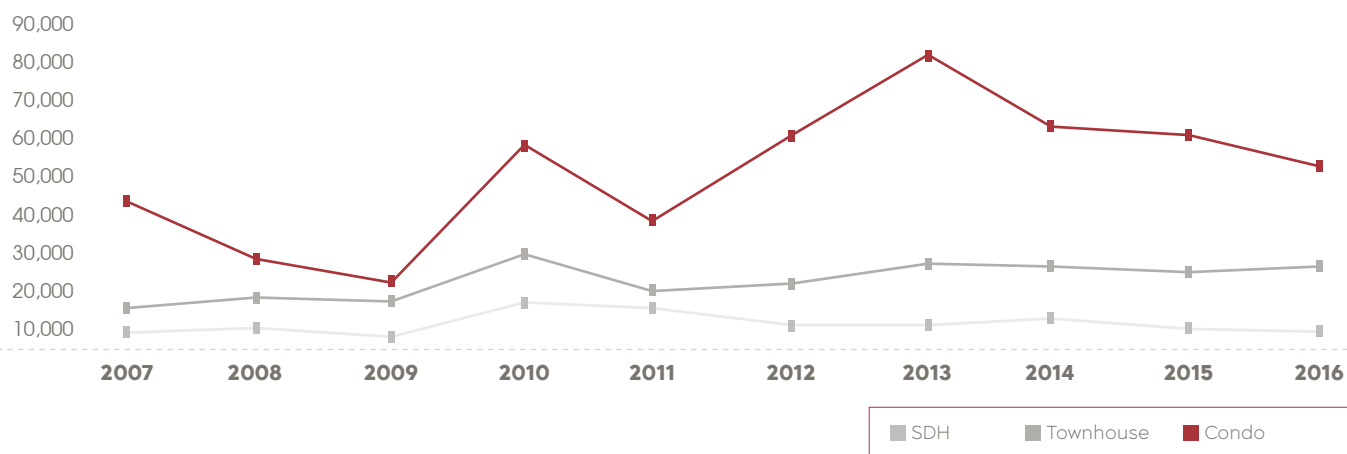
	1H 2015	2H 2015	2015
Single-detached houses	4,793	7,771	12,564
Townhouse	13,644	11,356	25,000
Condominium	37,613	25,220	62,833
<b>Total</b>	<b>56,050</b>	<b>44,347</b>	<b>100,397</b>
	<b>1H 2016</b>	<b>2H 2016</b>	<b>2016</b>
Single-detached houses	4,711	6,463	11,174
Townhouse	11,275	16,177	27,452
Condominium	22,635	31,871	54,506
<b>Total</b>	<b>38,621</b>	<b>54,511</b>	<b>93,132</b>
	<b>% Growth</b>	<b>% Growth</b>	<b>% Growth</b>
Single-detached houses	-1.7%	-16.8%	-11.1%
Townhouse	-17.4%	42.5%	9.8%
Condominium	-39.8%	26.4%	-13.3%
<b>Total</b>	<b>-31.1%</b>	<b>22.9%</b>	<b>-7.2%</b>

Source: Agency for Real Estate Affairs

When considering the overall number of new launches of three segments of real estate altogether, a clear difference can be observed. Normally, the launch of landed real estate projects corresponds with the demand in the market, which fluctuate at a similar rate in each year, whereas the launch of new condominiums usually fluctuates in line with the economic situation or factors that affect the consumer confidence, such as political situation. Nevertheless, the condominium sector also has a mechanism, which controls supply in the market automatically. If a large number of new condominiums are launched in the market, the entrepreneurs themselves will immediately slow down their plans for project launches and wait until the existing supply is absorbed, before making new launches. This mechanism is beneficial for the real estate market in the long run, because it prevents the problem of excess supply in the market.

#### Number of Unit Launched

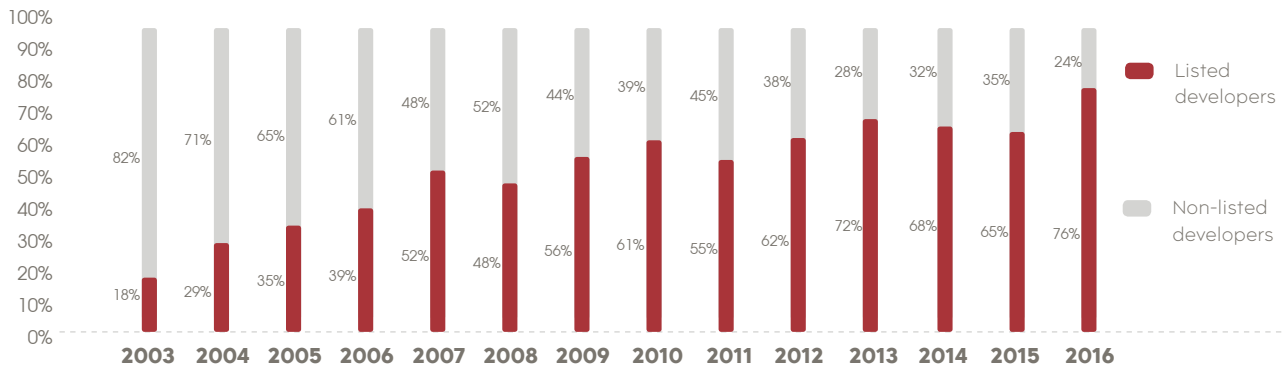
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
SDH	11,384	11,707	11,157	17,353	16,824	12,720	12,789	13,830	12,564	11,174
Townhouse	17,902	20,243	19,079	31,365	21,872	22,503	28,047	27,136	25,000	27,452
Condo	44,750	31,322	23,993	60,972	41,492	62,548	84,250	65,298	62,833	54,506
<b>Total</b>	<b>74,036</b>	<b>63,272</b>	<b>54,229</b>	<b>109,690</b>	<b>80,188</b>	<b>97,771</b>	<b>125,086</b>	<b>106,264</b>	<b>100,397</b>	<b>93,132</b>
<b>%Growth</b>	<b>22.1%</b>	<b>-14.5%</b>	<b>-14.3%</b>	<b>102.3%</b>	<b>-26.9%</b>	<b>21.9%</b>	<b>27.9%</b>	<b>-15.0%</b>	<b>-5.5%</b>	<b>-7.2%</b>



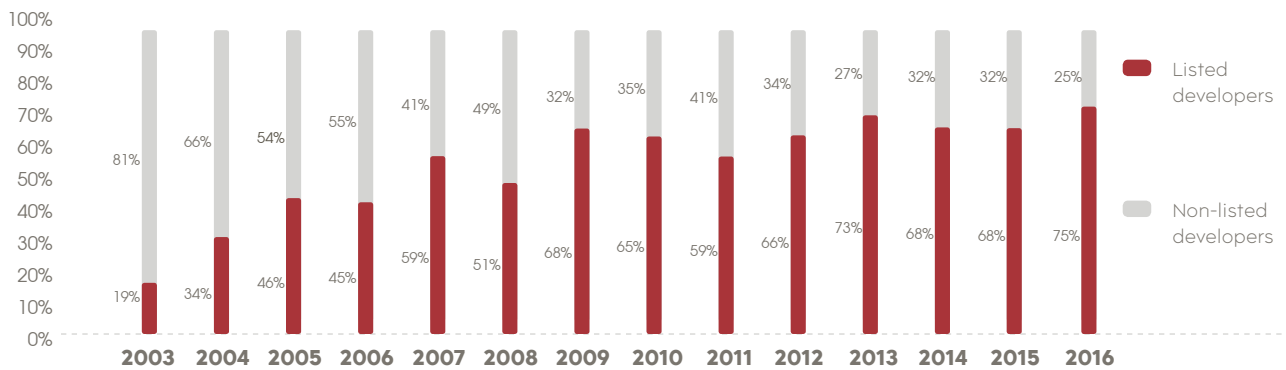
Source: Agency for Real Estate Affairs / AP (Thailand)

Regarding market share, most of new units launched and sold are still mainly developed by major listed property developers. In 2016, the number of new units launched of listed developers makes up 76%.

### Market Share New Units "Launched"



### Market Share New Units "Sold" of New Launches



Apart from adapting to current circumstances, significant challenges in operating real estate business are advantages in business operation and access to finance. Both challenges have effects on the business growth. Nowadays, commercial banks are highly strict in granting business loans, especially to small and medium entrepreneurs. Meanwhile, major entrepreneurs can access to other forms of financial resources, such as by issuing debentures. Thus, they enjoy even more financial advantages. In addition, a joint venture between major entrepreneurs and multi-national property enterprise was recently seen in market. This will further help strengthen their organization's competitiveness. Therefore, factors above contribute to the dominance of major entrepreneurs in the real estate market in the present.

With regard to property market outlook for 2017, it is forecasted to grow by 5% from preceding year with value about 670bn Baht (<http://www.bangkokbiznews.com/news/detail/734333>). The numbers of new project launches in 2017 expected to increase after many developers had postponed their launches from an unsupportive market sentiment during end of last year. Positive catalysts for property market are from 1) Thai's economic recovery with GDP growth at +3.2% (Source: BOT), inline with world economic growth +3.4% vs. 3.1% in 2016 (Source: IMF, World Economic Outlook), 2) an increase in export private consumption and 3) Government's investment in infrastructure, especially Mass transportation system expansion. With those investment, believably, it will create housing demand along the Mass transport system in next 5 - 10 years. Nevertheless, there are also unfavourable factors that can slowdown an economic growth i.e. 1) an increase in interest rate 2) High level of household debt especially for low-end which will lead more tighten mortgage from commercial bank.

Regarding the competition, market shall remain dominated by major developers, who have ability to access to various sources of investment funds and human resources. Real estate market shall remain highly competitive and challenging this year. It is expected to see restructuring/changing in major developer's organization i.e. new way of working, entering to new segment, introducing new property technologies. This is in order to gain most competitive advantage over competitors.

# MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary	2016	2015	2014	%YoY
Total Revenue (Btm)	20,253	22,079	23,149	-8.3%
Cost of Sales & Service (Btm)	13,292	14,545	15,304	-8.6%
Selling and Administrative Expenses (Btm)	4,012	3,969	4,140	1.1%
Selling Expenses (Btm)	2,014	2,004	1,964	0.5%
Admin Expenses (Btm)	1,998	1,965	2,117	1.7%
Share of Profit/(Loss) from Investment in JV (Btm)	371	(207)	(66)	n/a
<b>Net Profit from Operation (Btm)</b>	<b>2,617</b>	<b>2,489</b>	<b>2,614</b>	<b>5.1%</b>
<b>Net Profit (Btm)</b>	<b>2,703</b>	<b>2,623</b>	<b>2,615</b>	<b>3.0%</b>
<hr/>				
Gross Margin	34.4%	34.1%	33.9%	
SG&A as a % of Revenue	19.8%	18.0%	17.9%	
Selling exp as a % of Revenue	9.9%	9.1%	8.5%	
Admin exp as a % of Revenue	9.9%	8.9%	9.4%	
Net Margin from Operation	12.9%	11.3%	11.3%	
Net Margin	13.3%	11.9%	11.3%	
EPS (Bt)	0.86	0.83	0.83	
<hr/>				
Net Debt to Equity (x)	0.70	0.81	0.90	

■ **2016 Net profit was recorded at 2.7bn Baht, +3%YoY or Net margin at 13.3%, +140bpt YoY.** Several factors have contributed to improvement of net profit:

- Overall Gross Margin improvement (+30bpt YoY). Favorable %GM showed in both Condominium and low rise at 35.4% and 31.1% respectively, together with 385.3m Baht service revenues from JV.
- Well-contained SG&A. Though full marketing and selling supports were given to boost sales/transfers, plus the launch of "AP 25<sup>th</sup> Anniversary" campaign, SG&A investment could be contained at only 1.1% increase versus last year.
- 105.0m Baht (before tax) gains from sales of investment in AP (Ratchayotin) and AP ME2 to our current JV partner, MJRI (Thailand) Co., Ltd., a subsidiary of Mitsubishi Estate Corporation.
- 370.8m Baht "Shares of gains from investments in joint venture". 2016 was the 1<sup>st</sup> time to record shares gains from JV investment accounted for using the equity method.

■ **Q4 2016 record high in Transfer (including 51% portion of JV projects).** Q4 2016 transfer showed an all-time high numbers at 9.3bn Baht (+59.5% YoY) from 5 new condominiums transfer. Although 2016 Revenues was reported at 20.2bn Baht which was -8.3% YoY, including 51% portion of JV projects transfer, total revenue showed at 22.7bn Baht, or +2.6% YoY.



- With good backlog quality, Q4 2016 was a record high Condominium transfer. We have handover 5.9bn Baht of Condominiums (including 51% JV portion) to our customers. 5 new condominiums transfer were 2 under AP, namely "Rhythm Asoke", "Rhythm Sukhumvit 42" and 3 under JV, namely "Rhythm Asoke 2" "Rhythm Sukhumvit 36-38" and "Aspire Sathorn-Thapra". In contrary, Sales & transfer of ready-to-move-in projects were slower than plan.
- Despite mourning period, last year low rise was able to maintain its growth rate of 3.2% YoY or 12.9bn Baht and contributed 65.9% of revenues from sell.
- In 2016, Condominium revenue was reported at 6.7bn Baht (-26.3% YoY), plus 2.4bn Baht from 51% of JV projects, made total AP Condominium transfer at 9.1bn Baht, +0.3% YoY.

### Key revenue contributors in 2016 were as follows:

Top 5 contributors to Revenues	% of 2016 revenues	Accumulated project transfer
Rhythm Sukumvit 42	7.3%	43%
Rhythm Sathorn	5.8%	71%
Aspire RattanaTibet II	4.0%	27%
Rhythm Asoke	3.7%	51%
Aspire Ngamwongwan	3.5%	27%

■ **Overall Gross Margin +30bpt YoY, booked at 34.4%.** Despite of competitive pricing action in slow moving projects, new launches generated better gross margin. Looking by segment, condominium delivered 35.4% GM and low rise achieved 31.1% GM, compared to target GM of 35.0% and 30.0% respectively. On top of that, we recorded Sales & Management fees charged to JV companies at 385.3m Baht.

■ **Well contained SG&A recorded at 4.0bn Baht, 19.8% of revenues.** Though full marketing and selling supports were given to boost sales/transfers, plus the launch of "AP 25<sup>th</sup> Anniversary" campaign, SG&A investment was still able to contain at 1.1% increase versus last year. Noted that AP admin expenses cover JV operation, thus like for like comparison, %SG&A improved 30bpt YoY, or at 17.7% of revenue including 51% portion of JV projects.

### Debt Structure/Capex

■ Net Debt to Equity ratio reported at 0.70x at the end of the year, improved from 0.81x in 2015. Total outstanding debt was at 14.8bn Baht with average interest cost of 3.3%, reduced by 50 bpt from 2015. Majority of our debt structure still remain with fixed rate debenture at 84.8% of total.

■ In January 2017, we issued 2 tranches of debenture value 2,000 MB with detail as per below.

Debenture	Amount (MB)	Duration	Interest Rate
AP191C	500	2 years	2.55%
AP207A	1,500	3 years 6 months	3.06%

■ In term of land acquisition, 2016 budget was set at 8.0bn Baht and we did acquired 7.2bn Baht of lands, balancing between Low rise and Condominium.

## Overall Situation and Outlook

**I 2016 Presales achieved 86.0% of target or 22.4bn Baht, -20.6% YoY.** Looking by segment, Low rise presales booked at 12.3bn Baht or -6.8% YoY. Condominium presales recorded only at 10.0bn Baht, -32.9% YoY, mainly due to the postponements of 2 new launches valued approx 12.0bn Baht. In 2016, only 3 condominium projects (worth 6.1bn Baht) were launched, and two of them were "Sold out", namely "Life Sukhumvit 48", and "Rhythm Ekkamai", while 2015 launches values were at 17.7bn Baht.

### Presales performance of 2016 as below: (In Million Baht)

Sales Booking	Y 2016	Y 2015	% Growth	% Achieved Target
Low Rise	12,331	13,225	-6.8%	88.1%
Condominium	10,033	14,960	-32.9%	83.6%
<b>Total Sales booking</b>	<b>22,364</b>	<b>28,185</b>	<b>-20.6%</b>	<b>86.0%</b>

**I YTD presales as of 15<sup>th</sup> February was at 1.8bn Baht, -16.4% YoY.** Market seemed to be quite soft in January, but we see a good picked up in February, particularly in Low rise. Backlog excluding JV projects as of 15<sup>th</sup> Feb was at 9.6bn Baht, of which 2.9bn Baht came from low rise and 6.6bn Baht from condominium. Low rise backlog will be recognized within this year, while condo backlog will be recognized as schedule in below table:

	1 Jan - 15 Feb 2017	2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2015	2014
<b>Beginning Backlog</b>	<b>7,827</b>	<b>9,278</b>	<b>11,716</b>	<b>10,888</b>	<b>9,250</b>	<b>9,278</b>	<b>14,275</b>	<b>22,576</b>
Gross sales booking	2,338	26,024	5,462	6,949	7,905	5,707	24,207	21,245
Cancellation	(541)	(7,821)	(2,273)	(1,906)	(1,948)	(1,695)	(7,567)	(6,606)
<b>Net sales Booking (excl.JV)</b>	<b>1,797</b>	<b>18,203</b>	<b>3,189</b>	<b>5,043</b>	<b>5,958</b>	<b>4,012</b>	<b>16,640</b>	<b>14,640</b>
<b>Revenue Recognition</b>		<b>(19,653)</b>	<b>(7,078)</b>	<b>(4,215)</b>	<b>(4,320)</b>	<b>(4,040)</b>	<b>(21,637)</b>	<b>(22,941)</b>
<b>Ending Backlog (excl.JV)</b>	<b>9,624</b>	<b>7,827</b>	<b>7,827</b>	<b>11,716</b>	<b>10,888</b>	<b>9,250</b>	<b>9,278</b>	<b>14,275</b>
- from TH&SDH	2,998	1,473	1,473	2,234	1,788	2,354	2,088	1,411
- from Condo	6,626	6,354	6,354	9,486	9,105	6,896	7,189	12,863
<b>Net sales Booking (excl.JV)</b>	<b>1,797</b>	<b>18,203</b>	<b>3,189</b>	<b>5,043</b>	<b>5,958</b>	<b>4,012</b>	<b>16,640</b>	<b>14,640</b>
- from TH&SDH	1,525	12,331	2,585	3,899	2,659	3,189	13,225	11,752
- from Condo	272	5,871	604	1,144	3,299	824	3,415	2,888
<b>Net sales Booking (inc.JV)</b>	<b>1,762</b>	<b>22,365</b>	<b>3,212</b>	<b>8,096</b>	<b>6,476</b>	<b>4,581</b>	<b>28,185</b>	<b>22,679</b>
- from TH&SDH	1,525	12,331	2,585	3,899	2,659	3,189	13,225	11,752
- from Condo	236	10,033	627	4,197	3,817	1,392	14,960	10,927
<b>Revenue Recognition</b>		<b>19,653</b>	<b>7,078</b>	<b>4,215</b>	<b>4,320</b>	<b>4,040</b>	<b>21,637</b>	<b>22,941</b>
- from TH&SDH		12,947	3,347	3,452	3,225	2,923	12,548	11,748
- from Condo		6,706	3,731	763	1,095	1,117	9,090	11,193

Data: as of Feb 15<sup>th</sup>, 2017

High Rise AP projects	2017F	2018F	2019F	2020F
Based on project completion	8,017	9,237	5,027	588
AP Condo Backlog as of 15/02/2017	3,242	2,067	1,316	-
% Secure	40%	22%	26%	0%

## JV Projects

- 2016 was the first year to recognize revenue from JV projects. Reflecting our backlog quality, overall showed better rate of transfer than plan. In total (100%), JV condominiums recorded revenue of 4.7bn Baht, given the mourning period.
- As a result, we recorded "Share of gain from investments in joint venture" at 370.8m Baht, better than initial forecast. This was driven by good rate of transfer and delay expense from "Life One Wireless" and "Life Ladprao" launch postponements.
- To date, there are 10 projects under JV, of which 8 projects have been launched and 2 namely "Life One Wireless" "Life Ladprao" (total value about 14.0bn Baht) are planned to launch in Q2'2017, making total **JV projects worth 40.7bn Baht**.
- As of 15<sup>th</sup> Feb, we have backlog of 18.9bn Baht for JV projects. Schedule of revenues recognition is shown as below table.

	1 Jan - 15 Feb 2017	2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2015	2014
<b>Beginning Backlog</b>	<b>19,008</b>	<b>19,584</b>	<b>23,310</b>	<b>20,670</b>	<b>20,152</b>	<b>19,584</b>	<b>8,039</b>	
Gross sales booking	154	5,075	347	3,326	699	703	12,167	8,112
Cancellation	(189)	(913)	(324)	(273)	(181)	(135)	(623)	(73)
<b>Net sales Booking - JV</b>	<b>(35)</b>	<b>4,162</b>	<b>23</b>	<b>3,053</b>	<b>517</b>	<b>568</b>	<b>11,545</b>	<b>8,039</b>
<b>Revenue Recognition</b>		<b>(4,738)</b>	<b>(4,325)</b>	<b>(413)</b>				
<b>Ending Backlog - JV</b>	<b>18,973</b>	<b>19,008</b>	<b>19,008</b>	<b>23,310</b>	<b>20,670</b>	<b>20,152</b>	<b>19,584</b>	<b>8,039</b>

High Rise JV projects	2017F	2018F	2019F	2020F
Based on project completion	6,083	8,313	7,616	-
JV Condo Backlog as of 15/02/2017	4,884	7,731	6,358	-
% Secure	80%	93%	83%	-

## Appendix 1: Financial Summary

Financial Summary	2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2015	2014
Revenues from Property Development (Btm)	19,653	7,078	4,215	4,320	4,040	21,638	22,941
YoY Chg (%)	-9.2%	21.7%	-21.5%	-18.2%	-21.8%	-5.7%	15.5%
QoQ Chg (%)		67.9%	-2.4%	6.9%	-30.6%		
Consolidated Revenues (Btm)	20,253	7,203	4,448	4,430	4,172	22,079	23,149
YoY Chg (%)	-8.3%	20.9%	-19.1%	-18.0%	-20.1%	-4.6%	15.8%
QoQ Chg (%)		61.9%	0.4%	6.2%	-30.0%		
Gross profit from Property Development (Btm)	6,404	2,347	1,342	1,415	1,300	7,135	7,691
Gross margin from Property (%)	32.6%	33.2%	31.8%	32.7%	32.2%	33.0%	33.5%
Overall Gross Profit (Btm)	6,961	2,458	1,564	1,516	1,422	7,534	7,845
Gross margin (%)	34.4%	34.1%	35.2%	34.2%	34.1%	34.1%	33.9%
Operation profit (Btm)	2,949	1,012	629	681	627	3,565	3,705
Operation margin (%)	14.6%	14.1%	14.1%	15.4%	15.0%	16.1%	16.0%
Net Profit from Normal Operations (Btm)	2,617	1,281	457	468	418	2,489	2,614
YoY Chg (%)	5.1%	89.6%	-26.5%	-25.7%	-25.3%	-4.8%	30.1%
QoQ Chg (%)		180.6%	-2.4%	11.8%	-38.1%		
Net Profit (Btm)	2,703	1,265	457	526	455	2,623	2,615
YoY Chg (%)	3.0%	87.2%	-38.7%	-18.2%	-18.7%	0.3%	29.9%
QoQ Chg (%)		177.1%	-13.2%	15.7%	-32.7%		
EPS (Bt)	0.86	0.40	0.15	0.17	0.14	0.83	0.83
Total Assets (Btm)	37,790	37,790	37,485	37,174	37,448	36,147	35,564
Equity (Btm)	19,423	19,423	18,147	17,691	18,108	17,654	15,848
Outstanding Debt (Btm)	14,741	14,741	16,119	15,906	15,648	14,679	14,705
Net Debt (Btm)	13,654	13,654	15,445	14,958	14,958	14,258	14,242
Net Debt to Equity (x)	0.70	0.70	0.85	0.85	0.83	0.81	0.90
ROE (%) (average equity)	14.6%	N/A	N/A	N/A	N/A	15.7%	17.5%

## Appendix 2: Ongoing Projects

Brand	No. of Projects	No. of Units	Project Value (Btm)	% Sold Unit (as of 31/12/16)	Available for (Btm)
<b>Single Detached House</b>					
Palazzo	1	30	863	43%	489
Soul	2	51	1,343	88%	164
Mind	3	203	1,865	58%	825
City	8	753	6,773	46%	3,446
Centro	9	2,125	11,859	45%	6,177
Pleno	1	70	268	36%	172
<b>SDH - Available for Sales</b>	<b>24</b>				<b>11,274</b>
<b>Townhouse</b>					
Baan Klang Muang	19	4,344	23,636	67%	8,923
Pleno	12	2,805	9,260	68%	3,517
District	1	17	259	59%	107
<b>TH - Available for Sales</b>	<b>32</b>				<b>12,547</b>
<b>Condominium (AP)</b>					
Vittorio	1	88	3,500	0%	3,500
Rhythm	3	1,702	10,659	79%	2,289
Life	1	612	2,200	100%	7
Aspire	9	6,828	13,704	44%	7,788
Coo	1	448	669	35%	438
<b>Condo - Available for Sales (exc.JV)</b>	<b>15</b>				<b>14,022</b>
<b>Total ongoing projects available for Sales (exc.JV)</b>					<b>37,842</b>

Brand	No. of Projects	No. of Units	Project Value (Btm)	% Sold Unit (as of 31/12/16)	Available for (Btm)
JV	8	6,448	26,730	83%	2,984
<b>JV - Available for Sales</b>					<b>2,984</b>
<b>Total ongoing projects available for Sales (JV)</b>					<b>2,984</b>

Data: as of Dec 31<sup>st</sup>, 2016

### Appendix 3: Projects launches in 2016

New project launch in 2016	Rai	No. of Units	Project value (Btm)	% Sold Unit (as of 31/12/16)	Launch year	Completion (last unit transferred)
<b>Single Detached House</b>						
Centro Westgate	28.2	144	630	20%	Q2 2016	Q2 2019
Centro Ratchapruk	51.5	240	1,200	17%	Q3 2016	Q4 2019
The City Sathorn-Ratchapruk	20.8	80	700	30%	Q3 2016	Q4 2018
Centro Suksawas-Rama 3	55.1	256	1,480	19%	Q3 2016	Q4 2019
The City Pinkao-Sai 4	34.6	82	800	11%	Q3 2016	Q2 2019
Centro Rangsit	60.1	289	1,230	12%	Q4 2016	Q4 2019
Centro Pinkao-Wongwan	24.2	116	470	25%	Q3 2016	Q4 2018
The City Suksawas (Prachauthid 60)	16.2	70	580	49%	Q4 2016	Q3 2019
The City Bangyai	29.2	130	760	17%	Q4 2016	Q1 2020
<b>Total SDH</b>			<b>7,850</b>			
<b>Townhouse</b>						
BKM Rama 9-Onnuch	17.6	209	760	36%	Q1 2016	Q2 2019
District Ekamai-Ramindra	6.0	34	550	19%	Q2 2016	Q1 2020
BKM Rama 9-Onnuch (The Edition)	16.3	98	510	42%	Q2 2016	Q3 2019
BKM Classe Ekamai-Ramindra	32.3	156	2,560	1%	Q4 2016	Q4 2020
Pleno Rattanatibet	23.1	217	720	16%	Q3 2016	Q3 2019
<b>Total TH</b>			<b>5,100</b>			
<b>Condominium</b>						
Aspire Sathorn-Taksin phase 3 (Copper)	3.5	613	1,260	19%	Q2 2016	Q4 2018
Life Sukhumvit 48	3.7	612	2,200	100%	Q2 2016	Q4 2019
Rhythm Ekamai	2.0	326	2,680	100%	Q3 2016	Q4 2019
<b>Total Condo</b>			<b>6,140</b>			
<b>Total New project launch in 2016</b>			<b>19,090</b>			

Data: as of Dec 31<sup>st</sup>, 2016

## Appendix 4: Schedule of Condo Transfer

Condo Projects	Project value (Btm)	Total units	% Sold Unit (as of 31/12/16)	Accumulated transfer until 2016	2017F	2018F	2019F	2020F	Launch year	Estimated start transfer	Estimated last unit transferred
Rhythm Sathorn	5,344	910	72%	71%	16%	13%			Q3 2010	Q2 2015	Q4 2018
Aspire Ngamwongwan	2,680	1,458	41%	27%	30%	43%			Q4 2010	Q4 2016	Q4 2018
Life Ratchadapisek	3,550	837	100%	100%					Q3 2011	Q2 2014	Q2 2016
Aspire Sukhumvit 48	2,670	837	100%	100%					Q1 2012	Q3 2014	Q2 2016
Aspire Rattana-tibet	989	540	99%	99%	1%				Q2 2012	Q4 2014	Q1 2017
Vittorio	3,500	88	0%	0%	35%	65%			Q1 2013	Q2 2017	Q4 2018
Aspire Udonthani	700	413	37%	36%	30%	34%			Q1 2013	Q1 2015	Q4 2018
Aspire Rattana-tibet II	3,000	1,428	29%	27%	30%	43%			Q1 2013	Q1 2016	Q4 2018
Rhythm Sukhumvit 42	3,500	407	82%	43%	57%				Q2 2103	Q4 2016	Q4 2017
Aspire Sathorn-Taksin phase 2	600	364	94%	93%	7%				Q3 2103	Q4 2015	Q2 2017
Rhythm Asoke	1,500	385	94%	51%	49%				Q3 2103	Q4 2016	Q4 2017
Coo Phitsanulok	740	448	35%	32%	33%	35%			Q4 2013	Q4 2015	Q4 2018
Aspire Wuttakard	390	166	52%	37%	63%				Q2 2015	Q4 2016	Q4 2017
Aspire Ladprao 113	490	270	100%	96%	4%				Q2 2015	Q4 2016	Q2 2017
Aspire Erawan phase 1	3,500	1,576	32%	0%	10%	50%	40%		Q3 2015	Q4 2017	Q4 2019
Aspire Sathorn-Taksin phase 3	1,260	613	19%	15%	30%	55%			Q2 2016	Q4 2016	Q4 2018
Life Sukhumvit 48	2,200	612	100%	0%		40%	60%		Q2 2016	Q2 2018	Q4 2019
<b>**Joint venture projects</b>											
Rhythm Sukhumvit 36-38**	2,900	496	94%	39%	61%				Q2 2014	Q4 2016	Q4 2017
Aspire Ratchada-Wongsawang**	2,850	1,232	61%	43%	40%	17%			Q2 2014	Q3 2016	Q4 2018
Rhythm Asoke 2**	1,500	346	83%	16%	84%				Q2 2014	Q4 2016	Q4 2017
Aspire Sathorn-Thapra**	3,500	1,218	98%	61%	39%				Q3 2014	Q4 2016	Q4 2017
Life Asoke**	7,500	1,642	99%			40%	60%		Q2 2015	Q3 2018	Q4 2019
Rhythm Rangnam**	2,700	385	100%		20%	80%			Q2 2015	Q4 2017	Q4 2018
Life Pinkao**	3,100	803	41%			60%	40%		Q4 2015	Q1 2018	Q4 2019
Rhythm Ekamai**	2,680	326	100%			30%	70%		Q3 2016	Q4 2018	Q4 2019
<b>Total JV</b>	<b>26,730</b>		<b>83%</b>								

Data: as of Dec 31<sup>st</sup>, 2016





# POLICY AND OVERVIEW OF THE COMPANY BUSINESS OPERATION

## Background

AP (Thailand) Public Company Limited was established in 1991 under the name Asian Property Co., Ltd. to develop residential property projects. In 2000, the company did a backdoor listing thru PCM Public Company Limited, a precast concrete floor manufacturing which was listed company in the Stock Exchange of Thailand since 22 September 1992, and changed its name to "Asian Property Development Public Company Limited (AP)". Since the merger between Asian Property and PCM, AP set a new company, called PCM Construction Material Company Limited (PCMC), where AP owned 99.99% of its total shares at that time.

In 2002, AP switched its type of business registered in the Stock of Exchange of Thailand from construction material to property development and location from primarily no. 26/1 Moo 4 Phaholyothin-Lamlukka Road, Lamlukka Sub-district, Lamlukka District, Pathumthani Province, to 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey District, Bangkok which is a current head office.

## Change in the shareholding structure

In 2004, AP sold all shares in PCMC to Pre-built Co., Ltd., a contractor company and increased its shares in Pre-built Co., Ltd. from 19.8% to 64.73%. In 2005, AP adjusted its structure to focus particularly on property development by reducing its shares in Pre-Built Pcl. until November 2012 when AP no longer holds any share in Pre-Built.

## Corporate objective and long term goal

The company's corporate objective and long term goal reflected by our vision and mission, which have been committed over the past few years. In addition, the company also review annually vision, mission and strategies with overseeing the action in order to create the concrete corporate objective together.

The vision and mission of the company group in 2016 are as follows:

### Vision

AP will be the most admired developer who inspired by the evolvement of behavior and lifestyle to create residential products, services and community that enhance customers' living quality and satisfaction.

### Mission

To be the most responsive creator for our customers

## Shareholding structure

Company group consists of AP (Thailand) PCL. and the 28 subsidiary companies, categorized by their types of business as followed:

### Property development business

- (1) Asian Property Co., Ltd.
- (2) Asian Property (Krungthep) Co., Ltd.
- (3) Asian Property (2011) Co., Ltd.
- (4) Asian Property (2012) Co., Ltd.
- (5) Asian Property (2013) Co., Ltd.
- (6) Asian Property (2014) Co., Ltd.
- (7) Asian Property (2015) Co., Ltd.\*
- (8) The Value Property Development Co., Ltd.
- (9) Thonglor Residence Co., Ltd.
- (10) Signature Advisory Partners Co., Ltd.
- (11) AP (Ekkamai) Co., Ltd.\*

- (12) AP (Phetchaburi) Co., Ltd.\*
- (13) AP (Ratchayothin) Co., Ltd.\*
- (14) AP ME (Asoke) Co., Ltd.\*
- (15) AP ME (Krungthep) Co., Ltd.\*
- (16) AP ME (Sukhumvit) Co., Ltd.\*
- (17) Premium Residence Co., Ltd.\*
- (18) AP ME 1 Co., Ltd.\*
- (19) AP ME 2 Co., Ltd.\*
- (20) AP ME 3 Co., Ltd.
- (21) AP ME 4 Co., Ltd.
- (22) AP ME 5 Co., Ltd.
- (23) Thai Big Belly Co., Ltd.

■ **Property management business**

(24) Smart Service and Management Co., Ltd.

(25) Som Baan Co., Ltd.

■ **Property broker business**

(26) Bangkok CitiSmart Co., Ltd.

■ **Construction business**

(27) SQE Construction Co., Ltd.

■ **Education business**

(28) SEAsia Leadavation Center Co., Ltd.

\* Joint venture companies with Mitsubishi Estate Group with the shareholding ratio of 51:49










The Company and subsidiaries have developed residential projects, i.e. single-detached houses, townhouses, and condominiums, which located in the exceptional areas in the civil community, easily accessed by the mass transportation, designed to match the needs of each lifestyle. We also emphasized on the different lifestyles of customers, thus, we categorized our 16 project brands into 3 segments in order to approach the customers with remarkable products. Our products segments and logos are as follows:

**Simplistic Experience**      Simple lifestyles, tranquility and quality of life in natural environment

**Fresh Experience**      Modern lifestyles with Multi-dimensional living

**Aesthetic Experience**      Aesthetic, classic and romantic lifestyles

**AP PORTFOLIO**

LIFESTYLE	AP COLLECTION			AP PREMIUM		
						
SIMPLISTIC EXPERIENCE	<b>MIND</b> THE <b>CITY</b> — Grande — <b>PLENO</b>		<b>Life</b> <b>CCU</b>	SIOIUIL	DISTRICT	
FRESH EXPERIENCE		บ้านกลางเมือง   <b>BIZTOWN</b> Pleno	<b>RHYTHM</b>  <b>aspire</b>	Baan Klang Muang <b>CLASSE</b>		
AESTHETIC EXPERIENCE	<b>CENTRO</b>	BAAN KLANG KRUNG		THE PALAZZO		VITTORIO THE ADDRESS

# SHAREHOLDING STRUCTURE OF AP GROUP

Group company chart as of 31<sup>st</sup> December 2016

## AP (Thailand) PCL.

Property development business ▼	Other businesses ▼	Joint ventures with Mitsubishi Estate Group* ▼
Asian Property Co., Ltd. <b>99.97%</b>	Smart Service and Management Co., Ltd. (Property management) <b>99.99%</b>	AP ME (Asoke) Co., Ltd.
Asian Property (Krungthep) Co., Ltd. <b>99.99%</b>	Bangkok CitiSmart Co., Ltd. (Property broker business) <b>99.99%</b>	AP ME (Krungthep) Co., Ltd.
Asian Property (2011) Co., Ltd. <b>99.99%</b>	SEAsia Leadavation Center Co., Ltd. (Education) <b>90.50%</b>	AP ME (Sukhumvit) Co., Ltd.
Asian Property (2012) Co., Ltd. <b>99.99%</b>	Som Baan Co., Ltd. (Service) <b>99.99%</b>	Premium Residence Co., Ltd.
Asian Property (2013) Co., Ltd. <b>99.99%</b>		AP (Phetchaburi) Co., Ltd.
Asian Property (2014) Co., Ltd. <b>99.99%</b>		Asian Property (2015) Co., Ltd.
Thai Big Belly Co., Ltd. <b>99.99%</b>		AP ME 1 Co., Ltd.
AP ME 3 Co., Ltd. <b>99.99%</b>		AP (Ekkamai) Co., Ltd.
AP ME 4 Co., Ltd. <b>99.99%</b>		AP ME 2 Co., Ltd.
The Value Property Development Co., Ltd. <b>99.99%</b>		AP (Ratchayothin) Co., Ltd.
▶ SQE Construction Co., Ltd. (Construction) <b>99.99%</b>		
Thonglor Residence Co., Ltd. <b>99.99%</b>		
▶ Signature Advisory Partners Co., Ltd. <b>99.99%</b>		

\* Direct and indirect shareholding ratio between the company and Mitsubishi Estate Group are 51:49

▶ shareholding by subsidiaries

# CHARACTERISTICS OF BUSINESS

## The changes and significant development

In 2013 the company has changed its name from Asian Property Development Pcl. to AP (Thailand) Pcl. to be in line with the symbol of company name which is listed in the Stock Exchange of Thailand. This is also represents the unity of our brand which is widespread to the customers. In addition, the company has changed its logo in order to present the variety of products and designs to response the residential demand of customers.

## Major event in the past 3 years

Year	Significiant developments
<b>2014</b>	<p><b>January</b></p> <ul style="list-style-type: none"><li>AP (Praram 9) Co., Ltd., Asian Property (Sukhumvit) Co., Ltd. and AP (Nonthaburi) Co., Ltd. have changed their names to AP ME (Asoke) Co., Ltd., AP ME (Sukhumvit) Co., Ltd. and AP ME (Krungthep) Co., Ltd., respectively.</li><li>AP ME (Asoke) Co., Ltd. increased its registered capital for Baht 159,000,000 from Baht 1,000,000 to Baht 160,000,000.</li></ul> <p><b>March</b></p> <ul style="list-style-type: none"><li>Thai Big Belly Co., Ltd. increased its registered capital for Baht 40,000,000 from Baht 10,000,000 to Baht 50,000,000.</li></ul> <p><b>April</b></p> <ul style="list-style-type: none"><li>AP ME (Krungthep) Co., Ltd., which is a joint venture company, increased its capital for Baht 120,000,000 from Baht 250,000,000 to Baht 370,000,000.</li></ul> <p><b>May</b></p> <ul style="list-style-type: none"><li>AP (Ekkamai) Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares and later in June, AP (Ekkamai) Co., Ltd. increased its registered capital for Baht 399,000,000. Therefore, the registered capital of AP (Ekkamai) Co., Ltd. is Baht 400,000,000.</li></ul> <p><b>July</b></p> <ul style="list-style-type: none"><li>AP ME (Sukhumvit) Co., Ltd., which is a joint venture company, increased its registered capital for Baht 68,000,000 from Baht 360,000,000 to Baht 428,000,000.</li></ul> <p><b>August</b></p> <ul style="list-style-type: none"><li>AP (Thailand) Pcl. entered into another Joint Venture Agreement with MJR Investment Pte. Ltd. (Singapore), a subsidiary company under Mitsubishi Estate Group (Japan) to jointly develop condominium project under Premium Residence Co., Ltd. The Company held 51.00% and MJRI held 49.00% of the total shares. After the signing of this Joint Venture Agreement, increased its registered capital for Baht 1,000,000,000 from Baht 1,000,000 to Baht 1,001,000,000.</li><li>AP (Phetchaburi) Co., Ltd. was established with the registered capital of Baht 10,000,000 and the objective of property development. The Company held 99.99% of the total shares.</li></ul> <p><b>September</b></p> <ul style="list-style-type: none"><li>AP ME (Asoke) Co., Ltd., which is a joint venture company, increased its registered capital for Baht 84,000,000 from Baht 160,000,000 to Baht 244,000,000.</li></ul> <p><b>October</b></p> <ul style="list-style-type: none"><li>AP (Thailand) Pcl. arranged the Extraordinary General Meeting no. 1/2014 of the shareholders to consider and approve on the following matters:<ul style="list-style-type: none"><li>Decreasing the registered capital for 29,951 shares which were reserved for the ESOP scheme that was already expired.</li><li>Paying out the interim dividend by ordinary shares not exceeding 285,992,013 shares in the ratio of 10 existing shares to 1 new stock dividend, and by cash at 0.02 Baht per share.</li><li>Increasing the registered shares for 285,992,013 shares to be accorded with the interim dividend pay-out and amending clause 4 of the memorandum of association.</li></ul></li></ul>

## Year

## Significant developments

### 2014

- Allotting the increased shares. As approved by the shareholders, the Company decreased its registered capital for 29,951 shares, from Baht 2,859,949,729 to Baht 2,859,920,138, and increased its registered capital for 285,992,013 shares from Baht 2,859,920,138 to Baht 3,145,912,151.

#### November

- AP (Thailand) Pcl. has paid out the stock dividend to the shareholders for 285,979,357 shares according to the resolution of the EGM no.1/2014. Therefore, the paid-up capital of the Company is Baht 3,145,899,495.
- Asian Property (2014) Co., Ltd. was established with the registered capital of Baht 10,000,000 and the objective of property development. The Company held 99.99% of the total shares.

#### December

- AP (Ratchayothin) Co., Ltd. was established with the registered capital of Baht 10,000,000 and the objective of property development. The Company held 99.99% of the total shares.

### 2015

#### January

- AP ME (Krungthep) Co., Ltd., which is a joint venture company, increased its capital for Baht 398,000,000 from Baht 370,000,000 to Baht 768,000,000. The Company held 51.00% of the total shares.
- AP ME (Sukhumvit) Co., Ltd., which is a joint venture company, increased its capital for Baht 144,000,000 from Baht 428,000,000 to Baht 572,000,000. The Company held 51.00% of the total shares.
- AP ME (Asoke) Co., Ltd., which is a joint venture company, increased its capital for Baht 125,000,000 from Baht 244,000,000 to Baht 369,000,000. The Company held 51.00% of the total shares.

#### February

- Asian Property (2015) Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares.

#### March

- AP ME 1 Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares.

#### April

- AP ME 2 Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares.

#### May

- AP (Thailand) Pcl. entered into another Joint Venture Agreement with MJR Investment Pte. Ltd. (Singapore), a subsidiary company under Mitsubishi Estate Group (Japan) to jointly develop condominium project as Life Asoke under AP (Petchaburi) Co., Ltd. The Company held 51.00% and MJRI held 49.00% of the total shares. After the signing of this Joint Venture Agreement, increased its registered capital for Baht 800,000,000 from Baht 620,000,000 to Baht 1,420,000,000.
- AP (Thailand) Pcl. entered into another Joint Venture Agreement with MJR Investment Pte. Ltd. (Singapore), a subsidiary company under Mitsubishi Estate Group (Japan) to jointly develop condominium project as RHYTHM Rangnam under Asian Property (2015) Co., Ltd. The Company held 51.00% and MJRI held 49.00% of the total shares.

#### June

- AP (Thailand) Pcl. entered into another Joint Venture Agreement with MJR Investment Pte. Ltd. (Singapore), a subsidiary company under Mitsubishi Estate Group (Japan) to jointly develop condominium project as Life Pinklao under AP ME 1 Co., Ltd. The Company held 51.00% and MJRI held 49.00% of the total shares.

#### July

- AP ME 3 Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares.

## Year

## Significant developments

### 2015

#### September

- AP (Thailand) Pcl. entered into another Joint Venture Agreement with MJR Investment Pte. Ltd. ("MJRI") (Singapore), a subsidiary company under Mitsubishi Estate Group (Japan) to jointly develop properties under AP (Ekkamai) Co., Ltd. The Company held 51.00% and MJRI held 49.00% of the total shares.
- AP (Ekkamai) Co., Ltd., which is a joint venture company, decreased its registered capital for Baht 300,000,000 from Baht 400,000,000 to Baht 100,000,000.

### 2016

#### January

- AP (Ratchayothin) Co., Ltd., which is a joint venture company, increased its capital for Baht 490,000,000 from Baht 10,000,000 to Baht 500,000,000.

#### March

- AP ME 2 Co., Ltd., which is a joint venture company, held 99.99% of total shares by Premium Residence Co., Ltd., increased its capital for Baht 1,000,000,000 from Baht 1,000,000 to Baht 1,001,000,000.
- Premium Residence Co., Ltd., which is a joint venture company, increased its capital for Baht 1,609,408,010 from Baht 1,001,000,000 to Baht 2,610,408,010. The company held 51% of total shares.
- Premium Residence Co., Ltd., which is a joint venture company, increased its capital for Baht 1,500,000,000 from Baht 2,610,408,010 to Baht 4,110,408,010. The company held 51% of total shares.

#### May

- AP ME 4 Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares.
- AP ME 5 Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of property development. The Company held 99.99% of the total shares.
- AP ME (Sukhumvit) Co., Ltd., which is a joint venture company, increased its capital for Baht 80,000,000 from Baht 572,000,000 to Baht 652,000,000. The company held 51% of total shares.

#### July

- AP (Ratchayothin) Co., Ltd., which is a joint venture company, held 99.99% of total shares by Premium Residence Co., Ltd., increased its capital for Baht 500,000,000 from Baht 500,000,000 to Baht 1,000,000,000
- Premium Residence Co., Ltd., which is a joint venture company, increased its capital for Baht 1,000,000,000 from Baht 4,110,408,010 to Baht 5,110,408,010. The company held 51% of total shares.
- AP Human Development Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of education and training. Asian Property Co., Ltd. held 90.5 % of the total shares. Thereafter, the name has changed to SEAsia Leadavation Center Co., Ltd.

#### September

- Som Baan Co., Ltd. was established with the registered capital of Baht 1,000,000 and the objective of service. Signature Advisory Partners Co., Ltd. held 99.99% of the total shares.

#### October

- AP ME 2 Co., Ltd., which is a joint venture company, held 99.99% of total shares by Premium Residence Co., Ltd., increased its capital for Baht 1,000,000,000 from Baht 1,001,000,00 to Baht 2,001,000,000
- Premium Residence Co., Ltd., which is a joint venture company, increased its capital for Baht 1,000,000,000 from Baht 5,110,408,010 to Baht 6,110,408,010. The company held 51% of total shares.

#### November

- AP ME (Asoke) Co., Ltd., which is a joint venture company, increased its capital for Baht 21,000,000 from Baht 369,000,000 to Baht 390,000,000. The company held 51% of total shares.
- AP (Ekkamai) Co., Ltd., which is a joint venture company, increased its registered capital for Baht 120,000,000 from Baht 100,000,000 to Baht 220,000,000. The company held 51% of total shares.

# REVENUE STRUCTURE

Revenue structure can be divided by product lines as follows;

(Unit: Million Baht)

Product lines / Business Group	Operated by	Share- holding	2016		2015		2014	
			Revenue	%	Revenue	%	Revenue	%
1. Revenue from property development business	APT	-	14,788.9	72.3	18,237.5	81.4	20,215.8	87.1
	VPD	99.99%	2,192.0	10.7	1,285.0	5.7	1,785.0	7.7
	AP2013	99.99%	1,434.7	7.0	-	-	-	-
	ASIAN	99.97%	1,264.5	6.2	762.5	3.4	631.4	2.7
	TBB	99.99%	276.3	1.3	-	-	-	-
	SSM	99.99%	136.1	0.7	83.1	0.4	58.0	0.3
	BCS	99.99%	78.4	0.4	66.2	0.3	102.2	0.4
	APK	99.99%	74.7	0.4	3.8	-	8.3	-
	AP2011	99.99%	7.5	0.1	1,622.2	7.2	-	-
	SAP	99.99%	-	-	13.6	0.1	-	-
	APST	99.99%	-	-	-	-	338.0	1.5
2. Revenue from other businesses	TBB	99.99%	-	-	4.6	0.1	10.4	0.1
<b>Total</b>			20,253.1	99.1	22,078.5	98.6	23,149.1	99.8
2. Other revenue <sup>(1)</sup>			194.4	0.9	319.5	1.4	57.8	0.2
<b>Grand total</b>			20,447.5	100	22,398.0	100	23,206.9	100.0

<sup>(1)</sup>Other revenue includes gain from sale of investment, dividend income, interest income and other income.

APT = AP (Thailand) Pcl.

AP2011 = Asian Property (2011) Co., Ltd.

VPD = The Value Property Development Co., Ltd.

ASIAN = Asian Property Co., Ltd.

BCS = Bangkok CitiSmart Co., Ltd.

SSM = Smart Service & Management Co., Ltd.

APK = Asian Property (Krungthep) Co., Ltd.

TBB = Thai Big Belly Co., Ltd.

APST = AP (Sathon) Co., Ltd.

SAP = Signature Advisory Partners Co., Ltd.

AP2013 = Asian Property (2013) Co., Ltd.

# STOCKS AND MAJOR SHAREHOLDERS

## Registered capital and paid-up capital

The registered capital of the Company is Baht 3,145,912,151 and paid-up capital is Baht 3,145,899,495. All shares are ordinary share with Baht 1 par value.

## Shareholders

### The list of major shareholders

Top ten major shareholders of the Company as of 30<sup>th</sup> December 2016;

	Name of the shareholders	No. of shares	Percentage
1	Mr. Anuphong Assavabhokhin	670,047,561	21.30
2	THAI NVDR CO., LTD.	319,743,365	10.16
3	NORTRUST NOMINEES LIMITED-THE NORTHERN TRUST COMPANY RE IEDU UCITS CLIENTS 10 PCT ACCOUNT	183,742,246	5.84
4	Mr. Pichet Vipavasuphakorn*	162,682,879	5.17
5	STATE STREET BANK EUROPE LIMITED	96,544,810	3.07
6	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	91,262,500	2.90
7	Mr. Jaroonsak Bantoonrajinda	66,569,000	2.12
8	Mr. Chanchai Krairitthichai	61,318,060	1.95
9	K 20 SELECT LTF	46,825,200	1.49
10	K EQUITY 70 : 30 LTF	45,114,188	1.43

\* Mr. Pichet Vipavasuphakorn and spouse



## Other stocks

### 1. Debentures

The Company has issued the unsecured bonds which are currently active as of 31<sup>st</sup> December 2016 with the total value of Baht 12,600 million, as followed;

Debenture	Value (Million Baht)	Term	Maturity date	Interest rate
AP181A	1,250	5 years	24 Jan 2018	4.24%
AP188A	1,250	5 years 3 months	09 Aug 2018	4.13%
AP179A	1,000	4 years	05 Sep 2017	4.52%
AP174A	500	3 years 6 months 30 days	05 Apr 2017	4.10%
AP179B	300	4 years 8 days	20 Sep 2017	4.52%
AP171A	1,150	3 years	24 Jan 2017	4.00%
AP191A	350	5 years	24 Jan 2019	4.50%
AP197A	1,000	5 years 1 month	27 Jul 2019	4.36%
AP177A	500	2 years 6 months	27 Jul 2017	3.05%
AP201A	1,500	5 years	22 Jan 2020	3.58%
AP187A	300	3 years 1 month	18 Jul 2018	2.65%
AP181B	500	2 years 6 months	10 Jan 2018	2.30%
AP197B	1,000	4 years	10 Jul 2019	3.04%
AP17DA	1,000	1 year 11 months	27 Dec 2017	2.05%
AP191B	1,000	2 years 6 months	20 Jan 2019	2.15%

### 2. Short-term bill of exchange

At 31<sup>st</sup> December 2016, the Company possesses an undue short-term bill of exchange equivalent to Baht 2,000 million (price on bill).

### Dividend payout policy

The Company has dividend payout policy of no more than 50% of net profits (shown in a consolidated financial statement) in any financial year. The Company will consider various factors to determine the dividend, such as operation result and financial status, liquidity, business expansion prospect, and other factors related to the Company's operation. The payout must be approved by the Board of Directors and the Shareholders.

In 2015, the Company achieved Baht 2,623 million net profit and equivalent to Baht 0.83 per share. For 2015 operating result, dividend payment was approved for Baht 0.30 per shares, which was 36% of net profit, complying with the Company dividend payout policy. The dividend was paid to shareholders on 26<sup>th</sup> May 2016.

For the dividend payout policy of subsidiaries, the subsidiaries would pay dividend from net profits. The subsidiaries will consider various factors to determine the dividend, such as operation result and financial status, liquidity, business expansion prospect, and other factors related to the subsidiaries' operation, similar to how the Company considers the dividend payment.

# MANAGEMENT STRUCTURE

## Board of Directors

In 2016, the Board of Directors comprises of 13 members, which are 1 female director and 12 male directors. They are competent and knowledgeable, which are beneficial to the business operations of the company with the following details

- 7 independent directors (equivalent to 54%) are more than one-third of the board in accordance with the notification of the Securities and Exchange Commission. The 7 Independent Directors are namely; 1. Prof. Dr. Naris Chaiyasoot 2. Mr. Phanporn Dabbaransi 3. Mr. Kosol Suriyaporn 4. Mr. Nontachit Tulayanonda 5. Mr. Pornwut Sarasin 6. Mr. Shaw Sinhaseni 7. Mr. Somyod Suteerapornchai (The definition of Independent Director: of AP (Thailand) Public Company Limited is more stringent than the minimum requirement of the Notification of the Securities and Exchange Commission. The Independent Director must hold company's share in parent company, subsidiary company, associate company, major shareholders or controlling person of the total shares with voting rights not more than 0.5%).
- 6 executive directors namely; 1. Mr. Anuphong Assavabhokhin 2. Mr. Pichet Vipavasuphakorn 3. Mr. Siripong Sombutsiri 4. Mr. Wason Naruenatpaisan 5. Ms. Kittiya Pongpujaneegul 6. Mr. Visanu Suchatlampong

Director	Position	Independent Director	Executive Director	IOD Training Course
1 Prof. Dr. Naris Chaiyasoot	Chairman of the Board	✓	-	✓
2 Mr. Anuphong Assavabhokhin	Vice Chairman / Chief Executive Officer	-	✓	✓
3 Mr. Pichet Vipavasuphakorn	Director / Managing Director	-	✓	✓
4 Mr. Siripong Sombutsiri	Director	-	✓	✓
5 Mr. Phanporn Dabbaransi	Chairman of Audit Committee	✓	-	✓
6 Mr. Nontachit Tulayanonda	Member of Audit Committee	✓	-	✓
7 Mr. Kosol Suriyaporn	Member of Audit Committee	✓	-	✓
8 Mr. Pornwut Sarasin	Director	✓	-	✓
9 Mr. Shaw Sinhaseni	Director	✓	-	✓
10 Mr. Somyod Suteerapornchai	Director	✓	-	✓
11 Ms. Kittiya Pongpujaneegul	Director	-	✓	✓
12 Mr. Visanu Suchatlampong	Director	-	✓	✓
13 Mr. Wason Naruenatpaisan	Director	-	✓	✓

Authorized Signatory Directors:

Mr. Anuphong Assavabhokhin Mr. Pichet Vipavasuphakorn Mr. Siripong Sombutsiri Mr. Wason Naruenatpaisan Mr. Visanu Suchatlampong  
Ms. Kittiya Pongpujaneegul

Any one of these directors shall sign and affix the Company's seal.

## Scope of the Company Board of Directors' responsibilities

1. Assign visions, strategies, and work plans of the Company to provide the best benefit for shareholders. Consider any approval of any general business of the Company where significant, such as land sell and purchase or loan application approval without assigning Chief Executive Officer and Managing Director. The Board, however, Chief Executive Officer and Managing Director are assigned to administrate the Company following its policies.
2. Act in compliance with the Company's objectives, regulations, and shareholders' resolutions.
3. Set up the follow-up and assessment of working operation for the executives and staff, including the internal control and sufficient risk assessment.
4. Consider appointment of person or outsource for internal auditing and consulting of the internal control improvement.
5. Consider any arisen business that may cause conflicts of interest with the Company in accordance with Stock Exchange of Thailand's regulations.
6. Conduct the company business with fairness and transparency.
7. Neither engage in the business of the same nature as the Company that might compete with the Company, nor be a partner in the partnership, unlimited-liability partner in limited partnership, or director of another company limited or public company limited that engages in the business of the same nature as the Company that might compete with the Company. Unless to inform the shareholders' meeting prior to the appointment.
8. Promptly inform the Company of any direct or indirect conflict of interest arisen from any contract made with the Company, or from any increase or reduction in holding of the Company's or subsidiaries' shares or debentures.
9. Arrange general ordinary shareholders' meeting within 4 months after the end of Company's fiscal year.
10. Prepare the balance sheet and income statement as at the end of each fiscal year and propose them to the shareholders at the annual general shareholders' meeting.

## The Sub-Committee

The Board of Director has established the sub-committees to enhance the operating performance with the specific roles, duties, and responsibilities. In this regards, the chairman of the board is an Independent Director without holding a chairman position of any committee to ensure an independency of the committees.

There are 4 sub-committees as follows;

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

Details and Scope of responsibilities are as follow;

### 1. Audit Committee

Audit Committee consists of 3 directors, matching the Independence Director qualification requirement of Stock Exchange Commission. The committee members are specialized in the relevant aspects and possess the sufficient experiences in financial statement auditing.

Name	Position
1 Mr. Phanporn Dabbaransi	Chairman of Audit Committee
2 Mr. Nontachit Tulayanonda	Member of Audit Committee
3 Mr. Kosol Suriyaporn	Member of Audit Committee

## Scope of the Audit Committee responsibilities

1. Verify the Company's financial statements to be accurately and adequately disclosed.
2. Ensure that the Company has appropriate and effective internal control and audit system. Consider approval of work plan of the internal audit unit and its independency. Appoint, transfer or terminate the employment of internal audit unit, including remuneration approval.
3. Encourage the Company's business operation to be complied with relevant laws and regulations, and good corporate governance.
4. Seek and propose for appointment or removal of the Company auditors. Consider and propose their remuneration.
5. Seek and propose for appointment or removal of the Company internal auditors. Consider and propose their remuneration.
6. Participate in meetings with the Company audits and in absence of the Company executives. Such meeting is held at least once a year to communicate freely with the Company auditors.
7. Consider the Company disclosure of any related transaction or any action that may arise the conflicts in order to ensure the compliance with laws and regulations under the Stock Exchange Commission and the Stock Exchange of Thailand, for the best benefit of the Company.
8. Disclose an Audit Committee's report in the Company's annual report where the audit committee members sign for its verification. Such report must contain the following details;
  - 8.1 The committee's opinion on the accuracy, sufficiency and reliability of the Company financial report;
  - 8.2 The committee's opinion on the adequacy of the Company's internal control system;
  - 8.3 The committee's opinion on the suitability of the Company's auditors;
  - 8.4 The committee's opinion on any action that may cause conflicts;
  - 8.5 The committee's opinion on the Company's Good Governance and compliance with Stock Exchange of Thailand's laws and regulations or any other related laws;
  - 8.6 Other actions under the scope and responsibilities given from the Board of Directors that the Company deems as significant for shareholders and investors.
9. Investigate reports from the Company auditors regarding any suspicious behavior of directors, executives or related persons which are against the law as defined in Security and Stock Exchange Act. The investigation result must be submitted to the Stock Exchange Commission and the auditors within 30 days after the auditors notify such matter.
10. Consider the draft of Audit Committee Charter and review occasionally to keep the charter up-to-dated.
11. Other actions as designated by the Board of Directors and agreed by the Audit Committees.

## 2. Executive Committee

Executive Committee consists of 6 directors, whose positions are the Company's Chief Executive Officer, Managing Director and other qualified persons, who are nominated by the Nomination and Remuneration Committee and appointed by the board.

Name	Position
1 Mr. Anuphong Assavabhokhin	Chief Executive Officer
2 Mr. Pichet Vipavasuphakorn	Managing Director
3 Mr. Siripong Sombutsiri	Executive Director
4 Mr. Wason Naruenatpaisan	Executive Director
5 Mr. Visanu Suchatlampong*	Executive Director
6 Ms. Kittiya Pongpujaneegul	Executive Director and Secretary of Executive Committee

\* Mr. Visanu was appointed as a member of Executive Committee on 12<sup>th</sup> January 2016

### Scope of the Executive Committee responsibilities

Executive Committee is responsible for considering, approving and assigning any matters under the Company's notification on the operating authorization, power administration and any other important issues.

### 3. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 5 directors. 3 members are qualified as independence Directors namely; Mr. Phanporn Dabbaransi, the chairman and 2 members namely; Mr. Nontachit Tulayanonda and Mr. Kosol Suriyaporn.

Name	Position
1 Mr. Phanporn Dabbaransi	Chairman of Nomination and Remuneration Committee
2 Mr. Anuphong Assavabhokhin	Director
3 Mr. Pichet Vipavasuphakorn	Director
4 Mr. Nontachit Tulayanonda	Director
5 Mr. Kosol Suriyaporn	Director

### Scope of the Nomination and Remuneration Committee responsibilities

1. Nominate persons with matching qualifications for the director position and propose to the Board of Directors when there is a vacancy in the Board of Directors. With an approval from the Board of Directors, the nominated person will be proposed to the shareholders meeting for appointment.
2. Review the self-assessment of the Company directors from time to time.
3. Analyze the result of the Company directors' self-assessment to develop working process.
4. Propose the remuneration principle for the directors, i.e. gratuity, annual bonus and other compensation.
5. Propose the remuneration principle for annual bonus of the executives and staff.

### 4. Corporate Governance and Risk Management Committee

Corporate Governance and Risk Management Committee consists of 6 directors. 5 directors are the Company executives for closed monitoring of the company operation. In addition, the committee appointed Ms. Wirinya Siricharoennan as a secretary of the committee.

Name	Position
1 Mr. Kosol Suriyaporn	Chairman of Corporate Governance and Risk Management Committee
2 Mr. Pichet Vipavasuphakorn	Director
3 Mr. Pumipat Sinacharoen	Director
4 Mr. Wason Naruenatpaisan	Director
5 Mr. Visanu Suchatlampong	Director
6 Ms. Kittiya Pongpujaneegul *	Director

\* Ms. Kittiya was appointed as a member of Corporate Governance and Risk Management Committee on 7<sup>th</sup> June 2016

### Scope of the Corporate Governance and Risk Management Committee responsibilities

1. Consider and propose the Good Corporate Governance Policy to the Board of Directors. Monitor the Company operation to be in accordance with the Good Corporate Governance Policy and review from time to time.
2. Analyze the Good Corporate Governance Policy to ensure that the Company operation reaches the standard. Improve the operation to meet the criteria.

List of the directors, their positions, number of the meetings in 2016 and attendance (as of 31<sup>st</sup> December 2016)

Name	Position	Attendance / Total meeting				
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Executive Committee
1 Prof. Dr. Naris Chaiyasoot*	- Chairman of the Board - Independence Director	7/7	-	-	-	-
2 Mr. Anuphong Assavabhokhin	- Vice Chairman - Chief Executive Officer - Member of Nomination and Remuneration Committee	11/11	-	2/2	-	13/13
3 Mr. Pichet Vipavasuphakorn	- Director - Managing Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance and Risk Management Committee	11/11	-	2/2	3/4	13/13
4 Mr. Siripong Sombutsiri	- Director - Executive Director	10/11	-	-	-	12/13
5 Mr. Wason Naruenatpaisan	- Director - Executive Director - Member of Corporate Governance and Risk Management Committee	11/11	-	-	4/4	13/13
6 Ms. Kittiya Pongpujaneegul**	- Director - Executive Director - Member of Corporate Governance and Risk Management Committee	10/11	-	-	4/4	12/13
7 Mr. Visanu Suchatlampong***	- Director - Executive Director - Member of Corporate Governance and Risk Management Committee	11/11	-	-	4/4	13/13
8 Mr. Phanporn Dabbaransi	- Independent Director - Chairman of Audit Committee - Chairman of Nomination and Remuneration Committee	10/11	5/5	2/2	-	-

Attendance / Total meeting

Name	Position	Attendance / Total meeting				
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Executive Committee
9 Mr. Kosol Suriyaporn	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of Audit Committee</li> <li>- Member of Nomination and Remuneration Committee</li> <li>- Chairman of Corporate Governance and Risk Management Committee</li> </ul>	11/11	5/5	2/2	4/4	-
10 Mr. Nontachit Tulayanonda	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of Audit Committee</li> <li>- Member of Nomination and Remuneration Committee</li> </ul>	11/11	5/5	2/2	-	-
11 Mr. Shaw Sinhaseni	<ul style="list-style-type: none"> <li>- Independent Director</li> </ul>	3/11	-	-	-	-
12 Mr. Pornwut Sarasin	<ul style="list-style-type: none"> <li>- Independent Director</li> </ul>	8/11	-	-	-	-
13 Mr. Somyod Suteerapornchai	<ul style="list-style-type: none"> <li>- Independent Director</li> </ul>	11/11	-	-	-	-

\* Prof. Dr. Naris was appointed as director on 28<sup>th</sup> April 2016 and appointed as Chairman of the board on 13<sup>th</sup> May 2016

\*\* Ms. Kittiya was appointed as member of Corporate Governance and Risk Management Committee on 7<sup>th</sup> June 2016

\*\*\* Mr. Visanu was appointed as a member of Executive Committee on 12<sup>th</sup> January 2016

## Management

The Company's management, as of 31<sup>st</sup> December 2016, consists of the following:

	Name	Position
1	Mr. Anuphong Assavabhokhin	Chief Executive Officer
2	Mr. Pichet Vipavasuphakorn	Managing Director
3	Mr. Siripong Sombutsiri	Executive Director
4	Mr. Wason Naruenatpaisan	Chief Strategic Property Investment Officer
5	Ms. Kittiya Pongpujaneegul	Executive Director / Advisor
6	Mr. Visanu Suchatlampong	Executive Director / Advisor
7	Mr. Opas Ruangrajitpakorn	Advisor
8	Mr. Pumipat Sinacharoen	Chief People Excellence Officer / Corporate Secretary
9	Mr. Somchai Wattanasawapak	Chief IT Officer
10	Mr. Vittakarn Chandavimol	Chief Business Group - CD1
11	Mr. Piyawat Suepaisal	Deputy Chief / Advisor
12	Mr. Pamorn Prasertsan	Chief Business Group - TH
13	Ms. Chidapa Amralikit	Chief Financial Officer
14	Mr. Ratchayud Nunthachotsophol	Chief Business Group - SDH
15	Mr. Pipat Settheechaichana	Deputy Chief Business Group - Upcountry
16	Mr. Worrapong Virojtananguoon	Deputy Chief Business Group - TH
17	Mr. Boonchai Jankrajanglerd	Deputy Chief Supply Chain Officer
18	Mr. Pattaraphurit Rungjaturapat	Deputy Chief Corporate Image Officer
19	Mr. Tanit Pailboon	Managing Director (SQE)
20	Mr. Set Srisayant	Deputy Chief Business Extension

## Corporate Secretary

Board of Directors has appointed Mr. Pumipat Sinacharoen as a Corporate Secretary to be responsible for the tasks under Security and Stock Exchange Act. (4<sup>th</sup> version) B.E. 2551



## Director and management remuneration

(a) Director's remuneration in terms of meeting allowance and gratuity.

Name of the directors	Type of director	Position in the Board	2016 Remuneration			2015 Remuneration		
			Attendance	Gratuity (Baht)	Remuneration (Baht)	Attendance	Gratuity (Baht)	Remuneration (Baht)
1 Prof. Dr. Naris Chaiyasoot*	Independent Director	Chairman of the Board	100%	-	567,500	-	-	-
2 Mr. Anuphong Assavabhokhin	Executive Director	Vice Chairman / Chief Executive Officer	100%	361,538.46	None	100%	350,000	none
3 Mr. Pichet Vipavasuphakorn	Executive Director	Director / Managing Director	100%	361,538.46	None	100%	350,000	none
4 Mr. Siripong Sombutsiri	Executive Director	Director	90.9%	361,538.46	None	90.91%	350,000	none
5 Mr. Wason Naruenatpaisan	Executive Director	Director / Chief Strategic Property Investment Officer	100%	361,538.46	None	100%	350,000	none
6 Ms. Kittiya Pongpujaneegul	Executive Director	Director / Advisor	90.9%	361,538.46	None	81.82%	350,000	none
7 Mr. Visanu Suchartlumpomg	Executive Director	Director / Advisor	100%	361,538.46	None	100%	350,000	none
8 Mr. Pornwut Sarasin	Independent Director	Director	72.7%	361,538.46	630,000	88.89%	350,000	610,000
9 Mr. Shaw Sinhaseni	Independent Director	Director	27.2%	361,538.46	570,000	63.64%	350,000	525,000
10 Mr. Phanporn Dabbaransi	Independent Director	Director and Chairman of Audit Committee	90.9%	361,538.46	845,000	100%	350,000	822,500
11 Mr. Kosol Suriyaporn	Independent Director	Director and Member of Audit Committee	100%	361,538.46	770,000	100%	350,000	687,500
12 Mr. Nontachit Tulayanonda	Independent Director	Director and Member of Audit Committee	100%	361,538.46	720,000	63.64%	350,000	620,000
13 Mr. Somyod Suteerapomchai	Independent Director	Director	100%	361,538.46	660,000	100%	-	440,000
14 Mr. Chatchaval Bhanalaph**	Independent Director	Chairman of the Board	100%	361,538.46	302,500	100%	350,000	820,000

\* Prof. Dr. Naris was appointed as director on 28<sup>th</sup> April 2016 and appointed as Chairman of the board on 13<sup>th</sup> May 2016

\*\* Mr. Chatchaval was resigned on 28<sup>th</sup> April 2016

(b) Executive director and management's remuneration

Total remuneration for directors and managements in 2015 and 2016 for 22 persons and 16 persons in terms of salary and bonus were Baht 161.6 million and Baht 194.8 million, respectively.

## Human Resource

As of 31<sup>st</sup> December 2016, the Company and its subsidiaries have total 1,858 employees.

## Labor dispute

From 2014 to 2016, the Company has no dispute with executives or staff, regarding the violation or employment contract breaching.

## Remuneration of the employees

As of 31<sup>st</sup> December 2016, remunerations offered to the Company employees in cash; for example, monthly salary, bonus and the employer's contribution in provident fund, excluding the remunerations of the executives, was equivalent to Baht 994.5 million (for 2015 Baht 896.4 million). The Company has offered new provident fund schemes for employees where employees have 3 choices, to better match their needs. Choices of provident funds are K Master Pool Fund, SCB Master Fund and TMBAM M Choice. Moreover, not only the Company selected the most appropriate scheme in each funds, but also acknowledge employees on their details.

## Director and executive profiles of AP (Thailand) PCL.

### Prof. Dr. Naris Chaiyasoot

Age 70

Position: Chairman of the Board of Directors  
Independent Director

Date of appointment: 28 April 2016

#### Education

- Ph.D. in Economics, University of Hawaii, U.S.A.
- M.A. in Economics (English Program), Thammasat University
- B.A. in Economics (Honors), Thammasat University

Training courses by Thai Institute of Directors

- Chartered Director Class (CDC) 3/2008
- Director Certification Program (DCP) 82/2006
- Director Accreditation Program (DAP) 32/2005
- Finance for Non-Finance Directors (FND) 19/2005

Relationship between management: None

#### Experiences during the last 5 years

Positions in listed company

2016-present Chairman of the Board of Directors and Independent Director  
AP (Thailand) Pcl.

2015-present Type of business: Property development  
Chairman of the Board of Directors and Chairman of the Audit Committee  
Banpu Power Pcl.

2013-present Type of business: Energy  
Chairman of the Audit Committee and Independent Director  
GMM Grammy Pcl.

2012-present Type of business: Entertainment  
Chairman of the Audit Committee and Independent Director  
Fortune Parts Industry Pcl.  
Type of business: Spare Parts

Positions in non-listed company

2015-present Advisor  
Organization for Researches in art, culture, urban and leisure development (ORAC)

2016-present Executive Director  
Institute of Business and Industrial Development

2016-present Director  
Foundation of Business and Industrial Development

### Mr. Anuphong Assavabhokhin

Age 55

Position: Vice Chairman  
Chief Executive Officer

Date of appointment: 5 July 2000

#### Education

- MBA, Wayne State University, Detroit, Michigan, U.S.A.
- Bachelor of Engineering (B.Eng.) (Industrial Engineering)  
Chulalongkorn University

Training courses by Thai Institute of Directors

- Director Accreditation Program (DAP) 30/2004

Relationship between management: None

#### Experiences during the last 5 years

Positions in listed company

2000-present Vice Chairman and CEO  
AP (Thailand) Pcl.  
Type of business: Property development

2004-2007 Director  
Pre Built Pcl.  
Type of business: Construction

Positions in non-listed company

2013-present Director  
Joint ventures companies between AP subsidiary companies and Mitsubishi Estate Group\*  
Type of business: Property development

1994-present Director  
AP subsidiary companies  
Type of business: Property development

1994-2012 Director  
Pathumwan Asset Co., Ltd.  
Type of business: Property development

### Mr. Pichet Vipavasuphakorn

Age 60

Position: Director  
Managing Director

Date of appointment: 5 July 2000

#### Education

- Bachelor of Business Administration (BBA),  
(second-class honors) Ramkhamhaeng University

Training courses by Thai Institute of Directors

- Director Accreditation Program (DAP) 30/2004

Relationship between management: None

#### Experiences during the last 5 years

Positions in listed company

2000-present Director and Managing Director  
AP (Thailand) Pcl.  
Type of business: Property development

Positions in non-listed company

2013-present Director  
Joint ventures companies between AP subsidiary companies and Mitsubishi Estate Group\*  
Type of business: Property development

1994-present Director  
AP subsidiary companies  
Type of business: Property development

1994-2012 Director  
Pathumwan Asset Co., Ltd.  
Type of business: Property development

## Mr. Siripong Sombutsiri

(As of 31<sup>st</sup> December 2016)

Age 62

Position: Director  
Executive Director

Date of appointment: 24 April 2002

### Education

- Master of Business Administration (MBA), Sul Ross University, U.S.A.
  - Bachelor of Accountancy (M.Acc.), Chulalongkorn University
- Training courses by Thai Institute of Directors
- Director Accreditation Program (DAP) 2/2003
  - Ethical Leadership Program (ELP) 1/2015

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- 2002-present Director and Executive Director  
AP (Thailand) Pcl.  
Type of business: Property development
- 2015-present Director  
TMB Bank Pcl.  
Type of business: Banking
- 2014-present Chairman of the Board of Directors and  
Chairman of the Audit Committee  
Com7 Pcl.  
Type of business: Retail
- 2013-present Director and Chairman of the Audit Committee  
Pan Asia Footwear Pcl.  
Type of business: Footwear manufacturing
- 2004-present Director and Audit Committee Member  
Bangkok Chain Hospital Pcl.  
Type of business: Hospital
- 2007-2008 Executive Vice President  
TMB Bank Pcl.  
Type of business: Banking

#### Positions in non-listed company

- 2009-present Director  
AP subsidiary companies  
Type of business: Property development
- 2011-present Director  
Infinite Electronic (Thailand) Co., Ltd.  
Type of business: Electronic appliance  
manufacturing and distributing
- 2001-2006 Director  
Muang Thai Insurance Co., Ltd.  
Type of business: Insurance

## Mr. Wason Naruenatpaisan

Age 52

Position: Director  
Executive Director  
Chief Strategy Property Investment

Date of appointment: 25 September 2009

### Education

- Master of Business Administration (MBA), Burapha University
  - Bachelor of Business Administration (BBA), Bangkok University
- Training courses by Thai Institute of Directors
- Director Accreditation Program (DAP) 81/2009

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- 2013-present Director and Chief Strategic Property Investment  
AP (Thailand) Pcl.  
Type of business: Property development
- 2009-2012 Director and Chief Operation Officer  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

- 2005-present Director  
AP subsidiary companies  
Type of business: Property development
- 2005-present Director  
Capital and Property Management Co., Ltd.  
Type of business: Asset management

\* Joint ventures companies between subsidiary companies of AP (Thailand) Pcl. and Mitsubishi Estate group are as follows: 1. AP ME (Asoke) Co., Ltd. 2. AP ME (Krungthep) Co., Ltd. 3. AP ME (Sukhumvit) Co., Ltd. 4. Premium Residence Co., Ltd. 5. AP (Phetchaburi) Co., Ltd. 6. Asian Property (2015) Co., Ltd. 7. AP ME 1 Co., Ltd. 8. AP (Ekkamai) Co., Ltd. 9. AP ME 2 Co., Ltd. 10. AP (Ratchayothin) Co., Ltd.

## Ms. Kittiya Pongpujaneegul

Age 52

Position: Director  
Executive Director  
Advisor

Date of appointment: 27 April 2010

### Education

- Master of Accountancy (M.Acc.), Chulalongkorn University
- Training courses by Thai Institute of Directors
- Director Accreditation Program (DAP) 84/2010

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- 2016-present Advisor  
AP (Thailand) Pcl.  
Type of business: Property development
- 2010-present Director  
AP (Thailand) Pcl.  
Type of business: Property development
- 2001-2016 Chief Financial Officer  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

- 2005-present Director  
AP subsidiary companies  
Type of business: Property development and property brokerage
- 2005-present Director  
Capital and Property Management Co., Ltd.  
Type of business: Asset management
- 1996-present Director and Executive Vice President, Accounting Smart Service and Management Co., Ltd.  
Type of business: Property management

## Mr. Visanu Suchatlumpong

Age 55

Position: Director  
Executive Director  
Advisor

Date of appointment: 22 September 2010

### Education

- Master of Business Administration (MBA), Thammasat University
- Bachelor of Engineering (B.Eng.), (Civil Engineering), Chiang Mai University
- Training courses by Thai Institute of Directors
- Director Accreditation Program (DAP) 87/2010

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- 2016-present Advisor  
AP (Thailand) Pcl.  
Type of business: Property development
- 2010-present Director  
AP (Thailand) Pcl.  
Type of business: Property development
- 2009-present Chief Business Unit 1  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

- 2005-present Director  
AP subsidiary companies  
Type of business: Property development and property management

## Mr. Pornwut Sarasin

Age 57

Position: Director  
Independent Director

Date of appointment: 12 November 2009

### Education

- Master of Business Administration (MBA), Pepperdine University, California, U.S.A.
- Bachelor of Business Administration, Boston University, U.S.A.
- Training courses by Thai Institute of Directors
- Directors Accreditation Program (DAP) 45/2005

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- 2009-present Director  
AP (Thailand) Pcl.  
Type of business: Property development
- 2015-present Director  
Crown Seal Pcl.  
Type of business: Crown, pilfer-proof, maxi-series and plastic cap manufacturing
- 2015-present Director  
Home product center Pcl.  
Type of business: A retail business by selling goods and providing complete range of service relating to house and residential places
- present Director and Chairman of the Audit Committee Charoong Thai Wire & Cable Pcl.  
Type of business: Electric cable & telecommunication cable export and manufacturing

## Mr. Pornwut Sarasin (Continue)

Age 57

### Positions in non-listed company

2014-present	Director Bangkok Glass Pcl. Type of business: Glass & packaging	present	Director Isuzu Motor (Thailand) Co., Ltd. Type of business: Truck assembling and component manufacturing
2014-present	Director The Krungthep Thanakom Co., Ltd. Type of business: Public utilities	present	Director Thai Asia Pacific Brewery Co., Ltd. Type of business: Beer brewery and distributing
2013-present	Chairman of the Board of Directors Thai Nam Thip Co., Ltd. Type of business: Beverage manufacturing	present	Director Thai Bridgestone Co., Ltd. Type of business: Tire manufacturing
present	Director Denso (Thailand) Co., Ltd. Type of business: Advance automotive technology, system and component manufacturing	present	Director Thai-MC Co., Ltd. Type of business: Raw material and component for electronics industry
present	Director Honda Automobile (Thailand) Co., Ltd. Type of business: Automobile & spare parts import, export and manufacturing	present	Director Tri Petch Isuzu Sales Co., Ltd. Type of business: Automobile & spare parts distribution
present	Director Isuzu Engine Manufacturing (Thailand) Co., Ltd. Type of business: Diesel engine and component manufacturing	present	Director Tri Petch Isuzu Leasing Co., Ltd. Type of business: Automotive leasing

## Mr. Shaw Sinhaseni

Age 63

Position: Director  
Independent Director

Date of appointment: 18 January 1994

### Education

■ Master of Business Administration (MBA) (Management),  
University of San Francisco, U.S.A.

Training courses by Thai Institute of Directors

■ Director Accreditation Program (DAP) 36/2005

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

1994-present Director  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

None

## Mr. Phanporn Dabbaransi

Age 67

Position: Chairman of the Audit Committee  
Independent Director

Date of appointment: 27 April 2010

### Education

■ Master of Business Administration (MBA)  
(Finance), Michigan State University, U.S.A.

■ Bachelor of Accountancy (B.Acc.)  
(Finance and Banking) Chulalongkorn University

Training courses by Thai Institute of Directors

■ Director Accreditation Program (DAP) 84/2010

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2010-present Director and Chairman of the Audit Committee  
AP (Thailand) Pcl.  
Type of business: Property development

2012-2014 Executive Advisor  
SCB Life Assurance Pcl.  
Type of business: Insurance

2001-2012 Senior Executive Vice President  
SCB Life Assurance Pcl.  
Type of business: Insurance

#### Positions in non-listed company

2015-present Audit Committee Member  
Generali Insurance (Thailand) Pcl.  
Type of business: Insurance

## Mr. Kosol Suriyaporn

Age 53

Position: Audit Committee Member  
Independent Director

Date of appointment: 26 April 2000

### Education

- Bachelor of Laws (LL.B.), Chulalongkorn University
- Thai barrister at law

Training courses by Thai Institute of Directors

- Audit Committee Program (ACP) 1/2004

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2000-present Director and Audit Committee Member  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

2001-present Lawyer  
Price Sanond Praphas & Wynne Ltd.  
Type of business: Legal advisory

## Mr. Nontachit Tulayanonda

Age 58

Position: Audit Committee Member  
Independent Director

Date of appointment: 26 April 2000

### Education

- Bachelor of Arts (BA), Tarleton State University, Texas U.S.A.

Training courses by Thai Institute of Directors

- Audit Committee Program (ACP) 1/2004

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2000-present Director and Audit Committee Member  
AP (Thailand) Pcl.  
Type of business: Property development

2010-present First Executive Vice President, Credit Development and  
Assets Management Group  
Land and House Bank Pcl.  
Type of business: Banking

Positions in non-listed company: None

## Mr. Somyod Suteerapornchai

Age 50

Position: Director  
Independent Director

Date of appointment: 28 April 2015

### Education

- Master of Laws (LLM), University of New South Wales

- Bachelor of Laws (LL.B.), Chulalongkorn University

Training courses by Thai Institute of Directors

- Director Accreditation Program (DAP) 119/2015

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2015-present Director  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

2014-present Director  
Joint ventures companies between  
AP subsidiary companies and Mitsubishi Estate group\*  
Type of business: Property development

2010-present Director  
Green Partner Holding Co., Ltd.  
Type of business: Lending, selling and buying

2010-present Director  
Wayu and Partners Co., Ltd.  
Type of business: Consultant

## Mr. Opas Ruangrajitpakorn

Age 56

Position: Advisor

### Education

- Master of Business Administration (MBA), Kasetsart University
- Bachelor of Economics (B.E.), Thammasat University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Advisor<br>AP (Thailand) Pcl.<br>Type of business: Property development            |
| 2009-2016    | Chief Risk Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development |

#### Positions in non-listed company

- |              |   |
|--------------|---|
| 2005-present | Director<br>Smart Service and Management Co., Ltd.<br>Type of business: Property Management |
|--------------|---|

## Mr. Piyawat Suepaisal

Age 58

Position: Deputy Chief  
Advisor

### Education

- Bachelor of Business Administration (BBA),  
Ramkhamhaeng University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |   |
|--------------|---|
| 2016-present | Deputy Chief and Advisor<br>AP (Thailand) Pcl.<br>Type of business: Property development              |
| 2001-2016    | Deputy Chief Business Liaison Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development |

#### Positions in non-listed company

- |           |  |
|-----------|--|
| 1994-2010 | Executive Vice President-Sales<br>Asian Property Co., Ltd.<br>Type of business: Property development |
|-----------|--|

## Mr. Pumipat Sinacharoen

Age 47

Position: Chief People Excellence Officer  
Corporate Secretary

### Education

- Master of Business Administration (MBA),  
Thunderbird School of Global Management, U.S.A.
  - Bachelor of Economics (B.E.), Thammasat University
- Training courses by Thai Institute of Directors
- Director Accreditation Program (DAP) 36/2005
  - Company Secretary Program (CSP) 27/2008

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2013-present | Chief People Excellence<br>AP (Thailand) Pcl.<br>Type of business: Property development  |
| 2009-2013    | Deputy Chief Finance Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development                                       |
| 2005-present | Director and Audit Committee Member<br>Fortune Parts Industry Pcl.<br>Type of business: Autopart manufacturing<br>and distributing |

#### Positions in non-listed company

- |              |  |
|--------------|--|
| 2005-present | Director<br>AP subsidiary companies<br>Type of business: Property development                                      |
| 2005-present | Director and CEO<br>Bangkok CitiSmart Co., Ltd.<br>Type of business: Property brokerage<br>and property management |
| 2007-2011    | Director<br>Securities Analysts Association  |

\* Joint ventures companies between subsidiary companies of AP (Thailand) Pcl. and Mitsubishi Estate group are as follows: 1. AP ME (Asoke) Co., Ltd. 2. AP ME (Krungthep) Co., Ltd. 3. AP ME (Sukhumvit) Co., Ltd. 4. Premium Residence Co., Ltd. 5. AP (Phetchaburi) Co., Ltd. 6. Asian Property (2015) Co., Ltd. 7. AP ME 1 Co., Ltd. 8. AP (Ekkamai) Co., Ltd. 9. AP ME 2 Co., Ltd. 10. AP (Ratchayothin) Co., Ltd.

## Mr. Somchai Wattanasawapak

Age 53

Position: Chief IT Officer

### Education

■ Master of Business Administration (MBA), Kasetsart University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2012-present Chief IT Officer  
AP (Thailand) Pcl.  
Type of business: Property development

2009-2012 Deputy Chief IT Officer  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

None

## Mr. Vittakarn Chandavimol

Age 48

Position: Chief Business Group-CD1

### Education

■ Master of Business Administration (MBA),  
University of Portland, Oregon, U.S.A.

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2016-present Chief Business Group-CD1  
AP (Thailand) Pcl.  
Type of business: Property development

2012-2016 Chief Marketing Officer  
AP (Thailand) Pcl.  
Type of business: Property development

2010-2012 Deputy Chief Marketing Officer  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

2007-2009 Associate Director-Strategic Marketing  
CIGNA Insurance Co., Ltd.  
Type of business: Insurance

## Mr. Pamorn Prasertsan

Age 45

Position: Chief Business Group-TH

### Education

■ Master of Business Administration (MBA), NIDA  
■ Bachelor of Engineering (B.Eng.) (Civil Engineering),  
King Mongkut's University of Technology Thonburi

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

2016-present Chief Business Group-TH  
AP (Thailand) Pcl.  
Type of business: Property development

2013-2016 Chief Business Unit 2  
AP (Thailand) Pcl.  
Type of business: Property development

2010-2013 Deputy Chief Business 2  
AP (Thailand) Pcl.  
Type of business: Property development

2008-2010 Vice President  
AP (Thailand) Pcl.  
Type of business: Property development

#### Positions in non-listed company

None



## Ms. Chidapa Amralikit

Age 45

Position: Chief Financial Officer

### Education

- Master of Business Administration (MBA), (Finance), University of Wisconsin-Whitewater
- Bachelor of Accountancy (B.Acc.) (Costing), Chulalongkorn University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Chief Finance Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development        |
| 2013-2016    | Deputy Chief Finance Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development |

#### Positions in non-listed company

- |              |   |
|--------------|---|
| 2014-present | Director<br>Asian property Co., Ltd.<br>Type of business: Property development  |
| 2012         | Director Finance and Customer Development<br>Uniliver Thai Trading Co., Ltd.<br>Type of business: Consumer product manufacturing and distributing |

## Mr. Ratchayud Nunthachotsophol

Age 42

Position: Chief Business Group-SDH

### Education

- Master of Business Administration (MBA), Thammasat University
- Bachelor of Engineering (B.Eng.) (Civil Engineering), Thammasat University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Chief Business Group-SDH<br>AP (Thailand) Pcl.<br>Type of business: Property development       |
| 2013-2016    | Deputy Chief Operation Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development |
| 2013         | Head of Commercial Service<br>AP (Thailand) Pcl.<br>Type of business: Property development     |

#### Positions in non-listed company

None

## Mr. Pipat Settheechaichana

Age 43

Position: Deputy Chief Business Group-Upcountry

### Education

- Master of Business Administration (MBA), Kasetsart University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |   |
|--------------|---|
| 2016-present | Deputy Chief Business Group-Upcountry<br>AP (Thailand) Pcl.<br>Type of business: Property development |
| 2013-2016    | Deputy Chief Business Unit 1 Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development  |
| 2011-2013    | Head of Business Unit 1<br>AP (Thailand) Pcl.<br>Type of business: Property development               |

#### Positions in non-listed company

None

## Mr. Worrapong Virojtananugoon

Age 44

Position: Deputy Chief Business Group-TH

### Education

- Bachelor of Engineering (B.Eng.) (Civil Engineering), King Mongkut's University of Technology Thonburi

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Deputy Chief Business Group-TH<br>AP (Thailand) Pcl.<br>Type of business: Property development       |
| 2013-2016    | Deputy Chief Business Unit 2 Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development |
| 2010-2013    | Head of Business Unit 2<br>AP (Thailand) Pcl.<br>Type of business: Property development              |
| 2009-2010    | Project Manager<br>AP (Thailand) Pcl.<br>Type of business: Property development                      |

#### Positions in non-listed company

None

## Mr. Boonchai Jankrajanglerd

Age 40

Position: Deputy Chief Supply Chain Officer

### Education

- Master of Engineering (M.Eng.), King Mongkut's University of Technology Thonburi
- Bachelor of Engineering (B.Eng.), Srinakharinwirot University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |   |
|--------------|---|
| 2015-present | Deputy Chief Supply Chain Officer<br>AP (Thailand) Pcl.<br>Type of business: Property Development   |
| 2012-2014    | Assistant General Manager, Supply Chain<br>Sermsuk Pcl.<br>Type of business: Beverage manufacturing |

#### Positions in non-listed company

- |           |   |
|-----------|---|
| 2010-2012 | Senior Supply Chain Manager<br>Inerface-Modernform Co., Ltd.<br>Type of business: Furniture manufacturing |
| 2001-2010 | Supply Chain Manager<br>Nestle (Thai) Ltd.<br>Type of business: Consumption manufacturing                 |

## Mr. Tanit Paiboon

Age 54

Position: Managing Director (SQE)

### Education

- Master of Business Administration (MBA), Chulalongkorn University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Managing Director (SQE)<br>SQE Construction Co., Ltd.<br>Type of business: Property development  |
| 2010-2015    | Deputy Managing Director<br>SQE Construction Co., Ltd.<br>Type of business: Property development |

#### Positions in non-listed company

None

## Mr. Pattaraphurit Rungjaturapat

Age 39

Position: Deputy Chief Corporate Image Officer

### Education

- Master of Business Administration Programme in Business Computer, Assumption University

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Deputy Chief Corporate Image Officer<br>AP (Thailand) Pcl.<br>Type of business: Property development |
| 2015-2016    | Online Marketing Director<br>VGI Global media Pcl.<br>Type of business: Advertising                  |

#### Positions in non-listed company

- |           |  |
|-----------|--|
| 2015      | Senior Marketing Manager<br>LAVA International (HK) Co., Ltd.<br>Type of business: Smartphone          |
| 2012-2014 | Digital Marketing Manager<br>Gameloft Co., Ltd.<br>Type of business: Game and mobile advertising       |
| 2004-2012 | Project Manager<br>The Aspirers Group Co., Ltd.<br>Type of business: Advertising and marketing service |

## Mr. Set Srisayant

Age 42

Position: Deputy Chief Business Extension

### Education

- Master of Science King's Mongkut Institute of Technology Ladkrabang
- Bachelor of Science Rajamangala University of Technology

Relationship between management: None

### Experiences during the last 5 years

#### Positions in listed company

- |              |  |
|--------------|--|
| 2016-present | Deputy Chief Business Extension<br>AP (Thailand) Pcl.<br>Type of business: Property development            |
| 2010-2012    | Demand & Supply Planning Manager<br>Moongpattana International Pcl.<br>Type of business: Consumer Products |

#### Positions in non-listed company

- |           |   |
|-----------|---|
| 2014-2016 | Planning & Warehouse Director<br>Bio-Manufacturing Co., Ltd.<br>Type of business: Consumer Products     |
| 2012-2014 | SEA Supply Chain Manager<br>Franke (Thailand) Co., Ltd.<br>Type of business: Kitchen Solution           |
| 2005-2010 | Demand & Distribution Manager<br>PZ Cussons (Thailand) Co., Ltd.<br>Type of business: Consumer Products |
| 1998-2005 | Senior Demand & Supply Planning<br>Nestle (Thai) Ltd.<br>Type of business: Consumer Products            |

## SUBSIDIARY COMPANIES OF AP (THAILAND) PCL.

	Naris Chayasat	Anuchong Asavacholhin	Pichet Wipavassitpakon	Somyod Suleerapornchai	Stipong Sornbutai	Wason Nauwopakon	Kittiya Pangyuanesku	Vianu Suchatarnpong	Pornwut Sarin	Shaw Siraeni	Phanpim Dabbaensi	Kasol Salyapan	Nontachit Tulyanonda	Opas Ruangritpakon	Tanit Paboon	Punpat Shachaiwan	Vithakam Charadwimol	Panom Kokkakanisitha	Kovit Kokkakanisitha	Chidapa Amalalit	Pimart Kwanthuen	Warasit Kijitikon	Winid Krapoanong	Juathip Yamsai
AP (Thailand) Pcl.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓											
Asian Property Co., Ltd.		✓					✓	✓								✓				✓				
Asian Property (Kungthep) Co., Ltd.		✓	✓		✓	✓	✓	✓																
Thonglor Residence Co., Ltd.		✓	✓		✓	✓	✓	✓																
Signature Advisory Partners Co., Ltd.		✓	✓		✓	✓	✓	✓																
Bangkok Citismart Co., Ltd.		✓	✓		✓	✓	✓	✓																
Smart Service & Management Co., Ltd.		✓	✓		✓	✓	✓	✓					✓											
SQE Construction Co., Ltd.					✓	✓	✓	✓																
Value Property Development Co., Ltd.		✓	✓		✓	✓	✓	✓																
Asian Property (2011) Co., Ltd.		✓	✓		✓	✓	✓	✓																
Asian Property (2012) Co., Ltd.		✓	✓		✓	✓	✓	✓																
Asian Property (2013) Co., Ltd.		✓	✓		✓	✓	✓	✓																
Asian Property (2014) Co., Ltd.		✓	✓		✓	✓	✓	✓																
Thai Big Belly Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP (Ekkamai) Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP (Phetchaburi) Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP ME (Ratchayothin) Co., Ltd.		✓	✓		✓	✓	✓	✓									✓	✓	✓					
AP ME (Asoke) Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP ME (Kungthep) Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP ME (Sukhumvit) Co., Ltd.		✓	✓		✓	✓	✓	✓																
Premium Residence Co., Ltd.		✓	✓		✓	✓	✓	✓									✓	✓	✓					
Asian Property (2015) Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP ME 1 Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP ME 2 Co., Ltd.		✓	✓		✓	✓	✓	✓									✓	✓	✓					
AP ME 3 Co., Ltd.		✓	✓		✓	✓	✓	✓									✓	✓	✓					
AP ME 4 Co., Ltd.		✓	✓		✓	✓	✓	✓																
AP ME 5 Co., Ltd.		✓	✓		✓	✓	✓	✓																
Som Baan Co., Ltd.		✓	✓		✓	✓	✓	✓																
SEA Asia Leadovation Center Co., Ltd.		✓	✓		✓	✓	✓	✓												✓	✓	✓	✓	✓

# RISK FACTORS

## Business risk

### Economic volatility risk

As being one of the big players in Thai property sector which is adversely affected by the economic impediment, the company has set strategic plans to tackle with such volatile economic circumstance. New project launch, new land purchase, construction and cash flow management are primary concerns. For example, during the economic downturn the company shall proceed the construction when the sales rate is on track to avoid high inventory level. Besides, deceleration in new project launch and new land purchase is also considered a tool to manage cash flow and mitigate economic volatility risk.

### Product/Service risk

#### 1) Construction material cost risk

Project construction encounters risk of rising construction material prices, which results in additional cost and lower profit. The company moderates the risk by limiting each project development period to be within 2-3 years from land purchase to last unit's ownership transfer period. The company usually negotiates material price and places order before

setting each unit selling price. Since the company's portfolio consists of high valued projects of Baht 500-6,000 million each, the company buys materials in large quantity, thus having substantial bargaining power over contractors and suppliers. In addition, the company has initiated "Supply Chain Project" to ensure data synchronization between the company and suppliers. Therefore, manufacturing planning and management and material price forecasting shall be more accurate and the construction material cost risk is consequently lessened.

#### 2) Labor shortage risk

Due to the raising infrastructure project development by Thai government and the economic expansion, labor shortage in Thailand property sector has become worsen. However, the company mitigates such risk by (1) switching construction technique from conventional method to precast system which less relies on human workforce (2) maintaining a good relationship with contractors and continuously offer new projects to enhance loyalty among good contractors (3) working with contractors in project planning and developing to ensure the project delivery within timeline.

## Financial risk

### 1) Receivable collection risk

As of 31<sup>st</sup> December 2016, the total account receivables of the company and subsidiaries was totaling Baht 39.8 million including trade account receivable and note receivable of Baht 17.4 million, and other account receivable of Baht 22.4 million. Trade account receivable and note receivable can be classified by due period as follows:

Due Period	2016	2015	2014
Undue	14.40	9.76	6.46
Overdue			
Less than 12 months	1.27	4.73	3.72
Over 12 months	3.05	2.44	2.53
Less Allowance for doubtful debt	(1.32)	(1.52)	(2.22)
Account Receivable-Net	17.40	15.41	10.49
Other account receivable	22.44	57.00	85.58
Total Trade Account Receivable and Other account receivable-Net	39.84	72.41	96.07

(Unit: MB)

At the end of years 2014-2016, the overdue receivable increased Baht 4.9 million and 2 million, respectively, as a result of the higher project management fee of Smart Service and Management Co., Ltd. due to the increasing numbers of the current projects.

Nowadays, the company has always analyzed potential customers' need and financial status before developing each project in order to ensure sales and restricts default risk.

Other account receivable arises from subcontractors who provide ad-hoc tasks such as maintenance service in case that general contractors are not at a construction site. However, all expenses incurred by providing such service shall be recorded as account receivable from constructors which is included in other account

receivable. These expenses have increased according to the rising number of the company projects.

## 2) Risk from being guarantor for subsidiaries and related companies

The company has guaranteed loans for subsidiaries and related companies according to the shareholding proportion, as detailed in the table below. Hence, the company shall be entitled to the default risk of the borrowers, which consequently may affect the operations and financial status of the company as a guarantor. As of 31<sup>st</sup> December 2016, the outstanding debt balance of subsidiaries amounted to Baht 100 million which is deemed to be paid off. However, the outstanding debt of the subsidiaries, guaranteed by the company, is shown in the consolidated financial statement of the company.

### Summary of loans guaranteed by the company to its subsidiaries and related companies

Guarantor		Guarantee (Subsidiaries)		Credit Line (MB)		Progress	Financial Status of Guarantees/ Shareholders' equity (MB)	
Company	Shares Holding (%)	Company	Guaranteed Proportion (%)	31 Dec 16	31 Dec 15		31 Dec 16	31 Dec 15
APT	99.99	VPD	100	1,387	3,493	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	1,613	1,195
APT	99.99	AP2012	100	635	1,563	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	242	262
APT	99.97	AP2014	100	1,300	1,300	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	379	385
APT	99.97	ASIAN	100	825	787	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	1,800	1,567
APT	99.97	AP2013	100	405	-	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	521	-
APT	99.99	AM4	100	150	-	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	1	-
APT	99.99	APK	100	85	85	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	377	342
APT	99.99	TBB	100	25	-	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	4	342
APT	99.99	AP2011	100	-	30	Guarantee for partial overdrafts; other loan credits are in the process of repayment to the creditor	327	334
<b>Total</b>				<b>4,812</b>	<b>7,258</b>			

APT = AP (Thailand) Pcl.

VPD = The Value Property Development Co., Ltd.

AP2012 = Asian Property (2012) Co., Ltd.

AP2011 = Asian Property (2011) Co., Ltd.

AP2013 = Asian Property (2013) Co., Ltd.

AP2014 = Asian Property (2011) Co., Ltd.

APK = Asian Property (Krungthep) Co., Ltd.

ASIAN = Asian Property Co., Ltd.

AM4 = AP ME 4 Co., Ltd.

TBB = Thai Big Belly Co., Ltd.

### 3) Risk from loan repayment to financial institutions and mature bond

Owing to China and US sluggish economy, the world economy has been adversely affected. As well, Thai economy has been impacted especially Thai export and manufacturing sector. The Thai government, therefore, attempts to boost up investment and domestic consumption to sustain economic growth. However, the political unrest situation is yet another factor which has negative aftermath on the country stability and economic development. Thus, the company has continued its flexible policies and strategies to keep up with economic situation in each particular period. The approach includes new project launch, land procurement, inventory control, and cash flow management.

As of 31<sup>st</sup> December 2016, the company had total outstanding bond value of Baht 12,600 million and liability to financial institutions (i.e., overdraft accounts, promissory notes, bill of exchange, and long-term loans) of Baht 2,141 million. As of 31<sup>st</sup> December 2016, the company perceived the backlog amount of Baht 9,278 million (exclude the backlog of Joint venture companies) and maintains its financial performance and operating result in good standard with current ratio of 3.4 and debt to equity ratio of 0.9. The company has cash balance and/or equivalent items of Baht 1,087 million. This shows that the company ability to pay off debt's when it is due. Furthermore, the company conducts a timely funding policy by issuing bonds to match with the construction period and maintains an appropriate amount of bond issuance each round (currently, the company has over Baht 10,000 million credit line with financial institutions). The company aims to remain the debt to equity ratio at the agreed rate illustrated in the bond covenant.

Year	2017	2018	2019	2020
Amount of bonds that mature (MB)	4,450	3,300	3,350	1,500

### 4) Risk from engagement in Land Purchase Agreements and Lease Agreement

As of 31<sup>st</sup> December 2016, the Company and related entities were engaged in land purchase agreements with other companies or external parties for future project development. And the outstanding balance under land purchase obligation was Baht 3,273 million. And Baht 194 million balance under the operating lease obligation.

As being flexibility-oriented, the company always plans ahead and adjusts its strategy to best suit with the current economic situation; new project launch, land procurement, construction and cash flow management are deemed as vital roles. The company sustains its financial status and operating result in good standard (as previously stated in "Risk from loan repayment to financial institutions and mature bonds"); therefore, the company is capable of paying off these obligations.

### 5) Risk from interest rate fluctuation

Due to uncertainty in global interest rate which may impact cost of capital for project development and operation, the company mitigates the risk by issuing fixed-interest bonds in order to remain the interest rate low and be shielded from the upward interest rate trend. As of 31<sup>st</sup> December 2016, the company's interest-bearing debts (inclusive of bonds and long-term loans due within a year) were Baht 12,750 million and the proportions of fixed-rate and floating rate are 98.8 and 1.2 respectively.

# INTERNAL CONTROL AND RISK MANAGEMENT

## Internal control and risk management

AP (Thailand) Pcl. continually emphasizes on the internal control system, the internal audit system and the risk management system. The Board of Directors assigned the audit committee to be mainly responsible for review such system with the recognition that the good systems are able to minimize the business risks and the operation risks into the acceptance level and able to detect any weaknesses. These can ensure that the financial statements of the company are accuracy and reliability. Thus, the company's operations are able to achieve its goals.

## The opinion of the Board of Directors and audit committee on the internal control system

In the audit committee meeting no. 1/2017 on 23<sup>rd</sup> February 2017, the committee has evaluated internal control system with the evaluation form issued by the Stock and Exchange Commission. The audit committee concluded that the Company has adequate and appropriate internal control system with the 5 aspects, which are control environment, risk assessment, control activities, information & communication, and monitoring activities. In this regard, the audit committee reported their opinion to the board and the Board agreed with that. (Please see the audit committee's report.)

In addition, the auditor reported the opinion to the audit committee, there is no significant weaknesses were found in the company's internal control.

In the aspect of the internal audit, the roles and responsibilities of the audit committee are complies with the charter in order to review the internal audit system to be accurate and sufficient, to approve the work plans, to consider the independence of the internal audit and to approve the appointment, transference, disemployment and remuneration of internal auditors. In previous year, the audit committee approved the year plan for auditing, considered the auditing report and the executive's guideline and agreed that the company has prioritized the internal auditing and provided sufficient budget to support the internal auditors to work efficiently in accordance with the plans. The executives have also provided the adequate guideline to the solutions.

Furthermore, the audit committee agreed that the head of internal auditor, who acts as the secretary of the audit committee, is fulfilled with the qualifications, experiences and certificates of specialization, which is sufficient and appropriate to perform the duties.



# RELATED TRANSACTION

## Related transaction

The Company and its subsidiaries have performed the following transactions with persons or juristic persons that may have conflicts. (Further details can be found in the financial statement's notes.)

Persons/ Juristic Persons	Relations (as of 31 <sup>st</sup> Dec 2016)	Transaction description	Value (Baht Million)		Opinion of the Audit Committee
			31 <sup>st</sup> Dec 2016	31 <sup>st</sup> Dec 2015	
PCM Construction Material Co., Ltd. ("PCMC")	<ul style="list-style-type: none"> <li>- PB holds 100% shares in PCMC.</li> <li>- Mr. Chaiyarat Thampeera was a director of PCMC and AP, who resigned from AP on 30<sup>th</sup> April 2015.</li> </ul>	<ul style="list-style-type: none"> <li>- PCMC (subsidiary of PB) sells construction materials to the Company and subsidiaries in property development business.</li> </ul> <p>Trade Account Payable Purchase construction materials.</p>	-	6.15	- Assessed by the Audit Committee and executives, sell condition and price are normal.
A&P Associate Co., Ltd. ("A&P")	<ul style="list-style-type: none"> <li>- Mr. Anuphong Assavabhokhin (Son of Ms. Piengjai Hanpanich who holds 99.99% in A&amp;P) is the number 1 of major shareholder of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company made the rental agreement with A&amp;P to rent the office and parking space.</li> </ul> <p>Expense</p>	9.17	9.17	- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.
AP ME (Sukhumvit) Co., Ltd. ("AMSV")	<ul style="list-style-type: none"> <li>- The company holds 51% of total paid-up capital of AMSV.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- AMSV is a joint-venture company between AP and MEC Thailand Investment Pte. with the shareholding ration 51:49.</li> <li>- The company charges AMSV for project management fees and sale fees.</li> </ul> <p>Management fee</p>	16.82	69.37	- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.
AP ME (Krungthep) Co., Ltd. ("AMK")	<ul style="list-style-type: none"> <li>- The company holds 51% of total paid-up capital of AMK.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- AMK is a joint-venture company between AP and MEC Thailand Investment Pte. with the shareholding ration 51:49.</li> <li>- The company charges AMK for project management fees and sale fees.</li> </ul> <p>Management fee</p>	23.05	39.79	- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.

Persons/ Juristic Persons	Relations (as of 31 <sup>st</sup> Dec 2016)	Transaction description	Value (Baht Million)		Opinion of the Audit Committee
			31 <sup>st</sup> Dec 2016	31 <sup>st</sup> Dec 2015	
AP ME (Asoke) Co., Ltd. ("AMA")	<ul style="list-style-type: none"> <li>- The company holds 51% of total paid-up capital of AMA.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- AMA is a joint-venture company between AP and MEC Thailand Investment Pte. with the shareholding ration 51:49.</li> <li>- The company charges AMA for project management fees and sale fees.</li> </ul> <p>Management fee</p>	10.66	33.79	<ul style="list-style-type: none"> <li>- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.</li> </ul>
Premium Residence Co., Ltd. ("PR")	<ul style="list-style-type: none"> <li>- The company holds 51% of total paid-up capital of PR.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- PR is a joint-venture company between AP and MURI (Thailand) Co., Ltd. with the shareholding ration 51:49.</li> <li>- The company charges PR for project management fees and sale fees.</li> </ul> <p>Management fee</p>	28.81	89.27	<ul style="list-style-type: none"> <li>- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.</li> </ul>
AP (Phetchaburi) Co., Ltd. ("APP")	<ul style="list-style-type: none"> <li>- PR holds 100% of total paid-up capital of APP.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- APP is a subsidiary company of PR, which is a joint venture of the company.</li> </ul> <p>Management fee</p>	196.31	15.18	<ul style="list-style-type: none"> <li>- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.</li> </ul>
Asian Property (2015) Co., Ltd. ("AP2015")	<ul style="list-style-type: none"> <li>- PR holds 100% of total paid-up capital of AP2015.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- AP2015 is a subsidiary company of PR, which is a joint venture of the company.</li> </ul> <p>Management fee</p>	59.34	24.98	<ul style="list-style-type: none"> <li>- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.</li> </ul>
AP ME 1 Co., Ltd. ("AM1")	<ul style="list-style-type: none"> <li>- PR holds 100% of total paid-up capital of AM1.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- AM1 is a subsidiary company of PR, which is a joint venture of the company.</li> </ul> <p>Management fee</p>	40.25	7.06	<ul style="list-style-type: none"> <li>- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.</li> </ul>

Persons/ Juristic Persons	Relations (as of 31 <sup>st</sup> Dec 2016)	Transaction description	Value (Baht Million)		Opinion of the Audit Committee
			31 <sup>st</sup> Dec 2016	31 <sup>st</sup> Dec 2015	
AP (Ekkamai) Co., Ltd. ("APE")	<ul style="list-style-type: none"> <li>- The company holds 51% of total paid-up capital of AM1.</li> <li>- Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn and Mr. Somyod Suteerapornchai are the directors of both companies.</li> </ul>	<ul style="list-style-type: none"> <li>- APE is a joint-venture company between AP and MJRI (Thailand) Co., Ltd. with the shareholding ration 51:49.</li> <li>- The company charges APE for project management fees and sale fees.</li> </ul> <p>Management fee</p>	10.10	-	- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.
Mr. Somyod Suteerapornchai	<ul style="list-style-type: none"> <li>- Director of AP (Thailand) Pcl.</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Somyod Suteerapornchai is a Director of AP (Thailand) Pcl. and received consulting fees from the company.</li> </ul> <p>Consulting fees</p>	0.48	0.48	- Assessed by the Audit Committee and executives, the price paid for such service is appropriate and fair.

### Necessity and appropriateness of the items

Related transaction is necessary and is done on a reasonable basis aiming for the most benefit of the Company. The Audit Committee has assessed the transaction to be a normal business and the Company has received and paid payment in fair amount compared with the market. Loan guarantee to the bank and loans to the subsidiary and related companies are to support the liquidity and improve the financial status of the Company. These related transactions are done according to the Related Transaction policy which was approved by the Company Board of Directors.

### Measures / Steps to approve the related transaction

The related transactions which are of the normal business of the Company, the supporting transaction of the normal business, the assets or services related items, short term leasing and financial aid items must be done with the discretion of a normal person in the common situation and without the power of the directorship, management, or those of the related persons. The transactions must be approved by the authorized persons of the Company's Board of Directors or the Board of Directors themselves, as the case may be. Moreover, according to the Board of Directors' resolution at the meeting no. 8/2008 which held on 13 August 2008, the transactions must be reported in the Board of Directors' meeting.

Regarding the financial aid transaction to the subsidiaries, the Company is prohibited to grant any loan to the subsidiaries in which the Company held not less than 90% shares, over the request amount. For the company in which the Company held less than 90% shares, the Company is allowed to grant any loan in the share holding ratio

percentage of the request amount and the loan grant must be approved by the Company's Board of Directors.

Any item with the condition different from a normal transaction or the longer term or the exceeding value than specified must be approved by the Company's Board of Directors or the shareholders. Nevertheless, such transaction must comply with the law and regulations of the Stock Exchange Commission and the Stock Exchange of Thailand. It must also follow the instructions of the related transaction disclosure and the acquisition and disposal of the asset.

### Occurrence of the related transaction

The Company has adopted the policy of the related transaction which is formed up to be in compliance with the normal business which the prices are comparable to the transaction with the third party. Nevertheless, the audit committee, or the Company auditor or the independent specialists has reviewed the suitability of the price and condition of the transaction.

However, if there is to be a conflict occurred in any of the related transaction, such transaction must be reviewed by the Audit Committee. In case that such transaction is not in the knowledge and experience filed of the Audit Committee, it will be reviewed by the independent specialist on the matter and the comments made by such independent specialist will be presented to the Board of Directors or the Company's shareholders, as the case may be, as supporting information in approving such transaction. The Company has disclosed the related transaction in the financial statement notes.

# STATEMENTS OF FINANCIAL POSITION AND REPORTS



# AUDIT COMMITTEE REPORT

## Dear shareholders of AP (Thailand) Pcl.,

The Audit Committee of AP (Thailand) Public Company Limited (“the Company”) appointed the audit committee consisting 3 independent directors namely Mr. Phanporn Dabbaransi, Mr. Nontachit Tulayanonda and Mr. Kosol Suriyaporn and the secretary of audit committee namely Ms. Wirinya Siricharoennan. Duties and responsibilities of the Audit Committee are reviewing the financial reports, internal control and audit system and the compliance to laws of the Company, as well as observing any item that can be in conflict with the Company’s benefit.

In 2016 fiscal year, the Audit Committee performed its duty independently by meeting 5 times. The attendance record can be found in Audit Committee Meeting Attendance in Management structure section.

The Audit Committee has performed the following tasks;

### 1. Financial reports and operating reports

The Audit Committee examined the Company’s financial statements and consolidated financial statements jointly with the management team and the auditors before presenting the financial statements to the Board of Directors. Audit Committee attended the exclusive meeting with the auditors and/or internal auditors without management team at least 1 time yearly.

The Audit Committee found the Company’s financial reports is accurate, sufficient and reliable.

### 2. Internal control system assessment

The Audit Committee assessed the sufficiency of the internal control system to be in accordance with The Committee of Sponsoring Organizations of the Treadway Commission (COSO), the template designated by the Stock Exchange Commission which consists of 5 parts, i.e. the environment of the control, risk assessment of the activities, information system, communication and follow-up system.

The Audit Committee found that the Company has achieved the sufficient internal control system with the appropriate numbers of staff in pursuing the effective system. There is no significant fault in the internal control system.

### 3. Suitability of the Company’s auditors approval

The Audit Committee considered and appointed the auditors and remuneration from EY Office Limited to be the company’s auditors by considering the qualification, knowledge, ability, experience, and independence in accordance with the regulations of the Stock Exchange of Thailand or related authorities as well as the quality of reviewing the financial report in the previous year.

The Annual General Meeting of shareholders 2016, the Board proposed to appoint the following auditors from EY Office Limited to be the company’s auditors;

1. Mrs. Siriwan Suratepin, C.P.A. Registration No. 4604 and/or
2. Mr. Wichart Lokatekrawee, C.P.A. Registration No. 4451 and/or
3. Ms. Sathida Ratananurak, C.P.A. Registration No. 4753

The Audit Committee found that the auditors are qualified as approved auditors by Stock Exchange Commission and the auditor's fee is suitable to the size and type of the Company business.

#### **4. Connected transaction or conflict of interest monitor**

The Audit Committee monitored the Company's disclosure of connected transaction and conflict of interest.

The Audit Committee deemed the Company's disclosure sufficient and conformed to rules and regulations of Stock Exchange Commission and Stock Exchange of Thailand.

#### **5. The good corporate governance and other relevant law compliance**

The Audit Committee encouraged the Company to strictly follow the good governance principles, Securities and Exchange Act, rules and regulations of Stock Exchange of Thailand and relevant business law.

The Audit Committee agreed that the Company has complied with the Good Corporate Governance and has not operated its business against any law that may significantly affect the reputation and financial status of the company.

#### **6. Internal audit**

Audit Committee examined the performance of internal auditor team covering the mission, scope of responsibilities, the independence of auditing as well as the organization arrangement and manpower. The committee reviewed and approved the year plan for auditing which prepared from the results of risk assessment and advised the internal auditors to perform duties in accordance with international standard as well as followed up the implementation to comply with the significant issues of internal audit report.

The Audit Committee found that the Company has sufficient and efficient internal audit and information management. The internal auditors can perform duties independently and provide suggestion and benefit information in order to develop the company's operation.

The Audit Committee has performed their tasks and fulfilled their responsibilities as designed by the Company's Board of Directors with their utmost discreet and capability for the benefit of the Company, shareholders and stakeholders.



**[Mr. Phanporn Dabbaransi]**

Chairman of Audit Committee

# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

## Dear Shareholders,

The nomination and remuneration committee of AP Thailand Public Company Limited “the Company” consisted of 5 directors, namely

1. Mr. Phanporn	Dabbaransi	Chairman of the Nomination and Remuneration Committee
2. Mr. Nontachit	Tulayanonda	Director
3. Mr. Kosol	Suriyaporn	Director
4. Mr. Anuphong	Assavabhokin	Director
5. Mr. Pichet	Vipavasuphakorn	Director

These three members namely; Mr. Phanporn Dabbaransi, Mr. Nontachit Tulayanonda and Mr. Kosol Suriyaporn are qualified as independent directors.

In 2016, the nomination and remuneration committee held 2 meetings for considering important issues and reported the resolutions of meeting with comments and suggestions to the Board of Directors as followings;

## 1. Nomination of Directors

The Committee had reviewed and nominated candidates with suitable qualifications in accordance with the provisions of the law, whereby such nominated persons must not possess prohibited characteristics according to the article of association of the Company in order to be appointed as directors in replacement of the directors who are retire by rotation in the annual general meeting of shareholders 2017.

Thus, the nomination and remuneration committee had also invited shareholders to nominate suitable persons to be selected as candidates for election in AGM 2017, during 1-31 December 2016 but there was no nominee from shareholders.

## 2. Remuneration

The Committee had proposed the remuneration of directors comprise of monthly compensation, meeting allowance and bonus to the Board of Directors and the Annual General Meeting of shareholders respectively.

In addition, the Committee also proposed the salary increase and bonus for executives and employees to the Board of Directors for approval.

The Nomination and Compensation Committee has performed its assigned duties carefully, transparently, honestly and reasonably by taking into account maximum benefits of the Company and the shareholders in line with the guideline of good corporate governance of the Stock Exchange of Thailand.



**[Mr. Phanporn Dabbaransi]**

Chairman of Nomination  
and Remuneration Committee

# REPORT OF CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

## Dear Shareholders,

The corporate governance and risk management committee emphasized on the corporate governance principle in order to comply with the corporate governance policy and code of conduct of the company as well as aimed to continually develop the corporate governance to be in line with the international standard. The corporate governance and risk management committee, consisted of 6 directors, namely

1. Mr. Kosol Suriyaporn, Chairman of corporate governance and risk management committee, and independent director
2. Mr. Pichet Vipavasuphakorn
3. Mr. Visanu Suchatlampong
4. Mr. Wason Naruenatpaisan
5. Ms. Kittiya Pongpujaneegul
6. Mr. Pumipat Sinacharoen

In 2016, the corporate governance and risk management committee held 4 meetings. The attendance record can be found in Meeting Attendance in Management structure section. The Audit Committee has performed the following tasks in accordance with the scope of responsibilities and duties assigned by the Board of Directors.

## The encouragement and implementation of the good corporate governance policy

1. To provide suggestions comments and encourage the company to enroll to the various assessment programs held by the outsiders such as Corporate Governance Report (CGR) and Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).
2. To regulate and monitor the company's operation in accordance with the corporate governance policy in order to comply with the good corporate governance principle of the Stock Exchange of Thailand as well as the international standard set up by The Organization for Economic Cooperation and Development (OECD). The committee also oversee the implementation of the good corporate governance principle and follow up on the action plans.
  1. To consider the plan for Annual General Meeting of shareholders and provide suggestion according to the good corporate governance and AGM checklist of the Stock Exchange of Thailand in order to held the complete, efficient and transparent meeting in every steps from the pre-AGM to post-AGM. In 2016, the company was praised at excellent level from the AGM assessment by the Thai Investors Association (TIA).
  2. For the Corporate Governance Report of Thai Listed Companies 2016 conducted by the Thai Institute of Directors (IOD), the company has achieved the corporate governance scoring at a very good level, which represented the intention of the company to continually develop the standard of CG.
3. To consider and approve the anti-corruption policy, anti-corruption practice, whistleblowing policy, corruption risk assessment including the implementation of related anti-corruption policy proposed by the responsible departments. For more information, please check out our website [www.apthai.com](http://www.apthai.com)



4. To consider the anti-corruption self-assessment issued by the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for entering the certification process to be a certified member of Private Sector Collective Action Coalition against Corruption (CAC). On 9<sup>th</sup> March 2017, AP was officially certified as a member of Private Sector Collective Action Coalition against Corruption (CAC) by CAC council.

5. To approve the charter of corporate governance and risk committee in order to specify the role, duty and responsibility of the committee, which will improve its efficiency performance. For more information, please check out our website [www.apthai.com](http://www.apthai.com)

6. To approve the CG policy to promote and support the company business's directions in accordance with the corporate governance policy in order to comply with the good corporate governance principle of the Stock Exchange of Thailand as well as the international standard set up by The Organization for Economic Cooperation and Development (OECD).

### **Risk management**

1. To approve the risk management policy as well as the risk management team, comprised of executives and outsiders who possess the knowledge, skills and experiences in various fields to efficiently support the risk management of the company and suitably and promptly control the risks.

2. To provide comments, advices, complaints from customers and follow up the solutions of the company including the prevention measure in every quarter.

3. To encourage all executives and employees to concern about the risk management for achieving the company's goals.

According to the emphasis on the good corporate governance principle and implementation including the risk management by the Board of Directors, executives and employees of AP (Thailand) Pcl., the corporate governance and risk committee aimed to develop the operation of the corporate governance and risk management. The committee also monitored the company to strictly comply with the various regulations, which are the essential factors to promote and support the confidential from the stakeholders and create the sustainability for the company.



**[Mr. Kosol Suriyaporn]**

Chairman of Corporate Governance  
and Risk Management Committee

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENT

The Board of Directors is responsible for AP (Thailand) Public Company Limited and its subsidiaries' financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using appropriate accounting policy, consistent basis and careful judgement. Important information is adequately and transparently disclosed in the notes to the financial statements.

The Board of Directors has provided for and maintains a risk management system, as well as appropriate and efficient internal controls to ensure that accounting records are accurate, reliable, and adequate to protect its assets and uncover any weaknesses that may be presented in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee which is non-executive board to be responsible for reviewing the accounting policy, financial reports, internal controls, internal audit and risk management system. All their comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The Board of Directors believes that the Company's overall internal control system has performed to a satisfactory level to lend credibility and provide reliability to AP (Thailand) Public Company Limited and its subsidiaries' financial statements for the year ended 31<sup>st</sup> December 2016. The Board of Directors also believes all these financial statements have been presented fairly for both operating results and cash flow in all material respects.

(Prof. Dr. Naris Chaiyasoot)  
Chairman of the  
Board of Directors

(Mr. Anuphong Assavabhokhin)  
Vice Chairman and  
Chief Executive Officer

(Mr. Pichet Vipavasuphakorn)  
Director and  
Managing Director

(Mr. Siripong Sombutsiri)  
Director

(Mr. Wason Naruenatpaisan)  
Director

(Ms. Kittiya Pongpujaneegul)  
Director

(Mr. Visanu Suchatlumpong)  
Director

(Mr. Somyod Suteerapornchai)  
Director

(Mr. Pornwut Sarasin)  
Director

(Mr. Shaw Sinhaseni)  
Director

(Mr. Phanporn Dabbaransi)  
Chairman of  
the Audit Committee

(Mr. Kosol Suriyaporn)  
Audit Committee Member

(Mr. Nontachit Tulayanonda)  
Audit Committee Member

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of AP (Thailand) Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of AP (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of AP (Thailand) 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 AP (Thailand) Public Company Limited and its subsidiaries of AP (Thailand) 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 the matter are described below.

### Revenue recognition from sales of real estate

Revenue from sales of real estate is the most significant amount in the statement of comprehensive income, representing 96 percent and 94 percent of total revenues in the consolidated and separate financial statements, respectively. It is also the main performance indicator to which the users of the financial statements pay attention. Moreover, the Group has numerous real estate projects and sales agreements with a variety of conditions, pertaining to matters such as sales promotions and offering special discounts to boost sales. I have therefore focused on the recognition of revenue from sales of real estate of the Group.

I have examined the Group's recognition of revenue from sales of real estate by assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also applied a sampling method to select sales agreements 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, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period on a sampling basis, and performed analytical procedures on revenue from sales of real estate data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **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 Satida Ratananurak.

### **Satida Ratananurak**

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok : 23 February 2017

# STATEMENTS OF FINANCIAL POSITION

AP (Thailand) Public Company Limited and its subsidiaries  
As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	1,086,818,313	421,010,090	722,615,177	264,542,613
Trade and other receivables	7	39,842,050	72,411,927	22,974,451	56,129,043
Inventories	8	30,742,693,469	31,937,632,133	19,576,509,163	20,849,582,868
Interest receivable - related parties	9	-	-	845,566,795	726,991,214
Short-term loans to related parties	9	-	-	6,071,600,000	6,743,800,000
Deposits for construction materials		380,043,096	510,025,366	133,415,990	116,653,291
Deposits for land		745,178,561	204,512,612	451,689,916	200,942,612
Other current assets		123,873,108	135,641,405	68,528,161	92,426,633
<b>Total current assets</b>		<b>33,118,448,597</b>	<b>33,281,233,533</b>	<b>27,892,899,653</b>	<b>29,051,068,274</b>
<b>Non-current assets</b>					
Restricted bank deposits	6	2,215,247	6,331,754	740,155	4,856,663
Investments in subsidiaries	10	-	-	2,563,160,420	2,577,260,419
Investments in joint ventures	11	3,526,126,065	1,693,503,548	3,541,668,290	1,981,405,810
Land and cost of project held for development	12	606,842,394	596,832,682	96,876,596	96,876,596
Investment properties	13	73,412,408	48,238,712	55,354,771	39,693,460
Property, plant and equipment	14	94,226,634	102,502,385	60,043,331	70,711,679
Goodwill		100,063,166	100,063,166	-	-
Intangible assets	15	15,779,315	9,680,755	15,213,885	9,118,904
Deferred tax assets	23	167,725,163	228,369,073	100,820,768	126,527,278
Other non-current assets		85,129,848	80,227,591	31,814,757	32,997,968
<b>Total non-current assets</b>		<b>4,671,520,240</b>	<b>2,865,749,666</b>	<b>6,465,692,973</b>	<b>4,939,448,777</b>
<b>Total assets</b>		<b>37,789,968,837</b>	<b>36,146,983,199</b>	<b>34,358,592,626</b>	<b>33,990,517,051</b>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	1,990,834,616	797,363,814	1,990,834,616	797,363,814
Trade accounts payable	9,17	924,154,543	1,071,182,262	616,332,750	779,085,905
Accrued interest expenses - related parties	9	-	-	8,742,691	48,749,951
Short-term loans from related parties	9	-	-	628,500,000	602,500,000
Current portion of long-term loans	18	-	183,000,000	-	50,000,000
Current portion of debentures	19	4,450,000,000	3,000,000,000	4,450,000,000	3,000,000,000
Unearned revenue		544,266,842	595,058,285	254,234,013	181,435,221
Accrued expenses		1,374,792,954	1,245,330,482	1,079,774,336	991,636,863
Income tax payable		179,727,468	308,027,393	53,670,597	238,160,513
Accrued interest expenses		150,168,389	146,554,400	150,150,169	146,513,163
Other current liabilities		107,001,425	104,259,176	70,092,616	73,732,320
<b>Total current liabilities</b>		<b>9,720,946,237</b>	<b>7,450,775,812</b>	<b>9,302,331,788</b>	<b>6,909,177,750</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	18	150,000,000	99,000,000	50,000,000	49,000,000
Debentures - net of current portion	19	8,150,000,000	10,600,000,000	8,150,000,000	10,600,000,000
Retention payable	9	246,319,492	248,572,430	140,820,828	189,167,442
Provision for long-term employee benefits	20	98,767,920	94,569,847	89,067,281	83,685,355
<b>Total non-current liabilities</b>		<b>8,645,087,412</b>	<b>11,042,142,277</b>	<b>8,429,888,109</b>	<b>10,921,852,797</b>
<b>Total liabilities</b>		<b>18,366,033,649</b>	<b>18,492,918,089</b>	<b>17,732,219,897</b>	<b>17,831,030,547</b>

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

# STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AP (Thailand) Public Company Limited and its subsidiaries  
As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Shareholders' equity</b>					
Share capital					
Registered					
3,145,912,151 ordinary shares of Baht 1 each		3,145,912,151	3,145,912,151	3,145,912,151	3,145,912,151
Issued and fully paid up					
3,145,899,495 ordinary shares of Baht 1 each		3,145,899,495	3,145,899,495	3,145,899,495	3,145,899,495
Share premium		89,415,830	89,415,830	89,415,830	89,415,830
Retained earnings					
Appropriated - statutory reserve	21	314,591,215	314,591,215	314,591,215	314,591,215
Unappropriated		15,873,406,140	14,103,696,126	13,076,466,189	12,609,579,964
<b>Equity attributable to owners of the Company</b>		<b>19,423,312,680</b>	<b>17,653,602,666</b>	<b>16,626,372,729</b>	<b>16,159,486,504</b>
Non-controlling interests of the subsidiaries		622,508	462,444	-	-
<b>Total shareholders' equity</b>		<b>19,423,935,188</b>	<b>17,654,065,110</b>	<b>16,626,372,729</b>	<b>16,159,486,504</b>
<b>Total liabilities and shareholders' equity</b>		<b>37,789,968,837</b>	<b>36,146,983,199</b>	<b>34,358,592,626</b>	<b>33,990,517,051</b>
		-	-	-	-

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



(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales of real estate		19,653,190,564	21,637,598,689	14,439,381,480	17,950,399,695
Service income		214,606,435	153,909,970	-	-
Management income	9	385,348,257	287,044,626	385,348,257	287,044,626
Interest income		6,825,148	22,990,191	300,437,029	309,671,395
Dividend income	9, 10	-	4,665	39,799,898	323,999,968
Gain from sales of investments	10	105,022,457	171,786,057	157,856,315	163,134,461
Other income		82,567,001	124,664,163	34,327,305	67,919,542
<b>Total revenues</b>		<b>20,447,559,862</b>	<b>22,397,998,361</b>	<b>15,357,150,284</b>	<b>19,102,169,687</b>
<b>Expenses</b>					
Costs of sales	22	13,249,245,312	14,502,891,187	9,981,477,623	12,198,463,167
Costs of services		43,154,764	42,112,361	-	-
Selling expenses		2,013,932,982	2,004,474,995	1,601,058,798	1,681,299,229
Administrative expenses		1,997,903,849	1,964,514,086	1,623,757,876	1,604,063,834
Other expenses		3,891,352	41,017,530	5,374,619	-
<b>Total expenses</b>		<b>17,308,128,259</b>	<b>18,555,010,159</b>	<b>13,211,668,916</b>	<b>15,483,826,230</b>
Profit before share of profit (loss) from investment in joint ventures, finance cost and income tax expenses		3,139,431,603	3,842,988,202	2,145,481,368	3,618,343,457
Share of profit (loss) from investments in joint ventures	11	370,836,113	(206,995,863)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>3,510,267,716</b>	<b>3,635,992,339</b>	<b>2,145,481,368</b>	<b>3,618,343,457</b>
Finance cost		(188,869,633)	(279,638,143)	(393,349,202)	(463,996,696)
<b>Profit before income tax expenses</b>		<b>3,321,398,083</b>	<b>3,356,354,196</b>	<b>1,752,132,166</b>	<b>3,154,346,761</b>
Income tax expenses	23	(618,772,231)	(732,949,362)	(346,164,981)	(573,653,648)
<b>Profit for the year</b>		<b>2,702,625,852</b>	<b>2,623,404,834</b>	<b>1,405,967,185</b>	<b>2,580,693,113</b>
<b>Other comprehensive income:</b>					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain from post-employment benefits	20	12,141,072	-	5,848,703	-
Less: Income tax effect	23	(1,231,928)	-	(1,169,741)	-
<b>Other comprehensive income for the year</b>		<b>10,909,144</b>	<b>-</b>	<b>4,678,962</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,713,534,996</b>	<b>2,623,404,834</b>	<b>1,410,646,147</b>	<b>2,580,693,113</b>

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

# STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

AP (Thailand) Public Company Limited and its subsidiaries  
For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit attributable to:</b>					
Equity holders of the Company		2,702,560,791	2,623,377,993	1,405,967,185	2,580,693,113
Non-controlling interests of the subsidiaries		65,061	26,841		
Total		<u>2,702,625,852</u>	<u>2,623,404,834</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		2,713,469,935	2,623,377,993	1,410,646,147	2,580,693,113
Non-controlling interests of the subsidiaries		65,061	26,841		
Total		<u>2,713,534,996</u>	<u>2,623,404,834</u>		
<b>Earnings per share</b>					
Basic earnings per share	24				
Profit attributable to equity holders of the Company		<u>0.859</u>	<u>0.834</u>	<u>0.447</u>	<u>0.820</u>
Weighted average number of ordinary shares (Shares)		<u>3,145,899,495</u>	<u>3,145,899,495</u>	<u>3,145,899,495</u>	<u>3,145,899,495</u>

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before tax	3,321,398,083	3,356,354,196	1,752,132,166	3,154,346,761
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	42,453,126	49,961,979	28,309,505	31,975,448
Amortisation	11,697,241	17,329,322	11,262,820	16,737,838
Doubtful debts (reversal)	1,192,044	(317,167)	-	-
Allowance for diminution in value of inventories (reversal)	300,000	(1,000,000)	300,000	(1,000,000)
Reversal of allowance for impairment loss on land held for development	(10,009,712)	-	-	-
Allowance for diminution in value of assets (reversal)	55,519,335	30,148,814	(69,565)	(230,055)
Loss (gain) on disposals/write-off of assets	310,420	11,872,449	44,185	(155,947)
Share of loss (gain) from investments in joint ventures	(370,836,113)	206,995,863	-	-
Gain from sales of investments	(105,022,457)	(171,786,057)	(157,856,315)	(163,134,461)
Loss on diminution in value of investments	-	-	5,099,999	-
Dividend income	-	(4,665)	(39,799,898)	(323,999,968)
Provision for long-term employee benefits	31,050,165	25,015,205	25,941,649	21,012,737
Write-off of income tax	115,383	157,020	-	-
Interest income	(6,825,148)	(22,990,191)	(300,437,029)	(309,671,395)
Interest expenses	164,514,566	254,711,242	373,153,833	444,075,887
Profit from operating activities before changes in operating assets and liabilities	3,135,856,933	3,756,448,010	1,698,081,350	2,869,956,845
Operating assets (increase) decrease				
Trade and other receivables	32,774,489	24,354,481	33,154,591	28,757,762
Inventories	(1,589,530,471)	(1,925,556,592)	1,458,817,345	2,023,046,549
Other current assets	(554,408,497)	261,652,329	(243,611,532)	(70,794,196)
Other non-current assets	(65,797,209)	(1,932,310)	1,183,211	(1,257,724)
Operating liabilities increase (decrease)				
Trade accounts payable	(146,709,848)	(547,318,357)	(162,753,155)	(62,444,209)
Unearned revenue	(50,791,443)	(550,424,733)	72,798,792	(485,984,794)
Other current liabilities	133,589,347	3,563,251	84,497,768	(21,318,525)
Retention payable	(2,252,937)	(170,979,502)	(48,346,614)	(147,867,180)
Cash from operating activities	892,730,364	849,806,577	2,893,821,756	4,132,094,528
Cash paid for long-term employee benefits	(14,711,020)	(353,340)	(14,711,020)	-
Cash paid for interest expenses	(563,943,960)	(602,996,266)	(620,797,686)	(610,072,024)
Cash paid for income tax	(710,981,254)	(714,555,694)	(506,118,128)	(583,306,824)
<b>Net cash from (used in) operating activities</b>	<b>(396,905,870)</b>	<b>(468,098,723)</b>	<b>1,752,194,922</b>	<b>2,938,715,680</b>

The accompanying notes are an integral part of the financial statements

# CASH FLOW STATEMENTS (CONTINUED)

AP (Thailand) Public Company Limited and its subsidiaries  
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	4,116,508	-	4,116,508	-
Cash received from short-term loans to related parties	855,000,000	3,053,000,000	7,044,100,000	6,713,400,000
Cash paid for short-term loans to related parties	-	(1,081,000,000)	(6,371,900,000)	(8,475,600,000)
Cash received from return on investment in subsidiary	-	-	-	298,134,461
Cash received from sale of investments in subsidiary	596,492,897	796,545,897	648,448,075	806,410,000
Cash paid for investments in subsidiaries	-	-	(491,999,940)	(1,590,999,880)
Cash paid for investments in joint ventures	(1,549,854,300)	(1,817,305,860)	(1,549,854,300)	(620,305,860)
Cash received from sale other long-term investment	-	23,791	-	-
Dividend received	-	4,665	39,799,898	323,999,968
Cash received from disposals of assets	253,663	833,809	186,584	259,930
Cash paid for purchases of equipment	(31,000,101)	(29,545,927)	(14,762,909)	(18,672,611)
Cash paid for purchases of intangible assets	(17,795,801)	(2,007,390)	(17,357,801)	(2,119,414)
Cash received from interest	6,825,148	45,480,188	181,861,448	112,716,948
<b>Net cash from (used in) investing activities</b>	<b>(135,961,986)</b>	<b>966,029,173</b>	<b>(527,362,437)</b>	<b>(2,452,776,458)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans				
from financial institutions	1,429,936,000	(900,000,000)	1,200,000,000	(900,000,000)
Cash received from short-term loans from related parties	-	-	106,000,000	808,000,000
Cash paid for short-term loans from related parties	-	-	(80,000,000)	(562,000,000)
Cash received from long-term loans	1,994,500,000	659,000,000	50,000,000	49,000,000
Cash paid for repayment of long-term loans	(282,000,000)	(531,000,000)	(99,000,000)	(174,000,000)
Cash received from issuance of debentures	2,000,000,000	3,800,000,000	2,000,000,000	3,800,000,000
Cash paid for debentures	(3,000,000,000)	(2,750,000,000)	(3,000,000,000)	(2,750,000,000)
Dividend payment	(943,759,921)	(817,803,531)	(943,759,921)	(817,803,531)
<b>Net cash from (used in) financing activities</b>	<b>1,198,676,079</b>	<b>(539,803,531)</b>	<b>(766,759,921)</b>	<b>(546,803,531)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>665,808,223</b>	<b>(41,873,081)</b>	<b>458,072,564</b>	<b>(60,864,309)</b>
Cash and cash equivalents at beginning of year	421,010,090	462,883,171	264,542,613	325,406,922
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>1,086,818,313</b>	<b>421,010,090</b>	<b>722,615,177</b>	<b>264,542,613</b>

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

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Supplemental cash flow information</b>				
Non-cash transactions from investing activities				
Transfer inventories to investment properties	28,845,488	10,130,546	18,700,763	8,662,968
Transfer investment in subsidiary to investment in joint venture	-	-	-	667,589,880

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

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

AP (Thailand) Public Company Limited and its subsidiaries  
For the year ended 31 December 2016

<b>Consolidated financial statements</b>									
Equity attributable to owners of the Company									
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	(Unit: Baht)
				Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 1 January 2015</b>		3,145,899,495	89,415,830	314,591,215	12,298,121,664	15,848,028,204	435,626	15,848,463,830	
Profit for the year		-	-	-	2,623,377,993	2,623,377,993	26,841	2,623,404,834	
Dividend paid	25	-	-	-	(817,803,531)	(817,803,531)	-	(817,803,531)	
Increase in non-controlling interests		-	-	-	-	-	32	32	
Decrease in non-controlling interests for dividend payment of subsidiaries		-	-	-	-	-	(55)	(55)	
<b>Balance as at 31 December 2015</b>		3,145,899,495	89,415,830	314,591,215	14,103,696,126	17,653,602,666	462,444	17,654,065,110	
<b>Balance as at 1 January 2016</b>		3,145,899,495	89,415,830	314,591,215	14,103,696,126	17,653,602,666	462,444	17,654,065,110	
Profit for the year		-	-	-	2,702,560,791	2,702,560,791	65,061	2,702,625,852	
Other comprehensive income for the year		-	-	-	10,909,144	10,909,144	-	10,909,144	
Dividend paid	25	-	-	-	(943,759,921)	(943,759,921)	-	(943,759,921)	
Increase in non-controlling interests		-	-	-	-	-	95,003	95,003	
<b>Balance as at 31 December 2016</b>		3,145,899,495	89,415,830	314,591,215	15,873,406,140	19,423,312,680	622,508	19,423,935,188	

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

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

AP (Thailand) Public Company Limited and its subsidiaries  
For the year ended 31 December 2016

		Separate financial statements				(Unit: Baht)
	Note	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2015</b>		3,145,899,495	89,415,830	314,591,215	10,846,690,382	14,396,596,922
Profit for the year		-	-	-	2,580,693,113	2,580,693,113
Dividend paid	25	-	-	-	(817,803,531)	(817,803,531)
<b>Balance as at 31 December 2015</b>		3,145,899,495	89,415,830	314,591,215	12,609,579,964	16,159,486,504
<b>Balance as at 1 January 2016</b>		3,145,899,495	89,415,830	314,591,215	12,609,579,964	16,159,486,504
Profit for the year		-	-	-	1,405,967,185	1,405,967,185
Other comprehensive income for the year		-	-	-	4,678,962	4,678,962
Dividend paid	25	-	-	-	(943,759,922)	(943,759,922)
<b>Balance as at 31 December 2016</b>		3,145,899,495	89,415,830	314,591,215	13,076,466,189	16,626,372,729

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AP (Thailand) Public Company Limited and its subsidiaries  
For the year ended 31 December 2016

## 1. General information

AP (Thailand) Public Company Limited (“the Company”) is a public company, incorporated and domiciled in Thailand. The Company is principally engaged in real estate development. The registered office of the Company is at 170/57 18<sup>th</sup> floor, Ocean Tower I Building, Rajadapisek Road, Klongtoey, Bangkok.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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) These consolidated financial statements include the financial statements of AP (Thailand) Public Company Limited (hereinafter called as “the Company”) and the following subsidiary companies (hereinafter called as “the subsidiaries”), with the change in the group structure during the current year from the establishment of the subsidiaries and sell the investments in subsidiaries as described in Note 10.

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
<b>Subsidiaries</b>				
The Value Property Development Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Asian Property (Krungthep) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Thonglor Residence Co., Ltd. and subsidiary	Real estate development	Thailand	100	100
Smart Service & Management Co., Ltd.	Service	Thailand	100	100
Bangkok CitiSmart Co., Ltd.	Service	Thailand	100	100
Asian Property (2011) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property (2012) Co., Ltd.	Real estate development	Thailand	100	100
Asian Property (2013) Co., Ltd.	Real estate development	Thailand	100	100
Thai Big Belly Co., Ltd.	Service/ Real estate development	Thailand	100	100
Asian Property (2014) Co., Ltd.	Real estate development	Thailand	100	100
AP (Ratchayothin) Co., Ltd.	Real estate development	Thailand	-	100
AP ME 2 Co., Ltd.	Real estate development	Thailand	-	100
AP ME 3 Co., Ltd.	Real estate development	Thailand	100	100
AP ME 4 Co., Ltd.	Real estate development	Thailand	100	-
AP ME 5 Co., Ltd.	Real estate development	Thailand	100	-



- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Investments in the subsidiaries as recorded in the Company's books of account are eliminated against the equity of subsidiaries.
- g) The premium of investment exceeds the fair value of net assets of subsidiaries at the acquisition date is presented as goodwill or intangible asset under non-current assets in the consolidated statement of financial position.
- h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

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

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

At present, the management of the Company and its subsidiaries 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*

Revenues from sales of land and houses/condominium units/land are recognised when the ownership has been transferred to buyer. Revenues are the contract value which ownership is transferred to buyer.

#### *Construction income*

Revenue from construction contract works is recognised as income, excluding value added tax, on the basis of percentage of completion which is estimated by project engineers.

Revenue from construction contract of the projects which were launched from the year 2014 onward is recognised as income on the basis of percentage of completion which is estimated by the proportion that contract costs incurred up to date bear to the estimated total costs.

Provision for anticipated loss from construction contracts will be made in the accounts as soon as the possibility of such loss is ascertained.

Construction income represents revenue from service rendered by a subsidiary to the group, which has been eliminated from the consolidated financial statements.

#### *Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

#### *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 sales of real estate**

#### *Cost of sales of land and houses/condominium units*

Cost of sales of land and houses/condominium units is determined based on the anticipated total development costs (after considering the actual costs incurred to date) attributed to units already sold on the basis of the salable value and area, and is recognised as cost of sales in accordance with the revenue recognition.

#### *Cost of land*

Cost of land is recognised as cost of sales in accordance with the revenue recognition.

#### *Cost of construction*

Cost of construction comprises the costs of materials, labour, subcontractors' charges, other services and overheads, which are recognised on the percentage of completion method.

Cost of construction represents cost on construction projects of a subsidiary providing to the group, which has been eliminated from the consolidated financial statements.

### 4.3 Cash and cash equivalents

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

### 4.4 Trade accounts receivable

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

### 4.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is calculated as detailed below.

#### *Land*

Land is valued at cost on a weighted average method (calculated separately for each project) and is recognised as cost in accordance with the revenue recognition.

#### *Deferred interest*

Interest expenses relating to project development are recorded as deferred interest, with capitalisation ceasing when the ownership is transferred to buyer. Such deferred interest is recorded as a part of inventories and is recognised as cost of sales in accordance with the average revenue recognition (calculated separately for each project).

#### *Infrastructure*

The costs of construction for infrastructure like road, electricity system, water supply system and others are recorded as a part of inventories and are recognised as cost of sales in accordance with the revenue recognition.

#### *Deferred project development costs*

Preparation costs and project development costs before sales are recorded as a part of inventories and are recognised as cost of sales in accordance with the revenue recognition.

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

### 4.6 Investments

- a) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and joint ventures 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.

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

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

### 4.7 Investment properties

Investment properties are initially measured 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.

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

#### 4.8 Property, plant and equipment and depreciation

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

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

Land improvement	-	5	and	10	years
Buildings, buildings improvement and constructions	-	10	and	20	years
Club houses, swimming pool and playground	-	20	years		
Sample houses and sales office	-	5	years		
Furniture, fixtures and office equipment	-	3	and	5	years
Motor vehicles	-	5	years		
Mold	-	3	years		
Other fixed assets	-	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.

#### 4.9 Borrowing costs

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

#### 4.10 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the 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:

	Useful lives
Computer software	3 and 5 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.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **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 Operating leases**

Leases, which a significant portion of the risks and rewards of ownership are not transferred to the lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

#### **4.14 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

#### **4.15 Employee benefits**

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

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

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

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

#### **4.16 Provisions**

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

#### **4.17 Income tax**

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

##### *Current tax*

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

##### *Deferred tax*

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

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

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

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

#### 4.18 Fair value measurement

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

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

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

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

### 5. Significant accounting judgements and estimates

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

#### Investment property

The Company and its subsidiaries present investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the market approach by referring to the purchase-sale information and the comparable transactions of the assets bought-sold during the same period, taking into account the location, size and shape of land, type and condition of the assets.

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

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual, values when there are any changes.

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

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **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.

### **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.

### **Litigation**

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company and its subsidiaries' managements have used judgement to assess the results of the litigation and believes that provision for such contingent liabilities recorded as at the end of reporting period is sufficient.



## 6. Cash and cash equivalents

Cash and cash equivalents as at 31 December 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	1,777	1,820	1,243	1,365
Deposits at banks	1,087,256	425,522	722,112	268,035
Total	1,089,033	427,342	723,355	269,400
Less: Restricted bank deposits	(2,215)	(6,332)	(740)	(4,857)
Cash and cash equivalents	1,086,818	421,010	722,615	264,543

As at 31 December 2016, bank deposits in savings accounts carried interests between 0.37 and 1.10 percent per annum (2015: between 0.37 and 1.12 percent per annum).

The above restricted bank deposits are bank deposits that the Company and its subsidiaries have placed with banks to secure letters of guarantee issued by the banks on behalf of the Company and its subsidiaries.

## 7. Trade and other receivables

As at 31 December 2016 and 2015, the outstanding balances of trade and other receivables were unrelated parties, as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
<u>Aged on the basis of due dates</u>				
Not yet due	14,395	9,757	-	-
Past due				
Up to 12 months	1,269	4,729	-	-
Over 12 months	3,051	2,446	-	-
Total trade receivables	18,715	16,932	-	-
Less: Allowance for doubtful accounts	(1,315)	(1,519)	-	-
Trade receivables - net	17,400	15,413	-	-
Other receivables	22,442	56,999	22,974	56,129
Trade and other receivables - net	39,842	72,412	22,974	56,129

## 8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Land	15,600,604	17,166,302	-	-	15,600,604	17,166,302
Land improvement	583,546	597,623	-	-	583,546	597,623
Work in progress	10,895,907	10,591,102	-	-	10,895,907	10,591,102
Infrastructures	1,751,668	1,689,739	-	-	1,751,668	1,689,739
Deferred interest expenses	972,696	905,480	-	-	972,696	905,480
Deferred project development costs	903,940	930,338	-	-	903,940	930,338
Inventories held for sale	13,959	31,624	(1,278)	(979)	12,681	30,645
Construction materials	21,651	26,403	-	-	21,651	26,403
<b>Total</b>	<b>30,743,971</b>	<b>31,938,611</b>	<b>(1,278)</b>	<b>(979)</b>	<b>30,742,693</b>	<b>31,937,632</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Land	11,392,277	11,752,086	-	-	11,392,277	11,752,086
Land improvement	549,066	519,855	-	-	549,066	519,855
Work in progress	5,114,113	6,095,698	-	-	5,114,113	6,095,698
Infrastructures	1,556,173	1,477,207	-	-	1,556,173	1,477,207
Deferred interest expenses	485,413	495,612	-	-	485,413	495,612
Deferred project development costs	472,307	483,999	-	-	472,307	483,999
Inventories held for sale	7,704	25,370	(544)	(244)	7,160	25,126
<b>Total</b>	<b>19,577,053</b>	<b>20,849,827</b>	<b>(544)</b>	<b>(244)</b>	<b>19,576,509</b>	<b>20,849,583</b>

Details of the Company's and subsidiaries' projects on hand are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Number of projects on hand at beginning of year	74	64	54	50
Completed projects	(18)	(10)	(13)	(10)
New projects	16	20	15	14
<b>Projects on hand at end of year</b>	<b>72</b>	<b>74</b>	<b>56</b>	<b>54</b>

The Company and its subsidiaries have mortgaged their land and construction thereon, with total net book value as at 31 December 2016 and 2015 of Baht 13,337 million and Baht 18,803 million, respectively (Separate financial statements: Baht 10,771 million and Baht 12,357 million, respectively), with banks as collateral for overdrafts and loans from those banks, as described in Note 16 and 18.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Borrowing costs included				
in cost of inventories (Thousand Baht)	397,001	387,046	204,744	212,316
Capitalisation rate (Percent per annum)	2.97 - 4.78	3.49 - 5.00	2.97 - 4.78	3.49 - 5.00

## 9. Related party transactions

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

(Unit: Thousand Baht)

	For the years ended 31 December				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2016	2015	2016	2015	

### Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Revenues from sales	-	-	35,839	-	Reference price from the Land Department
Guarantee income	-	-	2,931	4,268	At the rate of 1.00% of the average of outstanding guarantee balance
Rental income	-	-	3,466	2,630	At the contractual price
Interest income	-	-	294,547	287,490	Interest at rate of 4.00 - 4.30% per annum (2015: 4.30 - 4.70% per annum)
Dividend income	-	-	39,800	324,000	At the declared rate
Construction cost	-	-	272,356	469,138	Comparable price with third parties
Rental expenses	-	-	-	1,073	Comparable price with third parties
Other expenses	-	-	65,069	73,392	Comparable price with third parties
Interest expenses	-	-	24,179	26,444	Interest at rate of 4.00 - 4.30% per annum (2015: 4.30 - 4.70% per annum)

### Transactions with joint ventures

Revenues from sales	-	13,598	-	-	Reference price from the Land Department
Management income	385,348	287,045	385,348	287,045	Comparable price with third parties
Service income	8,049	638	-	-	At the contractual price
Interest income	-	16,159	-	16,159	Interest at rate of 4.70% per annum
Other income	-	30,064	-	-	At the contractual price
Rental expenses	-	312	-	-	Comparable price with third parties

### Transactions with related parties

Purchases of construction materials	-	6,151	-	6,151	Comparable price with third parties
Rental expenses	9,168	9,168	9,168	9,168	Comparable price with third parties
Other expenses	480	760	480	760	Comparable price with third parties

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Interest receivable - related parties</b>				
<u>Subsidiaries</u>				
The Value Property Development Co., Ltd.	-	-	391,460	420,281
Asian Property (2012) Co., Ltd.	-	-	191,620	125,630
Asian Property (2013) Co., Ltd.	-	-	144,922	95,403
Asian Property Co., Ltd.	-	-	42,885	23,367
Thai Big Belly Co., Ltd.	-	-	24,874	10,417
AP ME 3 Co., Ltd.	-	-	20,654	-
Asian Property (2014) Co., Ltd.	-	-	17,074	8,639
Thonglor Residence Co., Ltd.	-	-	11,707	10,194
Smart Service & Management Co., Ltd.	-	-	370	68
AP (Ratchayothin) Co., Ltd.	-	-	-	32,992
Total interest receivable - related parties	-	-	845,566	726,991
<b>Trade accounts payable - related parties (Note 17)</b>				
<u>Subsidiaries</u>				
Signature Advisory Partners Ltd.	-	-	54,563	54,563
SQE Construction Co., Ltd.	-	-	12,266	11,915
Total trade accounts payable - related parties	-	-	66,829	66,478
<b>Interest payable - related parties</b>				
<u>Subsidiaries</u>				
Asian Property (Krungthep) Co., Ltd.	-	-	953	48,435
Asian Property (2011) Co., Ltd.	-	-	7,789	315
Total interest payable - related parties	-	-	8,742	48,750
<b>Retention payable - related party</b>				
<u>Subsidiary</u>				
SQE Construction Co., Ltd.	-	-	344	146
Total retention payable - related party	-	-	344	146

The balances of loans between the Company and those related parties as at 31 December 2016 and 2015, and the movements of are as follows:

### Short-term loans to related parties

(Unit: Thousand Baht)

Company's name	Balance as	During the year		Balance as
	at 31 December 2015	Additional granting	Receiving	at 31 December 2016
The Value Property Development Co., Ltd.	2,477,000	316,300	(1,319,800)	1,473,500
Asian Property (2012) Co., Ltd.	1,203,000	785,000	(4,000)	1,984,000
AP ME 3 Co., Ltd.	-	1,298,900	(197,000)	1,101,900
Asian Property (2013) Co., Ltd.	1,030,500	522,900	(1,048,400)	505,000
Asian Property Co., Ltd.	587,200	521,500	(726,700)	382,000
Asian Property (2014) Co., Ltd.	66,600	280,000	(51,000)	295,600
Thai Big Belly Co., Ltd.	329,000	142,000	(190,000)	281,000
Thonglor Residence Co., Ltd.	35,000	60,000	(60,300)	34,700
Smart Service & Management Co., Ltd.	18,000	11,400	(15,500)	13,900
AP (Ratchayothin) Co., Ltd.	997,500	357,900	(1,355,400)	-
AP ME 2 Co., Ltd.	-	1,956,000	(1,956,000)	-
AP ME 5 Co., Ltd.	-	120,000	(120,000)	-
Total short-term loans to related parties	6,743,800	6,371,900	(7,044,100)	6,071,600

### Short-term loans from related parties

(Unit: Thousand Baht)

Company's name	Balance as	During the year		Balance as
	at 31 December 2015	Additional borrowing	Repayment	at 31 December 2016
Asian Property (2011) Co., Ltd.	382,000	8,000	(61,000)	329,000
Asian Property (Krungthep) Co., Ltd.	220,500	98,000	(19,000)	299,500
Total short-term loans from related parties	602,500	106,000	(80,000)	628,500

The above loans to and loans from related parties are in the form of promissory notes, which are uncollateralised and due at call.

### Directors' and management's remuneration

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2016	2015
Short-term employee benefits	182,080	149,968
Post-employment benefits	12,739	11,619
Total	194,819	161,587

### Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its related parties, as described in Note 28.4 a) to the financial statements.

## 10. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of business	Separate financial statements											
		Paid-up share capital		Percentage of shareholding (Percent)		Investment value under cost method		Allowance for impairment of investments		Investments in subsidiaries- net		Dividend received for the years	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
The Value Property Development Co., Ltd.	Real estate development	500	500	100	100	500	500	-	-	500	500	-	-
Asian Property Co., Ltd.	Real estate development	8%	8%	100	100	407	407	-	-	407	407	-	-
Asian Property (Krungthep) Co., Ltd.	Real estate development	300	300	100	100	294	294	-	-	294	294	-	-
Thonglor Residence Co., Ltd.	Real estate development	10	10	100	100	10	10	(10)	-	-	10	-	-
Asian Property (2011) Co., Ltd.	Real estate development	300	300	100	100	300	300	-	-	300	300	20	324
Asian Property (2012) Co., Ltd.	Real estate development	300	300	100	100	300	300	-	-	300	300	-	-
Bangkok ClifSmart Co., Ltd.	Service	4	4	100	100	4	4	-	-	4	4	20	-
Smart Service & Management Co., Ltd.	Service	5	5	100	100	5	5	-	(5)	5	-	-	-
Asian Property (2013) Co., Ltd.	Real estate development	300	300	100	100	300	300	-	-	300	300	-	-
That Big Belly Co., Ltd.	Service/												
	Real estate development	50	50	100	100	50	50	-	-	50	50	-	-
Asian Property (2014) Co., Ltd.	Real estate development	400	400	100	100	400	400	-	-	400	400	-	-
AP (Ratchayothin) Co., Ltd.	Real estate development	-	10	-	100	-	10	-	-	-	10	-	-
AP ME 2 Co., Ltd.	Real estate development	-	1	-	100	-	1	-	-	-	1	-	-
AP ME 3 Co., Ltd.	Real estate development	1	1	100	100	1	1	-	-	1	1	-	-
AP ME 4 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-
AP ME 5 Co., Ltd.	Real estate development	1	-	100	-	1	-	-	-	1	-	-	-
Total investments in subsidiaries		2,573	2,582	(10)	(5)	2,563	2,577	40	324				

## 10.1 Investments in ordinary shares of subsidiaries

(Unit: Million Baht)

Company's name	Nature of business	Paid-up share capital	Percentage of shareholding (Percent)	Cost of investment		Allowance for impairment of investment		Investment-net		Investment value under equity method		Dividend received by the subsidiary during the years	
				2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Investment of The Value Property Development Co., Ltd.</b>													
SQE Construction Co., Ltd.	Construction	50	100	50	50	-	-	50	50	73.6	115.8	50	37
<b>Investment of Thonglor Residence Co., Ltd</b>													
Signature Advisory Partners Ltd.	Real estate development	1	100	1.1	1.1	(1.1)	(1.1)	-	-	-	-	-	-
<b>Investment of Asian Property Co., Ltd.</b>													
SEASIA Leadavation Center Co., Ltd.	Service	1	100	1	-	-	-	1	-	-	-	-	-

## 10.2 Changes in investments in subsidiaries

### AP (Ratchayothin) Co., Ltd.

On 25 November 2015, the Extraordinary General Meeting of shareholders of AP (Ratchayothin) Co., Ltd. passed a resolution to increase its registered share capital by Baht 490 million (49 million ordinary shares of Baht 10 each), from Baht 10 million (1 million ordinary shares of Baht 10 each) to Baht 500 million (50 million ordinary shares of Baht 10 each). This company registered the share capital increase with the Ministry of Commerce on 22 January 2016.

On 30 June 2016, the Company sold investment in AP (Ratchayothin) Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. (MJRT) totaling Baht 619.4 million. The Company recognised gain from sales of investment of approximately Baht 76.9 million in the consolidated financial statements (Baht 119.4 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., which is the Company's joint venture as mentioned in Note 11.

### AP ME 2 Co., Ltd.

On 28 March 2016, the Company sold investment in AP ME 2 Co., Ltd. to Premium Residence Co., Ltd., which is a joint venture company between AP (Thailand) Public Company Limited and MJRI (Thailand) Co., Ltd. (MJRT) totaling Baht 29 million. The Company recognised gain from sales of investment of approximately Baht 17.6 million in the consolidated financial statements (Baht 28 million in the separate financial statements). Therefore, the status of this company was changed to subsidiary of Premium Residence Co., Ltd., which is the Company's joint venture as mentioned in Note 11.

### AP ME 4 Co., Ltd.

On 18 March 2016, the meeting of the Company's Board of Directors passed a resolution to establish AP ME 4 Co., Ltd. It has registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each and the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 3 May 2016.

### AP ME 5 Co., Ltd.

On 18 March 2016, the meeting of the Company's Board of Directors passed a resolution to establish AP ME 5 Co., Ltd. It has registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each and the Company holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 3 May 2016.

### Asian Property Co., Ltd.

On 8 July 2016, the meeting of the Company's Board of Directors of Asian Property Co., Ltd. passed a resolution to establish AP Human Development Co., Ltd. which was subsequently changed its name to SEASIA Leadavation Center Co., Ltd. Such company has registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each and Asian Property Co., Ltd. holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 8 July 2016.

Subsequently, in August 2016 Asian Property Co., Ltd. sold 9,500 of its shares in this subsidiary to a third party. As result, Asian Property Co., Ltd. holds 90.5% interest in this company.

### Thonglor Residence Co., Ltd.

On 19 September 2016, the meeting of the Company's Board of Directors of Signature Advisory Partners Ltd., the subsidiary company of Thonglor Residence Co., Ltd., passed a resolution to establish Som Baan Co., Ltd. Such company has registered capital of Baht 1 million, comprising 0.1 million ordinary shares of Baht 10 each and Signature Advisory Partners Ltd. holds 99.99% interest. This company registered its establishment with the Ministry of Commerce on 20 September 2016.



## 11. Investments in joint ventures

### 11.1 Details of investments in joint ventures:

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

(Unit: Million Baht)

Joint ventures	Nature of business	Shareholding percentage (%)		Separate financial statements		Consolidated financial statements	
				Cost		Carrying amounts based on equity method	
				2016	2015	2016	2015
AP ME (Sukhumvit) Co., Ltd.	Real estate development	51	51	332	287	397	224
AP ME (Krungthep) Co., Ltd.	Real estate development	51	51	392	367	481	320
AP ME (Asoke) Co., Ltd.	Real estate development	51	51	199	159	192	125
AP (Ekkamai) Co., Ltd.	Real estate development	51	51	71	51	50	50
Premium Residence Co., Ltd. and its subsidiaries	Real estate development	51	51	2,548	307	2,406	249
AP (Phetchaburi) Co., Ltd.	Real estate development	-	51	-	418	-	373
Asian Property (2015) Co., Ltd.	Real estate development	-	51	-	199	-	175
AP ME 1 Co., Ltd.	Real estate development	-	51	-	193	-	177
Total				3,542	1,981	3,526	1,693

### 11.2 Share of comprehensive income from investments in joint ventures

During the years, the Company recognised its share of comprehensive income from investments in the joint venture in the consolidated financial statements as follows:

(Unit: Million Baht)

Joint ventures	Consolidated financial statements	
	For the years ended 31 December	
	2016	2015
AP ME (Sukhumvit) Co., Ltd.	127	(39)
AP ME (Krungthep) Co., Ltd.	136	(26)
AP ME (Asoke) Co., Ltd.	27	(22)
Premium Residence Co., Ltd. and its subsidiaries	132	(41)
AP (Ekkamai) Co., Ltd.	(19)	(1)
AP (Phetchaburi) Co., Ltd.	(6)	(38)
Asian Property (2015) Co., Ltd.	(20)	(24)
AP ME 1 Co., Ltd.	(6)	(16)
Total	371	(207)

### 11.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	31 December 2016				
	AP ME (Sukhumvit) Co., Ltd.	AP ME (Krungthep) Co., Ltd.	AP ME (Asoke) Co., Ltd.	Premium Residence Co., Ltd. and its subsidiaries	AP (Ekkamai) Co., Ltd.
Cash and cash equivalents	250	125	73	929	12
Other current assets	1,071	1,054	805	9,366	550
Non-current assets	4	5	4	358	10
	<u>1,325</u>	<u>1,184</u>	<u>882</u>	<u>10,653</u>	<u>572</u>
Short-term loans	-	-	15	332	45
Current portion of long-term loan	246	88	-	-	-
Current liabilities	277	137	136	1,164	107
Long-term loans	-	-	338	4,189	320
Other non-current liabilities	23	16	17	57	1
	<u>546</u>	<u>241</u>	<u>506</u>	<u>5,742</u>	<u>473</u>
Net assets	779	943	376	4,911	99
Shareholding percentage (%)	51	51	51	51	51
Share of net assets	397	481	192	2,505	50
Elimination	-	-	-	(99)	-
<b>Carrying amounts of joint ventures based on equity method</b>	<u>397</u>	<u>481</u>	<u>192</u>	<u>2,406</u>	<u>50</u>

(Unit: Million Baht)

	31 December 2015							
	AP ME (Sukhumvit) Co., Ltd.	AP ME (Krungthep) Co., Ltd.	AP ME (Asoke) Co., Ltd.	Premium Residence Co., Ltd.	AP (Phetchaburi) Co., Ltd.	Asian Property (2015) Co., Ltd.	AP ME 1 Co., Ltd.	AP (Ekkamai) Co., Ltd.
Cash and cash equivalents	47	20	17	46	164	70	15	1
Other current assets	1,151	1,141	622	1,328	1,752	914	853	416
Non-current assets	30	22	16	26	23	13	8	1
	<u>1,228</u>	<u>1,183</u>	<u>655</u>	<u>1,400</u>	<u>1,939</u>	<u>997</u>	<u>876</u>	<u>418</u>
Short-term loans	50	50	50	-	-	30	-	-
Current liabilities	262	107	104	227	193	132	31	1
Long-term loans	470	387	251	670	1,013	490	497	320
Other non-current liabilities	6	11	5	15	2	1	1	-
	<u>788</u>	<u>555</u>	<u>410</u>	<u>912</u>	<u>1,208</u>	<u>653</u>	<u>529</u>	<u>321</u>
Net assets	440	628	245	488	731	344	347	97
Shareholding percentage (%)	51	51	51	51	51	51	51	51
<b>Carrying amounts of joint ventures based on equity method</b>	<u>224</u>	<u>320</u>	<u>125</u>	<u>249</u>	<u>373</u>	<u>175</u>	<u>177</u>	<u>50</u>

These joint ventures have mortgaged their land, with a total net book value as at 31 December 2016 of approximately Baht 12,308 million (the Company's proportion: Baht 6,277 million), as collateral for credit facilities granted by the commercial banks (2015: Baht 7,612 million (the Company's proportion: Baht 3,882 million)).

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December 2016								
	AP ME (Sukhumvit) Co., Ltd.	AP ME (Krungthep) Co., Ltd.	AP ME (Asoke) Co., Ltd.	AP (Ekkamai) Co., Ltd.	Premium Residence Co., Ltd. and its subsidiaries	Asian Property (2015) Co., Ltd.	AP ME 1 Co., Ltd.	AP (Phetchaburi) Co., Ltd.
Revenues	1,097	1,237	263	1	2,194	1	-	1
Cost of sales	(673)	(764)	(155)	-	(1,337)	-	-	-
Selling expenses	(74)	(97)	(25)	(38)	(410)	(47)	(9)	(5)
Administrative expenses	(30)	(35)	(14)	(7)	(106)	(4)	(4)	(8)
Profit (loss) before finance cost and income tax	320	341	69	(44)	341	(50)	(13)	(12)
Finance cost	(8)	(8)	(3)	(1)	(16)	(1)	(1)	(1)
Profit (loss) before tax	312	333	66	(45)	325	(51)	(14)	(13)
Income tax revenue (expenses)	(63)	(67)	(13)	7	(66)	10	3	3
Profit (loss) for the year	249	266	53	(38)	259	(41)	(11)	(10)

(Unit: Million Baht)

For the year ended 31 December 2015								
	AP ME (Sukhumvit) Co., Ltd.	AP ME (Krungthep) Co., Ltd.	AP ME (Asoke) Co., Ltd.	AP (Ekkamai) Co., Ltd.	Premium Residence Co., Ltd.	Asian Property (2015) Co., Ltd.	AP ME 1 Co., Ltd.	AP (Phetchaburi) Co., Ltd.
Revenues	3	3	2	-	2	-	-	1
Selling expenses	(80)	(51)	(45)	-	(82)	(47)	(27)	(72)
Administrative expenses	(15)	(14)	(9)	-	(19)	(8)	(10)	(20)
Loss before finance cost and income tax	(92)	(62)	(52)	-	(99)	(55)	(37)	(91)
Finance cost	(1)	(1)	(1)	(3)	(2)	(2)	(3)	(3)
Loss before tax	(93)	(63)	(53)	(3)	(101)	(57)	(40)	(94)
Income tax revenue	18	13	10	1	20	11	8	19
Loss for the year	(75)	(50)	(43)	(2)	(81)	(46)	(32)	(75)

#### 11.4 Changes in investments in joint ventures

##### AP ME (Krungthep) Co., Ltd.

Regarding to on 23 April 2014, the Annual General Meeting of shareholders of AP ME (Krungthep) Co., Ltd. passed a resolution to increase its registered share capital by Baht 525 million, whereby the capital will be called up and paid up from time to time. Subsequently, on 12 January 2016, the last call up of additional registered share capital was made at 12.3 percent of the second additional registered share capital or equivalent to Baht 48.9 million. As a result, paid-up share capital increased to Baht 768 million. The Company additionally invested in the same proportion amounting to Baht 25 million.

##### Premium Residence Co., Ltd.

Regarding to on 4 August 2014, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. passed a resolution to increase its registered share capital by Baht 1,000 million. During the year 2016, the additional call up of registered share capital was made as follows:

- On 16 March 2016, the sixth call up of additional registered share capital was made at 5 percent of additional registered share capital or equivalent to Baht 50 million.
- On 28 March 2016, the seventh call up of additional registered share capital was made at 0.25 percent of additional registered share capital or equivalent to Baht 2.5 million.
- On 11 May 2016, the eighth call up of additional registered share capital was made at 13 percent of additional registered share capital or equivalent to Baht 130 million.
- On 30 June 2016, the ninth call up of additional registered share capital was made at 11.3 percent of additional registered share capital or equivalent to Baht 112.8 million.
- On 17 August 2016, the tenth call up of additional registered share capital was made at 10.3 percent of additional registered share capital or equivalent to Baht 103 million.

This first additional registered share capital of Baht 1,000 million had been fully paid.

On 28 March 2016, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. passed a resolution to increase additional its registered share capital by Baht 3,109 million (310.9 million ordinary shares of Baht 10 each) to Baht 4,110 million (411 million ordinary shares of Baht 10 each) which consisted of increase share capital of Baht 1,609 million issuing for support the share SWAP between share capital of Premium resident Co., Ltd. and share capital of 3 joint ventures, AP (Petchaburi) Co., Ltd., AP ME1 Co., Ltd and Asian Property (2015) Co., Ltd. This company registered the share capital increase for this part with the Ministry of Commerce on 28 March 2016. This company also increased another share capital of Baht 1,500 million (150 million ordinary shares of Baht 10 each) and registered this share capital increase with the Ministry of Commerce on 30 March 2016. The additional call up of the second additional registered share capital was made as follows;

- On 28 March 2016, the first call up of additional registered share capital was made at 49 percent of the second additional registered share capital or equivalent to Baht 735 million.
- On 8 June 2016, the second call up of additional registered share capital was made at 3.36 percent of the second additional registered share capital or equivalent to Baht 50.4 million.
- On 30 June 2016, the third call up of additional registered share capital was made at 47.64 percent of the second additional registered share capital or equivalent to Baht 714.6 million.

This second additional registered share capital of Baht 1,500 million had been fully paid.

On 30 June 2016, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. passed a resolution to increase its registered share capital by Baht 1,000 million (100 million ordinary shares of Baht 10 each), to Baht 5,110.4 million (511.04 million ordinary shares of Baht 10 each) This company registered the share capital increase with the Ministry of Commerce on 13 July 2016.

The additional call up of the third additional registered share capital was made as follows;

- On 12 July 2016, the first call up of additional registered share capital was made at 25 percent of the third additional registered share capital or equivalent to Baht 250 million.
- On 17 August 2016, the second call up of additional registered share capital was made at 1.404 percent of the third additional registered share capital or equivalent to Baht 14.04 million.
- On 21 September 2016, the third call up of additional registered share capital was made at 22 percent of the third additional registered share capital or equivalent to Baht 220 million.
- On 16 November 2016, the fourth call up of additional registered share capital was made at 15.1 percent of the third additional registered share capital or equivalent to Baht 151 million.

On 14 September 2016, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. passed a resolution to increase its registered share capital by Baht 1,000 million (100 million ordinary shares of Baht 10 each), to Baht 6,110.4 million (611.04 million ordinary shares of Baht 10 each) and the first call up of additional registered share capital was made at 25 percent of the fourth additional registered share capital or equivalent to Baht 250 million. This company registered the share capital increase with the Ministry of Commerce on 14 October 2016.

As a result, paid-up share capital increased to Baht 4,995 million. The Company additionally invested in the same proportion amounting to Baht 1,419 million.

#### AP ME (Sukhumvit) Co., Ltd.

Regarding to on 23 April 2014, the Annual General Meeting of shareholders of AP ME (Sukhumvit) Co., Ltd. passed a resolution to increase its registered share capital by Baht 354 million, whereby the capital will be called up and paid up from time to time. Subsequently, on 11 May 2016, the last call up of additional registered share capital was made at 6.9 percent of the second additional registered share capital or equivalent to Baht 9.9 million. As a result, paid-up share capital of this company increased to Baht 572 million. The Company additionally invested in the same proportion amounting to Baht 5.1 million. Moreover, the third additional share capital was made by Baht 80 million (8 million ordinary shares of Baht 10 each) to Baht 652 million (65.2 million ordinary shares of Baht 10 each). This company registered this share capital increase with the Ministry of Commerce on 13 May 2016.

The additional call up of the third additional registered share capital was made as follows;

- On 11 May 2016, the first call up of additional registered share capital was made at 35 percent of the third additional registered share capital or equivalent to Baht 28 million.
- On 17 August 2016, the second call up of additional registered share capital was made at 65 percent of the third additional registered share capital or equivalent to Baht 52 million.

As a result, all share capital totaling of Baht 652 million had been fully paid. The Company additionally invested in the same proportion amounting to Baht 45.8 million.

#### AP ME (Asoke) Co., Ltd.

Regarding to on 23 April 2014, the Annual General Meeting of shareholders of AP ME (Asoke) Co., Ltd. passed a resolution to increase its registered share capital by Baht 214 million, whereby the capital will be called up and paid up from time to time.

The additional call up of the second additional registered share capital was made as follows;

- On 8 June 2016, the third call up of additional registered share capital was made at 16 percent of the second additional registered share capital or equivalent to Baht 20 million.
- On 17 August 2016, the fourth call up of additional registered share capital was made at 24 percent of the second additional registered share capital or equivalent to Baht 30 million.
- On 16 November 2016, the fifth call up of additional registered share capital was made at 5.6 percent of the second additional registered share capital or equivalent to Baht 7 million.

This second additional registered share capital of Baht 125 million had been fully paid.

On 7 November 2016, the Extraordinary General Meeting of shareholders of AP ME (Asoke) Co., Ltd. passed a resolution as follows;

- 1) Approving a change the share capital increase according to the approval of the Annual General Meeting of shareholders on 23 April 2014 from Baht 214 million to Baht 209 million.
- 2) Increase the registered share capital by Baht 21 million (2.1 million ordinary shares of Baht 10 each), to Baht 390 million (39 million ordinary shares of Baht 10 each). This company registered the share capital increase with the Ministry of Commerce on 17 November 2016 and the increased share capital has been fully paid. As a result, paid-up share capital increased to Baht 390 million. The Company additionally invested in the same proportion amounting to Baht 39.8 million.

#### AP (Ekkamai) Co., Ltd.

On 7 November 2016, the Extraordinary General Meeting of shareholders of AP (Ekkamai) Co., Ltd. passed a resolution to increase its registered share capital by Baht 120 million (12 million ordinary shares of Baht 10 each), to Baht 220 million (22 million ordinary shares of Baht 10 each). This company registered the share capital increase with the Ministry of Commerce on 17 November 2016 and the first call up of additional registered share capital was made at 32.5 percent of this additional registered share capital or equivalent to Baht 39 million.

As a result, paid-up share capital increased to Baht 139 million. The Company additionally invested in the same proportion amounting to Baht 19.9 million.

## 12. Land and cost of project held for development

Land and cost of project held for development as at 31 December 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land	672,277	672,277	115,840	115,840
Land improvement	15,923	15,923	-	-
Infrastructure	8,637	8,637	-	-
Deferred interest expenses	233,781	233,781	-	-
Deferred expenses	18,238	18,238	-	-
Total	948,856	948,856	115,840	115,840
Less: Allowance for impairment loss	(342,014)	(352,023)	(18,963)	(18,963)
Land and cost of project held for development - net	606,842	596,833	96,877	96,877

## 13. Investment properties

The net book value of investment properties, representing condominium units for rent, as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost	87,145	58,300	67,095	48,394
Less: Accumulated depreciation	(13,733)	(10,061)	(11,740)	(8,701)
Net book value	73,412	48,239	55,355	39,693

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	48,239	40,920	39,693	33,377
Transfer from inventories	28,845	10,131	18,701	8,663
Depreciation charged during the year	(3,672)	(2,812)	(3,039)	(2,347)
Net book value at end of year	73,412	48,239	55,355	39,693

The fair value of the investment properties as at 31 December 2016 is approximately Baht 291 million (Separate financial statements: Baht 210 million) (2015: Baht 202 million (Separate financial statements: Baht 167 million)). The fair value has been determined based on comparable market price by referring to the purchase-sale information and the comparable transactions of the assets bought-sold during the same period, taking into account the location, size and shape of land, type and condition of the assets.

## 14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements										
	Land and land improvement	Buildings and constructions	Club houses, swimming pool and playground	Sample houses and sales office	Furniture, fixtures and equipment	Motor vehicles	Mold	Other fixed assets	Assets under installation	Total
<b>Cost</b>										
1 January 2015	26,216	20,742	42,473	588	212,829	2,185	42,090	64,975	2,334	414,432
Additions	-	-	-	-	15,754	-	10,765	2,591	435	29,545
Disposals/write-off	-	(10,957)	-	-	(8,129)	-	(4,625)	(7,069)	-	(30,780)
Transfer in (out)	-	-	-	-	3,688	-	-	(919)	(2,769)	-
31 December 2015	26,216	9,785	42,473	588	224,142	2,185	48,230	59,578	-	413,197
Additions	-	-	-	-	10,160	-	2,637	5,687	12,516	31,000
Disposals/write-off	-	-	-	-	(525)	-	(4,851)	(294)	-	(5,670)
Transfer in (out)	-	-	-	-	2,053	-	-	-	(2,053)	-
31 December 2016	26,216	9,785	42,473	588	235,830	2,185	46,016	64,971	10,463	438,527
<b>Accumulated depreciation</b>										
1 January 2015	6,000	4,853	35,571	588	149,434	726	31,440	42,553	-	271,165
Depreciation for the year	330	1,109	502	-	27,446	437	8,044	9,282	-	47,150
Transfer in (out)	-	-	-	-	26	-	-	(26)	-	-
Depreciation on disposals/write-off	-	(1,377)	-	-	(5,697)	-	(4,254)	(6,910)	-	(18,238)
31 December 2015	6,330	4,585	36,073	588	171,209	1,163	35,230	44,899	-	300,077
Depreciation for the year	331	427	501	-	23,132	454	7,213	6,723	-	38,781
Depreciation on disposals/write-off	-	-	-	-	(344)	-	(4,526)	(236)	-	(5,106)
31 December 2016	6,661	5,012	36,574	588	193,997	1,617	37,917	51,386	-	333,752

Consolidated financial statements (continued)										
	Land and land improvement	Buildings and constructions	Club houses, swimming pool and playground	Sample houses and sales office	Furniture, fixtures and equipment	Motor vehicles	Mold	Other fixed assets	Assets under installation	Total
<b>Allowance for impairment loss</b>										
31 December 2015	4,802	123	5,693	-	-	-	-	-	-	10,618
Reversal during the year	-	(69)	-	-	-	-	-	-	-	(69)
31 December 2016	4,802	54	5,693	-	-	-	-	-	-	10,549
<b>Net book value</b>										
31 December 2015	15,084	5,077	707	-	52,933	1,022	13,000	14,679	-	102,502
31 December 2016	14,753	4,719	206	-	41,833	568	8,099	13,585	10,463	94,226
<b>Depreciation for the year</b>										
2015 (included in the administrative expenses)										47,150
2016 (included in the administrative expenses)										38,781



**Separate financial statements**

	Land and land improvement	Buildings and constructions	Furniture, fixtures and equipment	Other fixed assets	Assets under installation	Total
<b>Cost</b>						
1 January 2015	22,907	4,085	182,662	40,805	2,334	252,793
Additions	-	-	14,847	1,988	435	17,270
Purchase from subsidiary	-	-	1,302	101	-	1,403
Disposals/write-off	-	-	(4,059)	(4,961)	-	(9,020)
Transfer in (out)	-	-	3,688	(919)	(2,769)	-
31 December 2015	22,907	4,085	198,440	37,014	-	262,446
Additions	-	-	8,099	4,620	2,043	14,762
Disposals/write-off	-	-	(511)	(283)	-	(794)
31 December 2016	22,907	4,085	206,028	41,351	2,043	276,414
<b>Accumulated depreciation</b>						
1 January 2015	5,511	3,685	127,965	28,935	-	166,096
Depreciation for the year	-	204	24,266	5,159	-	29,629
Transfer in (out)	-	-	26	(26)	-	-
Depreciation on disposals/write-off	-	-	(3,970)	(4,946)	-	(8,916)
31 December 2015	5,511	3,889	148,287	29,122	-	186,809
Depreciation for the year	-	142	21,432	3,696	-	25,270
Depreciation on disposals/write-off	-	-	(338)	(226)	-	(564)
31 December 2016	5,511	4,031	169,381	32,592	-	211,515

### Separate financial statements

	Land and land improvement	Buildings and constructions	Furniture, fixtures and equipment	Other fixed assets	Assets under installation	Total
<b>Allowance for impairment loss</b>						
31 December 2015	4,802	123	-	-	-	4,925
Reversal during the year	-	(69)	-	-	-	(69)
31 December 2016	4,802	54	-	-	-	4,856
<b>Net book value</b>						
31 December 2015	12,594	73	50,153	7,892	-	70,712
31 December 2016	12,594	-	36,647	8,759	2,043	60,043
<b>Depreciation for the year</b>						
2015 (Included in the administrative expenses)						29,629
2016 (Included in the administrative expenses)						25,270

As at 31 December 2016 and 2015, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 238 million and Baht 201 million, respectively (Separate financial statements: Baht 154 million and Baht 132 million, respectively).

## 15. Intangible assets

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2015	121,544	110,892
Additions	2,008	2,120
Disposal	(1,597)	(1,201)
31 December 2015	121,955	111,811
Additions	17,795	17,358
31 December 2016	139,750	129,169
<b>Accumulated amortisation</b>		
1 January 2015	96,378	87,155
Amortisation for the year	17,329	16,738
Disposal	(1,433)	(1,201)
31 December 2015	112,274	102,692
Amortisation for the year	11,697	11,263
31 December 2016	123,971	113,955
<b>Net book value</b>		
31 December 2015	9,681	9,119
31 December 2016	15,779	15,214
<b>Amortisation for the year</b>		
2015 (included in the administrative expenses)	17,329	16,738
2016 (included in the administrative expenses)	11,697	11,263

## 16. Short-term loans from financial institutions

Short-term loans from financial institutions as at 31 December 2016 and 2015 comprised the following:

(Unit: Thousand Baht)

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016 (percent per annum)	2015 (percent per annum)	2016	2015	2016	2015
Bill of exchanges	1.71 - 1.79	1.83 - 2.80	2,000,000	800,000	2,000,000	800,000
Less: Prepaid interest expenses			(9,165)	(2,636)	(9,165)	(2,636)
Short-term loans from financial institutions			<u>1,990,835</u>	<u>797,364</u>	<u>1,990,835</u>	<u>797,364</u>

Certain in bank overdrafts and short-term loans from financial institutions of the Company and its subsidiaries are secured by the mortgage of land of certain projects of the Company and its subsidiaries and are guaranteed by the Company.

## 17. Trade accounts payable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts payable - related parties	-	-	66,829	66,478
Trade accounts payable - unrelated parties	924,155	1,071,182	549,504	712,608
Total trade accounts payable	<u>924,155</u>	<u>1,071,182</u>	<u>616,333</u>	<u>779,086</u>

## 18. Long-term loans

Long-term loans from bank as at 31 December 2016 and 2015 can be summarised as follows:

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Outstanding long-term loan amount		
			Repayment term	Collateral	Interest rate (Percent per annum)	Current portion	Non-current portion	Total
<b>2016</b>								
<b>The Company</b>								
1.	Bank	2,397,500	At 70 percent of selling price upon release of the mortgage and due within 2018 - 2020	The mortgage of land and construction thereon	MLR-1.75	-	50,000	50,000
Total loans of the Company								
<b>Subsidiaries</b>								
<u>Asian Property Co., Ltd.</u>								
1.	Bank	3,860,000	At 70 percent of selling price upon release of the mortgage and due within 2022	The mortgage of land and construction thereon	MLR-2.00	-	50,000	50,000
<u>Asian Property (2014) Co., Ltd.</u>								
1.	Bank	1,270,000	At 70 percent of selling price upon release of the mortgage and due within 2020	The mortgage of land and construction thereon	MLR-1.75	-	50,000	50,000
Total loans of the subsidiaries								
Total loans of the Company and its subsidiaries								
						-	100,000	100,000
						-	150,000	150,000

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Outstanding long-term loan amount		
			Repayment term	Collateral	Interest rate (Percent per annum)	Current portion	Non-current portion	Total
<b>2015</b>								
<b>The Company</b>								
1.	Bank	2,579,000	At 70 percent of selling price upon release of the mortgage and due within 2016 - 2019	The mortgage of land and construction thereon	MLR-1.75	50,000	49,000	99,000
Total loans of the Company								
<b>Subsidiaries</b>								
<u>The Value Property Development Co., Ltd.</u>								
1.	Bank	1,032,000	At 70 percent of selling price upon release of the mortgage and due within 2016	The mortgage of land and construction thereon	MLR-1.75	50,000	-	50,000
<u>Asian Property (2012) Co., Ltd.</u>								
1.	Bank	1,533,000	At 70 percent of selling price upon release of the mortgage and due within 2016	The mortgage of land and construction thereon	MLR-1.75	83,000	-	83,000
<u>Asian Property (2013) Co., Ltd.</u>								
1.	Bank	1,525,000	At 70 percent of selling price upon release of the mortgage and due within 2017	The mortgage of land and construction thereon	MLR-1.75	-	50,000	50,000
Total loans of the subsidiaries								
Total loans of the Company and its subsidiaries								
						133,000	50,000	183,000
						183,000	99,000	282,000

These loan agreements contain several covenants and restrictions which, among other things, require the Company and its subsidiaries to maintain 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 subsidiaries which have not yet been drawn down amounted to Baht 7,699 million (Separate financial statements: Baht 2,347 million) (2015: Baht 11,635 million (Separate financial statements: Baht 2,480 million)).

## 19. Debentures

Debentures as at 31 December 2016 and 2015, which are unsubordinated, unsecured debentures with registered name, were summarised below.

Name of debenture	Fixed interest rate	Period	Maturity date	Consolidated and separate financial statements			
				Unit		Amount	
				2016 (Thousand units)	2015 (Thousand units)	2016 (Million Baht)	2015 (Million Baht)
AP162A	4.75% p.a.	4 years and 6 months	28 February 2016	-	300	-	300
AP161A	4.00% p.a.	4 years	27 January 2016	-	1,000	-	1,000
AP169A	4.49% p.a.	4 years and 3 months	8 September 2016	-	1,200	-	1,200
AP181A	4.24% p.a.	5 years	24 January 2018	1,250	1,250	1,250	1,250
AP188A	4.13% p.a.	5 years and 3 months	9 August 2018	1,250	1,250	1,250	1,250
AP179A	4.52% p.a.	4 years	5 September 2017	1,000	1,000	1,000	1,000
AP174A	4.10% p.a.	3 years, 6 months and 30 days	5 April 2017	500	500	500	500
AP179B	4.52% p.a.	4 years and 8 days	20 September 2017	300	300	300	300
AP171A	4.00% p.a.	3 years	24 January 2017	1,150	1,150	1,150	1,150
AP191A	4.50% p.a.	5 years	24 January 2019	350	350	350	350
AP167A	3.40% p.a.	2 years, 1 month and 24 days	28 July 2016	-	500	-	500
AP197A	4.36% p.a.	5 years and 1 month	27 July 2019	1,000	1,000	1,000	1,000
AP177A	3.05% p.a.	2 years and 6 months	22 July 2017	500	500	500	500
AP201A	3.58% p.a.	5 years	22 January 2020	1,500	1,500	1,500	1,500
AP187A	2.65% p.a.	3 years and 1 month	18 July 2018	300	300	300	300
AP181B	2.30% p.a.	2 years and 6 months	10 January 2018	500	500	500	500
AP197B	3.04% p.a.	4 years	10 July 2019	1,000	1,000	1,000	1,000
AP17DA	2.05% p.a.	1 year and 11 months	27 December 2017	1,000	-	1,000	-
AP191B	2.15% p.a.	2 years and 6 months	10 January 2019	1,000	-	1,000	-
Total						12,600	13,600
Less: Current portion						(4,450)	(3,000)
Debentures - net of current portion						8,150	10,600

- 19.1 On 22 January 2015, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2013 by issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which is institutional and/or major investors. The debentures have 2-year and 6-month term from the date of issuance and bear the fixed interest rate of 3.05% per annum. The interest payment is made every six months and the debentures are due for redemption on 22 July 2017.
- 19.2 On 22 January 2015, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2013 by issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, to private placement which is institutional and/or major investors. The debentures have 5-year term from the date of issuance and bear the fixed interest rate of 3.58% per annum. The interest payment is made every six months and the debentures are due for redemption on 22 January 2020.
- 19.3 On 18 June 2015, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2013 by issuing and offering 0.3 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 300 million, to private placement which the number of investors of not over 10. The debentures have 3-year and 1-month term from the date of issuance and bear the fixed interest rate of 2.65% per annum. The interest payment is made every six months and the debentures are due for redemption on 18 July 2018.
- 19.4 On 10 July 2015, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which is institutional and/or major investors. The debentures have 2-year and 6-month term from the date of issuance and bear the fixed interest rate of 2.30% per annum. The interest payment is made every six months and the debentures are due for redemption on 10 January 2018.
- 19.5 On 10 July 2015, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.0 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,000 million, to private placement which is institutional and/or major investors. The debentures have 4-year term from the date of issuance and bear the fixed interest rate of 3.04% per annum. The interest payment is made every six months and the debentures are due for redemption on 10 July 2019.
- 19.6 On 27 January 2016, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.0 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,000 million, to private placement which is institutional and/or major investors. The debentures have 1-year and 11-month term from the date of issuance and bear the fixed interest rate of 2.05% per annum. The interest payment is made every six months and the debentures are due for redemption on 27 December 2017.
- 19.7 On 29 July 2016, the Company issued and offered debentures according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015 by issuing and offering 1.0 million units of named, unsubordinated, unsecured debentures, without debentureholder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,000 million, to private placement which is institutional and/or major investors. The debentures have 2-year and 6-month term from the date of issuance and bear the fixed interest rate of 2.15% per annum. The interest payment is made every six months and the debentures are due for redemption on 29 January 2019.

These issued debentures contain certain covenants and restrictions that the Company has to comply with, such as the maintenance of net financial debt to equity ratio not exceeding 2:1.

As at 31 December 2016, fair values of debentures are Baht 12,821 million.



## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire from the Company and its subsidiaries, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Defined benefit obligation at beginning of year</b>	94,570	69,908	83,685	62,672
Expenses recognised in profit or loss:				
Current service cost	25,945	20,929	21,525	17,416
Interest cost	5,105	4,086	4,417	3,597
Expenses recognised in other comprehensive income:				
Actuarial gain from post-employment benefits				
Demographic assumptions changes	31,040	-	34,413	-
Financial assumptions changes	(40,978)	-	(41,044)	-
Experience adjustments	(2,203)	-	782	-
Benefits paid during the year	(14,711)	(353)	(14,711)	-
<b>Defined benefit obligation at end of year</b>	<b>98,768</b>	<b>94,570</b>	<b>89,067</b>	<b>83,685</b>

Long-term employee benefit expenses included under the selling and administrative expenses in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current service cost	25,945	20,929	21,525	17,416
Interest cost	5,105	4,086	4,417	3,597
<b>Total expense recognised in profit or loss</b>	<b>31,050</b>	<b>25,015</b>	<b>25,942</b>	<b>21,013</b>

The Company and its subsidiaries expect to pay Baht 23.1 million of long-term employee benefits during the next year (Separate financial statements: Baht 20.7 million) (2015: Baht 6.1 million, separate financial statements: Baht 5.6 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 17.29 - 19.33 years (Separate financial statements: 17.64 years) (2015: 18.06 - 20.04 years, separate financial statements: 18.41 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 (% per annum)	2015 (% per annum)	2016 (% per annum)	2015 (% per annum)
Discount rate	2.72 - 4.53	4.52 - 4.57	2.78	4.52
Future salary increase rate (depending on employee's age)	0 - 10	7 - 15	0 - 10	7 - 15
Staff turnover rate	5 - 50	10 - 30	10 - 26.99	10 - 27

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 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(3.63)	3.86	(2.96)	3.14
Salary increase rate	10.39	(9.32)	8.49	(7.66)
Staff turnover rate	13.24	(10.54)	11.87	(9.37)

## 21. Statutory reserve

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

## 22. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Construction and infrastructure costs	7,930,836	9,081,069	5,754,242	7,584,256
Land cost	4,662,680	4,640,641	3,656,315	3,846,497
Salary and wages and other employee benefits	1,168,334	1,037,145	928,726	829,996
Advertising and promotion expenses	1,180,042	1,102,193	952,955	906,536
Rental expenses from operating lease agreements	90,823	92,248	74,129	73,367
Allowance for diminution in value of inventory (reversal)	55,589	29,379	300	(1,000)
Depreciation	42,453	49,962	28,310	31,975
Amortisation	11,697	17,329	11,263	16,738

### 23. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Current income tax:</b>				
Current income tax charge	568,106	743,415	319,281	563,125
Adjustment in respect of current income tax of previous year	2,629	5,184	2,347	3,116
<b>Deferred tax:</b>				
Relating origination and reversal of temporary differences	48,037	(15,650)	24,537	7,413
<b>Income tax expense reported in the statement of comprehensive income</b>				
	<u>618,772</u>	<u>732,949</u>	<u>346,165</u>	<u>573,654</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax relating to actuarial gain from prost-employment benefits	1,232	-	1,170	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	3,321,398	3,356,354	1,752,132	3,154,347
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	664,280	671,271	350,426	630,869
Adjustment in respect of income tax of previous year	2,629	5,184	2,347	3,116
Effect of non-taxable expenses (revenues) for tax purpose	11,006	18,115	5,871	10,321
Tax effect on allowance for investments	1,020	-	1,020	-
Tax effect on tax-deductible more than 1 time	(7,707)	(6,091)	(7,229)	(6,079)
Tax effect of non-taxable dividend income	-	-	(7,960)	(64,800)
Others	(52,456)	44,470	1,690	227
Income tax expenses reported in the statement of comprehensive income	<u>618,772</u>	<u>732,949</u>	<u>346,165</u>	<u>573,654</u>

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	As at 31 December 2016	As at 31 December 2015
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	2,193	2,193
The difference between book and tax accounting net revenue	1,359	894
Allowance for asset impairment	8	440
Profit in outstanding inventories	10,623	18,491
Accumulated depreciation - plant and equipment	1,030	1,229
Provision for long-term employee benefits	18,984	17,580
Deferred sales and marketing expenses	102,332	129,685
Unused tax loss	31,196	57,857
<b>Net deferred tax assets</b>	<b>167,725</b>	<b>228,369</b>

(Unit: Thousand Baht)

	Separate financial statements	
	As at 31 December 2016	As at 31 December 2015
<b>Deferred tax assets</b>		
Accumulated depreciation - plant and equipment	37	60
Provision for long-term employee benefits	17,814	16,737
Allowance for asset impairment	8	440
Deferred sales and marketing expenses	82,962	109,290
<b>Net deferred tax assets</b>	<b>100,821</b>	<b>126,527</b>

As at 31 December 2016 the subsidiaries have deductible temporary differences totaling Baht 0.8 million (2015: deductible temporary differences totaling Baht 1.33 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

## 24. Earnings per share

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

## 25. Dividends

Dividends paid for the years ended 31 December 2016 and 2015 are as follows:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b>2016</b>			
Final dividends for 2015	Annual General Meeting of the shareholders on 28 April 2016	944	0.30
<b>2015</b>			
Final dividends for 2014	Annual General Meeting of the shareholders on 30 April 2015	818	0.26

## 26. Provident fund

The Company and its subsidiaries and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its subsidiaries and their employees contribute to the fund monthly at the rate of 3 to 8 percent of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, SCB Asset Management Company Limited and TMB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2016 and 2015 amounting to Baht 25 million and Baht 24 million, respectively were recognised as expenses in the consolidated financial statements (Separate financial statements: Baht 22 million and Baht 21 million, respectively).

## 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 the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on business operations and have 3 reportable segments as follows:

- Low - rise segment is the development of real estate which comprises of single detached house and townhouse.
- High - rise segment is the development of real estate which comprises of condominium.
- Other segment which comprises of after sales services, property brokerage, and construction services provided to group of companies.

No operating segment have been aggregated to form the above reportable operating segments.

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, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

		For the years ended 31 December											
		Low - rise segment		High - rise segment		Other segments		Total segments		Elimination of inter-segment revenues		Consolidated financial statements	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues</b>													
Revenues from external customers													
Sales of real estate		12,392	12,548	7,261	9,076	-	14	19,653	21,638	-	-	19,653	21,638
Management income and service income													
Inter-segment revenues		-	-	-	-	600	441	600	441	-	-	600	441
<b>Total revenues</b>		12,392	12,548	7,261	9,076	880	1,129	20,533	22,753	(280)	(674)	20,253	22,079
<b>Operating results</b>													
<b>Segment profit</b>		2,612	2,545	1,890	2,655	700	631	5,202	5,831	(39)	(117)	5,163	5,714
Unallocated selling expenses													
Finance cost												(216)	(185)
Other income												(189)	(280)
Share of profit (loss) from investments in joint venture												194	320
Other expenses												371	(207)
<b>Profit before income tax</b>												(2,001)	(2,006)
Income tax												3,322	3,356
<b>Profit for the year</b>												(619)	(733)
												2,703	2,623

	For the years ended 31 December											
	Low - rise segment		High - rise segment		Other segments		Total segments		Unallocated assets		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Segment total assets</b>	17,555	18,493	14,367	14,191	46	56	31,968	32,740	5,822	3,407	37,790	36,147
Investment in joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	3,526	1,694	3,526	1,694
Additions(decrease) to non-current assets other than financial investment and deferred tax assets	(2)	-	25	6	(6)	(18)	17	(12)	1,853	1,038	1,870	1,026

#### Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

#### Major customers

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

## 28. Commitments and contingent liabilities

### 28.1 Capital commitments

As at 31 December 2016, the Company and its subsidiaries had entered into agreements with third parties to purchase land with the amount payable in the future of approximately Baht 3,273 million (Separate financial statements: Baht 2,486 million) (2015: Baht 1,135 million (Separate financial statements: Baht 993 million)).

### 28.2 Operating lease commitments

The Company and its subsidiaries entered into several lease and service agreements in respect of the lease of office buildings, vehicles and advertising space. The terms of the agreements are generally between 3 months and 5 years. Future minimum lease payments under these non cancellable operating lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Payable within:				
Less than 1 year	83	66	34	50
1 to 5 years	111	25	8	18

### 28.3 Commitments under contracts for project developments

The Company, its subsidiaries and joint ventures had commitments in respect of contracts for project developments as follows:

(Unit: Million Baht)

Company's name	2016	2015
<u>The Company</u>		
AP (Thailand) Pcl.	2,525	2,102
<u>Subsidiaries</u>		
Asian Property (2014) Co., Ltd.	1,045	177
Asian Property Co., Ltd.	703	353
Asian Property (2012) Co., Ltd.	223	815
The Value Property Development Co., Ltd.	105	509
Asian Property (2013) Co., Ltd.	92	670
Asian Property (Krungthep) Co., Ltd.	27	38
Thai Big Belly Co., Ltd.	14	98
AP ME 3 Co., Ltd.	7	-
Asian Property (2011) Co., Ltd.	-	1
<u>Joint ventures</u>		
Premium Residence Co., Ltd. and its subsidiaries	2,812	769
AP (Ekkamai) Co., Ltd.	612	8
AP ME (Sukhumvit) Co., Ltd.	24	559
AP ME (Krungthep) Co., Ltd.	16	626
AP ME (Asoke) Co., Ltd.	16	334
AP (Phetchaburi) Co., Ltd.	-	128
AP ME 1 Co., Ltd.	-	79
Asian Property (2015) Co., Ltd.	-	57
Total	8,221	7,323



## 28.4 Guarantees

a) Contingent liabilities in respect of guarantees provided by the Company on the subsidiaries' loans and credit facilities from banks were as follows:

(Unit: Million Baht)

Guarantees	2016	2015
<b>Subsidiaries</b>		
The Value Property Development Co., Ltd.	1,387	3,493
Asian Property (2014) Co., Ltd.	1,300	1,300
Asian Property Co., Ltd.	825	787
Asian Property (2012) Co., Ltd.	635	1,563
Asian Property (2013) Co., Ltd.	405	-
AP ME 4 Co., Ltd.	150	-
Asian Property (Krungthep) Co., Ltd.	85	85
Thai Big Belly Co., Ltd.	25	-
Asian Property (2011) Co., Ltd.	-	30
Total	4,812	7,258

b) The Company and its subsidiaries had contingent liabilities in respect of letters of guarantee issued by banks to government agencies and individuals for maintenance of utilities, purchase of materials and electricity use, as follows:

(Unit: Million Baht)

Company's name	2016	2015
<b>The Company</b>		
AP (Thailand) Pcl.	1,177	693
<b>Subsidiaries</b>		
Asian Property (Krungthep) Co., Ltd.	14	14
The Value Property Development Co., Ltd.	13	84
Asian Property Co., Ltd.	4	13
Asian Property (2014) Co., Ltd.	3	-
Thai Big Belly Co., Ltd.	2	-
Asian Property (2013) Co., Ltd.	1	-
Asian Property (2012) Co., Ltd.	1	-
Total	1,215	804

## 28.5 Litigation

In 2016, the Company and its subsidiary were sued as a co-defendant in a civil lawsuit, with the amount in dispute is Baht 89 million. The case is currently be considered by the Court of First Instance. However, the management believes that there will be no material impact to the Company and its subsidiary. Therefore, no provision has been set aside.

## 29. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
<b>Assets for which fair value are disclosed</b>		
Investment property	291	210
<b>Liabilities for which fair value are disclosed</b>		
Debentures	12,821	12,821

## 30. Financial instruments

### 30.1 Financial risk management

The Company's and its subsidiaries' 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, loans, investments, trade accounts payable, debentures, short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

#### *Credit risk*

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

#### *Interest rate risk*

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

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

(Unit: Million Baht)

Consolidated financial statements						
31 December 2016						
Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1-5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1,048	39	1,087	0.37 to 1.10
Trade and other receivables	-	-	-	40	40	-
Restricted bank deposits	-	-	2	-	2	0.37
	-	-	1,050	79	1,129	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	1,991	-	-	-	1,991	1.71 to 1.79
Trade accounts payable	-	-	-	975	975	-
Long-term loans	-	-	150	-	150	MLR-2.00 to MLR-1.75
Debentures	-	12,600	-	-	12,600	2.05 to 4.52
Retention payable	-	-	-	246	246	-
	1,991	12,600	150	1,221	15,962	

(Unit: Million Baht)

Consolidated financial statements						
31 December 2016						
Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1-5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	391	30	421	0.37 to 1.12
Trade and other receivables	-	-	-	72	72	-
Restricted bank deposits	-	-	6	-	6	0.37
	-	-	397	102	499	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	797	-	-	-	797	1.83 to 2.80
Trade accounts payable	-	-	-	1,071	1,071	-
Long-term loans	-	-	282	-	282	MLR-1.75
Debentures	-	13,600	-	-	13,600	2.30 to 4.75
Retention payable	-	-	-	249	249	-
	797	13,600	282	1,320	15,999	

(Unit: Million Baht)

	Separate financial statements					Interest rate (% p.a.)
	31 December 2016					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	
Within 1 year	1-5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	695	28	723	0.37 to 1.10
Trade and other receivables	-	-	-	23	23	-
Short-term loans to related parties	-	-	6,071	-	6,071	4.00
Restricted bank deposits	-	-	1	-	1	0.37
	-	-	6,767	51	6,818	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	1,991	-	-	-	1,991	1.71 to 1.79
Trade accounts payable	-	-	-	667	667	-
Short-term loans from related parties	-	-	629	-	629	4.00
Long-term loans	-	-	50	-	50	MLR-1.75
Debentures	-	12,600	-	-	12,600	2.05 to 4.52
Retention payable	-	-	-	141	141	-
	1,991	12,600	679	808	16,078	

(Unit: Million Baht)

	Separate financial statements					Interest rate (% p.a.)
	31 December 2016					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	
Within 1 year	1-5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	245	20	265	0.37 to 1.12
Trade and other receivables	-	-	-	56	56	-
Short-term loans to related parties	-	-	6,744	-	6,744	4.30
Restricted bank deposits	-	-	5	-	5	0.37
	-	-	6,994	76	7,070	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	797	-	-	-	797	1.83 to 2.80
Trade accounts payable	-	-	-	779	779	-
Short-term loans from related parties	-	-	603	-	603	4.30
Long-term loans	-	-	99	-	99	MLR-1.75
Debentures	-	13,600	-	-	13,600	2.30 to 4.75
Retention payable	-	-	-	189	189	-
	797	13,600	702	968	16,067	

### 30.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature and loans bear interest close to the market rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position, except for the fair value of debentures which had been disclosed in Note 29.

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

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 exercises 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.

The methods and assumptions used by the Company and its subsidiaries 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, accounts payable and short-term borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- b) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- c) The fair value of debentures is determined based on yield rates quoted by the Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

### 31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in debenture agreement, which requires the Company to maintain the net financial debt to equity ratio not exceeding 2:1.

The Company's debt used to calculate the above financial ratio is the net financial liabilities that are the net value of interest bearing liabilities minus with cash and/or cash equivalent in the audited/reviewed consolidated financial statements of the Company.

The Company's equity used to calculate the above financial ratio is the shareholders' equity in the audited/reviewed consolidated financial statements of the Company.

No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.

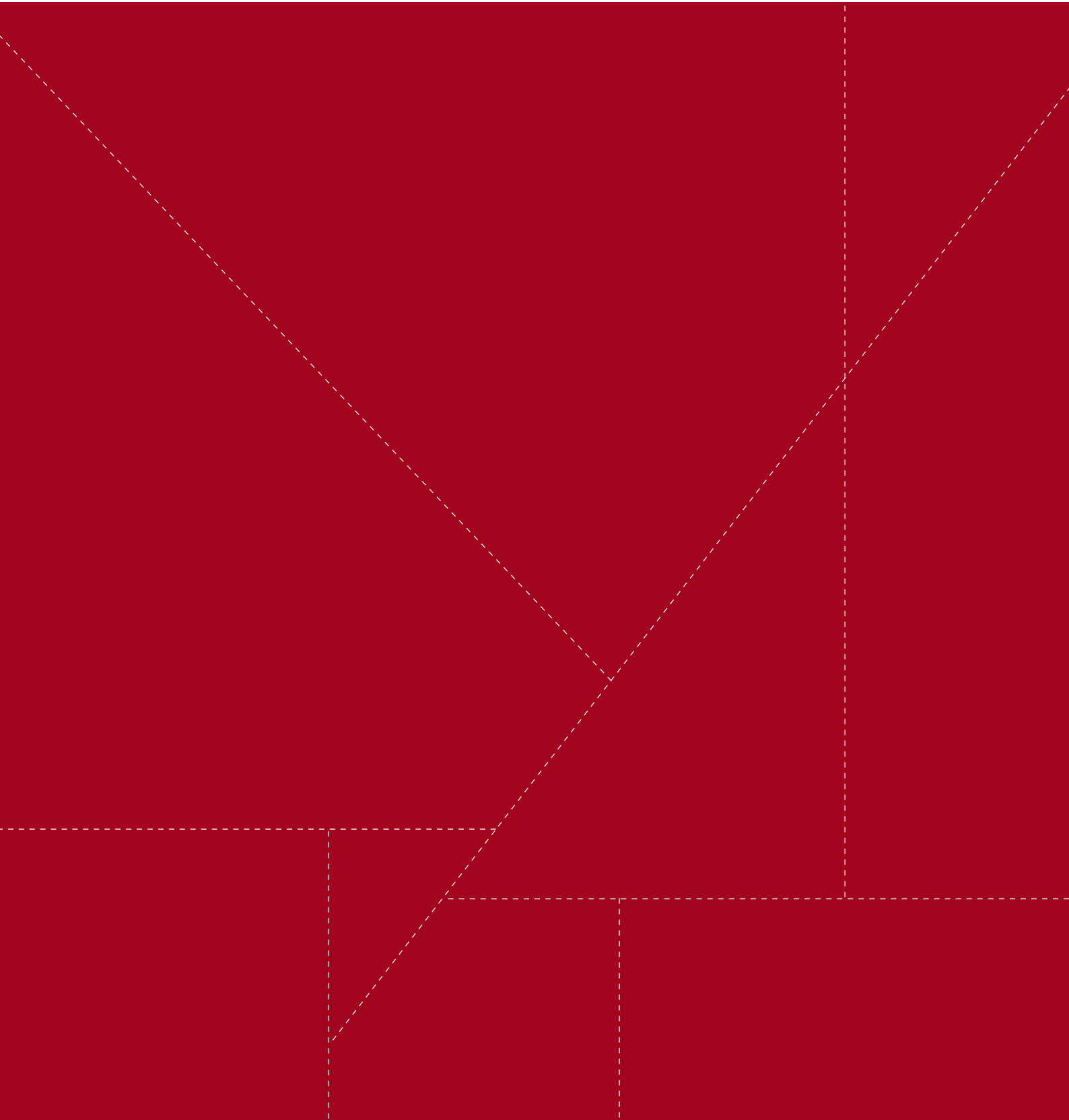
## 32. Events after the reporting period

- 32.1 On 19 January 2017, the meeting of the Company's Board of Directors passed a resolution to issue and offer the debentures as follows;
- 32.1.1 Issuing and offering 0.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 500 million, to private placement which is institutional and/or major investors according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015. The debentures have 2-year term from the date of issuance and bear the fixed interest rate of 2.55% per annum. The interest payment is made every six months and the debentures are due for redemption on 19 January 2019.
- 32.1.2 Issuing and offering 1.5 million units of named, unsubordinated, unsecured debentures, without debenture holder's representative, at the offering price of Baht 1,000 each, amounting to Baht 1,500 million, to private placement which is institutional and/or major investors according to the resolution of Annual General Meeting of the Company's shareholders held on 30 April 2015. The debentures have 3-year and 6-month term from the date of issuance and bear the fixed interest rate of 3.06% per annum. The interest payment is made every six months and the debentures are due for redemption on 19 July 2020.
- 32.2 Regarding on 30 June 2016, the Extraordinary General Meeting of shareholders of Premium Residence Co., Ltd. passed a resolution to increase its registered share capital by Baht 1,000 million. Subsequently, on 19 January 2017 the second additional call up of the registered share capital has been paid at 13 percent of additional registered share capital or equivalent to Baht 130 million.
- 32.3 On 6 February 2017, the Board of Directors of Premium Residence Co., Ltd. passed the resolutions to approve the payment of dividend for 2016 to its shareholders at Baht 0.73 per share or equivalent to Baht 374 million. This Company set aside the statutory reserve by amount of Baht 19 million. This dividend has been paid to the shareholders on 9 February 2017.
- 32.4 On 23 February 2017, the meeting of the Company's Board of Directors passed the resolutions as follows:
- 32.4.1 Approve the payment of dividend for 2016 to the Company's shareholders at Baht 0.3 per share. The payment of dividends will later be proposed for approval in the Annual General Meeting of the Company's shareholders.
- 32.4.2 Approve issuing and offering the bill of exchanges amounting not over Baht 5,000 million, with the withdrawal term of not more than 270 days from the issuance date to the institutional and/or major investors (Under the Notification of Capital Market Supervisory Board No. Tor Jor. 9/2552).

## 33. Approval of financial statements

These financial statements were authorised for issue by the Board of Directors of the Company on 23 February 2017.

# **CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT**



# CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT

## Corporate governance policy

The company recognizes that good corporate governance is the major factor that enables the organization to have efficient operation and supports sustainable growth. The CG Policy was drafted by corporate governance committee and approved by the Board of Directors. On 7<sup>th</sup> November 2016, the Board of Directors agreed to revise such policy in order to improve the standard and the operation of the good corporate governance, to be complied with ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

In this regards, the corporate governance policy is available on the company's website <http://www.apthai.com/investor-relations> under the sequence of menu headings "Corporate Governance"

## Corporate governance report 2016

The company's corporate governance practices in 2016 were in line with the principle of good corporate governance for listed companies by the Stock Exchange of Thailand, which are presented in 5 categories as follows:

Section 1. Rights of shareholders

Section 2. Equitable treatment of shareholders

Section 3. Role of stakeholders

Section 4. Disclosure and transparency

Section 5. Responsibilities of the board

### Rights of Shareholders

Concerned as the company owner, shareholders have their rights and votes, according to the laws, in key administration of the company. Therefore; the company aims to create highest benefit among shareholders on a basis of equal treatment such as buying or selling shares, receiving dividends, together with an adequate, timely, and complete information. Relations and Corporate Secretary section were set up as a channel for communication where the shareholders can access via telephone, email, and post. In

addition, shareholders are entitled to take part in material business decisions, e.g., payment of dividends, appointment and removal of directors, determination of directors' remuneration and amendment to provisions of the Articles of Association.

## 1. Shareholders' Meeting

The company held its Annual General Meeting of Shareholders (AGM) on 28<sup>th</sup> April 2016, which did not exceed 4 months after the fiscal year end. The company conducted the proceedings in a manner to ensure that the shareholders were able to exercise their rights in accordance with law, relevant regulations and good governance practices as follows:

### Before the meeting

1.1 The company ensures that shareholders receive clear and adequate information with sufficient time to consider agenda items of the AGM, also, shareholders are able to easily access the Notice of the AGM and its accompanying documents. To this end, the company posted the Notice of the AGM and related documents on its website (<http://www.apthai.com/investor-relations/>) on 25<sup>th</sup> March 2016, which was not less than 30 days prior to the meeting date. Then, the Notice of the AGM, in Thai and English, together with the 2015 Annual Report (in CD-ROM format) was sent via post by Thailand Security Depository Co., Ltd. (TSD) to shareholders on 11<sup>th</sup> April 2016, which was more than 14 days in advance of the meeting date. The Shareholders were entitled to receive the printed 2014 Annual Report before the date of the meeting from the company secretary upon request. The aforesaid Notice of the AGM contained information such as date, time and venue of the meeting, and details of each agenda item (including factual background, rationale, and opinions or recommendations of the board) as well as accompanying documents. The Meeting Notice was also advertised in newspapers during 8 and 11-12<sup>th</sup> April 2015, which were three consecutive days prior to the date of the meeting.



- 1.2 In order to encourage all shareholders (individuals, juristic persons and institutional investors) to attend the AGM and exercise their rights in an equitable manner, the company delivered the Notice of the AGM together with the Proxy Form to the shareholders for the appointment of proxies on their behalf in the event that the shareholders were unable to attend the AGM in person. In addition, the company proposed the name of 2 independent directors, Mr. Nonthachit Tulayanonda and Mr. Kosol Suriyaporn on the notice of the meeting for the shareholders consideration to appoint proxy.
- 1.3 In order to facilitate attendance to all shareholders and proxy holders, the AGM was held on a working day - Thursday 28<sup>th</sup> April 2016 at 14.30 hrs, at easily accessible location, Lotus room, zone B, 2<sup>nd</sup> floor, Queen Sirikit National Convention Centre, New Ratchadapisek Road, 10110 Bangkok. The company provided the adequate personnel to facilitate the meeting and verify the documents. The meeting registration service was divided into different counters for each shareholder by type, i.e., individuals, juristic persons, and fund managers or custodians.
- 1.4 In encouraging the using of technology, the company has assigned Inventech Systems (Thailand) Co., Ltd to provide a barcode system for registration and voting process including ballots bearing the same bar code as their registration bar code for voting on each agenda item. The IT experts were provided to oversee the meeting for the accuracy and convenience of the registration, and vote counting process.

## 2. The conduction of the shareholders' meeting

- 2.1 Directors and executives were to present at the meeting to explain and answer the shareholder's questions. All directors, executives, auditors, and the representatives of each sub-committee were introduced to shareholders before the start of the meeting.
- 2.2 The company conducted transparent shareholder's voting and allowed shareholders to vote separately in each agenda item. Therefore, the shareholders can exercise their right freely.
- 2.3 The chairman of the meeting allowed shareholders to have an opportunity to ask questions and/or make recommendations on an equitable treatment basis, and provided comprehensive responses to all questions or issues raised. Minutes of the meeting

and votes cast under each agenda item were recorded by the company secretary.

- 2.4 The company counted the votes and announced the voting results of each agenda item with transparency during the meeting by specifying the voting of approval, disapproval, and abstention. In 2016 there were no shareholders opposed to the voting results.

## 3. The preparation of AGM's minute and disclosure of AGM's resolution

- 3.1 The resolutions adopted were disclosed via SET portal in both Thai and English on websites of the Stock Exchange of Thailand. In 2016, the company submitted the resolution of AGM's meeting on 28<sup>th</sup> April, 2016 by classifying the votes into approval, disapproval, and abstention.
- 3.2 The company prepared the minutes of the meeting with the significant information such as the name list of directors who attended or missed the meeting, abstracts of the questions, issues raised and the answers or clarifications, and the resolutions with the number of approval, disapproval and abstention votes.
- 3.3 The minutes of the AGM 2016 in Thai and English were submitted to the Stock Exchange of Thailand on the website on 9<sup>th</sup> May 2016, which is 14 days following the meeting.

## Equitable treatment of shareholders

As stipulated in the company's Corporate Governance Policy, all shareholders, i.e., major, minor, institutional and foreign shareholders, are entitled to have common shareholder rights and to be treated on an equitable and fair basis. The details are as follows:

### 1. Providing of information before AGM meeting

- 1.1 On 25<sup>th</sup> March 2016, 33 days prior to the meeting date, the company posted the notice with related information in both Thai and English on the company website, which was identical with the hard copies.
- 1.2 Before the meeting begins, the company informs the meeting on the proportion of shareholders and the proxy holders, the vote counting procedure, and the voting process.

## 2. Protection of minor shareholders

- 2.1 The company allows shareholders to propose the meeting agenda items and names for consideration elections as directors in advance of the shareholders' meeting. For the AGM 2016, the company disclosed the information of complete criteria proposal on 21<sup>st</sup> November 2016 through the Stock Exchange of Thailand's website under the sequence of menu headings 'investor relations' (<http://www.apthai.com/investor-relations/>). Shareholders were welcomed to submit the agenda proposal and director nomination during 1<sup>st</sup> to 31<sup>st</sup> December 2016, but no agenda items and name of directors were proposed.
- 2.2 The company conducts the meeting in accordance with the regulations without switching, adding, revising any agenda items, or modifying previously issued information during the meeting.
- 2.3 In the agenda item of the election of directors, the company allows shareholders to cast their votes for individual directors with separated ballots and collected all ballots from all shareholders in every case (approval, disapproval, and abstention).

## 3. Supervision of the use of insider information

The company has supervision of the use of insider information measure in written notice. The supervision of the use of insider information and report of the company's share holding' was approved by the Board of Directors on 13<sup>th</sup> August 2013 with the following objectives:

1. Informing the executives of every division regarding duties and responsibilities to report their holdings of the company's shares, also announcing the punishments according to regulations of the Stock Exchange of Thailand and the Securities and Exchange Act B.E. 2535.
2. The company obliges the executives to report any changes in their shareholding to the Office of Securities Exchange Commission and the Stock Exchange of Thailand according to Section 59 of the Securities and Exchange Act B.E. 2535. The executives shall provide the copy of the report to the company on the same day that they provide the report to the Office of Securities Exchange Commission and the Stock Exchange of Thailand.

3. Connected transactions made by directors and executives must be reviewed by independent directors to ensure the best benefit or to prevent loss of the company.
4. The Board of Directors issues the principle and penalty measures concisely on the usage of internal information, especially before being reviewed by certified public accountants and approved by the audit committee and the Board of Directors, or before being publicly disclosed.

Moreover, the silent periods are set to refrain directors, executives and staff who are significantly involved in financial reporting from the company's stock trading during the period of financial report disclosure (both before and after). Shareholders and public are allowed to have enough time to study the report and gain equal investment opportunities. This also applies to staff in the investor relations and public relations section to refrain from giving the significant insider information to outsiders, shareholders, investors, analysts, and mass media 7 days before the public announcement, also, to refrain from meeting or responding to any question so related.

If any employee violates the aforementioned measures, the company will take the following disciplinary actions:

- |                     |  |
|---------------------|--|
| 1. First violation  | Written warning                                |
| 2. Second violation | Salary cut / Suspension                        |
| 3. Third violation  | Termination of employment without compensation |

For the report of ownership of shares, directors and executives are responsible for making reports of company's stock trading within 3 working days after changes to propose to office of Securities and Exchange Commission (SEC) and Stock Exchange of Thailand. The company secretary is responsible for collecting those changes to put into the agenda of information for every board meeting. Directors and executives are to inform the Board of Directors about stock trading at least 1 day before making transaction.

In 2016, the changes on the directors and executives' ownership of shares are as follows:

### Directors' ownership of AP shares

No.	Name	Number of shares			Remark
		30 <sup>th</sup> December 2015	30 <sup>th</sup> December 2016	Change during the year	
1.	Prof. Dr. Naris Chaiyasoot (Appointed since 28 April 2015)	-	-	-	No ownership of AP shares
2.	Mr. Anuphong Assavabhokhin	670,047,561	670,047,561	-	No trading transaction of AP shares
3.	Mr. Pichet Vipavasuphakom*	165,682,879	113,982,879	(51,700,000)	Sell out 51,700,000 shares
4.	Mr. Siripong Sombutsiri	-	-	-	No ownership of AP shares
5.	Mr. Wason Naruenatpaisan	132,000	132,000	-	No trading transaction of AP shares
6.	Ms. Kittiya Pongpujaneekul	817,520	817,520	-	No trading transaction of AP shares
7.	Mr. Visanu Suchatlampong	440,000	100,000	(340,000)	Sell out 340,000 shares
8.	Mr. Pornwut Sarasin	673,000	673,000	-	No trading transaction of AP shares
9.	Mr. Shaw Sinhaseni	-	-	-	No ownership of AP shares
10.	Mr. Phanporn Dabbaransi	-	-	-	No ownership of AP shares
11.	Mr. Kosol Suriyaporn	-	-	-	No ownership of AP shares
12.	Mr. Nontachit Tulayanonda	-	-	-	No ownership of AP shares
13.	Mr. Somyod Suteerapomchai	2,200	2,200	-	No trading transaction of AP shares

\* Including indirect shareholding (spouse)

## Executives' ownership of AP shares

No.	Name	Number of shares			Remark
		30 <sup>th</sup> December 2015	30 <sup>th</sup> December 2016	Change during the year	
1.	Mr. Opas Ruangrajitpakorn	-	-	-	No ownership of AP shares
2.	Mr. Piyawat Suepaisal	-	-	-	No ownership of AP shares
3.	Mr. Pumipat Sinacharoen	-	-	-	No ownership of AP shares
4.	Mr. Somchai Wattanasawapak	-	-	-	No ownership of AP shares
5.	Mr. Vittakarn Chandavimol	-	-	-	No ownership of AP shares
6.	Mr. Pamorn Prasertsan	172,238	172,238	-	No trading transaction of AP shares
7.	Ms. Chidapa Amralikit	-	-	-	No ownership of AP shares
8.	Mr. Pipat Settheechaichana	275,000	-	(275,000)	Sell out 275,000 shares
9.	Mr. Worrapong Virajtanugoon	-	-	-	No trading transaction of AP shares
10.	Mr. Ratchayud Nunthachotsophol	-	-	-	No ownership of AP shares
11.	Mr. Tanit Paiboon	-	-	-	No ownership of AP shares
12.	Mr. Boonchai Jankrajanglerd	-	-	-	No ownership of AP shares
13.	Mr. Pattaraphurit Rungjaturapat	-	-	-	No ownership of AP shares
14.	Mr. Set Srisayant	-	-	-	No ownership of AP shares

#### 4. Conflicts of interest by directors

- 4.1 In accordance with the Securities and Exchange Act, B.E. 2535, the company requires directors and executives to report any conflict of interest of themselves and their related parties to chairman of the board within 7 days following the end of the year and the day of existing reported items changes. The company secretary is responsible for collecting such reports. However, no conflicts of interest by directors are reported.
- 4.2 The company considers any transactions with transparency and fairness for the best interest of the company and shareholders. The transactions need to be approved by the audit committee, the board and/or the shareholders in accordance with the notification of SEC and SET related to the acquisition or disposal of assets. Executives or shareholders who have any conflicts of interest reports are not involved in such transactions.

In 2016, the company had reported the acquisition or disposal of assets transaction of 2 items to the Stock Exchange of Thailand, which were not exceed the regulation to get the approval from shareholders. Also, the company informed Stock Exchange of Thailand thoroughly.

#### Role of stakeholders

The company emphasizes on the right of a broad range of stakeholders, both internal and external, including employees, creditors, trade partners, governmental agencies, customers and shareholders. The company's corporate governance policy including the role of stakeholder and the treatment of stakeholders are summarized as below:

##### Employees

The company recognizes that human resource is an essential key for driving the company to success. Therefore, the company aims to recruit and develop all employees equally. The company also treats employees fairly and adopts a non-discriminatory basis regarding gender, age, nationality or religion. The employees interests are addressed through the market based as well as compensation practices (short and long term) and the welfare and benefit are considers as important issues according to their performances. In short term, employees' performances, capability to make profit each year and KPI would be tools in compensation management, and in long term, Employee Stock Ownership Plan (ESOP) would be offered.

In addition, the company provides various benefits to the employee who has passed the probationary period as follows:

- Annual check up
- Group insurance, including life insurance, health insurance, and disability insurance
- Provident fund
- Booking of the AP's condominiums
- Home loan

Besides, the company works hard on building culture, good relationship, and good working atmosphere by creating pamphlets under the title of "AP Paper" in order to share interesting stories, information, and employees' opinions from the interview in many aspects. Employees are encouraged to suggest ideas for organization development. Therefore, the company conducts an annual survey and analyzes the results for further improvement. Moreover, health promotion activities are provided regularly for employees to take part in running program, weight loss running program, and annual check up.

##### Training and Human Resource Development

The company sets up AP Property School to provide knowledge and develop abilities and working skills for employees. 5 curricula are provided at AP Property School. The details of 2016 training are shown in the topic of Corporate Social Responsibility (CSR), sub-topic of AP Property School.

##### Anti-corruption

Throughout 25 years, the company holds the principles of honesty and transparency in business conduct by realizing that corruption would affect company reputations, competitiveness, and trust of all stakeholders.

The company issues very strict guidelines of Anti-corruption policy for all the Board of Directors, committees, executives, and every level of employees as stated below:

1. Anti-corruption policy
2. Anti-corruption measures
3. Code of conduct
4. Good Corporate Governance
5. Accepting/Offering Gifts, Rewards, and Benefit policy
6. Whistleblowing policy

Following Anti-corruption policy and measures, the company provides knowledge to employees via various inside communication channels such as employees' e-mail, pop-up animation on screen of every computer, and activities competing for rewards after watching AP ANTI CORRUPTION video. These are to support learning and understanding, and to inform code of conducts of company's Anti-corruption policy.

Besides, Anti-corruption policies and measures are put in new employees' training curricula. All employees are able to act as a whistleblower by sending e-mail to [hotline@apthai.com](mailto:hotline@apthai.com). The company conducts procedures of investigation by setting committees to determine complains and petitions, in order to create fairness for every whistleblower, also, all data and information of whistleblowers are kept confidentially.

### Resource and Environments

The company recognizes the importance of Safety, Hygiene, and Environment in working operations (SHE), therefore, the policy of Safety, Hygiene, and Environment in working operations is set to provide knowledge and to encourage practicing. Animation information is made to disseminate via inside communication channels such as e-mail and company's website which are easily accessible. Moreover, training courses for employees, focusing on environment are put in the management curriculum of Construction Curriculum as one of AP Property School curricula. In 2016, 51 times of training courses were held with 694 participants.

From the previous year of 2016, accidental rate, leave of absence rate, and sickness rate were recorded as shown below:

1. Accidental rate during work: 0
2. Leave of absence rate:
  - 2.1 Sick leave: 701 (3,564 days - average 5 days/person)
  - 2.2 Personal leave: 173 (394 days - average 2 days/person)
  - 2.3 Annual leave: 987 (7,615 days - average 8 days/person)
3. Sickness rate (during work time): 0

For environmental conservation, the company enhances employees to operate works without causing any impact to environment. Employees shall not cause any emission by discharging garbage or wastewater from construction sites to community, also, garbage and dangerous goods from construction are not allowed to be eliminated and create air pollution by burning. Fences are built around construction areas in order to cover dust and debris not to spread out to areas nearby. The company expects employees to consume resources efficiently for instance, using reuse papers, and saving energy and water by displaying campaign on boards inside the office building. The company follows the law of environment by applying EIA before starting any project. The details are shown under the topic of Corporate Social Responsibility (CSR), sub-topic of Environmental conservation.

### Human Rights

The company issues human right policy to encourage the Board of Directors, committees, executives, and employees including employees of subsidiary company to follow strictly. According to the Universal Declaration of Human Rights and Human Right in Organization, the company holds the recruitment with employment ethics - no discrimination on race, religion, color skin, and gender, also, no children labour or illegal labour. Moreover, the disabled are welcome for the suitable position and responsibilities.

### Consumer

The company adheres to and strictly complies with the policy of liabilities for consumers. House and condominium care, together with another services are provided with high standard and high quality development. The company organizes the assessment of construction impact on consumer regularly as well as After Sale Service team, which details are illustrated in the topic of Corporate Social Responsibility (CSR) under the sub-topic of Accountability to customers. Also, many accessible channels are provided for consumers to easily communicate with the company - through the website <http://www.apthai.com/contact-ap>, call center 1623, and special call service for AP's customers 0-2018-9999.

Furthermore, in 2016, various activities were continually held by AP Society as shown in details available on company's website <http://www.apthai.com/ap-society/>, in the topic of CSR under sub-topic of AP Society.

### Community (including creditors, business partners, and competitors)

The company behaves in an ethical and transparent way with creditors, business partners, and competitors based on good faith and business ethics. The company also operates strictly to comply with stakeholder policy as shown on company's website <http://www.apthai.com/investor-relations/>, under the topic of Corporate Governance.

### Creditors

The company sets creditors policy to encourage the Board of Directors, committees, executives, and employees including employees of subsidiary company to follow strictly. It is taken into action by following the commitment and agreement equitably between all creditors based on fairness of mutual benefits, in order to create trust

and sustainable relationship with creditors. The code of practices are conducted by setting guidelines for guarantee conditions, fund management, and default payment to bring fairness to creditors, both trade payable and financial institutions. The settlement shall be conducted in the period punctually according to the agreement to avoid default payments, and any contracts or agreements shall be followed seriously. In case of the situation which causes impact significantly to financial stability and payment capability, fund shall be managed by informing the creditors to consider for the solution to prevent damages or loss.

### **Business Partners**

The company sets business partners policy to encourage the Board of Directors, committees, executives, and employees including employees of subsidiary company to follow strictly by focusing on maximizing company's benefits, conducting business with transparency, and improving collaboration with business partners to generate customers highest benefit. Besides, the company issues procurement policy, which identifies the criterion of procurements for company's project both low rise and high rise, as well as Buyer Code of Conduct for purchasing officers to be the framework and code of practices to operate their duties with honesty, integrity, and transparency by seriously concerning about company's benefit and equitable treatment for business partners.

However, in selecting business partners, the company sets the regulations in written notice as illustrated clearly and concretely in the section of procurement and code of practices. The approaches are as follows:

1. Comparing and Bargaining approach - at least 3 partners or contractors are taken into consideration and the one with best offering would be selected.
2. Bid Auction approach - at least 3 partners or contractors are allowed in bid auction by proposing the offering and bargaining on date and time quoted by the company.
3. Specific approach - special procurement which requires specific criteria such as, urgent cases related to company's benefit, materials or works restricted on identifying the producers or expert contractors, etc.

The company offers the opportunity of business equality without bringing disadvantages to small enterprises of business partners. Also, the company launches campaign of creating core value and anti-bribery by providing knowledge to all levels of employees via inside communication channels.

### **Competitors**

The company sets competitors policy to encourage the Board of Directors, committees, executives, and employees including employees of subsidiary company to follow strictly by conducting the business according to regulations of business competition with honesty and fairness, based on alliance principle to support each other under the framework, not to bring loss and disconnection. Up until now, including in 2016, the company had no dispute among competitors.

Furthermore, the company recognizes the importance of being a part of society that is responsible for helping and supporting the society in providing beneficial public activities for communities. Therefore, the company sets social policy to encourage the Board of Directors, committees, executives, and employees including employees of subsidiary company to follow strictly. The purpose is to participate in developing quality of Thai society by continuously supporting and providing activities that are beneficial for communities and public society. The details of social activities are shown in the topic of Corporate Social Responsibility (CSR).

Apart from the implementation of policies related to stakeholders above, the company emphasizes on Anti-corruption by enhancing and supporting every level of employees to build good sense against all types of dishonesty and corruption. To ensure such intention, the company declared to be the part of Private Sector Collective Action Coalition Against Corruption (CAC) on February 26, 2015. The details are shown in Anti-corruption guidelines.

### **Communication Channels for Stakeholders**

The board realizes the importance of stakeholders and participation of all stakeholders, so the communication channels are provided for stakeholders to directly give suggestion, advice, or complain about any issues that may cause damages to the company. Sending e-mail is available through Mr. Kosol Suriyapon, company audit committee - kosol.boardap@gmail.com. The procedures of accepting complains, petitions, and investigation shall be reported to the board.

## Disclosure and transparency

### 1. Disclosure of information

- 1.1 In 2016, the company disclosed the significant information in accordance with the regulations of listed companies such as the Annual Registration Statement (form 56-1) and the Annual Report (form 56-2) in both Thai and English through the Stock Exchange of Thailand's website and the company's website.
- 1.2 In 2016 Annual Report, the company disclosed the following essential information for shareholders: director's responsibilities concerning the company's financial report alongside the auditor's report, a management discussion and analysis (MD&A), audit fee and non-audit fee, names and responsibilities of its committee, the number of meeting held, the attendance record of each director, and the remuneration policies for directors and executives.
- 1.3 The company designated the Investor Relations to be responsible for communication and disclosure of information on the operating performance of the company to the investors, shareholders, analysts, and related agencies. The contact is available via contact person, Mr. Pumipat Sinacharoen, corporate secretary, or
- Investor Relations  
AP (Thailand) Public Company Limited  
170/57 Ocean Tower 1 Building,  
18th Floor, New Ratchadapisek Road,  
Klongtoey Sub-district, Klongtoey District,  
Bangkok 10110  
Tel: 0 2261 2518 22  
E-mail: investor@apthai.com  
Website: <http://www.apthai.com/contact-ap/>

In 2016, the activities undertaken by Investor Relations are summarized as below:

Activities	times
Analyst meeting	4
Investor conferences	39
Road show	
- Domestic	6
- Global	2

### 2. Minimum information disclosed on the company's website

The company disclosed its information on website such as the Annual Registration Statement (form 56-1), the Annual Report (form 56-2), the notice to the shareholders' meeting, the article of association, company's regulations, Memorandum and Article of Association, the CG policy, business ethics for employees and Board of Directors, and other information. All disclosed information is up to date.

### 3. Disclosure of key performance indicators

The company discloses company Key Performance Indicators (KPI), both financial KPI (e.g. revenue and profit) and non-financial KPI (e.g. customer satisfaction), with an intention to continuously build and increase customer satisfaction of the residence by emphasizing on research and product development. The company organizes marketing research sector and product development sector in order to profoundly analyze customers' need, especially in the aspect of space utilization that meets customers' lifestyle. This highlights AP's qualification of Responsive creator as the company always uses the feedback from the research to help develop new projects. Besides, the company also organizes the sector of marketing strategy which operates the survey, research, and analysis about customers' need in each area together with the potential of providing public utility of every project location. Therefore, the company is holding sufficient database for the analysis to study market demand on residence in each area along with roles, residence types, locations, and price levels in order to develop company's project to be the most outstanding project among the competitors nearby, also, to affirm customers' pride on selecting company's product.

## Responsibilities of the board

### 1. Board structure

The Board of Directors' qualification is in line with clause 68 of Public Limited Company Act B.E. 2535 and the related notification of the Securities and Exchange Commission (SEC). The board appointed Mr. Pramart Kwanchuen as a secretary of the Board of Directors, in order to handle the meeting in accordance with the relevant rules and regulations.

The company considered an appropriate Board Structure and balanced their responsibilities. As of 31<sup>st</sup> December 2016, the board comprised of 13 directors, as shown in the section of management structure.



- 1.1 The board comprises of directors with diversity of age, gender, skill, experience and specific ability, that are beneficial to perform their duties. There are 6 executive directors from total of 13 directors as follows: Mr. Anuphong Assavabhokhin, Mr. Pichet Vipavasuphakorn, Mr. Siripong Sombutsiri, Mr. Wason Naruenatpaisan, Ms. Kittiya Pongpujaneekul, and Mr. Visanu Suchatlampong. The chairman of the board is Prof. Dr. Naris Chaiyasoot, who does not hold the position of executive director but has experiences in property business. The profiles of each director are shown in the attachment.
- 1.2 There are 7 independent directors as follows: Prof. Dr. Naris Chaiyasoot, Mr. Pornwut Sarasin, Mr. Shaw Sinhaseni, Mr. Phanpom Dabbaransi, Mr. Nontachit Tulayanonda, Mr. Kosol Suriyaporn, and Mr. Somyod Suteerapornchai, that are more than one-third of the total directors. All of them have qualifications as specified by SET and SEC. There are 3 members of audit committee as follows: Mr. Phanpom Dabbaransi, Mr. Nontachit Tulayanonda, and Mr. Kosol Suriyaporn. The independent directors are to review company's operation and act as balance of power in the Board of Directors as well as to independently object any issue in the meeting and enable efficient decision making process.
- 1.3 Each director has a term of position for 3 years, when any directors complete their terms, the board will proposed to the shareholder's meeting for approval, details are shown in the corporate governance policy.
- 1.4 The chief executive officer and the managing director hold 21.30% and 4.26% shares (combining shares holding by spouse) in the company respectively (as of 30<sup>th</sup> December 2016). Therefore, the CEO and managing director are both major shareholders and act on behalf of all shareholders in managing the company with the objective of maximizing shareholders' benefit.

However, to separate duties and responsibilities between the Board of Directors and management division, the company sets up corporate governance policy and daily management policy separately that chairman of the board, CEO, and managing director are not the same person. The chairman of the board performs duty of the leader and the operator of the board meetings efficiently, supports the participation in meetings, and gives advice without interference with daily duty or daily business performed by managing division.

- 1.5 The Board of Directors establishes policy and practices about the directorship in other companies that the Chief Executive Officer, Managing Director, and Executive Directors shall hold a directorship in no more than 5 group companies, in conformity with the corporate governance policy.
- 1.6 The board appoints the Corporate Secretary to serve the board by providing legal advice, taking care of the board's activities and monitoring compliance with the board resolutions. Mr. Pumipat Sinacharoen was appointed as Corporate Secretary who had enrolled to the Company Secretary Program no. 27/2008 by Thai Institute of Directors (IOD).

## 2. Committees

- 2.1 The following 4 committees were set up by the board.
  1. Audit Committee
  2. Executive Committee
  3. Nomination and Remuneration Committee
  4. Corporate Governance and Risk Committee
 The scope of responsibilities of each committee is shown in the section no. 9.2
- 2.2 The chairman of the board is an independent director and does not hold any chairman position in any sub-committee in order to create independence.
- 2.3 The sub-committee meetings are held regularly. The record of attendance, the list of attended person, and the positions in each committee are shown in the section of management structure.

## 3. Roles and responsibilities of the board

- 3.1 The board's duties and responsibilities shall be in accordance with those specified by law, Memorandum and Article of Association, and resolution of the shareholders, as well as the corporate governance policy.
- 3.2 The board established a written corporate governance policy, which was latest revised on 7<sup>th</sup> June 2016.

3.3 The board established a written code of conduct for all directors, executives, and employees in order to provide understanding of ethical standards for business operation. The details are available on the company's website <http://www.apthai.com/investor-relations/> under the sequence of menu headings "Corporate Governance" sub-heading "Code of Conduct".

3.4 The board considers any conflict of interests thoroughly with no stakeholder involving in decision making process and provides the clear guidelines for benefits of company and shareholders. The board also monitors compliance with regulations regarding criteria, procedure, and disclosure of transactions with conflict of interests.

3.5 The board establishes an internal control including financial, compliance, and policy control. The board assigns the internal audit to be responsible for auditing such internal control.

In 2016, the audit committee conducted the assessment of adequacy of internal control systems in the audit committee meeting no.1/2017 held on 23<sup>th</sup> February 2017.

3.6 The board also sets clear procedures on whistleblowing for related parties or stakeholder, ensures that the company provide protective measures on keeping the whistleblowers' names confidential, and operates the investigation according to company's regulations.

3.7 The board organizes risk management procedures properly and efficiently. Risk management policy and risk committee are set.

#### 4. Board meetings

4.1 In 2016, the company set the meeting schedule and agenda in advance and notifies each director in order to manage time for meeting attendance.

4.2 The number of board meetings are appropriated with duties and responsibilities of the board as well as the nature of business operation. In addition, the company held 11 board meetings in 2016 .

4.3 The company sends all meeting documents to each director at least 7 business days in advance of the meeting.

4.4 The minutes of the Board of Directors' meeting have all necessary and relevant information, such as date, time, names of directors

with presence and absence, significant information, comments and resolutions. The company has good storage systems to retrieve the data. The Company Secretary also informs SEC of the storage place.

4.5 In 2016, the director, who is not in the position of executive, managed the meeting among directors once in order to have a discussion without managing division.

#### 5. Assessment

##### 5.1 Board Self-Assessment

The Board of Directors conducts Evaluation on the Performance of the Board of Directors, Director Self-Assessment, and Sub-Committee Self-Assessment annually. The assessment of these 3 forms would be organized by the same process and criterion.

##### Process

The company secretary makes and reviews assessment forms to ensure the accuracy, then proposes to the Board of Directors to make an evaluation. The secretary is to summarize all performance assessments and proposes to the Board of Directors to consider and make improvement of the operations for more efficiency.

##### Criterion

The percentages correspond to the levels of performance achieved in each of area:

Over 85% = Excellent

Over 75% = Very good

Over 65% = Good

Over 50% = Fair

Below 50% = Need improvement

##### Assessment topics

Topic	All Board of Directors	Sub-Committee	Individual
Structure and characteristics of the board	✓	✓	✓
Roles/duties/responsibilities of the board	✓	✓	✓
Board Meeting	✓	✓	✓
Board's performance of duties	✓	X	X
Relationship with management	✓	X	X
Self-development of directors and executive development	✓	X	X

In 2016, the assessment result of the Performance of the Board of Directors, Director Self-Assessment, and Sub-Committee Self-Assessment indicated excellent performances.

## 5.2 CEO Assessment

The board makes an assessment of CEO by dividing into 9 topics: Leadership, Strategy Formulation, Strategy Implementation, Planning and Financial Performance, Relationship with the board, External relationship, Products and Services knowledge, and CEO Characteristics. In 2016, CEO assessment result indicated excellent performances.

## 6. Remuneration

The Compensation Committee considers the remuneration of directors by taking into account prevailing profit of the company, reflect experience, obligations, scope of work, accountability, and responsibilities that are comparable to the industry level in which the company operates. The committee would recommend the compensation of the directors to the Board of Director for approval and propose to the shareholders for final approval. The details of directors and executives' remuneration in 2016 are shown in the section of management structure.

## 7. Development of Directors and Executives

7.1 The board encourages and facilitates training for all internal parties related to corporate governance (such as directors, members of the Audit Committee, Executives, Company Secretary, etc.) in order to keep developing the operations. The previous year, 1 director - Mr. Siripong Sombutsiri had attended the training program, Ethical Leadership Program (ELP), provided by Thai Institute of Directors (IOD). Also, all boards had attended various training program of IOD as illustrated in the following table:

Directors	Training course					
	DAP	DCP	FND	CDC	ELP	ACP
1. Prof. Dr. Naris Chaiyasoot	✓	✓	✓	✓		
2. Mr. Anuphong Assavabhokhin	✓					
3. Mr. Pichet Vipavasuphakorn	✓					
4. Mr. Siripong Sombutsiri	✓				✓	
5. Mr. Phanporn Dabbaransi	✓					
6. Mr. Nontachit Tulayanonda						✓
7. Mr. Kosol Suriyaporn						✓
8. Mr. Pornwut Sarasin	✓					
9. Mr. Shaw Sinhaseni	✓					
10. Mr. Somyod Suteerapornchai	✓					
11. Ms. Kittiya Pongpujaneekul	✓					
12. Mr. Visanu Suchatlampong	✓					
13. Mr. Wason Naruenatpaisan	✓					

DAP = Director Accreditation Program

DCP = Director Certification Program

FND = Finance for Non-Finance Director

CDC = Chartered Director Class

ELP = Ethical Leadership Program

ACP = Audit Committee Program

7.2 In the orientation of new directors, since the company realized the importance of new directors' duty performances, the company sets the regulation to help new directors prepare their duty performance to let new directors understand their roles, responsibilities, and company business operation. The "Director Manual", document of company information and essential regulations and laws, would be distributed in order to be beneficial for new directors' performances.

## 8. Succession Plan

The company has a succession plan that the chief executive officer and managing director are authorized to nominate a qualified and experienced person to be the executive of the company.

## Committee

4 committees were set up as follows:

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

The details of scope of duties and responsibilities are shown in the section of management structure.

## Selection and nomination of the Company's directors and key executives

### 1. Independent directors

#### Independent directors' qualification requirement

Qualification requirements of company's independent directors are stricter than the SEC notification Tor. Jor.4/2552 dated 20 February 2009 (no.16 of the SEC notification Tor.Jor. 28/2551 was repealed.) as follows:

1. Independent directors shall hold not more than 0.5 of all voting rights of the company, parent company, subsidiary company, affiliate company, major shareholder, or controlling person unless such condition is terminated for at least 2 years. This is not applied to the independent director who was a civil servant or consultant to the government sector that held company shares in majority or was a controlling person.
2. Independent directors shall never be appointed as a director having a role in the company operation, employee, staff, consultant receiving fixed salary, or controlling person of the company, parent company, subsidiary company, affiliate company, subsidiary company in the same share held level, major shareholder, or the controlling person of the company unless such condition is terminated for at least 2 years. This is not applied to the independent director who was a civil servant or consultant of the government sector that held company shares in majority or was a controlling person.
3. Independent directors shall not related by blood or legal marriage to any parents, spouses, siblings, children, or spouses of children of members on the management team, major shareholders, candidates to the management team, or authorized persons to the company or subsidiaries.
4. Independent directors shall never be related to the business of the company, parent company, subsidiary company, affiliate company, major shareholder, or the controlling person in a way that may affect his/her independency in discretion and never be a significant shareholder or a controlling person over the person who relates to the company, parent company, subsidiary company, affiliate company, major shareholder, or the controlling person of the company, unless such condition is terminated for at least 2 years.
5. Independent directors shall never be an auditor to the company, parent company, subsidiary company, affiliate company, major shareholder, or the controlling person of the company and never be a significant shareholder, controlling person, or partner of the audit company to the company, parent company, subsidiary company or where the major shareholder or the controlling person takes part in, unless such condition is terminated for at least 2 years.
6. Independent directors shall never render a professional service, including a legal and financial consultant which is paid for service more than 2 millions Baht per year by the company, parent company, subsidiary company, affiliate company, a major shareholder, or a controlling person of the company and never be a significant shareholder, controlling person, or partner of such service render company, unless such condition is terminated for at least 2 years.
7. Independent directors shall not appointed as a director to represent company directors, major shareholder, or any shareholders related to a major shareholders.
8. Independent directors shall not belong to any business or partnership that is similar to or competing with the company or subsidiaries; or being an executive director, an employee, or a consultant that receives monthly salary; or holding more than 1% of shares that entitle to voting right in other companies that are in the same business or competing with the company and subsidiaries.
9. No other conditions that affect the independency of discretion on company management.

### 2. Selection of directors and key executives

#### The Selection of directors

The Board of Directors considers persons to be nominated as the company's directors by their educational background, specialization, and experiences which support the company's business. The selection principles are as follows:

1. Requirements by laws, SET's / SEC's notifications, and the company's articles of association in regard of a director qualification
2. Qualifications as stated in the directors' ethic
3. Educational background and experiences which support the company's business
4. Trainings related to the directors' responsibilities, the company business, good corporate governance, and advance policy planning
5. Intention to guard the shareholders' benefit with fairness
6. Devotion and ability to develop the company business

## Selection procedure

Nomination and Remuneration Committee nominates any appropriate person(s) qualified to the company's director position, then proposes to the Board of Directors. The Board of Directors, then, proposes to the Shareholders' meeting.

## Director's appointing

A meeting of shareholders shall elect the directors in accordance with the following procedures and rules:

1. Each shareholder has one vote for each share held;
2. Each shareholder may exercise the votes in electing one or more persons to be the directors but the votes for more than one person are indivisible; and
3. The person who obtains the highest votes shall be elected as a director in respective order according to the required number of directors, but if two or more persons obtain equal votes, the chairman must exercise a casting vote.

In the event of vacancy in the Board of Directors due to other factors aside from the end of directorship term, the Board of Directors shall select any persons qualified with Public Company Limited Act and Security and Stock Exchange Act to fill in. Unless such vacant directorship remains less than 2 months, a person who replaces the vacant directorship shall apply for the remaining term.

## Key executives selection

The company's human resource section is responsible for the hunt of qualified persons under the executive's discretion, with the most relevant working experience and educational background.

## Subsidiary companies control

The company group authorization empowers the Management committee to appoint the directors and the authorized signatory directors of the subsidiary companies in order to align the management of the subsidiaries with the company. Also, the financial status and business operation disclosure, the transaction among the company group, the asset acquisition, and disposal or any other important transaction of subsidiary companies are conducted by the same guideline of the company.

## Auditor's fee

At the 2015 AGM, EY Office Limited by Mrs. Siriwan Suratepin (C.P.A. Registration No. 4604) and/or Mr. Wichart Lokatekrawee (C.P.A. Registration No. 4451), and/or Mrs. Saifon Inkaew (C.P.A. Registration No. 4434) were appointed as the company's auditor with the auditor's

fees of Baht 2,000,000. EY Office Limited was also appointed to be the auditor for the company's subsidiaries with the auditor's fees of Baht 2,990,000 without non-audit fee.

At the 2016 AGM, EY Office Limited by Mrs. Siriwan Suratepin (C.P.A. Registration No. 4604) and/or Mr. Wichart Lokatekrawee (C.P.A. Registration No. 4451), and/or Ms. Sathida Ratananurak (C.P.A. Registration No. 4753) were appointed as the company's auditor with the auditor's fees of Baht 2,100,000 per year for EY Office Limited without non-audit fee.

These appointed auditors have no relationship and conflict of interest with the company/ subsidiaries/ management and major shareholders of the company.

## Good corporate governance guidelines in other aspects

According to the CGR survey 2016 by Thai Institute of Directors (IOD), the CG score of the company was excellent. Nevertheless, there were some issues that may not cover the criteria of the Corporate Governance Report of Thai Listed Companies and ASEAN CG Scorecard, as stated below:

Issues	Explanations
The Board of Directors consist of 5-12 members	The board of directors consists of 13 members, who are appropriate for the nature and size of business during expansion. Experts from a variety of professions are needed.
All director should attend the meeting at least 75% of total meeting.	In 2016, the company held 11 board meetings and the attendance ratio of all members was not less than 75%. However, due to important tasks, some directors could not attend every meeting.
In corporate governance policy, the Board of Directors shall specified the limitations of the directorship in other companies - to be not more than 5 companies.	Refer to the corporate governance policy, executive directors, managing director, and chief executive officer are able to hold a directorship in other companies but not more than 5 group companies. However, there are no limitations for directors, therefore, some directors are holding directorship in other companies more than 5 companies due to the diversity of qualifications and abilities.
The Board of Directors shall set limitations that individual may serve as an independent director for a maximum of 9 consecutive years.	The company has no limitations on terms of the position of directors since the company believes that company's directors with knowledge and capability would be beneficial. Long term experience of the director provides deep understanding of the company's business.

# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT

## Background

Continuing from 2015, AP (Thailand) Public Company Limited had realized the importance of education which is a core of development in property industries and advancement of Thailand. The policy of 'Corporate Social Responsibility (CSR)' for Sustainability Development was set to bring into accord with the Stock Exchange of Thailand and the government sectors' policies that encourage the private sectors to be more attentive towards social responsibilities in many ways as well as to gain the company's credibility from local and foreign investors. In the previous year, the company had organized and provided activities together with social responsibility plans, both as a part of the business (In-process CSR) and as a benefit for society and environment (After-process CSR). This CSR policy was launched not only to provide financial assistance, but also to promote the corporate social responsibilities in line with to improve business operation towards the reinforcement of social quality in sustainable ways. The company has been working hard on promoting education and human resource development in order to support widely on sharing knowledge and innovation resulted from company's performances. AP Academy was established as an institute of a complete range of integrated learning in property industry. The company's experiences and knowledge on organizing high-quality real estate constructions, including the inspiration of designing spaces would be passed on not only to company personnel or employees but also to the outsiders such as students, university students, and other person. As a result, it was successfully accepted with excellent feedbacks.

In 2016, the company consecutively extended the operation and results on education and human resource development in the sections of AP Academy and AP CHARITY "Knowledge sharing" or "Sharing Education". The company joined the innovation development for slums, and also promoted learning methods of using knowledge in space utilization (from AP Unusual Football Field project) with an intention to invest in education and human resource that is a key to the solid advancement and sustainability development for youth, society, environment, and property industries. It is aimed to breed quality personnel through education to build qualified human resource with full of knowledge in property development. In order to achieve the goal, the company provides long time accumulated knowledge to the whole staff and gives back to the society to create learning community and quality residences.

We believe that anyone with high capability and knowledge would build quality residences, and that quality residences would create a sustainability ideal society.

## Issuing reports and operations

The report of Corporate Social Responsibility and Sustainability Development covers all company's activities in 2016 by focusing on parts that related to stakeholders such as employees and customers, as well as communities, society, and environment. The format of the report conforms to the guidelines on Disclosure of Information of the Stock Exchange of Thailand, and the presentation and disclosure of contents has been reviewed and approved by board of directors of the company.

## CSR Policy

The policy of company and its subsidiary companies management is set by the board of directors according to the concern to environment, stakeholders, social responsibility, and sustainability developments regarding 8 principles as follows:

### 1. Fair Business Conduct

The board of directors has considered and reviewed the principle of good corporate governance annually in order to make the revised version up-to-dated. The company takes this practice as a model of organizing and managing to create fairness. The details are presented on the topic of Corporate Governance page 142-155

### 2. Anti-corruption

The company follows Anti-corruption policy as the details shown in the topic of Anti-corruption practices page 168

### 3. Human Rights

According to company's good corporate governance, all company's board of directors, executives, and employees shall follow and conform to the rules of International Human Rights as follows:

- Supporting employees on their rights as good citizens in democracy regarding to the laws.

- Preserving employees' confidentiality of information. Disclosing or transferring employees' personal information to the public shall be conducted after an agreement and approval of those employees, unless it is under the act of company's regulations or laws.
- None of the support shall be conducted against human rights and corruptions.
- The company and employees shall not offend or threaten any person by words or actions based on nationality, gender, religion, age, and disabilities both physical and mental. The punishment is set in case of those performances.

#### 4. Equitable Treatment of Labours

Company personnel are the key factor to drive the company towards Business Excellence. Therefore, the company emphasizes on human resource development to create knowledgeable employees with equivalent high opportunity in career path according to the details as follows:

- The company organizes the project of employee developments continuously by aiming at further development on work effectiveness and employee's self improvement. Workshops are provided for every level of employees as written in the topic of AP Academy. Also, the records of development are kept to be reviewed and made the project up-to-date. Moreover, employee assessment is conducted with transparency by reliable tools regularly.
- The company treats every employee equally and fairly according to Human Rights without any rules or conditions that deprive them of their rights based on gender, age, nationality, and religion.
- The recruitment of the employees in every position shall be fair, considering on qualification, education background, experience, and any important factor related to the job without depriving disable person by the recruitment. In case the company employs the disabled, equipment and facilities shall be provided together with appropriate remuneration and welfare.
- Remuneration and welfare are determined with transparency and fairness by considering on tasks, job description, performances, and company's ability to pay.
- Work spaces and environment of employees are managed concerning to hygienic conditions and safety according to tasks and positions. Communication channels are set for the employees to share any suggestions and complains under the scope of their duties. Every suggestion shall be considered seriously as well as the solution in order to fit the needs and be beneficial to all sectors for good relationship among working conditions.

- The company supports employees' self-reliance such as savings, home loans (collaborates with other financial institutions), health welfare, and other welfares that improve employees and families' life quality.

#### 5. Accountability to Customers

- The company launched a clear policy of responsibility in product quality, complains and problems occurred by the products and services. The impact of products and services on customers are researched, evaluated, and improved regularly.
- Communication channels are provided to create good customer relationship and accept complains. Complains shall be considered seriously via all easy and accessible channels in charge of particular sectors of After Sale Service. The service consists of 2 parts which are 1) Handed over after the completion (Call Service) and 2) Maintenance (Fix It) to provide service after moving in. Also, this service are under the 4 standards which are Time Control, Standard and Quality test, Clean and Security, and Caring (follow up and checking for maintenance on lists).

For the previous year of 2016, the company had accepted the call from customers via Call Service totally 35,001 calls. Call Service and Fix It had worked together to follow up the maintenance process and solution until the entire problems are resolved under Call Service procedures, which started from classifying problems to match the information given by customers. Main records from the customers, 39,996 records in total were the repair and maintenance request of the house/condominium in warranty. Fix It had cleared and completed 97% of all records, only some were still under the investigation and preparation for problem solving. For the complains such as service complains and request for house/condominium out warranty, 6,842 records in total, Customer Care had took action to investigate and complete the tasks 71% of all records. Any complains that still remained, the company are working on process with every sector to find the solutions and try hard to reach customer highest satisfaction when using company's products.

- After Sale Service provides Data and Privacy protection that any information of the customers shall not be disclosed without consent.

## AP-Society

- In order to promote good relationship between homeowners and the company together with the community among housing and condominium, entertainment activities are provided by setting up food booths, concert, and health promotion activities under the name of AP-Society with 33 campaigns for instance
  - AP THINK THINGS
  - "Baan Klang Muang Limited Space"
  - Welcome Home Party
  - Beach Party
  - Summer Space
  - Etc.

Besides, these include any privilege provided by major alliance for homeowners under AP Group in order to share the benefit among AP society. In 2016, 70 activities were set for company housing estate and condominium, which had drawn up budget around 23 million Baht with participation of 10,250 homeowners.

## 6. Environmental Conservation

### The report on Environmental Impact Assessment (EIA)

Before starting any project and going under the construction, both Low Rise and High Rise projects, the company concerns for many factors that affect to the environment considerably and intends to follow the rules, laws, and regulations under environment issues. Every project of the company shall be limited by sizes and utility spaces according to the law of the report on Environmental Impact Assessment (EIA) which is set by the Enhancement and Conservation of National Environmental Quality Act B.E. 2535. The EIA report shall be made by the company and an expert consulting company, and gets registered with legitimate right by Ministry of Natural Resources and Environment. In making the report and setting regulations to prevent environmental impact, the company joins an evaluation of the impact in every project closely, both with the consulting company and with the residents around the areas, including to public hearing in order to set most effective guidelines and preventive measures for the customers, residents, and environment.

After the report is approved by Environmental Impact Evaluation Bureau, during the construction, the company follows and tracks for the progress according to the regulations, methods, and conditions

written in the report by setting up the follow up meeting with contractors and project consultants of each project closely to ensure that the construction would affect to the residents and environment around at the very least. Experiences gained from many projects help the company learn and analyze the problem more effectively to improve other projects.

### Product Development and Green Innovation

The company takes energy efficient spaces and efficient product usage into consideration to work on product development, and also chooses the best equipment for energy saving to install in houses and condominiums for example, energy saving light bulbs, water saving sanitary wares, Air conditioners with label no. 5 of Minimum Energy Performance Standard (MEPs), and waste water treatment tank with environmental quality standards.

Moreover, the company has been continuously run the project of AP Urban Innovation since the previous year by collaborate with university professors on designing and creating new innovations that are beneficial for the city life such as to design central areas with more 30% energy saving, and to develop a rotational garden watering system with water saving. The project has been constantly improved by many people and sectors such as, Asst. Prof. Singh Intrachotoo, a professional green innovation developer, together with high-ranking universities to develop and create new innovations for future residence.

### Value Strengthening and Environmental Protection Education

The company launches campaigns to encourage employees to consume resources efficiently for instance, Electricity and Water Saving Campaign, Energy Saving light bulbs and Water Saving sanitary wares in head office and construction site Campaign, Waste Management in workplace Campaign, Minimization of paper usage Campaign, and Recycle Campaign.

In addition, employees including outsiders are supported by providing education about environmental protection together with environment and construction related regulations to strengthen value, good attitude, and responsibility on environment. The topic of the curricula are given in details on page 159.



## 7. Community and Social Development

Corporate Social Responsibility (CSR) policy of the company in the past years was CSR In-process which integrated into company's operations. The company, as a professional of building quality residences, we believe that quality residences would uplift the living quality of people. By long time accumulated experiences in business, the company is full of knowledge and capability to share to internal personnel and outsiders to improve their skills and provide incremental knowledge to benefit the society.

Besides, the company aims at creating quality personnel with knowledge and skills of residence development in many fields such as construction, management, and social responsibility. Quality personnel and professionals with knowledge and high responsibility would build quality buildings that reach the standard, which is a significant foundation to build sustainability development in society.

For this reason, the company establishes AP Academy as Thailand's first institute for the full range knowledge on real estate. The curricula are provided in various subjects from design, construction, sales, to how to manage the property, under the concept of "Deep knowledge, Big creativity, and High quality performances".

In founding AP Academy, the company has been working on the project with a spending of more than 300 million Baht. From the previous year, the result was satisfied as the company got CSR reward in "human resource investment" prize from Asia Responsible Entrepreneurship Awards 2016 in Singapore.

**AP Academy** operates 3 major projects under its mission, which are 1) AP Property School 2) AP Open House and 3) AP Symposium or Public Course Training. The details are as follows:

### AP Property School

AP Property School is a school for developing knowledge, abilities, and work skills for employees. We think that before building a good house, quality builders are needed. Each curriculum is design to cover all fundamental knowledge, functional knowledge, selective skills, and leadership.

AP Property School comprises of 5 curricula as follows:

#### (1) Construction Curriculum

This curriculum focuses on strengthening major knowledge of project management in parts of duration, cost, and quality throughout all process from under construction to customer handover, as well as knowing all operation procedures starting from land acquisition to project closing. The management is emphasized according to AP regulations, quality standard, environmental law, including performances concerning environmental impact by experienced personnel of each sector such as engineers, workers, contractors, etc.

#### (2) Sales and Services Curriculum

The curriculum helps living consultant get prepared for the task, starting from personality development and AP standard greetings, then going through essential information and customer research to meet customers' satisfaction. Also, effective tips of dealing with arguments, convincing, closing sales, together with knowledge about basic credit and other essential skills are provided under the mission of the best residence hand overing that fits the need of our customers.

#### (3) Home Solution Curriculum

The objective of this curriculum is to develop service standard and maintenance standard (of electric system, water supply system, sanitation system, and architecture), including cleaning and security service (starting from the first step of maintenance to the last step of delivery) for employees. It is operated with a concern to environmental impact, as well as with an advice for residence maintenance service that suits the customers.

#### (4) Property Management Curriculum

This curriculum aims at developing a potential of Condominium and Housing Estate Management Team by providing education about property management starting from the step of open project to close project of the utilities. It is emphasized on unidirectional standard management with transparency, and also performed by quality personnel, together with the use of modern technology to fit customers' need in all aspects.

## (5) Development Program Curriculum

The purpose of this curriculum is to improve employees' skills and knowledge to reach their full work potential in completing the tasks. The curriculum for every employee emphasizes on skills development such as leadership, communication, problem solving, self and team work planning, along with good attitude and ethics (Code of Conduct). Human Resource Development plan conforms to company's goal in each year.

In the previous year, 2,574 employees had participated in this program and completed curriculum. The result of performance tests were satisfied, and the questionnaire illustrated that all participants were capable of adapting their knowledge gained from the program to their work effectively.

### Anti-corruption course.

In every curriculum above, the policy and guideline of anti-corruption are added by focusing on the importance of corruption problem, together with avoidance guidelines, and punishment in order to make employees realize company's intention of this issue.

### Total number of participants in AP Property School's curriculum

	Curriculum	Times	Number of participants	Expense (Baht)	Number of hours (total)	Number of hours (per person)
1	Sales and Services Curriculum	17	388	50,765.25	228	1.70
2	Construction Curriculum	51	694	33,460.00	272	2.55
3	Property Management Curriculum	22	273	23,600.00	63	4.33
4	Home Solution Curriculum	48	343	29,700.00	392	0.88
5	Development Program Curriculum	37	876	2,276,699.00	247	3.55
	Total	175	2,574	2,414,224.25	1,202	13.01

Each program conducted in 2016, the company had spent 2,414,224.25 Baht in total.



## AP Open House

AP Open House has an objective to transfer knowledge, share experiences, and provide opportunities to university students to practice their thinking and working skills for getting ready in working lives after the graduation. The company realizes that learning from hand-on experience in real situation would build efficient skills and support careers after graduation, as in the developed countries that emphasizing on students' hand-on experiences in workplaces besides theories.

From the past years, "AP Open House: More than a theory" has been continuously organized. In 2016, 3<sup>rd</sup> year and 4<sup>th</sup> year, university students from Faculty of Engineering who had been majoring in Civil Engineer all over the country were recruited. The company publicized the project via variety communicating channels in order to reach the students in whole country by using social media and university media including roadshow to introduce this project and share knowledge in the field of Civil Engineer.

After the end of application period, there were 596 candidates from institutes around Thailand. All candidates needed to pass the online tests and participate in auditions at AP Headquarter Office.



On February 1, 2016, it was announced that 27 candidates were selected to participate in an internship program. Students who passed the tests were to work at the site with experts of different fields from government sector, entrepreneurs, and business alliance. The trainees would be closely advised and coached starting from foundation of each component to standard of the construction with quality control. Students that accomplished the program would receive certificates from AP Academy and would be provided opportunities to work with the company. In this case, the company had supported the project amount to Baht 2 million.

### **Knowledge Transferring and Collaboration with Mitsubishi Estate Group**

Apart from knowledge within the company, AP Academy is very well supported by business alliances, Mitsubishi Estate Group, Japan. Since then, the company has been cooperating in an investment, not only condominium development but also knowledge, skills, and property innovation transferring. Mitsubishi Estate Group is one of the top leaders with full knowledge in Japan that is capable of transferring knowledge and creating benefits in Technology transfer in property industry. It is much beneficial for society and customers in Thailand.

Last year, in order to increase trainee's knowledge and abilities, AP Open House collaborated with Mitsubishi Estate Group to provide an observation trip in Japan for the students so they could learn technology from the prototype of construction innovation and property management with an international standard. The objective was to transfer knowledge, experiences, and opportunities of practicing think skills and other skills to the trainees, the representatives of Thai youth, in order that they could prepare themselves for an effective working lives after graduation.

This observation trip was held in Tokyo, Japan, during August 27 -September 2, 2016. 3 Students with high performances were selected, Mr. Apiwit Wongsawan (a junior student from Chulalongkorn University), Mr. Thanakan Likitparinya (a junior student from King Mongkut's University of Technology Thonburi), and Ms. Piyawan Veerapaiboon (a senior student from Irrigation College-associated institutions of Kasetsart University).

## AP Public Course Training

AP Public Course Training was initiated on the purpose of knowledge, innovation, and vision sharing in fields of construction, design, real estate sales and services, together with inspiration building. The project offered to people widely, not only students, university students, related officers, but also any outsiders who are interested in participating and sharing opinions among famous domestic and international lecturers.

In 2016, AP Public Course Training consisted of 5 activities as follows:

### (1) “Certified Electrician Jobs in all directions”

The course was held during 8.30 a.m. - 5.30 p.m. on May 31, 2016 at Grand Mercure Bangkok Fortune Hotel. AP Academy, associated with Office of Licensed Occupation Certification, Department of Skill Development Ministry of Labour, provided free training course for electricians to encourage electricians, also private electric companies to get certified and reached occupation requirement according to the objective of electrician labour skill quality development in Thailand, referred to Skill Development Promotion Act B.E. 2545 (A.D. 2002) and its amendment.

### (2) “Foundation and Infrastructure”

The training course was held during 8.00 a.m. - 5.30 p.m. on September 7, 2016 at Jasmine City Hotel. Council of Engineers, together with AP Academy provided free training course on the topic of “Foundation and Infrastructure” to increase basic knowledge and skills of essential construction for new civil engineers with under 5 years experience. The intensive course also provided for the participants to learn how to get interviewed and write academic paper for the promotion of upper level of license to reach the standard of Thai civil engineers’ knowledge and skills.

### (3) “Sales for Real” Intensive Development Program for Real Estate sales

This course was held 3 times on October 7, November 18, and 25 in 2016 at Ocean Tower Building 1. It was the first time of Thailand property industry to bring numerous techniques and tips into special curriculum for the benefit of real estate sales. This free training course was opened for general people who were interested in sales and real estate business. The lecturers were professional salesman and consultant of AP with more



than 25 years experiences who gave basic knowledge about sales job and ability improvement by providing tips to make the sales come true.

(4) **“Mad Talks” [M]arketing, [A]rchitecture and [D]esign - Inspiring Talks**

The course was held during 1.30 - 5.00 p.m. on December 16, 2016 at Paragon Cineplex Theater, Siam Paragon with the purpose of being a channel to share knowledge and experiences by many experts in various fields for instance, Google, Pantip, Facebook, Mindshare, A49, Atom, DMP, including AP. This was to gather information of new trends and to understand consumer behavior through modern media and digital society for the benefits of marketers, architects, interior designers, and other people. Also, the data were used and adapted in marketing and designing residences to differentiate business strategy with an expectation of increasing knowledge and abilities for people related to the specific area, as well as to increase competitive potential among domestic business groups through knowledge adaptation.



(5) **“Tune Talk Call Center”**

The course was held during 9.00 - 12.00 a.m. on December 17, 2016, at Victor club, FYI Center Building as a program to provide knowledge for outsiders, working in the field of Call Center, which is the first channel in business to face the customers and somehow leads to the problem of work depression and resignation. In “Tune Talk Call Center”, participants were to share opinions, troubleshooting tips, and inspiration with professional call center officers. The special guest, Khun Pompam of Toey Tiew Thai, was invited to encourage the participants about happiness, motivation, thinking methods, and work strategies for better understanding in living lives. There were 2,331 participants in total and the company had spent around 1.8 million Baht on this program. The questionnaire illustrated an excellent feedback and valuable information from the participants.

**Total number of participants in AP PUBLIC COURSE TRAINING**

	Event	Segment	Period (2016)	Register (participants)	Expense (Baht)
1	Certified Electrician Jobs in all directions	Electricians	May 31	628	463,729
2	Foundation and Infrastructure	Civil engineers	September 7	410	199,309
3	SALES FOR REAL	Salesmen and outsiders	October 7 and November 18, 25	409	495,811
4	MAD TALKS	Marketers Architects	December 16	460	440,374
5	Tune Talk Call Center	After Sale Service staff	December 17	424	161,962
			TOTAL	2,331	1,761,185



## AP CHARITY SHARING EDUCATION

### Punfun the Bundid

"Punfun the Bundid season 3" program, supported by The Royal Initiative Discovery Foundation (royal initiative of His Majesty the King Rama IX), Rakkaew Foundation, and Council of University Presidents of Thailand (CUPT), is a program organized in order to search for young generation group of students with consciousness and awareness of social problems, also with minds to bring up creative thinking power to promote "Thai folk art and crafts" for occupation opportunity and sustainable income in community. Besides, it is to promote and support institutions of education, to use professors and students' knowledge and skills as tools to solve problems and improve quality of life by knowledge integration according to the approach of royal concept and community wisdom.



The company foresees that the program would support education and meet the company's objective of CSR related to human resource and education development. This 'Punfun the Bundid season 3' program received 500,000 Baht of budget from the company and company's experts were sent to participate in giving advice, consulting, and sharing knowledge of design, marketing, and sales at work sites for particular selected participants-students from Srinakharinwirot (Prasarnmit) University, gathered from 5 departments, namely, 1) Department of Communication Design 2) Department of Cyber Business Management 3) Department of Fine and Applied



Arts in Jewelry Design 4) Department of Tourism Management and 5) Department of Fashion and Textile Design. These students were to be boosted up their abilities in each department to help develop the project under the concept of "Green Silk Green Jewelry", preserving folk wisdom by creating the "Plate mat" made of "Eri Silk" from local forest silkworms raised in a complete one life cycle (the silkworm remains alive after the process of pulling silk) and the "Cutlery Set" made of "Black Nielloware", an innovation of Lead-free Nielloware that was brought into the community by students from Department of Jewelry Design with an intention to share knowledge among people and to develop the products to meet international standard.

The company believes that every problem can be solved by knowledge and abilities. According to the royal concept of King Rama IX in human resource development, the company realizes that sharing knowledge among the community or industrial sector for better standard of living is important, therefore, it needs to be seriously put into action.

Moreover, the company supports many activities under the collaboration. Mr. Chaiyong Rattanaungkoon, an expert of creative design, and ex-executive editor of Wallpaper Magazine, and Director of Thailand Creative & Design Center (TCDC), was invited to be a special consultant in sharing different point of view and inspiration.

Beside the topic of design development, the company also concerned about practical function, profit, and profit for producer in community. The company has an objective of supporting the idea of new generation youth, integrating into folk wisdom of arts and crafts through the use of modern technology and creativity. The products of silk and nielloware were adapted and people in community were guided by introducing the Royal Concept of life sustainability in an aspect of occupation for living under the company's corporate philosophy of design focusing on quality life development for the residents.

#### **Term Fun Pun Kwam Ru (Dream fulfilling and Knowledge sharing)**

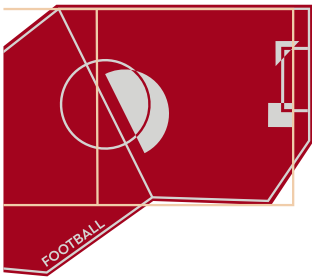
As human resource development and sustainability emphasizing company, AP goes forward towards education support for children, youth, and the disadvantaged through the program "AP Term Fun Pun Kwam Ru season 4". In an occasion of 25<sup>th</sup> anniversary, the company discovered a group of children who needed chance of educational support to widen their point of view outside the classroom, to create quality human resource for future Thailand. On December 7, 2016, the company had provided opportunity for educational disadvantaged children by widening their thoughts and taking them to outdoor learning center - Bangkok Planetarium and Dinosaur Planet. Also they were given educational equipment and stationery such as books, IQ toys, AP bags (Happy bag), shirts, and AP Charity caps, under company's budget of 800,000 Baht.





# AP UNUSUAL FOOTBALL FIELD

ONE OF TIME'S 25 BEST INVENTIONS OF 2016



## 8. Innovation promotion from social, environmental, and stakeholder responsibility practices

### AP UNUSUAL FOOTBALL FEILD

The company supports education, innovative thinking, and new approach of practice which are beneficial for society, environment, and stakeholders. From the previous year, the company has brought the concept of "AP Space" into recovering useless areas in slums, turning the land into sport grounds of non-squared shape under AP Unusual Football Field. The football field was designed in capital letter 'L' and zigzag shaped to fit physical factors of the land such as size and shape of the community. The idea was to overcome the limitations of space, and to ensure that size and shape of the land is not the obstacle for land designing creativity. With good design, the use of the land can always be maximized. Thus, the project focuses on area development for people in community to have a benefit-sharing space. The company spent more than 5 million Baht for the sport ground, landscape development, and activities of knowledge and football technique for the youth. 3 football fields, located in Klong Toey and Pipat Community Soi 2, were completed under the cooperation of government sectors such as Port authority of Thailand and Treasury Department, the owners of the lands, with the purpose of creating good public spaces for residents nearby.







The project received an excellent feedback from the community and mass media in Thailand and other countries for instance, BBC, CCTV, NHK, and AJ Jazeera. Especially, AP Unusual Football Field was praised by Time Magazine as one of 25 best inventions of 2016 among the best inventions around the world, under the criterion of good performance on improving world society. In summary, AP Unusual Football Field is a model of inspiration and creativity that encourages people and organizations to devote their abilities and expertise to provide large benefits for society.



# PRACTICES FOR PREVENTION OF INVOLVEMENT IN CORRUPTION (ANTI-CORRUPTION PRACTICES)

## Commitment and Policy

On 26<sup>th</sup> February 2015, AP's Board of Directors announced its firm intention to operate business without corruption and passed a resolution to join the Private Sector Collective Action Coalition against Corruption (Collective Anti-Corruption - CAC) in cooperation with the Thai Institute of Directors (IOD), in order to establish standards for transparent and honest business operation. The policy prohibits involvement in every form of corruption, including providing political aids, donations, financial support, accepting or offering gifts that may lead to corruption. Furthermore, the company submitted the Self evaluation tool for countering bribery in order to get certified from Private Sector Collective Action Coalition Against Corruption Council in Quarter 4/2016 on 15<sup>th</sup> December 2016. Furthermore, on 9<sup>th</sup> March 2017 the company was officially certified as a member of Private Sector Collective Action Coalition against Corruption (CAC).

## Implementation

In 2016, the company has implemented the anti-corruption policy in various aspects by an internal communication of anti-corruption to all directors, executives, heads of department and employees through the intranet for acknowledgement and compliance.

The company has formulated an e-learning project under the HR development plan namely "AP Anti-Corruption" including CEO message, the definition of corruption, type of corruption, giving and accepting presents practice and whistleblowing channels. The project was participated by all employees including the new employees through the orientation course in order to raise an awareness of the negative impact of corruption.

The company also communicated the policy of accepting or offering gifts or benefits, or holding a reception for any person of business relationship to all employees in order to firms its intention on anti-corruption.

Moreover, the company also regulated the Whistleblowing policy and provided both internal and external Whistleblowing channel in order to get notified about any actions related to law violation, unethical performance, or fraudulent behavior of all level of employees and stakeholders. The company has monitoring procedures and complaint management process with transparency fairness and obviousness as well as the whistleblower protection measure. The Whistleblowing Channels are as follows;

1. the outsider's complaints can be made directly to email of Mr. Kosol Suriyaporn, audit committee member (s\_kosol@hotmail.com).
2. AP's employees complaints can be made directly to email; hotline@apthai.com

In 2016, the 1 corruption case was submitted to the company. The internal audit Dept. made an investigation and reported to the audit committee and the Board of Directors respectively in accordance with the complaint management process.

# RELEVANT INFORMATION AND OTHER IMPORTANT INFORMATION

## Information of the Company

### AP (Thailand) Public Company Limited

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development. Registration number is 0107537000149. Telephone number is +66 2261 2518-22, facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com). As of 31<sup>st</sup> December 2016, the Company has a registered capital of Baht 3,145,912,151 consisting of 3,145,912,151 ordinary shares and a paid-up capital of Baht 3,145,899,495 consisting of 3,145,899,495 ordinary shares.

## Subsidiaries which the Company holds more than 10% of total paid up shares

### 1) Asian Property Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105553079178.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property Co., Ltd. has a registered capital of Baht 895,833,900 consisting of 89,583,390 ordinary shares and a paid-up capital of Baht 895,833,900, consisting of 89,583,390 ordinary shares.

### 2) Asian Property (Krungthep) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105537054875.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property (Krungthep) Co., Ltd. has a registered capital of Baht 300,000,000 consisting of 3,000,000 ordinary shares and a paid-up capital of Baht 300,000,000 consisting of 3,000,000 ordinary shares.

### 3) Asian Property (2011) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105554149013.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property (2011) Co., Ltd. has a registered capital of Baht 300,000,000 consisting of 30,000,000 ordinary shares and a paid-up capital of Baht 300,000,000 consisting of 30,000,000 ordinary shares.

### 4) Asian Property (2012) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105555003110.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property (2012) Co., Ltd. has a registered capital of Baht 300,000,000 consisting of 30,000,000 ordinary shares and a paid-up capital of Baht 300,000,000 consisting of 30,000,000 ordinary shares.

### **5) Asian Property (2013) Co., Ltd.**

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105556002672.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property (2013) Co., Ltd. has a registered capital of Baht 300,000,000 consisting of 30,000,000 ordinary shares and a paid-up capital of Baht 300,000,000 consisting of 30,000,000 ordinary shares.

### **6) Asian Property (2014) Co., Ltd.**

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, Soi Sukhumvit 16 (Sammitr), New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105557175490.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property (2014) Co., Ltd. has a registered capital of Baht 400,000,000 consisting of 40,000,000 ordinary shares and a paid-up capital of Baht 400,000,000 consisting of 40,000,000 ordinary shares.

### **7) Asian Property (2015) Co., Ltd.**

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105558021291.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Asian Property (2015) Co., Ltd. has a registered capital of Baht 660,000,000 consisting of 66,000,000 ordinary shares and a paid-up capital of Baht 440,040,000 consisting of 44,004,000 ordinary shares.

### **8) The Value Property Development Co., Ltd.**

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105545118836.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, The Value Property Development Co., Ltd. has a registered capital of Baht 500,000,000 consisting of 50,000,000 ordinary shares and a paid-up capital of Baht 500,000,000 consisting of 50,000,000 ordinary shares.

### **9) Thonglor Residence Co., Ltd.**

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105545118852.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Thonglor Residence Co., Ltd. has a registered capital of Baht 10,000,000 consisting of 1,000,000 ordinary shares and a paid-up capital of Baht 10,000,000 consisting of 1,000,000 ordinary shares.

### **10) Signature Advisory Partners Co., Ltd.**

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105545061320.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Signature Advisory Partners Co., Ltd. has a registered capital of Baht 1,000,000 consisting of 100,000 ordinary shares and a paid-up capital of Baht 1,000,000 consisting of 100,000 ordinary shares.

### 11) AP (Ekkamai) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105557063691.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP (Ekkamai) Co., Ltd.

has a registered capital of Baht 220,000,000 consisting of 22,000,000 ordinary shares and a paid-up capital of Baht 139,000,000 consisting of 13,900,000 ordinary shares.

### 12) AP (Phetchaburi) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105557109039.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP (Phetchaburi) Co., Ltd.

has a registered capital of Baht 1,420,000,000 consisting of 142,000,000 ordinary shares and a paid-up capital of Baht 992,000,000 consisting of 99,200,000 ordinary shares.

### 13) AP (Ratchayothin) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105557183409.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP (Ratchayothin) Co., Ltd.

has a registered capital of Baht 1,000,000,000 consisting of 100,000,000 ordinary shares and a paid-up capital of Baht 868,000,000 consisting of 86,800,000 ordinary shares.

### 14) AP ME (Asoke) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105556162246.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME (Asoke) Co., Ltd.

has a registered capital of Baht 390,000,000 consisting of 39,000,000 ordinary shares and a paid-up capital of Baht 318,460,000 consisting of 31,846,000 ordinary shares.

### 15) AP ME (Krungthep) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105556162238.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME (Krungthep) Co., Ltd.

has a registered capital of Baht 768,000,000 consisting of 76,800,000 ordinary shares and a paid-up capital of Baht 768,000,000 consisting of 76,800,000 ordinary shares.

### 16) AP ME (Sukhumvit) Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105550124504.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME (Sukhumvit) Co., Ltd.

has a registered capital of Baht 652,000,000 consisting of 65,200,000 ordinary shares and a paid-up capital of Baht 652,000,000 consisting of 65,200,000 ordinary shares.

### 17) Premium Residence Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105556162301.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Premium Residence Co., Ltd. has a registered capital of Baht 6,110,408,010 consisting of 611,040,801 ordinary shares, and a paid-up capital of Baht 4,995,448,010 consisting of 499,544,801 ordinary shares.

### 18) Smart Service Management Co., Ltd.

Head office is situated at 170/39 Ocean Tower 1 Building, 13<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property management.

Registration number is 0105539066251.

Telephone number is +66 2261 2518-22 and facsimile is +66 2661 9748 and URL is [www.smartservice.co.th](http://www.smartservice.co.th).

As of 31<sup>st</sup> December 2016, Smart Service Management Co., Ltd. has a registered capital of Baht 5,000,000 consisting of 500,000 ordinary shares and a paid-up capital of Baht 5,000,000 consisting of 500,000 ordinary shares.

### 19) Bangkok CitiSmart Co., Ltd.

Head office is situated at 170/48 Ocean Tower 1 Building, 15<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property brokerage.

Registration number is 0105548123024.

Telephone number is +66 2661 8999 and facsimile is +66 2661 9748 and URL is [www.bkkcitismart.com](http://www.bkkcitismart.com).

As of 31<sup>st</sup> December 2016, Bangkok CitiSmart Co., Ltd. has a registered capital of Baht 4,000,000 consisting of 400,000 ordinary shares and a paid-up capital of Baht 4,000,000 consisting of 400,000 ordinary shares.

### 20) SQE Construction Co., Ltd.

Head office is situated at 170/85 Ocean Tower 1 Building, 30<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of construction.

Registration number is 0105553083698.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, SQE Construction Co., Ltd. has a registered capital of Baht 50,000,000 consisting of 5,000,000 ordinary shares and a paid-up capital of Baht 50,000,000 consisting of 5,000,000 ordinary shares.

### 21) Thai Big Belly Co., Ltd.

Head office is situated at 170/64, 66 Ocean Tower 1 Building, 21<sup>st</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105556036810.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Thai Big Belly Co., Ltd. has a registered capital of Baht 50,000,000 consisting of 5,000,000 ordinary shares and a paid-up capital of Baht 50,000,000 consisting of 5,000,000 ordinary shares.

### 22) AP ME 1 Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105558049218.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME 1 Co., Ltd. has a registered capital of Baht 901,000,000 consisting of 90,100,000 ordinary shares and a paid-up capital of Baht 654,400,000 consisting of 65,440,000 ordinary shares.

### 23) AP ME 2 Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105558067640.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME 2 Co., Ltd. has a registered capital of Baht 2,001,000,000 consisting of 200,100,000 ordinary shares and a paid-up capital of Baht 1,059,500,000 consisting of 105,950,000 ordinary shares.

### 24) AP ME 3 Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105558109199.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME 3 Co., Ltd. has a registered capital of Baht 1,000,000 consisting of 100,000 ordinary shares and a paid-up capital of Baht 1,000,000 consisting of 100,000 ordinary shares.

### 25) AP ME 4 Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105559070016.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME 3 Co., Ltd. has a registered capital of Baht 1,000,000 consisting of 100,000 ordinary shares and a paid-up capital of Baht 1,000,000 consisting of 100,000 ordinary shares.

### 26) AP ME 5 Co., Ltd.

Head office is situated at 170/57 Ocean Tower 1 Building, 18<sup>th</sup> Floor, New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105559070024.

Telephone number is +66 2261 2518-22, and facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, AP ME 3 Co., Ltd. has a registered capital of Baht 1,000,000 consisting of 100,000 ordinary shares and a paid-up capital of Baht 1,000,000 consisting of 100,000 ordinary shares.

### 27) Som Baan Co., Ltd.

Head office is situated at 162/39 Suksawat Road, Rat Burana Sub-District, Rat Burana District, Bangkok, with business objective of service.

Registration number is 0105559148449.

Telephone number is +66 2408 5276

and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, Som Baan Co., Ltd. has a registered capital of Baht 1,000,000 consisting of 100,000 ordinary shares and a paid-up capital of Baht 1,000,000 consisting of 100,000 ordinary shares.

### 28) SEAsia Leadavation Center Co., Ltd.

Head office is situated at 170/59 Ocean Tower 1 Building, 19<sup>th</sup> Floor, Soi Sukhumvit 16 (Sammitr), New Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok, with business objective of property development.

Registration number is 0105559106240.

Telephone number is +66 2261 2518-22, facsimile is +66 2261 2548-9 and URL is [www.apthai.com](http://www.apthai.com).

As of 31<sup>st</sup> December 2016, SEAsia Leadavation Center Co., Ltd. has a registered capital of Baht 1,000,000 consisting of 100,000 ordinary shares and a paid-up capital of Baht 1,000,000 consisting of 100,000 ordinary shares.

## Other references

### Registrar

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Tel: +66 2009 9000 Fax: +66 2009 9991

## Auditor

EY Office Limited

By Ms. Siriwan Suratepin C.P.A. Registration No. 4604

and/or Mr. Vichart Loketkrawi, C.P.A. Registration No. 4451,

and/or Ms. Sathida Ratananurak, C.P.A. Registration No. 4753,

193/136-137, 33<sup>rd</sup> Floor, Lake Ratchada Office Complex,

New Ratchadapisek Road Klongtoey, Bangkok 10110 Thailand

Tel: +66 2264 0777 Fax: +66 2264 0790

\* Further information of the Company is available in 56-1 report (Thai language only) which the Company has disclosed at [www.sec.or.th](http://www.sec.or.th) and <http://www.apthai.com/investor-relations/> in the section of financial information.

**THINK SPACE**



**AP (Thailand) Public Company Limited**

170/57 18<sup>th</sup> Floor, Ocean Tower 1,  
New Ratchadapisek Road, Klongtoey

Bangkok 10110 Thailand

Telephone: 0 2261 2518-22

Fax: 0 2261 2547

**[www.apthai.com](http://www.apthai.com)**