

- Translation -

**Information Memorandum regarding the disposition of assets
by Rojana Industrial Park Public Company Limited (Schedule 2)**

The Board of Directors' Meeting No. 1/2018 of Rojana Industrial Park Public Company Limited (the "Company"), held on 7 February 2018, has resolved to approve the sale of all of the common shares held in TICON Industrial Connection Public Company Limited ("TICON"), totaling of 478,699,619 shares, representing 26.10 percent of total issued and paid up capital of TICON, to Frasers Assets Company Limited ("FAS") at the price of THB 17.90 per share (the "Transaction"). The Company has entered into the Conditional Share Purchase Agreement with FAS on February 9, 2018, which is subject to the condition precedent requiring an approval from the Extraordinary General Meeting of Shareholders of the Company.

The Transaction is considered as the disposition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) of which the Transaction is considered as the disposition of assets, Class 1 Transaction, having the transaction size more than 50 percent but not exceeding 100 percent. Thus, the Company would like to disclose the information in relation to the Transaction to shareholders as follows:

1. Transaction Date

The Company will enter into the Transaction after obtaining an approval from the Extraordinary General Meeting of Shareholders ("EGM") No. 1/2018, which will be held on 23 March 2018. If the Company obtains an approval from the EGM, the Company expects to enter into the Transaction within April 2018.

2. Contractual parties and their relationship with the Company

Purchaser : Frasers Assets Company Limited

FAS is a joint venture company established by TCC Assets (Thailand) Company Limited and Frasers Property Holdings (Thailand) Company Limited ("FPHT") in the shareholding interest of 51.00 percent and 49.00 percent in FAS, respectively.

FPHT is the largest shareholder of TICON holding 40.07 percent of total issued and paid up capital of TICON.

Seller : Rojana Industrial Park Public Company Limited

Relationship with the Company : The Company and FAS are not connected persons in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 Re: Rules on Connected Transaction and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003).

3. General characteristics of the transaction

The Company has been informed by FAS of the intention to acquire all of the common shares that the Company currently holds in TICON, totaling of 478,699,619 common shares, representing 26.10 percent of total issued and paid up capital of TICON, at the price of THB 17.90 per share.

The Transaction is considered as the disposition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (collectively referred to as the "Acquisition or Disposal of Assets Regulations"). According to the Acquisition or Disposal of Assets Regulations, the Company has to calculate the transaction size and to consider required duty to be implemented, having the details of the calculation as follows:

(1) Net Tangible Assets (NTA) criteria

$$\begin{aligned}
 \text{Transaction size} &= \frac{\% \text{ of the Company's shareholding in TICON} \times \text{NTA of TICON}}{\text{NTA of the Company}} \\
 &= \frac{26.10 \text{ percent} \times \text{THB } 24,693.40 \text{ million}}{\text{THB } 12,450.83 \text{ million}} \\
 &= 51.76 \text{ percent}
 \end{aligned}$$

(NTA of the Company and TICON is based on the reviewed consolidated financial statements of the Company and TICON as at 30 September 2017, respectively)

(2) Net profit criteria

$$\begin{aligned}
 \text{Transaction size} &= \frac{\% \text{ of the Company's shareholding in TICON} \times \text{Net profit of TICON}}{\text{Net profit of the Company}} \\
 &= \frac{26.10 \text{ percent} \times \text{THB } 252.31 \text{ million}}{\text{THB } 814.78 \text{ million}}
 \end{aligned}$$

= 8.08 percent

(Net profit of the Company and TICON is based on the latest 12 months reviewed consolidated financial statements of the Company and TICON as at 30 September 2017, respectively)

(3) Consideration criteria

Transaction size = $\frac{\text{Total value of consideration}}{\text{Total asset of the Company}}$
 = $\frac{478.70 \text{ million shares} \times \text{THB } 17.90 \text{ per share}}{\text{THB } 45,241.74 \text{ million}}$
 = 18.94 percent

(Total asset of the Company is based on the reviewed consolidated financial statements of the Company as at 30 September 2017)

(4) Value of newly issued shares under consideration criteria

Not applicable as the Company will not issue new shares.

The Acquisition or Disposal of Assets Regulations require that the highest value of the transaction size calculated using the above criteria should be applied. Based on the calculation results, the highest value of the transaction size is derived from the net tangible asset value criteria, equaling to 51.76 percent (the Company has not entered into other disposition of assets transaction taking place during six months prior to 7 February 2018, which is the date that the Board of Directors Meeting of the Company No. 1/2018 has resolved to approve the Transaction). Therefore, the Transaction is regarded as the disposition of assets, Class 1 Transaction, having the transaction size more than 50 percent but not exceeding 100 percent. As such, the Company has to disclose the information memorandum regarding to the Transaction to SET and is required to convene a Shareholders' Meeting to obtain shareholders' approval to enter into the Transaction. With respect to the Shareholders' Meeting, the Company is required to appoint an independent financial advisor to provide the opinion in relation to the Transaction. Consequently, the Board of Directors has resolved to approve the appointment of Grant Thornton Services Limited to be an independent financial advisor to provide the opinion in relation to the Transaction which will be sent to the shareholders together with additional information disclosure by the Company and the invitation letter for the Shareholders' Meeting. The Shareholders' Meeting resolution to enter into the Transaction shall be passed with at least three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding votes of conflicting shareholders.

4. Details of assets to be disposed

4.1 Assets to be disposed

All of the common shares of TICON held by the Company totaling of 478,699,619 shares, representing 26.10 percent of total issued and paid up capital of TICON.

4.2 Nature of business of TICON

Name	:	TICON Industrial Connection Public Company Limited
Nature of business	:	Providing factories and logistics warehouses for rent and sale in industrial estates, industrial park and other potential locations
Office address	:	Sathorn City Tower, Floor 13/1, 175 South Sathorn Road, Thungmahamek, Sathon Bangkok 10120
Company registration no.	:	0107544000051
Telephone	:	0-2679-6565
Fax	:	0-2679-6569
Registered capital	:	THB 2,751,213,562
Paid-up capital	:	THB 1,834,142,375
Website	:	www.ticon.co.th

4.3 Business overview of TICON

TICON provides factories for rent and sale in industrial estates, industrial park and other potential locations. In addition to TICON's business, TICON's subsidiaries and associated companies also involves with providing factories and warehouse for rent and investments in properties as follows:

Company	Shareholding by TICON (%)	Nature of business
Subsidiaries		
Eco Industrial Services Co., Ltd.	100	Develop ready-built factory buildings on Laemchabang Industrial Estate
TICON Logistics Park Co., Ltd. ("TPARK")	100	Develop logistics warehouses for rent
Shanghai TICON Investment Management Company Limited	100	Explore business opportunities in relation estate investment in China (currently in the process of seeking investment opportunity)
TICON Management Co., Ltd.	70	REIT manager
TICON (HK) Limited	100	Invest in property development business in foreign countries (currently invested in Indonesia)

Company	Shareholding by TICON (%)	Nature of business
Associated Companies		
TICON Freehold and Leasehold Real Estate Investment Trust	15 ¹	Investing in Industrial Properties
PT SLP Surya TICON Internusa	25 (held by TICON (HK) Limited)	Develop both factories and warehouses for lease inside industrial estates in Indonesia
Joint Ventures		
TICON Demco Power 6 Co., Ltd.	51 (held by TPARK)	Project on electricity generation from solar power for sales
TICON Demco Power 11 Co., Ltd.	51 (held by TPARK)	Project on electricity generation from solar power for sales
TPARK BFTZ Co., Ltd.	60 (held by TPARK)	Develop warehouses for lease and/or sale inside Bangphli industrial estates

Source: Annual Registration Statement (56-1 form) for the year 2016 of TICON (Updated to be as of 30 Sep 2018)

Remark: 1. Latest information of unit holders from www.set.or.th

4.4 Financial Summary of TICON from 2014 – 2016 and for 9-month period ended 30 September 2017

(Unit: THB million)

Item	2014	2015	2016	9-month period ended 30 Sep 2017
Current assets	860.12	1,548.62	912.26	3,627.75
Non-current assets	30,349.00	34,745.14	35,180.47	36,849.83
Total assets	31,209.12	36,293.76	36,092.73	40,477.58
Current liabilities	3,808.53	6,478.62	8,290.98	4,764.77
Non-current liabilities	15,934.97	18,119.04	16,384.08	11,008.97
Total liabilities	19,743.50	24,597.66	24,675.06	15,773.74
Registered capital	1,115.94	1,115.94	1,834.14	2,751.21
Paid-up capital	1,099.14	1,099.14	1,099.14	1,834.14
Shareholders' equity	11,465.62	11,689.50	11,417.67	24,703.83
Total revenue	5,856.46	4,853.93	1,872.51	1,551.32
Total costs and expenses	4,408.44	3,559.75	1,223.47	1,011.74
Share of profit from investments in associates and joint ventures and realized additional gain on sales of	94.69	328.76	547.34	173.58

(Unit: THB million)

Item	2014	2015	2016	9-month period ended 30 Sep 2017
properties to associates				
Financial costs	642.61	762.21	811.96	445.46
Income tax expense	138.52	89.76	106.32	20.96
Net profit (loss)	761.57	770.96	278.10	246.75
Profit attributable to shareholders of the company	761.74	769.74	275.03	244.91
Profit attributable to non-controlling interests of the subsidiaries	(0.16)	1.22	3.07	1.83

Source: Annual Registration Statement (56-1 form) for the year 2016 of TICON and consolidated financial statements of TICON as at 30 September 2017

4.5 Shareholders of TICON

Major shareholders at the latest closing date of the share registrar as at 5 May 2017 are as follows:

	Name	No. of shares	Percentage of total voting rights of TICON
1	Frasers Property Holding (Thailand) Co., Ltd.	735,000,000	40.07
2	Rojana Industrial Park Public Company Limited	478,699,619	26.10
3	Mrs. Suchada Leesawatrakul	46,391,670	2.53
4	Mr. Jatupon Kriangchaikijkul	46,249,100	2.52
5	Thai N.V.D.R. Limited	41,287,492	2.25
6	City Villa Co., Ltd.	38,568,150	2.10
7	DBS BANK LTD	36,000,000	1.96
8	Mr. Chali Sophonpanich	24,773,910	1.35
9	NORTRUST NOMINEES LTD-CL AC	23,944,887	1.31
10	Sathorn City Tower Property Fund	19,503,194	1.06

Source: www.set.or.th

4.6 Board of Directors of TICON

List of Board of Directors of TICON as at 31 January 2018 are as follows:

	Name	Position
1	Mr. Chainoi Puankosoom	Chairman, Independent director and Audit committee
2	Mr. Virapan Pulges	Chief Executive Officer
3	Mr. Chai Vinichbutr	Director
4	Mr. Panote Sirivadhanabhakdi	Director
5	Mr. Chotiphat Bijananda	Director
6	Mr. Uten Lohachitpitaks	Director
7	Mr. Chali Sophonpanich	Director
8	Mr. Chatchaval Jiaravanon	Independent director and Chairman of the audit committee
9	Mr. Threekwan Bunnag	Independent director and Audit committee
10	Mr. Tithiphan Chuerboonchai	Independent director and Audit committee

Source: www.set.or.th

5. Value of consideration and payment

Total consideration that the Company will receive from the sale of all of the common shares held in TICON totaling 478,699,619 common shares at the price of THB 17.90 per share is equal to THB 8,568,723,180. FAS will make payment by cashiers cheque or electronic transfer at least five Business Days prior to the Closing Date.

6. Value of assets to be disposed

The assets that the Company will dispose are all of the commons shares held in TICON totaling 478,699,619 common shares. The book value per share according to the reviewed financial statement of TICON as at 30 September 2017 is equal to THB 13.46 per share. As a result, the total value of the disposed assets, based on book value of the Company, is equal to THB 6,445,617,284. In addition, the total value of the disposed assets determined based on market price according to the Volume Weighted Average Market Price of the traded shares of TICON 7 days prior to the Board of Directors' Meeting No. 1/2018 held on 7 February 2018, (between 29 January – 6 February 2018), is equal to THB 17.43 per share. As a result, the total value of disposed assets, based on market price, is equal to THB 8,343,734,359.

7. Basis used to determine the value of consideration paid

The basis used to determine total consideration value is based on the price of THB 17.90 per share which is the negotiated price between the Company and FAS. Such price is considered to have 25.43 percent premium over the Company's average acquisition cost of TICON's common shares of THB 14.27 per share and 2.70 percent premium over the Volume Weighted Average Market Price of TICON 7 days prior to the Board of Directors' Meeting No. 1/2018 held on 7 February 2018, (between 29 January – 6 February 2018), of THB 17.43 per share.

8. Expected benefits to the Company

The Company will receive approximately THB 8,569 million from the sale of all of the common shares held in TICON to FAS at the price of THB 17.90 per share. This will be beneficial to the Company as the proceeds will be used for future business expansion investment and working capital. In addition, the realized gain from the sale of TICON's common shares will increase the Company's retained earnings and the proceeds could be used to repay interest bearing debt. The combining effect will lead to a lower Debt-to-equity and Interest-bearing-debt-to-equity ratios, hence, strengthening the Company's capital structure.

9. Plan to use proceeds from the disposition of assets

The Company plans to use the proceeds from the sale of all of the common shares held in TICON for various purposes as follows:

- 9.1 To invest in land plots with high growth potential and suitable location to be developed as the industrial park of the Company in the future of THB 2,500 million;
- 9.2 To develop industrial parks, namely, Rojana Ayutthaya Project and Rojana Laem Chabang Project, of THB 1,540 million;
- 9.3 To repay a Debenture that will be due within one year with the total amount of THB 482 million, and to repay an interest bearing debt to financial institutions, comprising of Long term loan and Bill of Exchanges of THB 1,953 million and THB 2,100 million, respectively; and
- 9.4 The remaining amount will be used as a working capital.

10. Conditions of the entry

The Shareholders' Meeting resolution to enter into the Transaction shall be passed with at least three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding votes of conflicting shareholders. Subject to the condition specified in the Conditional Share Purchase Agreement, the Company is required to submit an evidence of the affirmative resolutions of the shareholders' meeting of the Company in relation to the sale of all of the common shares held in TICON to FAS after the shareholders of the Company approve to enter into the Transaction. Subsequently, the Company expects to enter into the Transaction within 10 business days after submitting such required evidence to FAS.

11. Opinion of the Board of Directors on the entry into the transaction

The Board of Directors meeting of the Company No. 1/2018 held on 7 February 2018, has resolved to approve the sale of all of the common shares held in TICON to FAS is reasonable and beneficial to the Company and the Company's shareholders. The sale price of THB 17.90 per share is higher than both the Company's average acquisition cost of TICON's common shares of THB 14.27 per share and the Volume Weighted Average Market Price of TICON 7 days prior to the Board of Directors' Meeting No. 1/2018 held on 7 February 2018, (between 29 January – 6 February 2018), of THB 17.43 per share. The Board of Directors opined that the total consideration the Company will receive could be used as a source of capital for the Company's expansion plan, such as, the development of industrial park, which is normally capital intensive. This additional source of capital received from the sale of all of the common shares held in TICON could also be used to reduce the burden incurred from additional borrowings in the future, which would strengthen the capital structure of the Company. Moreover, certain portion of the total consideration could be used to repay existing interest bearing debt to the financial institutions which will reduce interest expenses of the company. On the other hand, the Company will receive the return from an investment in TICON in the form of dividend payment if the Company does not enter into the Transaction. However, such dividend will be subject to the performance of TICON in the future. As a results, the Board of Directors' meeting approved to propose to the Extraordinary Shareholders' Meeting No. 1/2018 to consider an approve the Transaction.

12. Opinion of the Audit Committee and/or directors which is different from the Board of Directors as in no. 11

- None -

13. Responsibility of directors with respect to the information memorandum

The Board of Directors of the Company is responsible with respect to this information memorandum to shareholders. The Board of Directors considers this information memorandum to be correct and complete in all material aspects.

14. Qualifications and the report of the Independent Financial Advisor

14.1 Qualifications of Independent Financial Advisor

14.1.1 Shareholding and relationship between the Independent Financial Advisor and the Company

- None -

14.1.2 Consent from the Independent Financial Advisor to publish the opinion

Grant Thornton Services Limited, which is an Independent Financial Advisor, gives consent to publish an Independent Financial Advisor's Opinion on the disposition of assets transaction.

14.1.3 Date of providing the opinion

23 February 2018

14.2 Independent Financial Advisor's Report

As shown in attachment 3 of the invitation letter of the Extraordinary General Meeting of Shareholders 1/2018.

15. Details of Liabilities and Debt

15.1 Total amount of issued and unissued debentures, of which the Shareholder's Meeting has resolved and granted the authorization to Board of Directors of the listed company to consider an issuance as deemed appropriate

The total amount of issued and unissued debentures of the Company as at 30 September 2017 is equal to THB 5,100 million and THB 900 million, respectively.

15.2 Total amount of secured loan with specified duration and the assets used as collateral

15.2.1 As at 30 September 2017, the Company has loan agreement with several domestic financial institutions, having the details as follows:

No.	Credit Limit (THB million)	Collateral
1	3,400	Partially Pledge common shares of TICON held by the Company
2	753	-
3	1,625	Mortgage land of the subsidiary's project
4	310	Mortgage land of the subsidiary's project, and pledge common shares of subsidiaries held by the Company
5	500	-
Total	6,588	

15.2.2 As at 30 September 2017, the subsidiaries have loan agreement with several domestic financial institutions, having the details as follows:

No.	Credit Limit (THB million)	Collateral
1	13,187	Mortgage land, factory building and structure including machinery and tools
2	2,151	Mortgage land, factory building and structure including machinery and tools
3	600	Mortgage land, factory building and structure including machinery and tools
Total	15,938	

15.3 Total amount of other liabilities, including bank overdraft by specifying assets used as collateral

As at 30 September 2017, the Company has other liabilities (excluding accounts payable and other payables), having the details as follows:

Interest bearing liabilities	Amount in consolidated financial statements as of 30 Sep 2017 (THB million)	Assets used as collateral (if any)
Current interest bearing liabilities		
Bank overdraft and short term loan from financial institutions	3,576.62	Details as in 15.2
Current portion of long term loan from financial institutions, due within one year	2,121.11	Details as in 15.2

Interest bearing liabilities	Amount in consolidated financial statements as of 30 Sep 2017 (THB million)	Assets used as collateral (if any)
Current portion of debenture	481.00	
Current portion of long-term loans from related parties	100.00	
Total current interest bearing liabilities	6,278.73	
Non-current interest bearing liabilities		
Long term loan from financial institutions-net	15,513.48	Details as in 15.2
Debenture – net	3,615.35	
Total non-current interesting bearing liabilities	19,128.83	
Total interest bearing liabilities	25,407.56	

15.4 Contingent Liabilities

The Company did not have any other commitments nor contingent liabilities, apart from commitments and contingent liabilities disclosed in notes of interim consolidated financial statements ended 30 September 2017, which can be summarized as follows:

- (1) The Company had obligations from long term lease agreement, which may require the Company to pay minimum lease payments of THB 15.00 million.
- (2) The Company had capital commitment related to project development and construction cost and power plant management cost of THB 363.00 million.
- (3) The Company had obligations from guarantees issued by commercial banks, which are considered as normal commitments for business operations of THB 1,610 million.
- (4) The Company guaranteed credit lines from financial institutions for the subsidiaries with the total amount of THB 345.00 million.

16. Company Background

16.1 Nature of Business and Trend of Business and Industry

Nature of Business

The Company is operated as a real estate developer of the industrial parks/zones in Thailand to sell the developed land to industrial customers and as a provider of utilities in the industrial parks/zones, including, electricity power system, water system, telephone network, and water treatment system. In addition, the Company also operates as a small power producer (“SPP”)

through its subsidiaries. Presently, the Company owns Cogeneration Power Plant and Solar Power Plant. The details of the Company and its subsidiaries businesses can be described as follows;

Company	Shareholding proportion by the Company as at 30 Sep 2017 (percent)	Nature of Business
Real Estate Development Business		
Rojana Industrial Park Public Company Limited	-	Developing land in industrial park/zone for sell to industrial customers and providing utilities services for the convenience of companies who invest in the industrial park/ zone
Rojana Industrial Park Prajeanburi Co., Ltd.	100.00	
Rojana Industrial Park Rayong 2 Co., Ltd.	100.00	
Beidou Rojana Industrial City Co., Ltd.	100.00	
Rojana Property Co., Ltd.	100.00	Developing condominium real estate for sale and lease
Utilities Business		
Rojana Power Co., Ltd.	41.00	Generating and selling electricity and steam to Electricity Generating Authority of Thailand and industrial users. The plant is located in Rojana Industrial park Ayudhaya
Rojana Energy Co., Ltd.	70.00	Generating and selling electricity from solar power plant business. The power plant is located in Rojana Industrial park Ayudhaya
Rojana Industrial Management Co., Ltd.	90.00	Producing and selling water for industrial use and providing treatment of industrial wastewater
Ready-Built Factory Business		
TICON Industrial Connection Public Company Limited	26.10	Providing factories for rent and sale in industrial estates, industrial park and other potential locations
Maintenance Service Business		
Operational Energy Group Limited	25.00	Providing maintenance and other services related to the electricity generation of power plants

Trend of Business and Industry

The overall situation of Thailand's industrial estate industry has a bright prospect due to various factors as follows: (1) the consistent growth of the automotive sector in Thailand and global markets which increases the number of large automotive manufacturers' production base in Thailand (2) the government's infrastructure project in Thailand which encourages both the public and private investments in various industries and attract the capital base from foreign investors. The current notable infrastructure project of Eastern Economic Corridor, development period

between 2017 and 2021, in Rayong, Chonburi, and Chachengsao provinces is a prime example of the government's mega project with the total budget of THB 7 trillion. In particular, the government's infrastructure project will directly benefit the Company since four of the industrial parks of the Company are located in the Eastern Economic Corridor area which are Rojana Rayong Ban Khai Project, Rojana Rayong Pluak Daeng Project, Rojana Chonburi Bowin Project, and Rojana Chonburi Laemchamang Project and (3) the skilled labor in Thailand is considered as another key driver that could attract more foreign direct investment to Thailand.

The electricity power plant business in Thailand is also rising because of the fast growing increase in the rate of electricity usage in the country. With this regards, the sole reliance on the total electricity generation from the Electricity Generating Authority of Thailand ("EGAT") may not be sufficient for the domestic electricity usage in the future. Therefore, the government has opened up an opportunity for private sector to become a power producer in order to raise an overall total capacity in the country, thus, reducing the government burden from continuous investment in electricity power plant. As a consequence, there is an opportunity for the Company to bid for power purchase agreement to sell electricity to EGAT and to sell electricity to private clients in the Company's industrial zones.

With the focus of the Company on quality of services, effective and efficient planning / operational system, strong vision and mission to manage the industrial land development's business to best respond to client's needs, world-class quality of utilities system, excellent customer services emphasizing on providing accurate information, and corporate social and environment responsibilities, the Company could maintain its competitiveness within the industry for more than 20 years of proven track record. The continuous increase of industrial areas being developed and sold in areas of Ayudhaya, Rayong, and Prachinburi provinces could demonstrate the Company's strong position in the industry.

16.2 Summary table of financial statements in the past 3 years and current fiscal years until the latest quarter, together with analysis of financial positions and financial performance in the past year and current year until the latest quarter, including risk factors that might have significant impact to net profit of the Company

Statement of financial position

(Unit: THB million)

Statement of financial position	Consolidated financial statements				
	As at 31 December			9-month period ended 30 September	
	2014	2015 (Revised)	2016 (Revised)	2016	2017
Assets					
Current asset					
Cash and cash equivalents	743.27	1,438.60	410.50	816.55	437.53
Temporary investment	257.68	22.18	-	22.38	-
Temporary investment used as collateral	175.32	764.67	634.85	280.65	1,328.58
Trade and other receivables - net	1,414.02	1,400.97	1,207.61	1,407.71	1,630.56
Property development cost	3,441.23	7,303.99	7,263.77	7,167.99	7,507.58
Inventories	0.23	0.61	0.45	0.33	0.22
Spare part - net	258.40	267.60	285.01	281.85	298.23
Advances to purchase land and building	-	-	-	-	18.58
Other current assets	1,034.75	1,090.98	492.47	772.28	460.97
Non-current asset held-for-sale	-	-	42,280.47	-	-
Total current asset	7,324.90	12,289.61	52,575.12	10,749.74	11,682.23
Non-current asset					
Restricted deposit at financial institutions	76.24	63.05	5.52	5.76	5.52
Unbilled operating leases receivables	49.65	80.32	-	111.67	-
Investments in associates	5,976.20	6,032.87	107.43	5,030.25	8,983.62
Investments in joint ventures	4.2	4.07	-	4.48	-
Investments in related company	0.26	0.26	-	0.26	-
Land held for development	4,365.17	1,942.93	2,020.40	1,998.83	2,032.19
Investment properties	28,941.27	33,015.93	-	33,672.66	-
Property, plant and equipment - net	19,803.29	20,092.96	22,173.82	22,109.20	22,374.54
Goodwill	1,171.36	1,171.36	-	1,171.36	-
Intangible asset – net	102.54	92.79	78.35	84.79	151.92
Deferred tax assets	301.55	306.18	-	245.26	-
Advances to purchase land and construction	751.92	128.16	20.27	45.97	-

(Unit: THB million)

Statement of financial position	Consolidated financial statements				
	As at 31 December			9-month period ended 30 September	
	2014	2015 (Revised)	2016 (Revised)	2016	2017
Prepaid rental expenses	758.27	714.98	-	691.89	-
Other non-current assets	111.73	69.85	8.38	83.61	11.73
Total Non-Current Assets	62,413.65	63,715.69	24,414.19	65,255.99	33,559.51
Total Assets	69,738.55	76,005.30	76,989.31	76,005.73	45,241.74
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions - net	6,532.81	7,540.82	6,277.72	7,689.77	3,576.62
Trade and other payables	1,307.08	1,092.50	460.70	988.44	1,167.55
Assets payables	23.04	332.31	189.73	154.93	174.65
Retention payables	172.12	219.95	262.14	404.08	119.33
Accrued expenses	152.42	199.61	176.51	154.60	164.04
Advance received from customers	13.05	76.09	5.04	5.50	3.93
Short-term loan from related parties	-	-	-	-	100.00
Current portion of liabilities under financial lease agreements	0.69	1.15	-	1.50	-
Current portion of long-term loans from related parties	-	71.60	-	143.20	-
Current portion of long-term loan from financial institutions	2,018.42	2,014.77	1,584.43	1,806.40	2,121.11
Current portion of debenture	2,170.00	3,962.00	180.00	5,400.00	481.00
Unearned income	758.60	327.07	138.44	130.73	506.40
Corporate income tax payable	100.80	36.74	5.11	3.83	-
Short-term provisions	39.41	76.33	-	15.03	-
Other current liabilities	225.94	219.75	90.86	219.87	135.03
Liabilities related directly to non-current assets held-for-sale	-	-	25,347.94	-	-
Total current liabilities	13,514.38	16,170.69	34,718.62	17,117.90	8,549.64
Non-Current Liabilities					
Other payable - related parties	-	-	51.58	-	24.32
Assets payables	-	-	-	-	168.96
Liabilities under financial lease agreements - net	2.53	2.91	-	2.47	-

(Unit: THB million)

Statement of financial position	Consolidated financial statements				
	As at 31 December			9-month period ended 30 September	
	2014	2015 (Revised)	2016 (Revised)	2016	2017
Long-term loans from related party	748.38	676.78	-	712.17	-
Long-term loans from financial institutions - net	15,950.11	15,026.05	14,903.17	15,136.60	15,513.48
Debenture - net	13,132.00	16,220.00	2,100.00	15,420.00	3,615.35
Other liabilities - deposit received	314.72	339.65	31.61	369.61	37.33
Employee benefit obligations	52.92	58.88	26.98	67.82	28.68
Long-term provisions	93.79	59.69	-	6.09	-
Unearned land rental income	1,185.76	1,382.49	-	1,331.36	-
Deferred tax liabilities	741.92	728.13	-	735.87	-
Total Non-Current Liabilities	32,222.13	34,494.59	17,113.35	33,781.99	19,388.12
Total Liabilities	45,736.51	50,665.28	51,831.97	50,899.89	27,937.75
Shareholders' Equity					
Registered capital	1,997.04	2,036.58	2,035.59	2,035.59	2,020.46
Issued and fully paid-up capital	1,755.09	1,967.26	2,020.46	2,020.46	2,020.46
Cash receipts from share subscription	2.86	4.60	-	-	-
Premium on share capital	4,686.06	5,470.70	5,621.98	5,621.98	5,621.98
Legal reserve	168.82	199.70	203.56	199.70	203.56
Retained earnings - Unappropriated	4,068.27	4,310.62	4,095.99	3,780.05	4,768.19
Other components of equity	-	(1.73)	(0.56)	(0.33)	(11.45)
Total Shareholders' Equity attributable to owners of parent	10,681.10	11,951.15	11,941.43	11,621.87	12,602.75
Non-controlling interests	13,320.93	13,388.88	13,215.92	13,483.97	4,701.24
Total Shareholders' Equity	24,002.03	25,340.02	25,157.34	25,105.84	17,303.99
Total Liabilities and Shareholders' Equity	69,738.54	76,005.30	76,989.31	76,005.73	45,241.74

Statement of comprehensive income

(Unit: THB million)

Statement of comprehensive income	Consolidated financial statements				
	As at 31 December			9-month period ended 30 September	
	2014	2015	2016	2016 (Revised)	2017
Revenues					
Revenue from sales of land	2,635.92	2,215.11	1,266.31	1,073.27	13.00
Revenue from sales of house and condominium	6.90	-	-	-	6.70
Revenue from sales of land and factory buildings	-	-	-	63.07	-
Revenue from sales of electricity	8,532.97	9,177.36	7,879.76	6,038.98	6,328.00
Service income	386.00	457.43	581.74	856.37	451.03
Rental income	35.39	33.84	32.39	483.29	29.71
Management fee income from associates	-	-	-	151.08	-
Gain on sales of investment in associate	-	-	-	31.23	-
Compensation Income from insurance companies	95.30	-	-	-	-
Gain on change in investment classification	1,361.33	-	-	-	6.56
Other income	21.50	6.52	54.59	99.71	29.08
Total revenues	13,075.31	11,890.26	9,814.79	8,797.00	6,864.09
Expenses					
Cost of land sold	1,634.26	882.20	704.80	656.00	9.49
Cost of house and condominium sold	7.00	-	-	-	7.56
Cost of land and factory buildings	-	-	-	61.07	-
Cost of electricity sold	7,478.64	7,767.50	6,525.21	5,013.66	5,145.25
Cost of services	365.00	435.32	478.47	442.74	337.47
Cost of rental	39.54	48.31	66.50	268.77	25.11
Reversal of provision related to sales of properties	-	-	-	50.43	-
Selling expenses	123.33	87.14	75.94	82.17	5.59
Administrative expenses	419.74	514.83	369.06	848.08	360.67
Total expenses	10,067.51	9,735.30	8,219.98	7,322.07	5,891.13
Profit before share of profit from investment in associates and joint ventures, financial costs and income tax	3,007.80	2,154.96	1,594.83	1,474.94	972.96
Share of profit from investment in associates	129.52	27.55	33.31	225.52	959.52
Profit before financial costs and income tax	3,137.32	2,182.51	1,628.14	1,700.46	1,932.48
Finance costs	931.90	1,074.99	1,000.02	1,363.70	773.95

(Unit: THB million)

Statement of comprehensive income	Consolidated financial statements				
	As at 31 December			9-month period ended 30 September	
	2014	2015	2016	2016 (Revised)	2017
Profit (loss) before income tax	2,205.42	1,107.52	628.12	336.76	1,158.52
Income tax	7.54	55.55	5.07	76.10	0.37
Profit (loss) from continuing operations for the year	-	1,051.97	623.05	-	-
Profit (loss) from discontinued operations for the year	-	(138.63)	(204.76)	-	-
Profit (loss) for the periods	2,197.88	913.34	418.29	260.66	1,158.15
Other comprehensive income (loss) for the period	(190.77)	0.00	1.00	0.16	(12.33)
Total comprehensive income (loss) for the periods	2,007.11	913.34	419.29	260.82	1,145.83

Statement of cash flow

(Unit: THB million)

Statement of cash flow	Consolidated financial statements				
	As at 31 December			9-month period ended 30 September	
	2014	2015 (Revised)	2016 (Revised)	2016	2017
Net cash provided by (used in) operating activities	1,022.96	2,733.28	2,176.63	1,411.28	1,321.79
Net cash provided by (used in) investing activities	(8,683.05)	(7,435.24)	(3,894.45)	(2,313.20)	(1,547.50)
Net cash provided by (used in) financing activities	8,262.76	5,403.86	981.41	283.12	252.74
Effect of foreign exchange rate changes on cash and cash equivalents	-	(6.57)	(7.43)	(3.25)	-
Net increase (decrease) in cash and cash equivalents	602.67	695.33	(743.84)	(622.06)	27.03
Cash and cash equivalents at the beginning of the period	140.59	743.27	1,438.60	1,438.60	410.50
Assets classified as held for sale	-	-	(284.26)	-	-
Cash and cash equivalents at the ending of the period	743.26	1,438.60	410.5	816.55	437.53

Significant change of the Company

During 2014, the Company exercised Transferable Subscription Rights (“TSR”) No. 2 of TICON (“TICON-T2”) which has been allocated to the Company 73,515,751 units equivalent to 73,515,751 shares at an exercise price of THB 15.00 per share. Subsequently, the Company acquired additional TSR of TICON (TICON-T2) of 36,000,000 units equivalent to 36,000,000 shares.

The resolution of the Extraordinary General Meeting of Shareholders No. 1/2014 held on 4 November 2014, approved the Company to purchase share capital of TICON not over 49.00 percent through the trading system of SET. After an acquisition on the trading system, the Company’s shareholding in TICON increased to 43.55 percent. As a result, the Company changed the classification of the investment in TICON from investment in associate to investment in subsidiary.

On 23 December 2016, the Extraordinary General Meeting of Shareholders No. 1/2016 of TICON approved the issuance of no more than 735,000,000 newly issued common shares to FPHT for the private placement offering, at the offering price of THB 18.00 per share, equal to no more than THB 13,230 million, representing 40.07 of total issued and paid up capital of TICON after the private placement offering. As a result, the Company’s shareholding in TICON was diluted from 43.55 percent to 26.10 percent of total issued and paid up capital of TICON, which is considered as losing control over TICON and led to a change in the classification of the investment in TICON from investment in subsidiary to investment in associate. Therefore, the Company did not consolidate TICON’s financial statement since first quarter of 2017 which resulted in a significant change of the Company’s consolidated financial statements.

Revenue

1. Revenue from sales of land

Revenue from sales of land during 2014 – 2016 was THB 2,635.95 million, THB 2,215.11, and THB 1,266.31 million, respectively. With the decline in the transfer of land ownership in 2016 because the vast majority of the Company’s land area was not fully developed, the revenue from sales of land in 2016 was lower than that of 2014 and 2015 while the Company could transfer large amount of fully developed land area and could recognize revenue. In addition, the deteriorated global economic conditions, including Thailand, also hindered the revenue growth during 2016.

For the 9-month period ended 30 September 2017, the revenue from sales of land was THB 13.00 million, declining from THB 1,073.27 million from 9-month period ended 30 September 2016, or a decline of 98.79 percent due to the reduction in both the receipts of final payment from clients and the amount of land transferred.

2. Revenue from sales of electricity

Revenue from sales of electricity is derived from Rojana Power Company Limited (“Rojana Power”) and Rojana Energy Company Limited. During 2014 – 2016, the revenue from sales of electricity was THB 8,532.97 million, THB 9,177.36, and THB 7,879.76 million, respectively. The revenue from sales of electricity in 2016 declined from that of last 2 years because some of the equipment was relocated to a new power plant: SPP 3, which commenced an operation in mid-year 2017.

For the 9-month period ended 30 September 2017, the revenue from sales of electricity was THB 6,328.00 million, increasing from THB 6,038.98 million in the same period of the previous year, or equivalent to an increase of 4.78 percent, due to the commencement of operation of new power plant: SPP 3 in June 2017.

3. Other revenues

Other revenues during 2014 – 2016 was THB 1,906.41 million, THB 497.79 million, and THB 668.72 million, respectively. The exceptionally high level of other revenue in 2014 was affected by the gain on change in investment classification of THB 1,361.33 million from an increase in the investment in TICON which ultimately increased the Company shareholding in TICON to 43.55 percent and altered the classification of the investment in TICON from associate to subsidiary.

For the 9-month period ended 30 September 2017, other revenues was THB 523.08 million, decreasing from THB 1,684.75 million in the same period of the previous year, or equivalent to a decrease of 68.18 percent, because of the investment of FPHT in TICON during December 2016 which reduced the Company’s shareholding in TICON and altered the classification of the investment in TICON from subsidiary to associate. As a result, the rental and service revenue from TICON is not fully consolidated to the Company’s consolidated financial statement.

Cost of sales and Gross profit margin

1. Cost of land sold

Cost of land sold during 2014 – 2016 was THB 1,634.26 million, THB 882.20, and THB 704.80 million, respectively, whereas, the gross profit from sales of land was THB 1,001.66 million, THB 1,332.92 million, and THB 561.51 million, respectively, or equivalent to gross profit margin of 38.00 percent, 60.17 percent, and 44.32 percent, respectively. The highest level of gross profit in 2015 can be attributed to the sale of developed land in Prachinburi site within 2015 which had lower cost of land and land development in comparison with other projects of the Company.

For the 9-month period ended 30 September 2016 and 2017, cost of land sold was THB 656.00 million and THB 9.49 million, respectively, or equivalent to gross profit margin of 38.88 percent and 27.04 percent, respectively.

2. Cost of electricity sold

Cost of electricity sold during 2014 – 2016 was equal to THB 7,478.64 million, THB 7,767.50, and THB 6,525.21 million, respectively, whereas, the gross profit from sales of electricity was equal to THB 1,054.33 million, THB 1,409.86, and THB 1,354.55 million, or equivalent to gross profit margin of 12.36 percent, 15.36 percent, and 17.19 percent, respectively.

For the 9-month period ended 30 September 2016 and 2017, cost of electricity sold was THB 5,013.66 million and THB 5,145.25 million, respectively, or equivalent to gross profit margin of 16.98 percent and 18.69 percent, respectively.

Selling expenses

Selling expenses of the Company during 2014 - 2016 was THB 123.33 million, THB 87.14 million, and THB 75.94 million, respectively. The major components of selling expenses of the Company include marketing expense, advertising expense, and the expense related to a transfer of land ownership to customers. Percentage of selling expenses to revenue from operation was 0.94 percent, 0.73 percent, and 0.77 percent, respectively, which did not vary considerably.

For the 9-month period ended 30 September 2016 and 2017, selling expenses was THB 82.17 million and THB 5.59 million, respectively. The decline in selling expenses was the result of the re-classification of the investment in TICON as mentioned above.

Administrative expenses

Administrative expenses of the Company during 2014 - 2016 was THB 419.74 million, THB 514.83 million, and THB 369.06 million, respectively. Percentage of administrative expenses to revenue from operation was 3.21 percent, 4.33 percent, and 3.76 percent, respectively.

For the 9-month period ended 30 September 2016 and 2017, administrative expenses was THB 848.08 million and THB 360.67 million, respectively. The decline in administrative expenses was the result of the re-classification of the investment in TICON as mentioned above.

Finance cost

Finance cost of the Company during 2014 - 2016 was THB 931.90 million, THB 1,074.99 million, and THB 1,000.02 million, respectively, which is the interest expense from the loan the Company's used in investment and business expansion.

For the 9-month period ended 30 September 2016 and 2017, finance cost was THB 1,363.70 million and THB 773.95 million, respectively.

Net profit

Net profit of the Company during 2014 – 2017 was THB 2,197.88 million, THB 913.34 million, and THB 418.29 million, respectively. With the gain on change in investment classification in 2014, net profit in 2014 was relatively high as compared to that from other years. During 2016, net profit declined from 2015, approximately 54.20 percent decline, since the company did not completed the development of land and did re-locate equipment to a new power plant, both of which reduced revenue from sale of land and electricity.

For the 9-month period ended 30 September 2017, net profit was THB 1,158.15 million, increasing from THB 773.95 million in the same period of the previous year, or equivalent to an increase of 344.30 percent increase, because of the re-classification of the investment in TICON.

Financial Position**Asset**

The Company's total assets as at 31 December 2014, 2015, and 2016 was THB 69,738.55 million, THB 76,005.30 million, and THB 76,989.31 million, respectively. The details of significant items can be shown as follows:

1. Accounts receivable and other receivable as at 31 December 2014, 2015, and 2016 was THB 1,414.02 million, THB 1,400.97 million, and THB 1,207.61 million, respectively, which are equivalent to the proportion of 2.03 percent, 1.84 percent, and 1.57 percent of total assets. The accounts receivable was mainly related to revenues from operation in power business.

The provision of doubtful debt of accounts receivable in facilities services business is set up based on management's assessment on potential losses that could occur from outstanding debt by considering current situation of debtors. Accounts receivable will be written off when it is classified as bad debts. For accounts receivable in land and condominium businesses, the Company does not set up the provision for doubtful debt because land and condominium will be transferred to clients once clients fully pay according to sale agreement, therefore, there is no risk in this type of accounts receivable.

2. Property development cost as at 31 December 2014, 2015, and 2016 was THB 3,441.23 million, THB 7,303.99 million, and THB 7,263.77 million, respectively. The total amount in 2016 declined from that of 2015 because the Company completed and transferred ownership of land to customers in 2016.
3. Land held for development as at 31 December 2014, 2015, and 2016 was THB 4,365.17 million, THB 1,942.93 million, and THB 2,020.44 million, respectively. The total amount in

2016 increased slightly from that of 2015 because the Company acquired more land for future development.

- Property, plant and equipment as at 31 December 2014, 2015, and 2016 was THB 19,803.29 million, THB 20,092.96 million, and THB 22,173.82 million, respectively. The total amount in 2016 increased from that of 2015 because the Company expanded its power plant and utilities service businesses.

As at 30 September 2017, the Company had total assets of THB 45,241.74 million, decreasing from THB 76,989.31 million as at 31 December 2016 due to the decline in non-current asset held-for-sale of THB 42,280.47 million from the loss of control in TICON since the first quarter of 2017.

Liabilities

The Company's total liabilities as at 31 December 2014, 2015, and 2016 was THB 45,736.51 million, THB 50,665.28 million, and THB 51,831.97 million, respectively. The details of significant items can be shown as follows;

- Bank overdrafts and short-term loans from financial institutions as at 31 December 2014, 2015, and 2016 was THB 6,532.81 million, THB 7,540.82 million, and THB 6,277.72 million, respectively.
- Unearned revenue as at 31 December 2016 can be divided by projects as follows:

Project Name	Sold amount	Balance due		Accumulated received balance		Remaining undue balance	
	THB million	THB million	% of sales	THB million	% of sales	THB million	% of sales
Prachinburi	238.57	94.63	39.67	94.63	39.67	143.94	60.33
Rayong	49.54	4.95	9.99	4.59	9.99	44.58	89.99
Chonburi	196.76	37.40	19.01	37.40	19.01	159.36	80.99
Rayong 2	13.00	1.20	9.23	1.20	9.23	11.80	90.77

Remark: Every projects has no outstanding uncollectible balance.

- Loan-term loan as at 31 December 2014, 2015, and 2016 was THB 15,950.11 million, THB 15,026.05 million, and THB 14,903.17 million, respectively.
- Debentures as at 31 December 2014, 2015, and 2016 was THB 13,132.00 million, THB 16,220.00 million, and THB 2,100.00 million, respectively.

As at 30 September 2017, the Company had total liabilities of THB 27,937.75 million, decreasing from THB 51,831.97 million as at 31 December 2016 due to the decline in liabilities related directly

to non-current assets held-for-sale of THB 25,347.94 million from the loss of control in TICON since the first quarter of 2017.

Shareholder's Equity

As at 31 December 2016, shareholder's equity was THB 25,157.34 million, decreasing slightly from THB 25,340.02 million as at 31 December 2015 since net profit in 2016 was lower than the previous year as well as the decline in retained earnings due to dividend payment.

As at 30 September 2017, the Company had shareholder's equity of THB 17,303.99 million, decreasing from THB 25,157.34 million as at 31 September 2016 due to the decline in non-controlling interests of THB 8,514.67 million.

Liquidity and Cash Flow

Cash flow from operating activities

Cash flow from operating activities of the Company in 2016 was THB 2,176.63 million; decreasing from THB 2,733.28 million in 2015 due to depreciation and amortization, gain on sales of land held for development, cost of properties sold, property development costs, and trade and other payables.

For the period ending 30 September 2017, the Company's profit before tax was THB 1,158.52 million. With the adjustment, profit from operating activities before changes in operating assets and liabilities was THB 1,818.40 million. After taking into account of the change in operating assets and liabilities, cash received from operating activities was THB 2,104.62 million. Deducting net interest expense of THB 795.14 million and adding net refund of income tax of THB 12.32 million, net cash from operating activities was THB 1,321.79 million.

Cash flow from investing activities

Cash flow used in investing activities of the Company in 2016 was THB 3,894.45 million, decreasing from THB 7,435.24 million in 2015.

Main sources of cash used during the 9-month period ended 30 September 2017 comprised of temporary investment of THB 693.72 million, cash paid for purchasing property, plant and equipment of THB 861.40 million. Therefore, net cash used in investing activities was THB 1,547.50 million.

Cash flow from financing activities

Cash flow received from financing activities of the Company in 2016 was THB 981.41 million decreasing from THB 7,435.24 million in 2015.

For the 9-month period ending 30 September 2017, the Company major cash outflow relating to financing activities comprised of a decrease in bank overdraft and short-term loans of THB 2,712.00 million and cash payment for long-term loans from financial institutions of THB 1,025.72 million. On the other hand, main sources of cash received from financing activities consisted of cash received from loan from financial institution of THB 2,352.71 million and cash received from issuing debenture of THB 2,000 million. As a result, net cash flow used in financing activities was THB 252.74 million.

Risk Factors and Impact to Profitability of the Company

1. Risk from policy of not accumulating a large amount of land

General policy of the Company is to have possession of moderate amount of land at a certain period of time. Land would be procured only when there is a project, with the exception of land with high development potentials at a price which will allow the Company to attain high return on investment or adjacent large plots of land at a considerably low price. This policy has free the Company from the burdens of interest and cost of land which is not yet sold. On the other hand, the Company is at risk of rising land price in the future which may possibly affect the ability to generate income and profit.

From the operational experience of the Company in recent years, the Company believes that such risk is minimal. That is because the land surrounding the projects belongs to small landlords who do not have considerable bargaining power. Furthermore, land purchases are made through an agent who is highly experienced and well capable of handling negotiations. Price for each plot of land is capped to prevent any overpriced purchase which may affect income and profit of the Company. Sales price is determined by using the cost plus method where land purchased at high prices are resold at higher prices. The lands the Company has procured so far were at acceptable prices and the sellers have found the prices that the Company offered are reasonable as well.

2. Risk of not complying with the Power Purchase Agreement

Rojana Power entered into agreements to sell electricity to many clients. Electricity Generating Authority of Thailand (“EGAT”) is the largest client representing approximately 55 percent of total revenue from selling electricity. Therefore, Rojana Power is exposed to risk in the case that EGAT terminates such Power Purchase Agreement.

However, risk of not complying with the Power Purchase Agreement is relatively low since the Power Purchase Agreement that Rojana Power has with EGAT is the long term agreement with 25 years period, with an option for any party to extend the agreement after the agreement expires. This agreement was effective since the Company started

producing and selling electricity to EGAT in 1999. Currently, the agreement is still valid for 7 more years. Rojana Power has started selling electricity to EGAT under agreements of Project 2 and Project 3 since October 2013 and June 2017, respectively.

Even though EGAT possesses a right to terminate the Power Purchase Agreement anytime during the agreement duration if Rojana Power fails to comply with conditions related to quality and SPP Grid Code specified in Power Purchase Agreement with EGAT, Rojana Power, based on its operational history, has been able to comply with procedures and key conditions specified in Power Purchase Agreement since the beginning of its operation until at present, without violating any significant conditions in the agreement. This is due to high standard technology in machinery and equipment used in its operation and regular maintenance by high skilled management and professional personal with high expertise in managing power plant domestically and overseas who work in Operational Energy Group (“OEG”) which is an associate of the Company.

3. Risk from fluctuation in price of raw material used in production

Natural gas is the main fuel used in generating electricity and producing stream of Rojana Power; therefore, fluctuation in natural gas price could significantly affect cost of generating electricity of Rojana Power. However, risks exposure to Rojana due to fluctuation of raw material price is relatively low since the calculating method of sales price specified in the Power Purchase Agreement with EGAT will vary by the price of natural gas that Rojana Power purchases from PTT. Therefore, Rojana Power will be compensated for any variances in prices of natural gas in the whole portion of electricity sold to EGAT. For the portion of electricity that Rojana Power sells to other clients, the calculating method of sales prices is referred to calculating formula of Provincial Electricity Authorization (“PEA”), which part of sales price will vary by fuel cost and exchange rate, or known as float time (FT). The revenue from selling electricity to other clients, thus, varies by the changes of natural gas as well. In conclusion, risk from fluctuation of prices of raw material used in generating of electricity is relatively low due to compensation from such adjustment of sales prices from calculation method in the Power Purchase Agreement.

4. Risk from unoccupancy of fully developed factory/warehouse under current construction plan

As at 31 December 2016, there are total number of 157 factories and 211 warehouses under the Company’s construction plan. Therefore, the Company may face the risk of factories and warehouses unoccupancy after the construction completion which will lead to a higher construction cost burden during the period.

However, the Company believes that such risk can be mitigated due to the Company's construction policy. Normally, the Company develops factories and warehouses approximately 3 - 4 units for each location and will slow down the construction when the number of fully developed factories and warehouse are more than a demand in that location. Moreover, having in-house construction workforce provides the Company with the efficiency and flexibility on the construction plan as the Company can relocate its own workforce to a highly demanded projects.

16.3 Financial projections of the current year with any assumptions in commercial, economy, industry, and reviewed figures by certified auditor and an opinion from independent financial advisor

- None -

16.4 Management and top 10 Major Shareholders

16.4.1 The Board of Directors of the Company as at 31 January 2018 is as follows:

Name	Position
1. Mr. Pongsak Angsupun	Chairman of the Board of directors and Independent Director
2. Mr. Direk Vinichbutr*	Director and Chairman of the Executive Board
3. Mr. Jirapongs Vinichbutr*	Director and Managing Director
4. Mr. Chai Vinichbutr	Director
5. Mr. Yasushi Takezawa	Director
6. Mr. Yasuhiro Sugiguchi	Director
7. Mr. Pong Sarasin	Independent Director
8. Mr. Anuwat Maytheewibulwut	Independent Director and Chairman of the Audit Committee
9. Mr. Suthep Pongpitak	Independent Director and Audit Committee
10. Ms. Amara Charoengitwattanagun	Independent Director and Audit Committee

Remark : *Authorized directors

16.4.2 The Management of the Company as at 31 January 2018 is as follows:

Name	Position
1. Mr. Direk Vinichbutr	Chairman of the Executive Board
2. Mr. Jirapongs Vinichbutr	Managing Director
3. Mr. Yoichi Kimura	Marketing Manager
4. Mr. Charoen Saksirisil	General Manager - Rayong Branch
5. Ms. Wilai Plengwittaya	Company Secretary/ Legal Officer
6. Ms. Phongsri Sunaiyos	Chief Accountant

16.4.3 Top 10 Major Shareholders of the Company according to the most recent book close of shareholders' registrar as at 1 September 2017 is as follows:

Name	No. of shares	Percentage of total outstanding shares of the Company
1. Nippon Steel & Sumikin Bussan Corporation	418,960,446	20.74
2. Mr. Chai Vinichbutr	303,154,145	15.00
3. Mr. Direk Vinichbutr	167,863,908	8.31
4. Masahiro Property Co., Ltd.	162,388,337	8.04
5. SMK ASIA LTD	134,467,593	6.66
6. Kim Fong Co., Ltd.	76,323,783	3.78
7. Mrs. Cherry Jarunwas	74,040,650	3.66
8. Mrs. Somsong Lapananrat	46,493,061	2.30
9. Thai NDVR Co., Ltd.	44,000,884	2.18
10. Mr. Nuttapol Chulangkul	37,000,000	1.83

16.5 Other information that might significantly affect the decision of investors (if any)

- None -

17. An opinion of Board of Director related to sufficiency of working capital

- None -

18. Pending material lawsuits or claims

There is one ongoing lawsuit in which the Company appointed private law office to sue EGAT, the first defendant, and the Office of the energy regulatory commission, the second defendant. While the first defendant had determined the compensation for land area at which the 500 kilowatts of Gulf JP UT-Phachi 2 cut through the Company's land. The Company requested the Administrative Court to pass a judgement requiring both defendants to pay the total amount of THB 2,407,359.92 and the interest fee calculated from an interest rate of 7.50 percent and the principal of THB 2,286,786.27 to the Company. The lawsuit is still under an Administrative Court's consideration.

19. Interests or connected transactions between the Company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent or more

19.1 Interests on connected transactions between the Company and directors

(1) Bangkok Office 3 Company Limited

In 2016 and the 9-month period ended 30 September 2017, the Company had connected transactions with Bangkok Office 3 Company Limited, which is a related company of the Company, as there are common directors namely, (1) Mr. Direk Vinichbutr and (2) Mr. Chai Vinichbutr. In addition, Mr. Chai Vinichbutr, who is a director and a shareholder of the Company, is a shareholder in such related company. The details of transactions are as follows:

(Unit: THB million)

Item	Company Only		Consolidated	
	2016	2017 (Jan – Sep)	2016	2017 (Jan – Sep)
For the period				
Office rental and related service fees	3.4	2.6	29.05	8.90
As of				
Rental and related service deposits	0.74	1.01	2.73	2.66

Office rental and related service fees are for the office space of the Company at Italthai Tower, having the rental and related service deposits according to the agreement. The transaction is incurred as necessary and has the rate of rental and related service fee comparable to the market rate.

(2) Rojana Distribution Center Company Limited

In 2016 and the 9-month period ended 30 September 2017, the Company has connected transactions with Rojana Distribution Center Company Limited, which is a related company of the Company, as there are common directors namely, (1) Mr. Direk Vinichbutr and (2) Mr. Jirapongs Vinichbutr. In addition, Mr. Direk Vinichbutr and Mr. Jirapongs Vinichbutr, who are directors and shareholders of the Company, are shareholders in such related company. The details of transactions are as follows:

(Unit: THB million)

Item	Company Only		Consolidated	
	2016	2017 (Jan – Sep)	2016	2017 (Jan – Sep)
For the period				
Revenue from sales of land	128.58	-	128.58	-
Service expenses	0.43	0.32	0.43	0.32
As of				
Other payable	-	-	-	-

Service expenses are common area service fees charged to customers having the factories located in the projects. The transactions are normal business of the Company and have market terms and conditions.

19.2 Interests on connected transactions between the Company and management

In 2016 and the 9-month period ended 30 September 2017, the Company had connected transactions with Mr. Direk Vinichbutr, who is a director and a connected person of the Company. The details of transactions are as follows:

(Unit: THB million)

Item	Company only		Consolidated	
	2016	2017 (Jan – Sep)	2016	2017 (Jan – Sep)
For the period				
Finance costs	-	0.28	-	0.28
As of				
Other payable	-	100.00	-	100.00

The Company borrows a short-term loan from the management of the Company. The interest rate is 2.00 percent, which is lower than market rate.

19.3 Interests on connected transactions between the Company and shareholders directly or indirectly holding shares amounting to 10 percent or more

(1) Nippon Steel & Sumikin Bussan Corporation

In 2016 and the 9-month period ended 30 September 2017, the Company had connected transactions with shareholders holding shares amounting more than 10 percent which is Nippon Steel & Sumikin Bussan Corporation, whose holding of the Company's shares is 21.21 percent, details as follows:

(Unit: THB million)

Item	Company Only		Consolidated	
	2016	2017 (Jan – Sep)	2016	2017 (Jan – Sep)
For the period				
Commission expenses	8.89	0.09	13.80	0.09
As of				
Advance commission	-	-	2.40	3.09

Commission expenses and advance commission are expenses from selling land through Nippon Steel & Sumikin Bussan Corporation in which commission is 4.00 percent of value of land. As such, the transactions are normal business of the Company and have market terms and conditions.

20. Summary of significance in important agreements in the past two years

- None -

21. Proxies for shareholders to cast their votes

Please refer to attachment 6 of Extraordinary General Meeting of Shareholders No. 1/2018 invitation letter.

Please be informed accordingly.

Faithfully yours,

- Jirapongs Vinichbutr -

(Mr. Jirapongs Vinichbutr)

Director