

CSR

รายงานประจำปี 2561

ANNUAL REPORT 2018



บริษัท เทพธานีกรีฑา จำกัด (มหาชน)

CITY SPORTS & RECREATION PUBLIC COMPANY LIMITED

# TRANSLATION

## LETTER OF BOARD OF DIRECTORS

In the year 2018, the golf course business is still highly competitive as every year. It is good for golfers because they can test new course and also received good conditions. Navatanee Golf Course is still under the main policy which focuses on the quality of the course and services to support customers which are members, members' family and members' guest that mostly play golf on weekends and holidays.

The company does not have price competition policy because customers want to have a pleasant round of golf and do not take too much time in the round.

The company had a total income of Baht 176.28 million which decreased Baht 2.06 million due to the decreasing of other income. Total expenses were Baht 108.42 million which increased Baht 7.40 million which mainly from the cost of sales and the setting of deferred income tax, resulting in increased total expenses. Net profit after tax was Baht 53.01 million which decreased from the last year by Baht 15.63 million or 22.77% with earnings per share of Baht 2.59.

Board of Directors and chief executives believe that the golf course has good reputation for a long time and located on good location as well as maintaining the quality of the course and services. As a consequent of that it causes customers to still have trust and confident in the business that are under good management will make Navatanee Golf Course still be a course that has been supported as before. Board of Directors, chief executives and operational staff members would like to thank you all shareholders in this regard.

(Mr. Sukum Navapan)

Chairman

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of City Sports & Recreation Public Company consists of 4 independent directors, namely; Mr. Chackchai Panichapat, Mr. Nibhond Charanvas, General Paiboon Kanchanapiboon and Mr.Punn Kasemsup, which Mr. Chackchai Panichapat is the person who has adequate expertise and experience to review the reliability of this Company's financial statements.

The Committee had performed its duties as the Charter of the Audit Committee which approved by the Board of Directors of the Company, summarized as follows:

1. To review with certified public accountant to ensure that the Company prepares its financial statements in accordance with generally accepted accounting standards that it is accurate, adequate, reliable and enough disclosure. In the year 2018, the certified public accountant reported the financial statements without any conditions.
2. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are reasonable and get the highest benefit of the Company.
3. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or other unit in charge of an internal audit. To review the Company's internal control system with certified public accountant to ensure that the Company has sufficient internal control system. During the year, the Internal Audit found that the Company had complied with the operating system. And the Company's internal control systems are appropriate.
4. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations and the laws relating to the Company's business. To supervise the internal audit in accordance with the annual audit plan. The Audit Committee found that the Company had sufficient internal control system and compliance with the law on securities and exchange, the Exchange's regulations and the laws relating to the Company's business.
5. To consider, select and nominate an independent person to be the Company's auditor and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
6. To prepare and to disclose in the Company's annual report, an audit committee's report which consist of the information at least as the Notification of the Stock Exchange of Thailand.

The Audit Committee has performed duties in accordance with the charter of the Audit Committee with independence knowledge and experience of the business. And emphasize the internal control and risk management. In order to make the company has good corporate governance and add value to the company. It also protects the interests of shareholders and other stakeholders of the company.

During 2018, the Committee held 4 meetings with the internal auditor, the management and other units of the Company and the Committee held a meeting with the internal auditor without the management and other units of the Company which meetings were held with the Company's audit as follows:

The Audit Committee Member	The number of Meeting Attendance/Total Meeting
1. Mr. Chackchai Panichapat	5/5
2. Mr. Nibhond Charanvas	1/5
3. General Paiboon Kanchanapiboon	5/5
4. Mr. Punn Kasemsup	5/5

(Mr. Chackchai Panichapat)  
Chairman of the Audit Committee

## 1. Policy and Nature of Business

The City Sports and Recreation Public Company Limited was established in 1970 with registered capital of Bt20 million by Mr. Sukum Navapan, Chief Executive Officer of Navatane Group. The objective was to build Navatane Golf Course, an 18-hole and 72-par golf course on the area of 400 rai. The golf course was designed by one of the world-renowned golf course designers named Robert Trent Jones, Jr. Navatane Golf Course was renowned for the Thailand's first world-class private golf course that was designed by a foreign world-class designer. Officially opened in 1973, Navatane Golf Course was honored by the International Golf Federation to host the 23rd Golf World Cup in 1975, which aimed to reflect an 'exclusive golf course' image while sustaining its international standards to ensure the highest satisfaction to all clients varying in families, regular members and their clients who mostly were notable people in trading business and high-profile society. For the quality services provided by the golf course, the company had allocated the most convenient time for the golfers to play a complete round of 18 holes within 4 hours regardless of the number of golfers in each game, particularly during the weekends and holidays. Regularly, the company was committed to stringent policies and effective management methods, which not only helped maintain the company's long-standing reputation but also sustained good corporate governance substantially.

The company had no business subsidiaries and affiliates as well as hidden relationship with any major shareholders. Over the past three years, there was no major change in structural management or shareholder notification.

## 2. Nature of business: Revenue structure

Navatane Golf Course's major business was to provide a quality golf course and other premium facility services consisting of golf cart, golf store, caddy, locker room and restaurant. Opening for service from 5.30 am to 6pm (time is changeable due to the weather condition of each season), the golf course was committed to providing quality services in accordance with international standards focusing mainly on families and clients of regular members. The sports club equipped with a wide variety of sports facilities and recreational services including swimming pool, gym, tennis court, badminton court, sauna, stream, and Thai massage. The sports club, which located adjacent to the golf course, is beautiful and modern. Aside from the increasing services, the existence of the modern sports club could also boost greater image and revenue for the company.

The company's major revenue came from golf course service (green fee), membership fee, entrance fee and transfer of membership, green fee, golf cart rental, restaurant, sports club, interest and dividend, which could be concluded for over the past three years as follows.

Unit : Thousand baht

Items	2018		2017		2016	
	Revenue	%	Revenue	%	Revenue	%
Revenue from golf course services						
Green Fee	62,253	35.31	61,139	34.28	55,607	33.31
Membership Due	39,140	22.20	38,785	21.75	38,674	23.17
Revenue from Rental of Golf Cart	26,171	14.85	25,074	14.06	22,775	13.64
Others	4,272	2.42	3,851	2.16	4,125	2.47
Revenue from Golf Course Service	131,836	74.78	128,849	72.25	121,181	72.59
Restaurant Income	27,477	15.59	29,358	16.46	26,505	15.88
Services Sport Club Income	6,783	3.85	6,008	3.37	7,039	4.22
Dividend Income	1,042	0.59	1,509	0.84	932	0.56
Interest Income	6,723	3.81	6,698	3.76	7,361	4.41
Gain from trading securities valuations	133	0.08	719	0.40	2,173	1.30
Gain from selling of property, plant and equipment	566	0.32	3,868	2.17	4.76	0.29
Gain from other long-term investments	-	-	-	-	38	0.02
Others	1,723	0.98	1,335	0.75	1,226	0.73
Total Revenues	176,283	100.00	178,344	100.00	166,931	100.00

## 2.1 Characteristics of products and services (referring to revenue structure)

The golf course service which is identified by the revenue structure is related to business operation. The obstacles are generally caused by the weather, economic and politics which will influence through operation more or less depends on the location and types of client. Navatanee golf course is mostly affected by these obstacles. In term of the weather, the course is affected in rainy season. If during few days of deluged rain, the players cannot play golf, it unfortunately decreases revenue from green fee. However, rainy season in Bangkok would not be impacted to our service since it is short raining period and quite good drainage. For the relating revenue structure composed of golf course fee (Green fee), membership fee, golf cart rental, restaurant revenue, Sport club revenue, income from interest and dividend, and other incomes. The result of the past 2 years is as follows:

1. Revenue received from field maintenance fee (green fee). This depended on the number of golfers which could be varied by seasons. The golf course business generally faced a short slump in the rainy season. However, in order to boost sales, the company had issued an introduction letter to its members to recommend services available at the golf course to other clients, in which members were not required to accompany those clients, particularly on weekdays. This marketing strategy provided convenience for members while stimulating sales of green fee. Non-members of the golf course were considered as

targeted golfers who were required to pay for green fee (spouse and children of a member aged between 15-21 years old).

2. Revenue received from membership fee. Members would not have to pay for green fee. However, members were required to pay a monthly fee charged by a 6-month term in advance or twice a year which ensured a certain amount of payment.
3. Revenue received from golf cart rental. More than 90% of all golfers preferred to rely on golf cart service.
4. Revenue received from restaurant business. A majority of clients were golfers. Several clients brought their guests to the restaurant to enjoy a fine dining. Meanwhile, some clients were those who dwelled in the Navatanee Village.
5. Revenue received from sports club business was committed to pursuing similar management policies of Navatanee Golf Course.
6. Revenue received from interest and dividend.
7. Other revenues came from golf membership registrars, transfer of membership and entrance fee.

## 2.2 Marketing and competition

In 2018, most of the members were likely to have a round of golf on weekends. However, there were available tee-times on weekdays which we were able to accept more golfers. Regarding the company did not have price competition policy, that made some group of golfer go to other courses. Moreover, the company renovated the restaurant, that resulted in the decreasing of number of golfers. The income from golf course services did not decrease due to the adjustment of the green fee rate.

Navatanee Golf Course had focused mainly on sales and marketing via members, families of members and guests of members, who mostly possessed residences in Thailand. In 2018, the overall number of golfers had decreased 4.81%. Navatanee Golf Course intended to maintain the standard of the course as the international standard as the past years. The company has had complete confidence in our reputation for a long-lasting golf course among foreign and domestic golfers with the superbly maintained golf courses, the quality of services as well as the golfers' convenience and comfort will be our confident standpoints of services. In particular, a limitation on the number of golfers can play a round of 18 holes within time limit of 4 hours, while many other golf courses in Bangkok and boundaries may spend about 5-6 hours, and the convenient location for traveling will make Navatanee Golf Course be the golf course that the golfers feel confident as in the past. Moreover, the sport club facilities could promote services for members and reputation of Navatanee Golf Course. In the past year, the number of sport clubs annual memberships had decreased due to year to year contract made it necessary to find additional members. However, the company provided monthly memberships as optional for clients who interested to apply for sport clubs memberships.

For business competition, Navatane Golf Course had placed a great emphasis on serving its members. Consequently, the same old groups of clients were expected. Clients varied from high-ranking Japanese executives to Thai business entrepreneurs. Apart from the notable corporate image, the golf course was also competitive in its existing locations which were easily accessible. Noticeably, clients had continued to support business operations of the golf course. It was needless to say that Navatane Golf Course had no certain policy to compete with other business rivals even though a few golf course providers aimed to participate in the business combat, providing golf services and other facilities in a similar way.

For the past year, the company was set to continue the implementation of original marketing strategy while maintaining Navatane Golf Course's notable corporate image which reflected market dominance as follows.

1. Navatane Golf Course was renowned for the first-ever golf course in Thailand that was honored by the International Golf Federation to host the 23rd Golf World Cup in 1975. In addition, according to the US-based magazine named Golf Digest, June 1999 issue, Navatane Golf Course was ranked first among 255 golf courses in Thailand for its quality services. By the end of 2004, the golf course was ranked first in Thailand, ranked second in ASEAN and ranked fourteenth in Asia (including Australia and New Zealand) for the best golf course, which was sponsored by Deutsche Bank. The golf course ranking was published in Asia's Top 50 Golf Courses magazine accordingly.
2. The golf course was designed by Robert Trent Jones, Jr., an American golf course designer with world-class talents. This helped boost greater image and reputation for Navatane Golf Course.
3. This was considered as a long-established golf course in Thailand that focused mainly on environmental concerns by promoting the conservation of plants. Navatane Golf Course was serenely surrounded by a large number of perennial plants. The tropical perennial plants could enhance natural beauty and helped reduce pollution in the location and communities nearby.
4. For the nature of services, Navatane Golf Course had shifted its clear focus to boosting an image of 'exclusive golf course', facilitating all members, with several services offered to their families and guests as well. Meanwhile, clients could be more comfortable to spend a full four-hour period for playing golf up to 18 holes, where some courses might take about 5-6 hours.
5. The beautiful and modern golf course was designed to serve competition challenges while maintaining the international standard quality. The company completely finished the renovation of 18 holes by the end of 1996. The original designer had reiterated his intention to maintain the golf course's uniqueness of being the host of the 23rd Golf World Cup in 1975 while maximizing convenience and modernization with the use of golf carts. It was agreeable that modern golfers preferred to use golf carts.
6. Navatane Golf Course was situated in the heart of the city, thanks to the rapid development and expansion of Bangkok. The golf course was easily accessible from several routes including Sukhumvit, Ploenchit, Rama IV and Silom by driving up the Rama IX Bridge, running across Srinakarin Road to the motorway (Bangkok-Chonburi). Reaching the outer ring road, it was required to turn left to Bangpa-in.

After passing the Thap Chang toll gate, go straight through Seri Thai Road (next to Ramkhamhaeng Road) about 250 meters, Navatane Golf Course was located on the right hand side (Seri Thai 59 Road). It took about 30 minutes from the aforementioned locations. The convenient access from the golf course to Suvarnabhumi Airport via Bangna-Trad Road and the motorway required only 20 minutes, which encouraged golfers to visit the golf course more comfortably and conveniently.

- 7 Navatane Golf Course was the sole Thai golf course approved to be listed on the Stock Exchange of Thailand.

### 2.3 Allocation of products and services

The quality of the golf course was the most significant factor that golfers would take into consideration. However, other quality services were also expected to satisfy customers. As Navatane Golf Course had introduced its business operations for more than 40 years and existing clients remained unchanged, mostly were business entrepreneurs and high-ranking executives, the golf course could maintain customer database to fully understand those targeted clients well. To highly satisfy the customers, the quality service had been divided into two major categories as follows.

1. Golf Course. Responsible staff was categorized in two sections.

1.1 Golf course maintenance. The golf course would always remain in good quality, suitable for playing in accordance with the international standards. The company had provided training programs for responsible staff while being able to employ technical experts to offer particular tips in maintaining the quality of the golf course. The company had completed the renovation of the entire 18 holes since 1996 while sustaining the most unique image of being the host of the 23rd Golf World Cup in 1975. Aside from the beautiful design and the challenging aspect of golf competition, the company had also added the modern use of golf carts into its quality services. This helped increase the revenue for the golf course.

1.2 Quality services for golfers. Quality services included the booking of group practice sessions, the support of golf bag and equipment, the preparation of golf cart and caddy, together with other special cares when golfers were present at the golf course. Agreeably, the most dominant feature of the golf course was to encourage golfers to play up to 18 holes within a 4-hour period.

2. Quality services available at the sports club and restaurant. The company had appointed Dusit Princess Hotel Bangkok, an affiliate of Dusit Hotel Group, to provide effective hospitality management aiming for the highest satisfaction of the clients. Sport clubs provided services aiming at the same target group as golf course which was not only for increasing services but also promoting a reputation of golf course.

Since the restaurant was last renovated in 1988, therefore, some areas are not enough for accommodating customers especially on Saturday, Sunday and holidays. In 2018, the restaurant was renovated and designed by Architect 49 Company Limited, as same as the locker room which is beautiful, modern, and able to accommodate customers who want to host various occasions with more convenient.

### 2.4 Work on progress (none)

### 3. Risk Factors

Navataneer golf course has been running a golf course business for more than 40 years. That always ensured the financial stability. Also, the company was listed on the Stock Exchange of Thailand since 1989. The major shareholders are Thais without associates or subsidiaries. This has facilitated business operations and has resulted in a dividend payment for paying to shareholders since the operating result of the year 1988. Risk factors that might affect the company can be classified accordingly.

#### 3.1 Possible risks that might cause impact to the company's revenue

Revenues of the golf course business generally depended on several significant circumstances including popularity of golf, time for each group practice session, weather conditions, locations, economic aspects and political situations.

In 2018, although the economic was slowdown, the number of golfers decreased by 4.81% while total revenue from golf course services increased by Baht 2.99 million or 2.32% due to increase of green fee rate.

#### 3.2 Risk factors that may impact the operation.

To maintain international standards in the quality of the course, the golf course operation has to order imported fertilizers and chemical supplies, which may be affected by the foreign currency exchange rate. In addition, there are a small number of dealers in Thailand who set the fertilizer and chemical supply prices by themselves rather than depending on market mechanism. In 2018, the operating costs included: cost of golf course services 36.38 million Baht; cost of sales in the restaurant 21.88 million Baht; cost of sports club service 8.09 million Baht and the cost of sales and administration 42.07 million Baht. The total costs increased from the previous year by 7.40 million Baht.

#### 3.3 Liquidity management

The company had developed effective liquidity management by relying on the financial adequacy while making use of the remaining capital in the bond market, which guaranteed higher returns comparing to other local commercial banks. The company also generated an investment in debentures and open-end fund market which provided returns in the form of dividends. To reduce investment risks, the company had wisely developed its financial planning by monitoring the directions of financial markets.

#### 3.4 Administrative and management risk

At December 30, 2018, the group of Mr. Sukum Navapan, the shareholder and the related person pursuant to the section 258 hold 15,344,865 company's shares or equivalent to 74.85 % of the total shares sold. Mr. Sukum Navapan's group can control most approvals in the shareholders meeting, for example remuneration of directors or asking for other approvals which need to be voted by majority of the shareholders. Except, the approvals which the laws or the company's rules fixed to get vote amount of 3 from 4 parts in the shareholders meeting or any others which the group of Mr. Sukum Navapan and the related persons get benefit involved, in compliance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, they will never have gotten right of any votes.

### 3.5 Taxation risks

As announced by the Land and Building Tax Act Which will be enforced from 1<sup>st</sup> January 2020, it is expected that the golf course will be in a group that will be received a ladder tax relief. Therefore, the course needs to monitor how the business will be able to waive.

## 4. General Information and others information

### 4.1 General information

#### Registered Office

The City Sports and Recreation Public Company Limited Address 22 Navatane Rd., Kannayao, Bangkok, 10230. Registration no. 0107536000552 (Previous no. Bor Mor Chor 129) Telephone 0-2376-1818, 0-2376-1034-5 Fax 0-2376-1685 website: [www.navatane.com](http://www.navatane.com), E-Mail : [info@navatane.com](mailto:info@navatane.com)

#### Registered share capital

20,500,000 ordinary shares of Baht 10 each, in total amount of Baht 205,000,000 has issued and paid-up share capital

#### Share Registrar

Thailand Securities Depository Co., Ltd. No. 93, Ratchadapisek Road, Dindaeng, Bangkok 10400  
Telephone : 0-2009-9999 Facsimile : 0-2009-9991

#### Certified Public Accountants

CWWP Co., Ltd. subsidiaried Mr. Cherdsakul Aonmongkol, authorized no. 7195, audit fee 420,000 baht with no other payments.

#### Advisor or manager of management contract

Dusit Princess Srinakarin (Dusit Thani Group) Address at 583 Srinakarin Road, Nongbond, Pravej, Bangkok 10250 Telephone : 0-2721-8400 Facsimile : 0-2721-8432

### 4.2 Others information

-none-

## 5. Shareholding and management structure

The major shareholders structure on the 5<sup>th</sup> April 2018 (Closing date of annual general meeting of shareholders of the year 2018 registration)

Names	number of shares	%
1. Mr. Sukum Navapan and related persons	15,344,865	74.85
2. Mr. Phornprasert Karnjanajaree	602,000	2.94
3. Mr. Sukuma Jayananda (included his spouse)	526,432	2.57

4. Ms. Prim Guna-Kasem	270,000	1.32
5. Miss Siripetch Thaveewong	233,400	1.13
6. Uahwattanasakul Co., Ltd.	199,998	0.98
7. Mr. Chatree Sophonpanich	141,750	0.69
8. Mr. Taweesak Jayananda	121,000	0.59

Mr. Sukum Navapan was the founder of the company and was considered as the largest shareholder since the company had been established. However, the company had no deal in issuing securities or administrative management.

## 6. Dividend policy

The company has the policy of dividend higher and equivalent to 60% of the net profit. The board of director would consider and propose to the Shareholder Meeting to approve. The dividends of the past 5 years are as below:

Year	2018	2017	2016	2015	2014
Earnings per share	2.59	3.35	2.99	3.39	3.48
Dividend per share	1.70	2.02	1.80	2.04	2.09
Dividend payment ratio (%)	65.64	60.22	60.20	60.18	60.06

## 7. Management Structure

In 2018, management structure consisting of Board of Director, The Audit Committee, The nomination and Remuneration Committee and management team.

### 7.1 Names of Directors

1. Mr. Sukum Navapan	Chairman/CEO
2. Mr. Nibhond Charanvas	director
3. Mr. Chackchai Panichapat	director
4. Mrs. Maevadi Navapan	director
5. Gen. Paiboon Kanchanapiboon	director
6. Mr. Wiboon Khusakul	director
7. Mr. Punn Kasemsup	director
8. Mr. Kittidej Charusathiara	director
9. Mr. Jaya Jayananda	director
10. Mr. Sukuma Jayananda	Managing Director

**Term given to the directors:** in every 3 years and they can be re-appointed (details were shown page 33-43)

**Authorized directors related to the company** is Mr. Sukum Navapan who signed and stamped the significant company brand or other two directors co-signed and stamped the significant company brand.



consider and appropriate to propose to the board of Directors meeting. The audit committee will oversee the duties assigned to be the next step.

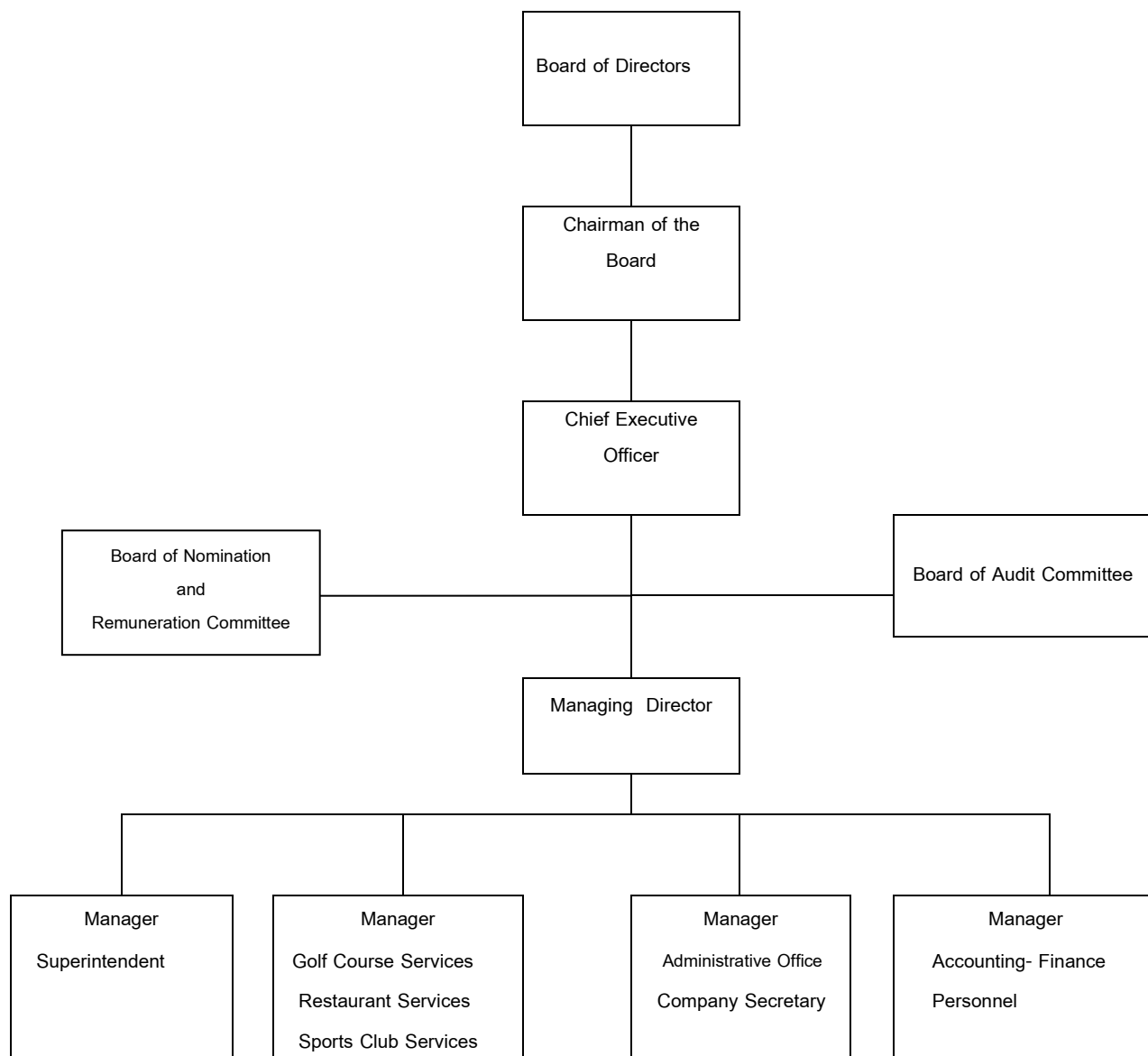
The executive directors' meeting has not been planned since the current business operation has directed up to the specific quantitative purposes and the management has arranged the report which always is sent to the Executive Board of Directors.

**Term of the positions:** the position held in the term of the company's directors.

### **Management team**

- |                                  |  |
|----------------------------------|--|
| 1. Mr. Sukuma Jayananda          | Managing Director                        |
| 2. Mrs. Patcharaporn Jultothai   | Administrative Manager/Company Secretary |
| 3. Mrs. Chutima Soonthornmonthol | Financial Manager                        |

Organization Chart (as of 31/12/2018)



### 7.3 The company secretary

The board of directors meeting No.1/2008 on the 6<sup>th</sup> March 2008 has appointed Mrs. Patcharaporn Julothai, Administrative Manager, as a company secretary in order to look after the directors' activities, coordinate all to follow the board's policy, to advise the directors regarding the basis of the company, rules and regulations. The report on the acquisition and disposition of securities and the report on the stakes of directors and executives were required. The company was also required to arrange board meetings as well as shareholder meetings in accordance with the laws and regulations approved by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) including the disclosure of 56-1 agenda and annual report and to communicate among the shareholders, minutes taken, follow up the meeting issues. And the Board meeting No. 3/2011 on 28 July 2011 has assigned as the secretary of the board in order to comply with the duties. (additional information page 43)

## 7.4 Director and Management's remuneration

### 1. Monetary remuneration

The board of directors receives the directors' remuneration for attending the meeting and the directors' pension from the shareholders' approval only, as the following detail:

#### Meeting allowance / directors' remuneration

1. Director	Meeting allowances at 10,000 Baht/meeting
2. Member of audit committee	Meeting allowances at 12,000 Baht/meeting
3. Chairman of audit committee	Meeting allowances at 15,000 Baht/meeting
4. Chairman	Meeting allowances at 20,000 Baht/meeting

#### The directors' pension

The 2018 shareholders meeting approved the directors' pensions at amount of 550,000 Baht. In 2018, the board of directors received the remuneration and pension as follows:

Board member	Meeting allowance / remuneration
1. Mr. Sukum Navapan	180,000
2. Mr. Nibhond Charanvas	62,000
3. Mr. Chackchai Panichapat	125,000
4. Mrs. Maevadi Navapan	100,000
5. Gen. Paiboon Kanchanapiboon	110,000
6. Mr. Wiboon Khusakul	90,000
7. Mr. Punn Kasemsup	110,000
8. Mr. Kittidej Charusathiara	80,000
9. Mr. Jaya Jayananda	100,000
10. Mr. Sukuma Jayananda	100,000

In 2018, the management's remuneration paid as the salary & bonus at total amount of 8,843,305 Baht and estimate that the year 2019 will be similar amount.

2. Others pension - none -

## 7.5 Human resources

It is the company policy to restrict the staff number being compatible with the job description of each field. For the purpose of efficient operation in 2018, the company has totally 174 staff, 5 fields of work, they are management, course maintenance, golf course services/club house services/restaurant services and sports club, administration and the company secretary, finance and accounting/personnel with the remuneration paid as the salary, bonus, intensive and social security and others such as uniform, food and

accommodation allowance as appropriate depending on the job. There is no significant staff movement during 3 years and no critical conflict of labor issue.

### **Training**

As the golf course is the service business, we need the staff who have golf knowledge and experience, including as well as the important service in clubhouse consisting of golf course services/club house services/restaurant services and sports club. According to the policy of maintaining the golf course and service standard, each field of work has to get the related competent manager who looks after the business to achieve in every year target and policy. The company has encouraged all sections to participate in proposing their opinion for business operation and in training about the golf course and the service including ethnics as below

1. Golf course maintenance. The golf course would always remain in good quality, suitable for playing in accordance with the international standards. The company had provided training programs for responsible staff while being able to employ technical experts to offer particular tips in maintaining the quality of the golf course with routine work of our staff.

2. Quality services for golfers. Quality services included golf services/club house services/restaurant services and sports club. The company had appointed Dusit Princess Srinakarin Hotel Bangkok to provide effective hospitality management aiming for the highest satisfaction of the clients.

## **8. Good Governance**

### **8.1 Good Governance Policy**

#### **Shareholders: right and equitable treatment**

In 2018, The company has organized the meetings as follows:

The company has organized the shareholders general meeting on 26<sup>th</sup> April 2018 at the company office. 7 from 10 directors of the board of directors joined the meeting and 29 shareholders, which are included proxies, joined the meeting at the amount of 17,089,930 shares or 83.37% decreasing 0.18% comparing to 2017. The company published the invitation letter on the company website [www.navatanee.com](http://www.navatanee.com) on 23<sup>rd</sup> March 2018 and sent to the shareholders at post on 17<sup>th</sup> April 2018. Besides, the minutes of the shareholders' annual general meeting was exposed on the company website on 8<sup>th</sup> May 2018.

The company has sent out the invitation letter to all the shareholders including information and documents for each agenda to be considered in advance. Those of documents are specified for information or for approval with the board of directors' opinion and suggestion. However, this invitation letter including information and documents for each agenda as same as the one which was sent to shareholders at post. Besides, the minutes has been promptly submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the specified period, and has been exposed on the company website as usual.

### Right and equitable treatment

For an option of the shareholders, the company allowed the shareholders either send other persons or choose independent director as a proxy to attend the meeting. In 2018, The company organized Annual General Meeting of Shareholders as follows:

Shareholders general meeting, 17 shareholders give proxy to Audit director and managing director or equivalent to 1,627,797 shares or 9.52% of the total attending.

In the 2018 Annual General Meeting of Shareholders, The company gave opportunity to the minor shareholders to propose their requirement for the agenda and nominate the directors. The preparation of the Annual General Meeting of Shareholders offers opportunity to the minor shareholders to propose their requirement for putting on the list of agenda and to nominate the directors in company with procedure, principle and how to propose it. The shareholders can suggest the requests at [info@navatane.com](mailto:info@navatane.com) or facsimile or registered mail to the company as former year. The time to propose from on the 14<sup>th</sup> January 2018 to 13<sup>th</sup> February 2018, which the company has informed these following topics and details to the Stock Exchange of Thailand.

### Rules of Stakeholders

The company has always reviewed the policy of good corporate governance in order to look after the right for the stakeholder groups regarding to the ethnic principles and advised regulations. In 2015, the business was in good operation, stability and the problem didn't affect to any groups since the golf course has been operated than 40 years and the management operated business according to the policy which always response the interest throughout the stakeholders, separated as follows.

□ The shareholders: the company has operated according to the board of directors' policy with open & above-board management, loyal financial & accounting system, the satisfied benefit comparing to the similar businesses and good dividend paid to the shareholder for several years continually.

- Employees the Company has focused on the importance of every line staff to have skills and be safe during the use of tools and machinery, and conserve plant species, water conditions, and environmental conditions. Service work provides facilities to customers at various points such as the front desk, locker rooms, and ticket rooms. For the restaurant side, it is given to Dusit Princes to help in the management together with training personnel, organizing catering services on a special occasion etc. The company does not discriminate and segregate in religion, male and female receive reasonable remuneration and welfare according to their position, as well as other possible ethical training to cultivate discipline to act in compliance with regulations as a good employee in order to use as a guideline for both themselves and others. In addition, the company also hired a physical impairment by giving the same return as a regular employee.

- Customers: to maximize the satisfaction by maintaining the highest standards of the golf course to be in line with the international standard, and to remain the leading golf course of the country. Most of the members are business owners and top executives who have financial stability, but also golfers who

understand the rules of being a good golfer. This is one of the reasons that makes the golfers both in Thailand and overseas trust and have confidence in Navatane Golf Course continuously.

- **Partners** The Company has a code of conduct and is operating the business in the framework of laws and rules regularly and rigorously, and does not use any method to be outside the rules because Navatane Golf Course has been in transparent operation and maintains the image of the golf course all the time. For the selection of partners, the company selects the business partners who have been dealing with the company for a long time because of high quality and reasonable price, with the base from the previous year. However, the company always checks the prices for comparison regularly, and has the internal auditors monitor the process and purchasing procedures. For golf competition, Navatane Golf Course has no policy to compete with other golf courses because the company's policy is to service members who are mostly the same group of customers.

- **Community Society and Environment:** The Company has a policy and commitment to the conservation and preservation of plant species before the construction of any golf course. Making Navatane Golf Course is full of thousands of plants and trees and is one of the unique of Navatane Golf Course. In addition, apart from making the areas around the golf course and Navatane village shady from large and multiple varieties of flowers, it is also a large source of fresh air, which is very rare to find nowadays, and spreads to neighboring communities as well. It also benefits the habitat and the supply chain due to the environmentally friendly operation of the company since the beginning of its business operations. As a result, a lot of animals, aquatic life, and birds are living in the area, looking for food in both the golf course and the lake due to the abundance of life, plus the fact that the company has made it a priority to avoid the use of chemicals, and to use fertilizers made from natural raw materials instead. This commitment to environmental stewardship is the pride of the founder, company committee and employees because the business does not only focus on reputation in the country and overseas in terms of golf courses, but also commits to a management policy which is strongly focused on the environment and will be adhered to such policy at all time. Moreover, the company wants Navatane Golf Course to be not only a golf course, but a place of recreation and relaxation for all visitors as well.

- **Governments and agencies concerned:** Strictly comply with all legal requirements, as well as Tax Management and Accounting Management, a support of a golf charity competition, competition among the customers and the promotion of various activities, as appropriate.

#### **Information disclosure and transparency**

The company has disclosed the information according to all regulations and conditions of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, i.e. the directors' approval which impacted to the shareholders, the shareholders meeting's approval, each quarter of financial statement, and all directors and management are required to report the changes of stock holding to the Office of the Securities and Exchange Commission etc....

**Leadership and vision**

The board of directors is composed of the directors who have vision, knowledge, competence and experience on business operation regarding independent decision, internal control, internal audit, and who follow up the operation for the company & the shareholders' benefit. The management has a duty of the business operation to achieve the policy and to report the operation result to the board of directors

**Business ethnics**

The company's policy is to maintain the first class Thailand golf course and to concentrate on the stakeholders about the ethnic principles and advised regulations for directors, management staff and owners' regulation (the persons who hold the company shares at high figure and may affect to the decision of the directors/ management/ staff) in order to be the responsibility direction and frame, and to review usually those mentioned regulation.

**Balance of power for the board of directors**

In 2018, the company has 4 independent directors from total 10 directors. From the remaining of 6 directors, 3 directors are management directors and 3 directors are not management directors. This is make it counter balanced and independent in giving an opinion and an efficient performance.

**Aggregation or Segregation of Positions**

The chairman of the board of directors is the chairman of the executive board and the main shareholder. For the chairman of the audit committee is not concerned in the management position and is independent enough to perform according to the duty and responsibility.

**Conflict of interests**

In order to avoid the benefit conflict, the board of directors looks carefully after the risky occasions of benefit conflict or the audit committee, who are independent, will always investigate and manage in the relative incidents of the policy setup according the regulation of the Stock Exchange of Thailand.

**Board of directors' self-evaluation**

The board of directors meeting No.1/2018, the chairman of the audit committee proposed to the meeting about the directors' self-evaluation to bring the result as information for work as usual.

**Audit committees' opinion**

The audit committees' who are the system and internal audit controller, are the approver an audit plan and appraise internal systems appropriated and corresponded with the settled objectives and directions and reported to the board of directors meeting. In the year 2017, they had a meeting with the Auditor without any management in order to have information regarding the financial statement for the year 2017. The Auditor

conducted with generally accepted auditing standards and present fairly, in all material respects and also the Internal Auditor.

#### Quality of audited financial statement

The company financial statement was considered and approved by the Board of Director on 28<sup>th</sup> February 2019 and the financial auditors who is certified from the Securities and Exchange Commission and the Stock Exchange of Thailand is the CWWP Co., Ltd. by Mr. Cherdsakul Aonmongkol, Certified Public Accountant no. 7195 who signs for approval before spreading out to the related organizations. In 2018 the company financial statement has been undoubted, managed and revealed the appropriated and trustful financial information, and enough internal control system. The auditors signed for approval without any notices and the directors, the management or the staff didn't bring any financial information without faithfulness for their own benefit, their family and relatives or others according to their handbooks, and the internal auditors always follow it up and check it over.

#### The investor relations

In 2018, the company arranged a responsible officer to interested persons for communication with the investors to a certain extent, and also had to regularly disseminate diverse and important information which might affect the company's stock price to the investors according to the requirement of the Stock Exchange of Thailand, i.e. the financial statement report, resolution of the Board of Directors, resolution of the general meeting of shareholders, etc. In order to be more practical and convenient to the shareholders as usual, the company had given an opportunity to shareholders to be able to send their inquiries via company's website at [info@navatanee.com](mailto:info@navatanee.com).

## 8.2 Committee

### 1. Audit committee

According to the rules of the Stock Exchange of Thailand, the board of directors has appointed the audit committee in order to take care of finance, internal system and business organization achieving the targets by Mr. Chakchai Panichapat, chairman of the audit committee, having sufficient knowledge and experience to audit the credibility of the budget. In 2018, they were 5 meetings as follows:

Board member	Rank	Meeting Attendance
Mr. Chackchai Panichapat	Chairman	5/5
Mr. Nibhond Charanvas	Audit Committee Member	1/5
Gen. Paiboon Kanchanapiboon	Audit Committee Member	5/5
Mr. Punn Kasemsup	Audit Committee Member	5/5

The 1<sup>st</sup> and 2<sup>nd</sup> members were appointed on December 23, 1999.

The 3<sup>rd</sup> member was appointed on March 17, 2005 to replace those who retired.

The 4<sup>th</sup> member was appointed on July 25, 2013.

As the audit committee's definition is the procedure according to the Notification of The Capital Market Supervisory Board Re: the qualification and the performance of the audit committee B.E. 2008.

**Term given to the directors:** In every 3 years and they can be re-appointed. There are 3 audit committees who have worked in this position more than 9 years. However, the nature and performance of business that has been continuous and earnest make the board of directors believes that the Audit Committee remains free to work within the scope of its mandate. The following duties effective from 27<sup>th</sup> February 2014.

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate;
- (2) To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other until in charge of an internal audit;
- (3) To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
- (4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year ;
- (5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, To ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
- (6) To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the audit committee meetings, and the attendance of such meetings by Each committee member,
  - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
  - (i) after the audit committee has acknowledged the case that the auditor found the suspicion of the managing director or person who authorized in the management of the company commit a crime against the Securities and Exchange Act. The audit committee must verify and report the initial result

of the inspection to the Securities and Exchange Commission and the auditor within 30 days from the date of notification from the auditor.

- (7) To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

## 2. Nomination committee and remuneration

Due to a flat and uncomplicated administrative structure and the nature of a sports business, the Board of Directors is comprised of representatives of shareholders, and some are from honorary directors who kindly accept the invitation as directors due to trust and confidence in the administration of the golf course business for a very long time. They have brought knowledge, ability, experience and ethical judgment to help the administration of the golf course progress without expecting remuneration. The Board of Directors will have a joint preliminary consideration before presenting in the shareholders' meeting for consideration. However, when the Nomination and Remuneration Committee is established, the election of directors, therefore, will be proposed names to the Nomination and Remuneration Committee for consideration before proposing to the Board of Directors for consideration and give opinions in the shareholders' meeting as the next step.

In 2018, the Nomination and Remuneration Committee held a meeting to consider the appointment of new directors to replace those who completed their terms by rotation and proposed opinions to the Committee for presenting in the shareholder's meeting for approval of the appointment and to consider the remuneration for the company's directors each year. The Board Nomination and Remuneration Committee consists of three independent directors as follows:

Board member	Rank
1. Mr. Nibhond Charanvas	Chairman of Nomination committee and remuneration
2. Mr. Chackchai Panichapat	Board member
3. Gen. Paiboon Kanchanapiboon	Board member

Term given to the direct: The position held in the term of the company's directors.

## 8.3 Nomination of directors and management

### 1. Director

Referring to the company regulations, the board of directors may have been appointed from the externals who are not the shareholders and that appointment will be approved by the shareholders meeting according to principles and procedures.

Composition and election of board directors

1. The board of directors is minimum 5 persons and there are directors not lower than a half amount of total directors in the kingdom of Thailand. For the purpose of business operation, the directors can be appointed from outsource who are not our shareholders.
2. The shareholder meeting will vote the directors according to this regulation and methodology

- (1) Offering one share-one vote
- (2) Each shareholder has one share per vote on no. (1) and each shareholder use all votes (no split) in appointing one or more person to be a director.
- (3) The candidates are ranked in descending order from the highest score of votes to the lowest, and are appointed as directors in that order until those positions are filled.  
Where the votes for candidates are tied, or cause the exceeded number of directors, the Chairman has the casting vote.

## 2. Chief Executive Officer:

To appoint a chief executive officer, the company would consider work experience and the ability to manage responsible works. If the expected officer in the field was unavailable, the company would agree to consider the outsider candidate, with the emphasis on his/her work experience and expertise to carry out any assigned works. Previously, high-ranking executives included Chief Executive Officers Mr. Sukum Navapan and Mrs. Maevadi Navapan, who were not selected by the nomination and remuneration committee as they were founders of the company and being considered as the Board of Directors before the nomination and remuneration committee was appointed. Meanwhile, an executive could pave the way to becoming an assistant managing director before being promoted to the position of managing director. The Board of Directors would propose to the nomination and remuneration committee to be approved accordingly. Compulsorily, any member of the committee should not commit the crime over the past ten years.

## 3. The Nominating of Independent Director

In the year 2018, there were 4 independent directors altogether from 10 directors and 1 of the independent directors held stocks 0.49% and others 4 independent directors have no stocks which were stronger than the definition. (In order to follow the Notification of The Capital Market Supervisory Board B.E. 2008, announced on 20<sup>th</sup> February 2009)

(A) Holding shares not over one percent of the total shares with voting right of the company holding company, subsidiary, affiliation, major shareholder or authorized person of the company, however, it includes shareholding by related persons of the independent director also.

(B) Not being or has been a director with management participation employees, consultant with regular salary or authorized person of the company, holding company, subsidiary, affiliation, subsidiary in same level, major shareholder or of authorized person of the company, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include an independent director who has been a governmental officer or an advisor of a government authority, which is the major shareholder of the company or the authorized person of the company.

(C) Not being person by blood related or registration by law in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, major shareholder,

authorized person or person designated to be management or authorized person of the company for license or subsidiary.

(D) Do not have or has been in business relation with the applicant, company's parent, holding company, subsidiary, affiliation, major shareholder or authorized person of the company, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relation with the company, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, except relieved from aforesaid characteristics at not less than two years before the date of submission for permission from the Office.

The business relation in paragraph one includes trade transactions in normal business, rent or lease on items related to asset or service or in giving or receiving financial assistance through acceptance or lending, guarantee, granting asset as debt security including similar behavior resulting in the applicant or contract party with debt burden to be settled with another party from 3% of net tangible asset of the applicant or from twenty million baht up, as which amount is lower. However, the debt burden calculation shall be in value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis mutandis. But the consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relation with the same person.

(E) Not being or has been auditor of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant in attachment, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.

(F) Not being or has been any professional provider which includes legal consulting or financial consulting with service fee over two million baht a year from the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.

(G) Not being a director appointed to be agent of the director of the applicant, major shareholder or shareholder with relation with the major shareholder.

(H) Not operating similar or significant competitive business to the business of the applicant or subsidiary or not being significant partner in the partnership or directorship with management participation on employees, consultant with regular salary or holding shares over one percent of the total shares with voting right in other company, operating business similar or competing with business of the applicant or subsidiary.

(I) Not having other characteristics that will hinder free independent opinion in relation with the operation of the applicant.

After the appointment to be independent director with the characteristics as stated in paragraph one (a) to (i), the independent director may be assigned from the committee to make decision on the business

operation of the applicant, holding company, subsidiary, affiliation, subsidiary of same level, major shareholder or authorized person of the applicant under the method of collective decision.

The name lists of the Independent Directors are:

1. Mr. Chackchai Panichapat
2. Mr. Nibhond Charanvas
3. Gen. Paiboon Kanchanapiboon
4. Mr. Punn Kasemsup

#### **8.4 Corporate Governance subsidiary -none-**

#### **8.5 Insider Benefit**

As the preventive measures in dishonestly using internal data for yourself and oneself benefits. The company has prepared the ethnic handbook for directors, management and staff which are reviewed every year before and after the 2018 financial statement through the public. Nothing founded that using the data is for any side's benefit

#### **8.6 Audit fee**

In the year 2018, the audit fee is 420,000 Baht as follows.

The CWWP Co., Ltd. subsidiaried Mr. Cherdsakul Aonmongkol , Certified Public Accountant No. 7195, is the company auditor and no interests, relations, connections with the company / the management / the major shareholders.

#### **8.7 Compliant with principles of good corporate governance and other issues (include in Item 8)**

### **9. Social responsibility**

With business stability and long-standing reputation as a top legendary golf course of the country, reputed clients and other people involved in the industry had always put their trusts in Navatane Golf Course. Regarding the golf course's well-adopted policies and second-to-none management styles, major social responsibilities were mainly taken alongside the business operations which generated positive contributions to the society and the community, with the effective development of organizational management and other related business sectors as follows.

#### **1. Business ethics**

Admittedly, a majority of Navatane Golf Course's members were local business entrepreneurs and senior Japanese executives who operated businesses in Thailand. These people had high loyalty in the golf course's quality services. With prominent image and competitive location, Navatane Golf Course had no certain policy to compete with other golf course rivals and would never rely on price adjustment to conquer

other competitors in the industry. During weekends and holidays, members would generally bring their guests for a group practice session. Navatanee Golf Course had been building a long-lasting rapport with its members and other clients.

## **2. Anti-corruption procedures**

For more than 40 years of business operations in Thailand, Navatanee Golf Course had been committed to providing the highest satisfaction to all clients, in which the business can easily be examined in accordance with the rules and regulations. As most of the employed workforces were assigned to provide quality services, they were not involved in any business or financial transactions. The company has put together a monitoring system that makes it easy to examine. Annual expenses are based on previous years as the main consideration. According that it is easy to observe and follow up. For most office employees, they have been working for a long time and always have good record. The company does not need to rely on or support from any group. Above all, the company never offered support to any conduct of corruption no matter how it was related to organizational or individual concerns.

The company has joined the Collective Action Coalition against Corruption in the year 2015 which in the same year the company has changed the external auditor. As a result of that, the external auditor did not ready to be an auditor for reviewing the self-evaluation form. And, the company did not find another person to be an auditor. However, in the year 2017, we found that the internal auditor can be an auditor for reviewing the self-evaluation form which the company is in progress of consulting with the internal auditor who ask for time to study first.

## **3. Respect for human rights**

No human right issue had ever been occurred within the company. Also, the company had always pursued the completion of work employment in accordance with the labor law. As there was no discrimination at work, many of the staff had decided to devote the best of their ability to work for the company for a long period of time.

## **4. Fair treatment for employees**

Navatanee Golf Course comprised of about 174 employees. As social welfares and other additional benefits were key factors that helped encourage working competency among the employees, most of them decided to work for the company until they reached the retirement age. Because of this, there are no labor problems. Due to most employees are in the service sector, they have experience in working and understanding the company's policies. Employees are trained as appropriate. Accounting and Finance section and Company Secretary have to attend training courses related to listed companies. With respect to the difference in religion, gender and also people with physical disability was hired to work with other employees. They received payment and welfare as appropriate regarding their positions consisting of; salary, bonus, service charge, provident fund, social security. The company provides other welfares for employees

such as uniform, luncheon, accommodation and other financial support with non-discriminatory responsibilities. The environment in workplace is surrounded by shady and beautiful nature making all employees have good mental health. Most of the employees have accommodation near the company. It makes them always ready to work.

#### 5. Responsibility for consumers

To maximize the satisfaction by maintaining the highest standards of the golf course to be in line with the international standard, and to remain the leading golf course of the country (Executive Golf Course). Although there are many golf courses today, it caused the competition in quality and price. However, Navataneer Golf Course still maintains its reputation and quality. Most of the members are business owners and top executives who have financial stability, but also golfers who understand the rules of being a good golfer. This is one of the reasons that makes the golfers both in Thailand and overseas trust and have confidence in Navataneer Golf Course continuously.

Navataneer Golf Course developed certain policies to ensure safety and security for all clients varying in rules for safe playing and a restaurant of hygienic menus. The company also launched a policy to maintain the database and privacy of all clients.

#### 6. Community Society and Environment

The Company has a policy and commitment to the conservation and preservation of plant species before the construction of any golf course. Making Navataneer golf course is full of thousands of plants and trees and is one of the unique of Navataneer Golf Course. In addition, apart from making the areas around the golf course and Navataneer village shady from large and multiple varieties of flowers, it is also a large source of fresh air, which is very rare to find nowadays, and spreads to neighboring communities as well. It also benefits the habitat and the supply chain due to the environmentally friendly operation of the company since the beginning of its business operations. As a result, a lot of animals, aquatic life, and birds are living in the area, looking for food in both the golf course and the lake due to the abundance of life, plus the fact that the company has made it a priority to avoid the use of chemicals, and to use fertilizers made from natural raw materials instead. This commitment to environmental stewardship is the pride of the founder, company committee and employees because the business does not only focus on reputation in the country and overseas in terms of golf courses, but also commits to a management policy which is strongly focused on the environment and will be adhered to such policy at all time. Moreover, the company wants Navataneer golf course to be not only a golf course, but a place of recreation and relaxation for all visitors as well as community society.

In the year 2017, Thailand Greenhouse Gas Management Organization (Public Organization) had surveyed and evaluated to produce the amount of carbon dioxide retention. The name of the project is "*Navataneer Golf Course, the Oxygen Source of Bangkok*". TGO had assessed that Navataneer Golf Course retained greenhouse gas equivalent amount of 4,328 tons of carbon dioxide (22<sup>nd</sup> December 1970 – 30<sup>th</sup>

August 2017). Only 27,000 perennial trees taller than 1.50 meters were evaluated. TGO presented the certificate to Navatane Golf Course on 8<sup>th</sup> September 2017. It is a pride of Navatane Golf Course and it is based on the intention of the course founder and the board of directors. The management has set goals and will continue to support this project.

On 3<sup>rd</sup> January 2018, the Company installed 360 solar panels on the roof of the clubhouse to produce electricity from solar energy under the activity “Navatane Golf Course Solar Energy Project”. And on 10<sup>th</sup> September 2018, Thailand Greenhouse Gas Management Organization presented a certificate of honor to the golf course.

On 7<sup>th</sup> August 2018, Thailand Greenhouse Gas Management Organization (Public Organization) passed a resolution approving the project “Navatane Golf Course, the Oxygen Source of Bangkok” registered as Thailand Voluntary Emission Reduction Program: T-VER.

Navatane Golf Course is ready and willing to participate in helping to reduce environmental problems including helping to reduce greenhouse gases from the atmosphere for society and communities continuously by creating and maintaining ecosystems within the area to be a part of society in developing the country to become a sustainable low carbon society in the future.

#### **7. The development of society and community**

Navatane Golf Course had fostered the policy to recruit local people as its employees, as part of the intention to stimulate sustainable employment in the community. In the past, most of employees have been in the area since the establishment so it caused benefit for both employees and organizations. They also participated in activities of the Sukumo Foundation founded in 1988 by Mr. Sukum Navapan, Chairman of the Board of Directors, Founder and charitable organization. The main focus is education such as the distribution of dictionaries to students, government officials and the public throughout the country. He is also a patron of Sukumnavapan Uppatham School (formerly known as Bangkapi Sukumnavapan Uppatham School) with financial support for the operation and scholarship. Moreover, the Sukumo Foundation donated money to the Bangkok Symphony Orchestra Foundation.

#### **8. Innovation and promotion of innovation**

Navatane Golf Course basically provided golf course services. Aside from the ordinary maintenance to keep the golf course in good quality according to the international standards, no certain innovation had been evolved. However, the modern golf course was set to rely on the use of non-chemical substances and recycled water, together with the planting of trees to support fertile environment to make the production source of fresh air for our customers and people in community nearby. As well as personnel development and service system to make the service more convenient, faster and comply with the course's policy in order to satisfy customers.

## 10. Internal audit and risk management

The appointment of internal audit officer was required to be submitted to the audit committee for approval. This helped guarantee transparency and reliability and it is a great tool for managing the risk because the audit committee can do their duty freely and report the result of the internal audit to the board of director every time. There have been meeting and appoint the audit of the audit committee to Miss.Sakawrat Trairattanapakdee from Porama Consultant Co., Ltd. as an internal auditor and the secretary of the audit committee in the year 2018.

Porama Consultant Company Limited ("the Office") was established on 9<sup>th</sup> September 2005. It aims to provide internal auditing services, set up accounting systems and provide consulting services such as internal auditing, Internal Control Performance Assessment, Accounting work, And consulting. Under the management of Ms. Meena Ketlek with 4 staff. (see page 46)

10.1 Comments from Board of Directors towards the adequacy and appropriateness of internal audit system for the company, where the appropriate number of auditors would be provided.

- Please refer to the internal audit report on page 2.

10.2 Error: There was no serious error reported in 2018.

10.3 Internal audit controversy: There was no serious audit controversy reported in 2018.

## 11. Related parties and connected transactions / Inter-transactions

The policy and direction for future inter-transaction                    -None-

## 12. Financial information

Financial Ratio	Unit	2018	2017	2016
<b><u>Liquidity Ratio</u></b>				
Liquidity Ratio	time	1.17	2.70	4.08
Quick Liquidity Ratio	time	1.10	2.56	3.98
Quick Liquidity Ratio of cash flow	time	2.84	3.51	2.20
Receivable Turnover	time	250	589	1001
Average Collection Period	day	1	1	0
Inventory Turnover	time	32	31	34
Average Selling Period	day	11	12	10
Payable Turnover	time	111.04	71.10	46.44
Selling Debt	day	3	5	8
Cash cycle	day	N.A	N.A	N.A
<b><u>Profitability Ratio</u></b>				
Gross Profit Margin	%	60.05	61.70	63.75
Operating Profit Margin	%	40.86	47.09	48.73
Other Margins	%	5.78	7.92	7.31
Ratio of Cash to Profitability	%	136.35	122.33	76.99
Quality of Income Ratio	%	115.88	99.98	64.53
Net Profit Margin	%	30.07	38.49	36.75
Return on Equity	%	4.11	5.35	4.91
<b><u>Efficiency Ratio</u></b>				
Rate of Return on Assets	%	3.55	4.68	4.28
Return on Fixed Assets	%	4.36	5.80	5.29
Asset Turnover	time	0.11	0.11	0.11
<b><u>Financial Policy Ratio</u></b>				
Debt to Equity Ratio	time	0.16	0.14	0.15
Ratio of the Ability to pay interest	Time	N.A	N.A	N.A
Dividend Payment	%	65.64	60.30	60.20
Earnings Per Share	Per share	2.59	3.35	2.99
Dividend Per Share	Per share	1.70	2.02	1.80
Book Value Per Share	Per share	62.97	62.63	60.98

### 13. Analysis and explanation from management:

The company's performance of this year

In 2018, the company's overall revenue from golf course business increased Baht 2.99 million or 2.32% compared to the year 2017 due to the increasing of green fee rates since May 2018 while the number of golfers decreased. The revenue of restaurant business decreased Baht 1.88 million according to the decreasing of the number of golfers. And, revenue from sports club increased Baht 0.78 million from the activities related to the swimming pool area while the rotating member decreased. According that the company increased revenue to Baht 1.88 million. However, revenue from dividend, interest income and other revenues decreased Baht 3.94 million comparing to the last year. As a result, the company's total revenue decreased Baht 2.06 million or 1.16%.

The cost of golf course services increased from the year 2017 for Baht 2.85 million resulted from depreciation and cost of course maintenance. The cost of restaurant business increased Baht 0.34 million resulted from the renovation. The cost of sports club increased Baht 0.26 million.

Cost of sales increased Baht 0.04 million from promotional expenses comparing to 2017. The management expenses increased Baht 3.99 million, resulted from the decreasing of regular expenses.

For profit values, the company basic profits decreased from the last year for Baht 1.58 million or 1.56% which was resulted from the increasing of the cost. The net profit decreased mostly from the main income and other incomes decreased. The administrative expenses are increasing, so the net profit is Baht 53.01 million, decreased Baht 15.63 million or 22.77%.

#### Financial status: Asset analysis

Navatane Golf Course increased 1.67% of total assets comparing to the year 2017.

- Current assets decreased by Baht 15.21 million mainly resulted from temporary investment while cash and cash equivalents are increased.
- Non-current assets increased by Baht 39.73 million mostly resulted the increasing of long-term investments amounted Baht 18.00 million while available for sale investment decreased amounted Baht 6.49 million. Land for building and equipment increased by Baht 23.47 million. Deferred tax increased by Baht 4.64 million and other non-current assets increased by Baht 1.40 million and long-term loans to employees decreased by Baht 0.66 million.

**Additional information of The board of directors as of 31 December 2018**

1. Mr. Sukum Navapan

Positions in the Company	Chairman, CEO (Spouse of Mrs. Maevadi Navapan) (got promotion for chairman on July 26, 2001)
Age	93 years old
Nationality	Thai
Education	- Bachelor of Accountancy and Advanced Diploma in Accounting, Thammasat University - M.B.A. Wharton School, University of Pennsylvania, USA - Honorary Degree, Doctor of Accountancy, Thammasat University - Honorary Degree, Doctor of Arts, Business Administration, Srinakharinwirot University - Certificate, National Defense College, 1989
Director training program	Director Accreditation Program (DAP)
Experience	-Chairman, ASEAN Banking Council -Chairman, Thai Bankers Association -Chairman, Hyatt Rama Hotel -President, Thai Military Bank -Managing Director, The General Insurance Co., Ltd. -Managing Director, The United Insurance Co., Ltd. -Board member, National Agricultural Credit Committee -Board member, Goldenland Plc. -Board member, Bangkok Intercontinental Hotel Co., Ltd. -Board member, Bangna Central Property Co., Ltd. -Board member, Klay and Mineral Co., Ltd. -Board member, Siam Food Plc. -Board member, American Standard Sanitary ware (Thailand) PLC.
Positions in other listed Companies	None
Positions in non-listed companies	-Chairman, Navanatee Group of Companies -Board member, Siam Piwat Co., Ltd. -Advisor, Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.
No. of years on the board	48 years (appointed on December 22, 1970)
CSR shareholding (included his spouse)	14,536,532 shares or 70.91%
Meeting attendance in 2018	Board of Directors Meeting, 4 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 2. Mr. Nibhond Charanvas

Positions in the Company	Independent Director, Audit Committee, The Nomination and Remuneration Committee
Age	88 years old
Nationality	Thai
Education	Bachelor Degree in Business Administration Temple University Philadelphia, USA
Director training program	Director Accreditation Program (DAP) year 2004
Experience	Branch Manager – TMB Bank
Positions in other listed companies	Honorary Chairman, Thai Metal Drum Mfg. Public Co.,Ltd.
Positions in non-listed companies	Honorary Chairman, Pimalai Resort & Spa Co., Ltd.
No. of years on the board	29 years 8 months (appointed on April 11, 1990)
CSR shareholding	100,831 shares or 0.49%
Positions in rival companies/ Related companies	None
Meeting attendance in 2018	Board of Directors Meeting 1 of 5 Meeting Audit Committee Meeting 1 of 5 Meeting The Nomination and Remuneration Committee 1 of 1 meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 3. Mr. Chackchai Panichapat

Positions in the Company	Chairman of the Audit Committee Member of the Nomination and Remuneration Committee, Independent Director
Age	80 years old      Nationality    Thai
Education	-B.E. (Electrical Engineering), Chulalongkorn University -M.E. (Electrical Engineering), University of Texas, Austin, U.S.A. -Certificate, National Defense College
Director training program	- Director Accreditation Program (DAP) 5/2003 - Finance for Non-Finance Director (FND) 19/2005 - Director Certification Program (DCP) 72/2006 - Role of Compensation Committee (RCC) 3/2007 - Audit Committee Program (ACP) 25/2009
Experience	Deputy Secretary General of the Board of Investment
Positions in other listed Companies-	Director and Executive Director, Amata Corporation Pcl.  - Independent Director, Chairman of Audit Committee and member of nomination and remuneration committee, Kan Yong Electric Pcl.
Positions in non-listed companies	- Chairman Magnecomp Precision Technology Pcl. - Chairman, Amata Water Co.,Ltd.. - Chairman, D-Jig Co., Ltd. - Vice Chairman, Amata City Co.,Ltd. - Director, San Miguel Beer (Thailand) Co.,Ltd. - Director, San Miguel Marketing (Thailand) Co.,Ltd. - Director, Thai San Miguel Liquor Co.,Ltd. - Director, Amata Asia Ltd - Director, Thai-chinese Rayong Industrial Realty Development Co., Ltd.
No. of years on the board	21 years 8 months (appointed on April 18, 1997)
CSR shareholding	None
Positions in rival companies/ Related companies	None
Meeting attendance in 2018	Board of Directors Meeting, 5 of 5 Meeting Audit Committee Meeting, 5 of 5 Meeting Nomination and Remuneration Committee Meeting, 1 of 1 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 4. Mrs. Maevadi Navapan

Positions in the Company	Executive Director (Spouse of Mr. Sukum Navapan, Mr. Kittidej Charusathiara's aunt)
Age	75 years old
Nationality	Thai
Education	Barrister-at-law, Middle Temple, England, 1964 Barrister-at-law, Thailand, 1976 Certificate, National Defense College, 1989
Director training program	Director Accreditation Program (DAP)
Experience	-Founder and Chairman of Siew-Matsushita Foundation -Chairman of Savita Foundation -Director of Sukumo Foundation -Director of John F. Kennedy Foundation in Thailand -President of Women Lawyers' Association of Thailand Under The Royal Patronage of HM The Queen -President of Thailand Amateur Ladies Golf Association -Director of Thai Chamber of Commerce -Member of Law Reform Commission -Member of the National Legislative Assembly -Member of the Compensation Fund Committee -Member of the Kasetsart University Council -Executive Director of the Federation of Thai Industries -Associate Justice of The Central Labour Court
Positions in other listed Companies	None
Positions in non-listed companies	-Chairman of Panasonic (Thailand) Co., Ltd. -Chairman of Siew Co., Ltd.
No. of years on the board	34 years 7 months (appointed on May 11, 1984)
CSR shareholding	14,536,532 shares or 70.91%
Positions in rival companies/Related companies	None
Meeting attendance in 2018	Board of Directors Meeting, 5 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 5. GEN. Paiboon Kanchanapiboon

Positions in the Company	Independent Director, Audit Committee, The Nomination and Remuneration Committee
Age	73 years old
Nationality	Thai
Education	MBA, NIDA
Director training program	Director Accreditation Program (DAP) Director Certification Program (DCP)
Experience	Nida Development Fund Manager (2010 to present) Former Commanding General of Lopburi Artillery Center (1995-1999) Former Commanding General, Army Weapon Production Center (1999-2000) Former Special Expert, Royal Thai Army (2000-2005) Senior Advisor Office of the Under-Secretary of Ministry of Defense (2004)
Positions in other listed companies	None
Positions in non-listed companies	None
No. of years on the board	21 years 8 months (appointed on April 18, 1997)
CSR shareholding	None
Positions in rival companies//Related companies	None
Meeting attendance in 2018	Board of Directors Meeting 5 of 5 Meeting Audit Committee Meeting 5 of 5 Meeting The Nomination and Remuneration Committee Meeting 1/1 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 6. Mr. Wiboon Khusakul

Positions in the Company	Director
Age	65 years old
Nationality	Thai
Education	<ul style="list-style-type: none"> <li>- B.A. (International Relations) Chulalongkorn University, Bangkok, Thailand</li> <li>- M.A. (International Affairs and Diplomacy), Thammasat University, Bangkok, Thailand</li> <li>- Master's Degree (International Public Policy), Johns Hopkins University, U.S.A.</li> <li>- The 69th Civil Service Execution Development Program - Office of the Civil Service Commission</li> </ul>
Director training program	-
Experience	<ul style="list-style-type: none"> <li>- Consul-General, Royal Thai Consulate-General, Kunming, PRC</li> <li>- Consul-General, Royal Thai Consulate-General, Shanghai, PRC</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the Republic of Iraq</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the Hashemite Kingdom of Jordan</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the Lao People's Democratic Republic</li> <li>- Executive Director, Thailand Trade and Economic Office (Taipei)</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the People's Republic of China</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the Mongolian People's Republic, Residence in Beijing</li> <li>- Ambassador Extraordinary and Plenipotentiary of Thailand to the Democratic People's Republic of Korea, Residence in Beijing</li> </ul>
Positions in other listed companies	Independent Director, Kasikornbank Pcl. (April 30, 2015 - present)
Positions in non-listed companies	<ul style="list-style-type: none"> <li>- Advisor, Chareon Pokphand Group Co. Ltd. (February 27, 2015 – present)</li> <li>- National Strategy Drafting Committee on National Competitiveness Development and Enhancement (September 28, 2017 - present)</li> <li>- Director and Audit Committee of Thai Smile Airways Co.,Ltd. (January 16, 2018 – present)</li> </ul>
No. of years on the board	3 years 8 months (appointed on April 30, 2015)

CSR shareholding	None
Positions in rival companies//Related companies	None
Meeting attendance in 2018	Board of Directors Meeting 4 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 7. Mr. Punn Kasemsup

Positions in the Company	Independent Director, Member of Audit Committee
Age	50 years
Nationality	Thai
Education	<ul style="list-style-type: none"> <li>- Master of Law in Comparative and International Laws Southern Methodist University, Dallas, TX, USA</li> <li>- Bachelor of Law, Thammasat University, Bangkok</li> </ul>
Director training program	<ul style="list-style-type: none"> <li>- Certificates of Director Certification Program (DCP 140/2010)</li> <li>- Financial Statements for Directors (FSD 10/2010)</li> <li>- Certificate of Audit Committee Program (ACP 37/2011)</li> <li>- Monitoring Fraud Risk Management (MFM 6/2011)</li> <li>- Monitoring the Internal Audit Function (MIA 11/2011)</li> <li>- Monitoring the Quality of Financial Reporting (MFR 14/2012)</li> <li>- Monitoring the System of Internal Control and Risk Management (MIR 12/2012)</li> </ul>
Experience	<ul style="list-style-type: none"> <li>- Partner and Managing Director Kompass Law Limited (2002 - present)</li> <li>- Independent Director and Audit Committee Con F Group Co., Ltd. (December 2017 - present)</li> <li>- Independent Director Vintcom Technology Co., Ltd. (March 2016 - present)</li> <li>- Independent Director City Network Co., Ltd. (2015 – March 2016)</li> <li>- Independent Director and Audit Committee AME Technology Public Company Limited (2014 – August 2017)</li> <li>- Independent Director and Audit Committee Copperwired Co., Ltd. (2011 – December 2016)</li> <li>- Director Perseverance Co., Ltd. (2009 - present)</li> <li>- Director HNP Legal &amp; Litigation Ltd. (2002 - present)</li> <li>- Independent Director and Audit Committee Wattana Capital Public Company Limited (2011 - present)</li> <li>- Senior Associate Baker &amp; McKenzie (June 1996 - January 2002)</li> </ul>

	- Visiting Scholar East Asian Legal Study Centre, School of Law, University of Wisconsin (Madison), WI, USA (March - May 1996)
	- Paralegal Walter, Conston, Alexander & Green P.C., New York, NY, USA (August 1995 – February 1996)
	- Legal Trainee Federal Court, Northern Texas, Dallas, TX, USA (June–July 1995)
	- Attorney-at-Law Siththichoke Sricharoen Law Office (October 1990 - May 1993)
Positions in other listed companies	- Independent Director Vintcom Technology Public Company Limited
Positions in non-listed companies	- Partner and Managing Director Kompass Law Limited
	- Director HNP Legal & Litigation Ltd.
	- Director Perseverance Co., Ltd.
	- Independent Director and Audit Committee Con F Group Co., Ltd.
Positions in rival companies/Related companies	None
No. of years on the board	5 years 10 months (appointed on April 25, 2013) (Member of Audit Committee since July 25, 2013)
CSR shareholding	None
Positions in rival companies//Related companies	None
Meeting attendance in 2018	Board of Directors Meeting 5 of 5 Meeting Audit Committee Meeting 5 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 8. Mr. Kittidej Charusathiara

Positions in the Company	Director (Mrs. Maevadi Navapan's nephew)
Age	44 years old
Nationality	Thai
Education	MBA, Leadership Management Lavern University, California, USA
Director training program	Director Accreditation Program (DAP)
Experience	The Executive Management of North Star World Ltd.
Positions in other listed companies	None
Positions in non-listed companies	Managing Director of North Star World Ltd. Managing Director of Damrongrak Commerce Co.,Ltd.
No. of years on the board	11 years (appointed on April 26, 2007)
CSR shareholding	1,500 shares or 0.00%
Positions in rival companies/Related companies	None
Meeting attendance in 2018	Board of Directors Meeting 3 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 9. Mr. Jaya Jayananda

Positions in the Company	Director (Nephew of Mr.Sukum Navapan and older brother of Mr.Sukuma Jayananda)
Age	42 years
Nationality	Thai
Education	Chulalongkorn University in Faculty of Engineering Department of Industrial Engineering MA from Swiss Hotel Management School in Management (International Hospitality Management)
Training	- Director Certification Program (DCP) 245/2017 - Financial Statements for Directors (FSD) 34/2017 - The Real Estate Executive Association of Chulalongkorn University #1
Experience	- 2014 – Present, COO Navatanee Ltd. - 2007 – 2013 Project Manager at Navatanee Ltd. - 2001 - 2005 Account Manager at Advanced Information Technology (AIT) Plc. - 2000 – 2001 Account Manager at T.N. Information System Ltd. - 1992 – 1993 and 1995 Thai National Junior Golfer
Positions in other listed Companies	-none-
Positions in non-listed companies	Navatanee Community Ltd. Director, Sukumo Foundation (Public organization)
No. of years on the board	1 year 8 months (appointed on April 26, 2017)
CSR shareholding	134,000 shares or 0.65%
Positions in rival companies/Related companies	None
Meeting attendance in 2018	Board of Directors Meeting 5 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

## 10. Mr. Sukuma Jayananda

Positions in the Company	Managing Director (Nephew of Mr.Sukum Navapan and younger brother of Mr.Jaya Jayananda)
Age	39 years old
Nationality	Thai
Education	- Master of Business Administration, National Institute of Development Administration (NIDA) - Bachelor of Science, Chulalongkorn University - PROFESSIONAL GOLF MANAGEMENT, PROFESSIONAL GOLFERS CAREER COLLEGE, CA, USA
Director training program	- Successful Formulation and Execution (SFE) - Role of the Compensation Committee (RCC) - Audit Committee Program (ACP) - Director Accreditation Program (DAP) 10/2010 - Finance Statements for Director (FND) 10/2010 - Director Certification Program (DCP) 140/2011 - Monitoring Fraud Risk Management MFM 6/2011 - Monitoring the internal Audit Function MIA 11/2011 - Monitoring the system of Internal Control and Risk Management MIR 12/2012 - Monitoring of the Quality of Financial Reporting MFR 14/2012 -Certificate, Institute of Business and Industrial Development (IBID) #4 - Certificate, Advanced Master of Management Program (AMM) #2
Experience	- BEAR CREEK GOLF COURSE, CA, USA (2003-2004) - Executive Director/Acting Managing Director, City Sports & Recreation Plc. (appointed on 29 July 2010) - Director of golf, City Sports & Recreation Plc. (Aug. 2004-28 July 2010)
Positions in other listed companies	None
Positions in non-listed companies	Director, Navatane Ltd. Director, Sukumo Foundation (Public organization) Chairman of the Board, Sukumnavapan Uppatham School

No. of years on the board	8 years 5 months (appointed on July 29, 2010)
CSR shareholding(included spouse)	541,432 shares or 2.64% increase 15,000 shares or 0.07%
Positions in rival companies/Related companies	None
Meeting attendance in 2018	Board of Directors Meeting, 5 of 5 Meeting
Other information	No legal dispute over the past 5 years No conflict of interest transaction with the company in 2018

**Additional information of The executive management as of 31st December 2018**

- |                         |                    |                   |
|-------------------------|--------------------|-------------------|
| 1. Mr. Sukum Navapan    | CEO                | detail on page 33 |
| 2. Mrs. Maevadi Navapan | Executive Director | detail on page 36 |
| 3. Mr. Sukuma Jayananda | Managing Director  | detail on page 43 |

**4. Mrs. Patcharaporn Julothai**

Rank: Administrative manager/Company secretary  
 Age: 58 years old  
 Nationality: Thai  
 Education: B.A. (Management), The Institute of Technology & Vocational Education  
 IOD training program: Company Secretary Program (CSP 4/2003)  
 Experience: Office Secretary  
 No. of years: 34 years  
 CSR shareholding: 16,500 shares or 0.08% increased 5,000 shares or 0.02%  
 Position in listed-non listed company -none  
 Positions in Rival companies/Related company -none

**5. Mrs. Chutima Sunthornmonthol**

Rank: Financial Manager  
 Age: 55 years old  
 Nationality: Thai  
 Education: BA (Accounting), Dhurakijpundit University  
 Experience: Chief accountant  
 No. of years: 26 years  
 CSR shareholding: None  
 Position in listed-non listed company -none  
 Positions in Rival companies/Related company -none



Prudent &amp; Professional

บริษัท ซี คับเบิลยู คับเบิลยู พี จำกัด  
CWWP COMPANY LIMITED

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แบบยืนยันความถูกต้องครบถ้วนของคำตอบแทนที่จ่ายให้แก่ผู้สอบบัญชี  
รอบปีบัญชีสิ้นสุดวันที่ 31 ธันวาคม 2558

**คำตอบแทนจากการสอบบัญชี (Audit Fee)**

บริษัทฯ ได้จ่ายคำตอบแทนจากการสอบบัญชีให้กับบริษัท ซี คับเบิลยู คับเบิลยู พี จำกัด โดยนาย  
เชิดสกุล อ้นมงคล ค่าสอบบัญชีประจำปี 2558 จำนวนเงิน 320,000.00 บาท และไม่มีคำตอบแทนอื่น/ไม่มี  
ความสัมพันธ์และไม่มีส่วนได้เสียกับบริษัท/ผู้บริหาร/ผู้ถือหุ้นรายใหญ่

**ข้อมูลข้างต้น**

- ถูกต้องครบถ้วนแล้ว ทั้งนี้ ข้าพเจ้าขอยืนยันว่าไม่มีข้อมูลการให้บริการอื่นที่บริษัท จ่ายให้กับ  
ข้าพเจ้า สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัดอยู่ และบุคคลหรือกิจการที่เกี่ยวข้องกับข้าพเจ้า  
สังกัด ที่ข้าพเจ้าทราบและไม่มีเปิดเผยไว้ข้างต้น
- ไม่ถูกต้อง ไม่ครบถ้วน กล่าวคือ

เมื่อปรับปรุงข้อมูลข้างต้น (ถ้ามี) แล้ว ข้าพเจ้าขอยืนยันว่าข้อมูลทั้งหมดในแบบฟอร์มนี้แสดง  
คำตอบแทนสอบบัญชี และค่าบริการอื่นที่บริษัทจ่ายให้กับข้าพเจ้า สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด และ  
บุคคลหรือกิจการที่เกี่ยวข้องกับข้าพเจ้า และสำนักงานสอบบัญชีดังกล่าว ที่ถูกต้อง ครบถ้วน

(นายเชิดสกุล อ้นมงคล)

บริษัท ซี คับเบิลยู คับเบิลยู พี จำกัด

ผู้สอบบัญชี บริษัท เทพธานีกริธา จำกัด (มหาชน)

No.	Position	Name	Education and Related Certificate	Work Experience
1	Internal Audit Department Manager	Miss.Naruemon Khunthong	<input type="checkbox"/> Bachelor of Business Administration, Rajamangala University of Technology PhraNakhon	More than 7 years experienced of auditing and Internal audit.
2	Internal Audit Staff	Miss Kanjana Polrit	<input type="checkbox"/> Bachelor of Business Administration, Rajamangala University of Technology Rattanakosin	More than 6 years experienced of auditing and Internal audit.
3	Internal Audit Staff	Mr.Nopparat Kaewsakulnee	<input type="checkbox"/> Bachelor of Accountacy , Rajamangala University of Technology Suvarnabhumi	More than 2 years experienced of auditing and Internal audit.
4	Internal Audit Staff	Mr.Chaiwat Theeraphonchoophan	<input type="checkbox"/> Bachelor of Business Administration, Rajamangala University of Technology Rattanakosin	More than 9 months experienced of auditing and Internal audit.

[Translation]

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of City Sports and Recreation Public Company Limited

### Opinion

I have audited the financial statements of City Sports and Recreation Public Company Limited (“the Company”), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City Sports and Recreation Public Company Limited as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other Matter

The financial statements of City Sports and Recreation Public Company Limited for the year ended 31 December 2017, which are presented as comparative were audited by another auditor who expressed an unmodified opinion as report dated 22 February 2018.

## **Key Audit Matters**

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

### Revalued Land

As in Notes 11 to the financial statements, the Company has revalued land which presents in the statement of financial position as at 31 December 2018 in amount of Baht 1,100.72 million, that is the land measured the fair value from the appraised result for the assets used in the business of the Company by the independence appraiser with income approach and cost approach as report dated 12 January 2017 for computing the fair value of land with income approach by allocating the fair value of the assets used in the business of the Company with income approach on relative fair value of those assets with cost approach. The Company has chosen to apply the accounting policy to measure after recognition at the revaluation amount for land only with the frequency of revaluation of 3 – 5 years in accordance with the requirement of Thai Accounting Standard 16 (revised 2017) Property, Plant and Equipment.

I have focused on the sufficiency of frequency of revaluation because the revaluation of the Company is the fair value measurement of the assets used in the business of the Company by the independence appraiser with income approach and cost approach as report dated 12 January 2017, which relating to the reasonableness of using the assumptions from expected future economic circumstances and discount rate that the management of the Company has determined from the judgment used at that time including the revalued land which presents in the statement of financial position as at 31 December 2018 in amount of Baht 1,100.72 million, are material to the financial statements.

Therefore, my audit procedures have included the audit procedures which affects the most significant to the assessment of sufficiency and appropriateness of obtained audit evidence relating to the revalued land as follows:

- Evaluating the appropriateness of using the model in the fair value measurement of the assets used in the business of the Company with income approach which is prepared by the independent appraiser that the management of the Company has engaged as expert for the fair value measurement as report dated 12 January 2017 by considering the significant changes of economic circumstances or market conditions up to 31 December 2018.
- Analyzing the result of cash flow projection which using for the fair value measurement of the assets used in the business of the Company with income approach which is prepared by the independent appraiser that the management of the Company has engaged as expert for the fair value measurement as report dated 12 January 2017 with the actual result up to 31 December 2018.
- Testing the reasonableness of significant assumptions used in the cash flows projection and discount rate used for the fair value measurement of the assets used in the business of the Company with income approach which is prepared by the independent appraiser that the management of the Company has engaged as expert for the fair value measurement as report dated 12 January 2017 by analyzing the past data and the expected economic and industry circumstances.
- Evaluating the sufficiency of disclosure in notes to the financial statements.

### Significant Complaint

As in Notes 28 to the financial statements, the Company has significant complaint that was complained according to the letter from the Subcommittee of Bangkok Land Development Purchasers Protection dated 16 January 2018, stated that, the land which the Company acquired from the purchase in 2015, require the approval of the Bangkok Land Development Board prior to the purchase. The matter is then sent to the Land Registry Standard Bureau, Department of Land for considering to issue the legal order. However, the Company has not received any order from the relevant government agent. Therefore, the management of the Company expects that there is no any damage that may incurred from such matter.

I have focused on the considering the impact of significant complaint because the management of the Company has to use the judgment in considering the chance and impact which may incurred to the Company in preparing the financial statements of the Company that the Company has engaged the external counselor in the consideration and review concerning to both facts and matters of law, which the management of the Company believes that the Company has performed the purchase of this complained land legally including the complained land is a part of golf course that the Company currently uses in rendering of services, are material to the financial statements.

Therefore, my audit procedures have included the audit procedures which affects the most significant to the assessment of sufficiency and appropriateness of obtained audit evidence relating to the significant complaint as follows:

- Understanding the natures and conditions of the significant complaint from related documents and correspondences.
- Discussing with the management of the Company and the external counselor of the Company concerning to the compliance with laws and regulations relating to the significant complaint.
- Enquiring in written to the external counselor of the Company concerning to the status of the significant complaint as at 31 December 2018.
- Evaluating to the information provided by the management of the Company according to the written representations that the management of the Company has issued for the audit and also assessing the judgment used by the management of the Company in considering the chance and impact of damage which may incurred from the significant complaint.
- Examining to the events after the reporting period.
- Evaluating the sufficiency of disclosure in notes to the financial statements.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon, which 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

## **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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 TSAs 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 TSAs, I exercise professional judgment 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 Company'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 Company'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 Company 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 and business activities within the group to express an opinion on the 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 information.



(Mr. Cherd Sakul Onmongkol)

Certified Public Accountant, Registration No. 7195

CWWP Company Limited

Bangkok

28 February 2019

## CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht	Baht
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	6	28,224,925.27	10,088,989.83	21,642,220.86
Temporary Investments	7	9,088,385.99	42,530,837.08	71,200,051.21
Trade and Other Current Receivables	8	2,772,385.23	2,586,238.15	1,835,590.56
Inventories		640,521.79	731,455.33	649,458.96
<b>TOTAL CURRENT ASSETS</b>		<b>40,726,218.28</b>	<b>55,937,520.39</b>	<b>95,327,321.59</b>
<b>NON-CURRENT ASSETS</b>				
Investments Held as Available-for-Sale	9	58,250,678.03	64,739,682.05	47,688,640.21
Other Long-Term Investments	10	170,000,000.00	152,000,000.00	127,000,000.00
Long-Term Loans to Employees		611,200.00	1,275,254.00	1,424,588.00
Property, Plant and Equipment	11	1,214,597,045.56	1,182,873,769.23	1,159,407,567.83
Other Intangible Assets		206,153.67	-	-
Deferred Tax Assets	12	5,498,086.33	7,143,435.66	2,504,338.68
Other Non-Current Assets		1,346,252.80	2,746,150.00	1,346,150.00
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,450,509,416.39</b>	<b>1,410,778,290.94</b>	<b>1,339,371,284.72</b>
<b>TOTAL ASSETS</b>		<b>1,491,235,634.67</b>	<b>1,466,715,811.33</b>	<b>1,434,698,606.31</b>

Notes to the financial statements are an integral part of these financial statements.

## CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	31 December 2018	31 December 2017	1 January 2017
		Baht	Baht	Baht
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade and Other Current Payables	13	30,153,813.35	15,168,663.99	18,382,623.77
Income Tax Payable		4,517,860.93	5,558,560.43	5,001,689.36
<b>TOTAL CURRENT LIABILITIES</b>		<b>34,671,674.28</b>	<b>20,727,224.42</b>	<b>23,384,313.13</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred Tax Liabilities	12	151,827,749.65	151,879,794.70	151,839,245.05
Non-Current Provisions for Employee Benefits	14	9,443,132.23	6,244,794.37	5,870,732.74
Other Non-Current Liabilities		4,462,136.47	3,882,934.20	3,554,849.81
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>165,733,018.35</b>	<b>162,007,523.27</b>	<b>161,264,827.60</b>
<b>TOTAL LIABILITIES</b>		<b>200,404,692.63</b>	<b>182,734,747.69</b>	<b>184,649,140.73</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital	15			
Authorized Share Capital				
20,500,000 Ordinary Shares, at Baht 10.00 per share		205,000,000.00	205,000,000.00	205,000,000.00
Issued and Paid-Up Share Capital				
20,500,000 Ordinary Shares, at Baht 10.00 per share		205,000,000.00	205,000,000.00	205,000,000.00
Share Premiums		93,200,000.00	93,200,000.00	93,200,000.00
Retained Earnings				
Appropriated				
Legal Reserve	16	20,500,000.00	20,500,000.00	20,500,000.00
Unappropriated		366,498,025.21	358,469,850.57	326,739,085.98
Other Components of Shareholders' Equity		605,632,916.83	606,811,213.07	604,610,379.60
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,290,830,942.04</b>	<b>1,283,981,063.64</b>	<b>1,250,049,465.58</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,491,235,634.67</b>	<b>1,466,715,811.33</b>	<b>1,434,698,606.31</b>

Notes to the financial statements are an integral part of these financial statements.

## CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	31 December 2018	31 December 2017
		Baht	Baht
Revenues from Sales and Services		166,096,462.60	164,214,693.54
Costs of Sales and Rendering of Services		(66,350,288.34)	(62,892,881.87)
<b>Gross Profit</b>		<b>99,746,174.26</b>	<b>101,321,811.67</b>
Other Incomes	19	10,186,837.41	14,129,375.39
Distribution Costs		(1,147,603.24)	(1,193,603.90)
Administrative Expenses		(40,904,796.18)	(36,932,598.89)
Other Expenses		(16,133.72)	-
<b>Profit before Income Tax</b>		<b>67,864,478.53</b>	<b>77,324,984.27</b>
(Tax Expense) Income	22.1	(14,853,167.02)	(8,680,113.28)
<b>Profit for the year</b>		<b>53,011,311.51</b>	<b>68,644,870.99</b>
<b>Other Comprehensive Income (Expense)</b>	22.2		
<b>Items that will be subsequently reclassified to Profit or Loss</b>			
Gain (Loss) on Remeasuring Investments Held as Available-for-Sale - Net of tax		(1,178,296.24)	2,200,833.47
<b>Total Items that will be subsequently reclassified to Profit or Loss - Net of tax</b>		<b>(1,178,296.24)</b>	<b>2,200,833.47</b>
<b>Items that will not be subsequently reclassified to Profit or Loss</b>			
Gain (Loss) on Remeasurements of Defined Benefit Plans - Net of tax		(3,573,136.87)	(14,106.40)
<b>Total Items that will not be subsequently reclassified to Profit or Loss - Net of tax</b>		<b>(3,573,136.87)</b>	<b>(14,106.40)</b>
<b>Other Comprehensive Income (Expense) for the year - Net of tax</b>		<b>(4,751,433.11)</b>	<b>2,186,727.07</b>
<b>Total Comprehensive Income (Expense) for the year</b>		<b>48,259,878.40</b>	<b>70,831,598.06</b>
Basic Earnings Per Share		2.59	3.35

## CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2018

	Notes	Issued and Paid-Up Share Capital	Share Premiums	Retained Earnings		Other Components of Shareholders' Equity			Total
				Appropriated Legal Reserve	Unappropriated	Investments Held as Available-for-Sale	Revaluation of Assets	Total Other Components of Shareholders' Equity	
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning Balance as at 1 January 2017		205,000,000.00	93,200,000.00	20,500,000.00	326,739,085.98	(2,476,888.67)	607,087,268.27	604,610,379.60	1,250,049,465.58
<b>Transactions with Owners</b>									
<b>Contributions by and Distributions to Owners of the Company</b>									
Dividend Payment	17	-	-	-	(36,900,000.00)	-	-	-	(36,900,000.00)
<b>Total Contributions by and Distributions to Owners of the Company</b>		-	-	-	<b>(36,900,000.00)</b>	-	-	-	<b>(36,900,000.00)</b>
<b>Total Transactions with Owners</b>		-	-	-	<b>(36,900,000.00)</b>	-	-	-	<b>(36,900,000.00)</b>
<b>Total Comprehensive Income (Expense) for the year</b>									
Profit (Loss) for the year		-	-	-	68,644,870.99	-	-	-	68,644,870.99
Other Comprehensive Income (Expense) for the year		-	-	-	(14,106.40)	2,200,833.47	-	2,200,833.47	2,186,727.07
<b>Total Comprehensive Income (Expense) for the year</b>		-	-	-	<b>68,630,764.59</b>	<b>2,200,833.47</b>	-	<b>2,200,833.47</b>	<b>70,831,598.06</b>
Ending Balance as at 31 December 2017		205,000,000.00	93,200,000.00	20,500,000.00	358,469,850.57	(276,055.20)	607,087,268.27	606,811,213.07	1,283,981,063.64
<b>Transactions with Owners</b>									
<b>Contributions by and Distributions to Owners of the Company</b>									
Dividend Payment	17	-	-	-	(41,410,000.00)	-	-	-	(41,410,000.00)
<b>Total Contributions by and Distributions to Owners of the Company</b>		-	-	-	<b>(41,410,000.00)</b>	-	-	-	<b>(41,410,000.00)</b>
<b>Total Transactions with Owners</b>		-	-	-	<b>(41,410,000.00)</b>	-	-	-	<b>(41,410,000.00)</b>
<b>Total Comprehensive Income (Expense) for the year</b>									
Profit (Loss) for the year		-	-	-	53,011,311.51	-	-	-	53,011,311.51
Other Comprehensive Income (Expense) for the year		-	-	-	(3,573,136.87)	(1,178,296.24)	-	(1,178,296.24)	(4,751,433.11)
<b>Total Comprehensive Income (Expense) for the year</b>		-	-	-	<b>49,438,174.64</b>	<b>(1,178,296.24)</b>	-	<b>(1,178,296.24)</b>	<b>48,259,878.40</b>
Ending Balance as at 31 December 2018		205,000,000.00	93,200,000.00	20,500,000.00	366,498,025.21	(1,454,351.44)	607,087,268.27	605,632,916.83	1,290,830,942.04

Notes to the financial statements are an integral part of these financial statements.

## CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	31 December 2018	31 December 2017
		Baht	Baht
<b>CASH FLOWS FROM OPERATION ACTIVITIES</b>			
Profit before Income Tax		67,864,478.53	77,324,984.27
Adjustment to Profit before Income Tax for Cash Received (Paid) from Operation			
Depreciation		18,180,978.03	12,942,574.05
Amortization of Intangible Aseets		21,846.33	-
Gain (Loss) on Remeasuring Trading Securities		(132,761.90)	(718,576.24)
Loss on Disposal of Investments Held as Available for Sale		16,133.72	-
(Gain) Loss on Disposal of Property, Plant and Equipment		(566,508.05)	(3,868,132.30)
Employee Benefit Expenses - Defined Contribution Plans		951,968.43	495,042.39
Employee Benefit Expenses - Defined Benefit Plans		(569,763.23)	611,008.63
Interest Income		(6,722,508.55)	(6,698,353.34)
Dividend Income		(1,042,320.34)	(1,508,961.86)
Profit from Operation Activities before Changes in Operating Assets and Liabilities		78,001,542.97	78,579,585.60
(Increase) Decrease in Operating Assets			
Cash Paid for Purchase of Trading Securities		(30,700,000.00)	(58,200,000.00)
Cash Received from Disposal of Trading Securities		46,275,212.99	72,587,790.37
Trade and Other Current Receivables		888,869.74	(693,613.23)
Inventories		90,933.54	(81,996.37)
Other Non-Current Assets		(102.80)	(1,400,000.00)
Increase (Decrease) in Operating Liabilities			
Trade and Other Current Payables		(1,728,417.18)	205,569.32
Non-Current Provisions for Employee Benefits		(698,320.00)	(254,580.00)
Other Non-Current Liabilities		(372,766.16)	(166,958.00)
Cash Received (Paid) from Operation		91,756,953.10	90,575,797.69
Cash Paid for Income Tax		(13,112,703.96)	(13,268,471.31)
<b>Net Cash Provided from (Used in) Operating Activities</b>		<b>78,644,249.14</b>	<b>77,307,326.38</b>

Notes to the financial statements are an integral part of these financial statements.

## CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	31 December 2018	31 December 2017
		Baht	Baht
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Cash Paid for Purchase of Investments Held as Available-for-Sale		-	(14,300,000.00)
Cash Received from Disposal of Investments Held as Available-for-Sale		5,000,000.00	-
Cash Paid for Purchase of Investments in Debt Instruments		(20,000,000.00)	(95,000,000.00)
Cash Received from Redemption of Matured Debt Instruments		20,000,000.00	85,000,000.00
Cash Paid for Long-Term Loans to Employees		(494,700.00)	(1,364,574.00)
Cash Received from Long-Term Loans to Employees		1,158,754.00	1,513,908.00
Cash Paid for Purchase of Property, Plant and Equipment		(32,292,748.70)	(36,333,867.45)
Cash Received from Disposal of Property, Plant and Equipment		566,542.05	3,868,224.30
Cash Paid for Purchase of Other Intangible Assets		(228,000.00)	-
Cash Received from Interest Income		6,782,299.51	6,681,301.87
Cash Received from Dividend Income		1,042,320.34	1,508,961.86
<b>Net Cash Provided from (Used in) Investing Activities</b>		<b>(18,465,532.80)</b>	<b>(48,426,045.42)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash Paid for Asset Payables		(80,250.00)	(4,000,485.37)
Cash paid for Dividend		(41,962,530.90)	(36,434,026.62)
<b>Net Cash Provided from (Used in) Financing Activities</b>		<b>(42,042,780.90)</b>	<b>(40,434,511.99)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>18,135,935.44</b>	<b>(11,553,231.03)</b>
<b>Cash and Cash Equivalents at the Beginning of the year</b>		<b>10,088,989.83</b>	<b>21,642,220.86</b>
<b>Cash and Cash Equivalents at the End of the year</b>	<b>6</b>	<b>28,224,925.27</b>	<b>10,088,989.83</b>

Notes to the financial statements are an integral part of these financial statements.

# **CITY SPORTS AND RECREATION PUBLIC COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2018**

### **1. General Information**

The Company was registered as a corporate entity under the Civil and Commercial Code on 22 December 1970, and was converted as a public company limited on 22 June 1993, the registration number 0107536000552. Its head office is located at 22 Navatanee Road, Ramindra, Kannayao, Bangkok, Thailand. The Company's major shareholder is Khun Sukum Navapan Group.

The Company's main business activities are a golf course, restaurant and sport club.

### **2. Basis of Preparing the Financial Statements**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission.
- 2.2 The financial statements are presented in compliance with the notification of Department of Business Development relating to determination of abbreviated items in the financial statements.
- 2.3 In order to prepare the financial statements to comply with Thai Financial Reporting Standards, the management of the Company has to make some estimates and assumptions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning to assets and contingent liabilities. The actual result may differ from the estimated amount.
- 2.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the Thai language financial report.

### **3. The Adoption of New and Revised Financial Reporting Standards**

The Company has adopted the new and revised accounting standards, financial reporting standards, accounting standard interpretations, financial reporting standard interpretations and accounting guidances, which are effective for accounting periods beginning on or after 1 January 2018, with no impact to the current financial report.

#### 4. New and Revised Financial Reporting Standards Not Yet Effective

New and revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are not yet effective for the current accounting period that the Company has not early adopted, are as follows:

##### Effective for the accounting period beginning on or after 1 January 2019

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events after the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible Assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 2 (revised 2018)	Share-based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements

TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases – Incentives
TSIC 25 (revised 2018)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2018)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Effective for the accounting period beginning on or after 1 January 2020

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company believes that the above new and revised financial reporting standards will not have any significant impact on the financial report when they are applied.

## **5. Summary of Significant Accounting Policies**

### **5.1 Measurements bases used in Preparing the Financial Statements**

Measurement bases used in preparing the financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

### **5.2 Financial Instruments**

Financial assets which are recognized in the statement of financial position consist of cash and cash equivalents, investments, trade and other receivables and loans. Financial liabilities which are recognized in the statement of financial position consist of trade and other payables. The particular accounting policies have been disclosed in each relating item.

### **5.3 Cash and Cash Equivalents**

Cash and cash equivalents include deposits at financial institutions in type of current accounts, savings accounts and not over 3 months fixed accounts without guarantee obligation.

### **5.4 Investments**

Investments in marketable debt instruments and equity securities held for trading are classified as current assets and stated at fair value. Gain or loss on remeasuring will be recognized in profit or loss.

Investments in debt instruments that the Company has the intention and the ability to hold to maturity are classified as held-to-maturity investments and stated at amortized cost deducted by the accumulated impairment loss (if any). The difference between the acquisition cost and redemption value of debt instruments will be amortized using the effective interest rate method over the remaining term to maturity of debt instruments.

Investments in marketable debt instruments and equity securities, other than those securities held for trading or intended to be held-to-maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment loss will be recognized in other comprehensive income (expense). Impairment loss will be recognized in profit or loss.

Investments in equity securities which are not marketable are stated at cost deducted by the accumulated impairment loss (if any).

On the disposal of investments, the difference between net disposal proceeds (if any) and the carrying amount together with the associated cumulative gain or loss previously recognized in other comprehensive income (expense) will be recognized in profit or loss.

Cost of the disposal of investments is determined using the weighted average method.

#### 5.5 Trade and Other Receivables

Trade and other receivables are stated at the net realizable value.

#### 5.6 Inventories

Inventories are stated at the lower of cost by first-in first-out method and net realizable value.

#### 5.7 Property, Plant and Equipment

Land is stated at revalued amount deducted by the accumulated impairment loss (if any). Plant and equipment are stated at initial cost deducted by the accumulated depreciation and the accumulated impairment loss (if any).

Depreciations are calculated on a straight-line method over their approximate useful-lives are as follows:

Golf Course Road	10 years
Golf Course Equipment and Improvement	5 – 20 years
Buildings and Buildings Improvement	10 – 20 years
Equipment	5 years
Vehicles	5 years
Solar Rooftop Electricity Generating System	10 years

There is no depreciation for land and assets under construction.

Replacement cost will be capitalized as a part of carrying amount of assets when it is probable that the Company will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Replacement cost will be depreciated by the basis of estimated useful lives. Repair and maintenance expenses are recognized as expenses in profit or loss for the period which they are incurred.

The Company has the policy to appraise the land which stated at revalued amount on every 3 – 5 years and during this period if there is any factor has significant impact to the assets value, the Company will appraise in that period. The increase of revaluation will be recognized as gain in profit or loss of that period not exceed loss on assets revaluation of the same asset previously recognized in profit or loss and recognized the remaining in other

comprehensive income (expense) and presented the cumulative amount as surplus on assets revaluation in other components of shareholders' equity, for the decrease of revaluation will be recognized in other comprehensive income (expense) not exceed cumulated amount of surplus on assets revaluation of the same asset in other components of shareholders' equity and recognized the remaining as loss on assets revaluation in profit or loss of that period.

Gain or loss on disposal of property, plant and equipment is the difference between the net disposal proceeds (if any) and the carrying amount and recognized in profit or loss of that period.

#### 5.8 Intangible Assets

Intangible assets which are acquired by purchase with definite useful lives are stated at initial cost less accumulated amortization and accumulated impairment loss (if any).

Amortizations are calculated by the straight-line method over the approximate useful lives which begins when that asset is available for use for 5 years.

#### 5.9 Impairment of Assets

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash-generating unit.

Impairment loss will be recognized immediately in profit or loss.

##### Recoverable Amount

Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

In assessing value in use of an asset by estimating the present value of expected future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.

An asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for an cash-generating unit to which the asset belongs.

### Reversals of Impairment Loss

Impairment loss of assets other than goodwill recognized in the prior period shall be reversed if, and only if, there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized, which shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.

Reversals of impairment loss shall be recognized immediately in profit or loss.

### 5.10 Long-Term Leases

#### - The Company as Lessee

Long-term leases which transferred substantially all the risks and rewards incidental to ownership to the lessee are classified as finance leases. Finance leases are capitalized at the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of liability. The interest expense is charged to profit or loss over the lease term. The assets acquired under finance leases will be depreciated throughout the useful lives by the end of the lease term of leased assets. However, if there is no reasonable certainty that the Company will be obtain the ownership, depreciation is calculated over the shorter of useful life of leased asset or lease term. Contingent rentals shall be recognized as expenses in profit or less on the period which they are incurred.

Long-term leases which the substantial risks and rewards incidental to ownership still remain with the lessor are classified as operating leases. Payments made under operation leases (net of any incentives received from the lessor) are charged as expense of the period on a straight-line basis over the term of leased contract.

### 5.11 Employee Benefits

#### Short-Term Employee Benefits

Short-term employee benefits are recognized as expenses in profit or loss for the period which the transactions occur.

#### Long-Term Employee Benefits

#### - Defined contribution plans

Contributions for post-employment benefits that is defined contribution plan are recognized as expenses in profit or loss for the period when the transactions occur.

- Defined benefit plans

The provision for post-employment benefits that is defined benefit plan is determined the present value of defined benefit obligations by actuarial techniques using the projected unit credit method.

Defined benefit costs related to post-employment benefits are recognized as expenses in profit or loss.

Gain or loss on remeasurement for post-employment benefits will be recognized in other comprehensive income (expense) for the period which they are occurred and shall not be reclassified to profit or loss in a subsequent period which is included immediately in retained earnings (deficits).

#### 5.12 Provision

Provision will be recognized when the Company has a present legal or constructive obligation as a result of past events, which 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. Reimbursement is recognized as a separate asset, when, and only when it is virtually certain that reimbursement will be received if the Company settles the obligation, but not exceed the amount of related provision.

#### 5.13 Appropriation of Legal Reserve

Appropriation of legal reserve is in accordance with the Public Limited Companies Act B.E. 2535, which will be appropriated when it is approved by the shareholders' meeting. This legal reserve shall not be distributed as dividend.

#### 5.14 Recognition of Revenues

- Revenue from golf course services, revenue from rental of sport equipment and revenue from sport club services are recognized when the services have been rendered to customer.
- Revenue from sales is recognized when the significant risks and rewards of ownership have been transferred to the buyer.
- Revenue from memberships fee is recognized over the period.
- Interest income is recognized by the effective interest rate method

#### 5.15 Recognition of Expenses

- Expenses are recognized on an accrual basis.

## 5.16 Income Taxes

Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to a business combination, items recognized in other comprehensive income (expense) or recognized directly in equity which shall be also recognized in other comprehensive income (expense) or directly in equity.

### Current Tax

Current tax is recognized at the amount expected to be paid to or recovered from the taxation authorities which is calculated in respect of the taxable profits (loss) in accordance with the regulation in tax laws using the tax rates that have been enacted by the end of the reporting period.

### Deferred Tax

Deferred tax is recognized by the the statement of financial position liability method, based 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.

Deferred tax asset will be recognized only if it is probable that future taxable profit will be available to utilize the tax benefits. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period to the extent that equals to the probable amount of sufficient future taxable profit which tax benefits can be realized.

## 5.17 Earnings (Loss) per Share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the period attribute to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

There is no calculation of diluted earnings (loss) per share because it has no dilutive potential ordinary shares.

## 5.18 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 market participants at the measurement date. The Company applies a quoted market price in an active market to measure the 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 will measure fair value using valuation technique that are appropriate

in the circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 inputs are quoted prices in active market for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs are other observable inputs either directly or indirectly, for the assets or liabilities other than quoted price included within Level 1 inputs.

Level 3 inputs are unobservable inputs for the assets and liabilities.

At the end of each reporting period, the Company will determine the necessary of any transfers 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.

#### 5.19 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with financial reporting standards, the management of the Company always has to use judgments and estimates on uncertainties. These judgments and estimates used may have an effect on the amount and disclosure shown in the financial statements. The actual result may differ from the estimated amount.

##### Key Assumptions and Estimation Uncertainties

Information about the key assumptions and estimation uncertainties that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next accounting year is as follows:

- Revalued Land

In the measurement of fair value of land with income approach by allocating the fair value of assets used in the business of the Company with income approach on the relative fair value of the assets used in the business of the Company with cost approach. The management of the Company has to set the assumptions in estimating future cash flows which is the best estimate on cash flow projection from assets used in the business of the Company and discount rate used in determining the present value of future cash flows.

The management of the Company has used the weighted average cost of capital that reflects the current economic circumstances as discount rate and forecasting of member

growth rate, revenue growth rate, and capitalization rate as key assumptions in measuring the fair value of land with income approach.

- Provisions for post-employment benefits

In the actuarial valuation using the projected credit unit method, the Company has to set the actuarial assumptions which are the best estimate on salary increase rate, mortality rate, employee turnover rate and inflation rate used in estimating the expected future cash flows and discount rate used in determining the present value of expected future cash flows.

The management of the Company has used the yield on the government bonds that have term to maturity similar to the term of post-employment benefit and other long-term employee benefit obligations which reflects the present economic circumstances as discount rate and the expected average salary increase rate over the employment as key assumptions in the actuarial valuation of provisions for post-employment benefits.

## 6. Cash and Cash Equivalents

Consist of:

	As at 31 December 2018	As at 31 December 2017
	Baht	Baht
Cash	827,967.92	1,489,461.45
Deposits at Financial Institutions – Current Accounts	(1,197,450.50)	(8,375,772.22)
Deposits at Financial Institutions – Savings Accounts	23,513,823.69	11,506,280.80
Deposits at Financial Institutions – Not over 3 months Fixed Accounts	5,080,584.16	5,469,019.80
Total	28,224,925.27	10,088,989.83

## 7. Temporary Investments

Consist of:

	As at 31 December 2018		As at 31 December 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Baht	Baht	Baht	Baht
Debt Instruments – Held-to-Maturity within 1 year	2,000,000.00	2,025,992.54	20,000,000.00	20,141,576.00
Trading Securities – Opened-End Mutual Fund	6,808,723.08	7,088,385.99	21,980,154.81	22,530,837.08
<b>Total</b>	<b>8,808,723.08</b>	<b>9,114,378.53</b>	<b>41,980,154.81</b>	<b>42,672,413.08</b>
Allowance for Trading Securities Remeasurement	279,662.91		550,682.27	
<b>Net</b>	<b>9,088,385.99</b>		<b>42,530,837.08</b>	

For the year ended 31 December 2018 and 2017, temporary investments have the movements as follows:

	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
Beginning Carrying Amount	42,530,837.08	71,200,051.21
Purchase of Investments	30,700,000.00	58,200,000.00
Transfer from Long-Term Investments	2,000,000.00	20,000,000.00
Disposal of Investments	(46,275,212.99)	(72,587,790.37)
Redemption of Matured Debt Instruments	(20,000,000.00)	(35,000,000.00)
Changes in Fair Value which are recognized in Profit for the year		
Realized	403,781.26	548,522.71
Unrealized	(271,019.36)	170,053.53
<b>Ending Carrying Amount</b>	<b>9,088,385.99</b>	<b>42,530,837.08</b>

The fair value measurement of debt instruments – held-to-maturity using the value that disseminated by the Thai Bond Market Association as at the date of statement of financial position which are Level 2 inputs.

The fair value measurement of trading securities which are investments in opened-end mutual fund using the net asset value that disseminated by the fund as at the date of statement of financial position which are Level 1 inputs.

## 8. Trade and Other Current Receivables

Consist of:

	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Trade Receivables	935,198.77	395,388.86
Other Receivables	1,837,186.46	2,190,849.29
Total	<u>2,772,385.23</u>	<u>2,586,238.15</u>

As at 31 December 2018 and 2017, trade receivables are classified by aging as follows:

	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Within Due Period	267,770.04	292,242.58
Over due 1 – 30 Days	667,428.73	103,146.28
Total	<u>935,198.77</u>	<u>395,388.86</u>

As at 31 December 2018 and 2017, other receivables consist of:

	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Prepaid Expenses	177,282.70	622,839.82
Accrued Interest Receivables	1,433,308.11	1,493,099.07
Others	226,595.65	74,910.40
Total	<u>1,837,186.46</u>	<u>2,190,849.29</u>

## 9. Investment Held as Available-for-Sale

Consist of:

	As at 31 December 2018		As at 31 December 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Baht	Baht	Baht	Baht
Investments Held as Available-for-Sale	60,068,617.33	<u>58,250,678.03</u>	65,084,751.05	<u>64,739,682.05</u>
Allowance for Investments Held as				
Available-for-Sale Remeasurement	<u>(1,817,939.30)</u>		<u>(345,069.00)</u>	
Net		<u>58,250,678.03</u>		<u>64,739,682.05</u>

For the year ended 31 December 2018 and 2017, investments held as available-for-sale have the movements as follows:

	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
Beginning Carrying Amount	64,739,682.05	47,688,640.21
Purchase of Investments	-	14,300,000.00
Disposal of Investments	(5,000,000.00)	-
Changes in Fair Value		
Recognized in Profit for the year	(16,133.72)	-
Recognized in Other Comprehensive Income (Expense)	<u>(1,472,870.30)</u>	<u>2,751,041.84</u>
Ending Carrying Amount	<u>58,250,678.03</u>	<u>64,739,682.05</u>

The fair value measurement of investments held as available-for-sale using the net asset value that disseminated by the fund as at the date of statement of financial position which are Level 1 inputs.

## 10. Other Long-Term Investments

Consist of:

	As at 31 December 2018		As at 31 December 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Baht	Baht	Baht	Baht
Debt Instruments – Held-to-Maturity				
Current				
Within 1 year	2,000,000.00	2,025,992.54	20,000,000.00	20,141,576.00
Total Current	2,000,000.00	2,025,992.54	20,000,000.00	20,141,576.00
Non-Current				
Over 1 year but not over 5 years	105,000,000.00	107,143,010.40	87,000,000.00	89,944,856.21
Over 5 years	65,000,000.00	65,623,825.20	65,000,000.00	67,165,100.80
Total Non-Current	170,000,000.00	172,766,835.60	152,000,000.00	157,109,957.01
Total	172,000,000.00	174,792,828.14	172,000,000.00	177,251,533.01

For the year ended 31 December 2018 and 2017, other long-term investments have the movements as follows:

	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
Beginning Carrying Amount	152,000,000.00	162,000,000.00
Purchase of Investments	20,000,000.00	95,000,000.00
Redemption of Matured Debt Instruments	-	(85,000,000.00)
Transfer to Temporary Investments	(2,000,000.00)	(20,000,000.00)
Ending Carrying Amount	170,000,000.00	152,000,000.00

The fair value measurement of debt instruments – held-to-maturity using the value that disseminated by the Thai Bond Market Association as at the date of statement of financial position which are Level 2 inputs.

As at 31 December 2018 and 2017, partial of debt instruments – held-to-maturity, in amount of Baht 147.00 million, equally for both years, are specified name of holder, unsecured and senior debentures' holders representatives, carried the duration of 4 – 10 years and interest rate of 3.00 – 5.75% per annum, equally for both years.

As at 31 December 2018 and 2017, partial of debt instruments – held-to-maturity, in amount of Baht 25.00 million, equally for both years, are specified name of holder, unsecured and subordinated debentures with debentures' holders representatives, carried the duration of 10 – 12 years and interest rate of 3.40 – 4.65% per annum.

## 11. Property, Plant and Equipment

Consist of:

	Land	Golf Course Road	Golf Course Equipment and Improvement	Buildings and Buildings Improvement	Equipment	Vehicles	Solar Rooftop Electricity Generating System	Asset under Construction	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Beginning Balance as at 1 January 2018</b>									
Costs	341,862,000.00	21,003,878.70	121,991,438.81	57,091,391.19	96,367,416.24	15,759,576.19	4,201,200.00	63,948.00	658,340,849.13
Surplus on Revaluation of Assets	758,859,085.34	-	-	-	-	-	-	-	758,859,085.34
Accumulated Depreciation	-	(20,183,260.80)	(117,839,016.07)	(27,681,826.33)	(56,526,423.40)	(12,095,638.64)	-	-	(234,326,165.24)
Carrying Amount	1,100,721,085.34	820,617.90	4,152,422.74	29,409,564.86	39,840,992.84	3,663,937.55	4,201,200.00	63,948.00	1,182,873,769.23
<b>Transactions during the year ended 31 December 2018</b>									
Beginning Carrying Amount	1,100,721,085.34	820,617.90	4,152,422.74	29,409,564.86	39,840,992.84	3,663,937.55	4,201,200.00	63,948.00	1,182,873,769.23
Purchase of Assets	-	-	-	-	17,905,767.61	2,252,000.00	-	28,346,520.75	48,504,288.36
Transfer in (Transfer out)	-	-	-	-	-	-	-	1,400,000.00	1,400,000.00
Disposal of Assets	-	-	-	-	(34.00)	-	-	-	(34.00)
Depreciation which is recognized in Profit for the year	-	(87,402.10)	(209,999.95)	(6,239,497.03)	(10,201,128.71)	(1,025,132.37)	(417,817.87)	-	(18,180,978.03)
Ending Carrying Amount	1,100,721,085.34	733,215.80	3,942,422.79	23,170,067.83	47,545,597.74	4,890,805.18	3,783,382.13	29,810,468.75	1,214,597,045.56
<b>Ending Balance as at 31 December 2018</b>									
Costs	341,862,000.00	21,003,878.70	121,991,438.81	57,091,391.19	103,600,153.85	18,011,576.19	4,201,200.00	29,810,468.75	697,572,107.49
Surplus on Revaluation of Assets	758,859,085.34	-	-	-	-	-	-	-	758,859,085.34
Accumulated Depreciation	-	(20,270,662.90)	(118,049,016.02)	(33,921,323.36)	(56,054,556.11)	(13,120,771.01)	(417,817.87)	-	(241,834,147.27)
Ending Carrying Amount	1,100,721,085.34	733,215.80	3,942,422.79	23,170,067.83	47,545,597.74	4,890,805.18	3,783,382.13	29,810,468.75	1,214,597,045.56

	Land	Golf Course Road	Golf Course Equipment and Improvement	Buildings and Buildings Improvement	Equipment	Vehicles	Solar Rooftop Electricity Generating System	Asset under Construction	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Beginning Balance as at 1 January 2017</b>									
Costs	341,862,000.00	20,129,853.70	117,791,438.81	57,054,942.59	90,557,102.07	13,019,512.64	-	-	640,414,849.81
Surplus on Revaluation of Assets	758,859,085.34	-	-	-	-	-	-	-	758,859,085.34
Accumulated Depreciation	-	(20,129,848.70)	(117,791,262.66)	(22,034,970.64)	(67,525,108.32)	(12,385,177.00)	-	-	(239,866,367.32)
Carrying Amount	1,100,721,085.34	5.00	176.15	35,019,971.95	23,031,993.75	634,335.64	-	-	1,159,407,567.83
<b>Transactions during the year ended 31 December 2017</b>									
Beginning Carrying Amount	1,100,721,085.34	5.00	176.15	35,019,971.95	23,031,993.75	634,335.64	-	-	1,159,407,567.83
Purchase of Assets	-	874,025.00	4,200,000.00	36,448.60	15,974,982.30	3,857,063.55	4,201,200.00	7,265,148.00	36,408,867.45
Transfer in (Transfer out)	-	-	-	-	(7,201,200.00)	-	-	(7,201,200.00)	-
Disposal of Assets	-	-	-	-	(90.00)	(2.00)	-	-	(92.00)
Depreciation which is recognized in Profit for the year	-	(53,412.10)	(47,753.41)	(5,646,855.69)	(6,367,093.21)	(827,459.64)	-	-	(12,942,574.05)
Ending Carrying Amount	1,100,721,085.34	820,617.90	4,152,422.74	29,409,564.86	39,840,992.84	3,663,937.55	4,201,200.00	63,948.00	1,182,873,769.23
<b>Ending Balance as at 31 December 2017</b>									
Costs	341,862,000.00	21,003,878.70	121,991,438.81	57,091,391.19	96,367,416.24	15,759,576.19	4,201,200.00	63,948.00	658,340,849.13
Surplus on Revaluation of Assets	758,859,085.34	-	-	-	-	-	-	-	758,859,085.34
Accumulated Depreciation	-	(20,183,260.80)	(117,839,016.07)	(27,681,826.33)	(56,526,423.40)	(12,095,638.64)	-	-	(234,326,165.24)
Ending Carrying Amount	1,100,721,085.34	820,617.90	4,152,422.74	29,409,564.86	39,840,992.84	3,663,937.55	4,201,200.00	63,948.00	1,182,873,769.23

The Company has measured the fair value of land from the appraisal result by the independence appraiser with income approach as report dated 12 January 2017 which is Level 3 inputs.

The quantitative information concerning to the significant unobservable inputs that used in the fair value measurement of land are as follows:

- Member growth rate in 1 – 2% per annum which has impact to the projected future revenue during year 1<sup>st</sup> – 10<sup>th</sup> of the projection.
- Revenue growth rate in 0 – 5% per annum which has impact to the projected future revenue during year 1<sup>st</sup> – 10<sup>th</sup> of the projection.
- Capitalization rate in 7% per annum which has impact to the projected terminal value of assets at the end of projection that is determined from the projected net operation income in year 11<sup>th</sup> of the projection.
- Discount rate in 10% per annum which has impact to the calculation of present value of future cash flows.

For the year ended 31 December 2018 and 2017, land which is stated at revaluation that has remeasured the fair value by Level 3 inputs has the movements as follows:

	For the year ended 31 December 2018		
	Carrying Amount	Surplus on Revaluation of Assets	Fair Value
	Baht	Baht	Baht
Beginning Carrying Amount	341,862,000.00	758,859,085.34	1,100,721,085.34
Changes in Fair Value	-	-	-
Ending Carrying Amount	<u>341,862,000.00</u>	<u>758,859,085.34</u>	<u>1,100,721,085.34</u>
	For the year ended 31 December 2017		
	Carrying Amount	Surplus on Revaluation of Assets	Fair Value
	Baht	Baht	Baht
	Beginning Carrying Amount	341,862,000.00	758,859,085.34
Changes in Fair Value	-	-	-
Ending Carrying Amount	<u>341,862,000.00</u>	<u>758,859,085.34</u>	<u>1,100,721,085.34</u>

As at 31 December 2018 and 2017, land has the carrying amount that would have been determined if stated at cost model in amount of Baht 341.86 million, equally for both years.

As at 31 December 2018 and 2017, surplus on revaluation of assets is unable to appropriate for distribution to the shareholders.

As at 31 December 2018 and 2017, assets which had fully of depreciation that is still in use have the gross carrying amount before less accumulated depreciation and accumulated impairment loss (if any) in amount of Baht 202.28 million and in amount of Baht 240.00 million respectively.

## 12. Deferred Tax Assets (Liabilities)

Consist of:

	Beginning Balance as at 1 January 2018 Baht	For the year ended 31 December 2018		Ending Balance as at 31 December 2018 Baht
		Recognized in Profit for the year Baht	Recognized in Other Comprehensive Income (Expense) Baht	
<b>Deferred Tax Assets</b>				
Allowance for Investments Held as				
Available-for-Sale Remeasurement	69,013.80	-	294,574.06	363,587.86
Property, Plant and Equipment	5,045,349.55	(2,691,904.82)	-	2,353,444.73
Non-Current Provisions for				
Employee Benefits	1,252,485.47	(257,143.24)	893,284.22	1,888,626.45
Contributions for Employees	776,586.84	115,840.45	-	892,427.29
Total	<u>7,143,435.66</u>	<u>(2,833,207.61)</u>	<u>1,187,858.28</u>	<u>5,498,086.33</u>
<b>Deferred Tax Liabilities</b>				
Allowance for Trading Securities				
Remeasurement	(107,977.63)	52,045.05	-	(55,932.58)
Surplus on Revaluation of Assets	(151,771,817.07)	-	-	(151,771,817.07)
Total	<u>(151,879,794.70)</u>	<u>52,045.05</u>	<u>-</u>	<u>(151,827,749.65)</u>
	Beginning Balance as at 1 January 2017 Baht	For the year ended 31 December 2017		Ending Balance as at 31 December 2017 Baht
		Recognized in Profit for the year Baht	Recognized in Other Comprehensive Income (Expense) Baht	
<b>Deferred Tax Assets</b>				
Allowance for Investments Held as				
Available-for-Sale Remeasurement	619,222.17	-	(550,208.37)	69,013.80
Property, Plant and Equipment	-	5,045,349.55	-	5,045,349.55
Non-Current Provisions for				
Employee Benefits	1,174,146.55	74,812.32	3,526.60	1,252,485.47
Contributions for Employees	710,969.96	65,616.88	-	776,586.84
Total	<u>2,504,338.68</u>	<u>5,185,778.75</u>	<u>(546,681.77)</u>	<u>7,143,435.66</u>

	For the year ended 31 December 2017			
	Beginning Balance	Recognized in	Recognized in Other	Ending Balance
	as at	Profit for the year	Comprehensive	as at
	1 January 2017		Income (Expense)	31 December 2017
	Baht	Baht	Baht	Baht
Deferred Tax Liabilities				
Allowance for Trading Securities				
Remeasurement	(67,427.98)	(40,549.65)	-	(107,977.63)
Surplus on Revaluation of Assets	(151,771,817.07)	-	-	(151,771,817.07)
Total	<u>(151,839,245.05)</u>	<u>(40,549.65)</u>	<u>-</u>	<u>(151,879,794.70)</u>

### 13. Trade and Other Current Payables

Consist of:

	As at	As at
	31 December 2018	31 December 2017
	Baht	Baht
Trade Payables	730,995.93	464,081.50
Other Payables	29,422,817.42	14,704,582.49
Total	<u>30,153,813.35</u>	<u>15,168,663.99</u>

As at 31 December 2018 and 2017, other payables consist of:

	As at	As at
	31 December 2018	31 December 2017
	Baht	Baht
Accrued Expenses	3,102,241.46	2,686,927.93
Deferred Revenue – Memberships Fee	2,117,146.36	2,427,953.23
Deferred Revenue – Sport Club Memberships Fee	1,602,357.40	2,155,950.86
Advance Receipt	932,792.13	895,488.94
Asset Payables	17,346,347.44	80,250.00
Dividend Payables	3,980,735.91	4,533,266.81
Others	341,196.72	1,924,744.72
Total	<u>29,422,817.42</u>	<u>14,704,582.49</u>

#### 14. Non-Current Provisions for Employee Benefits

For the year ended 31 December 2018 and 2017, non-current provisions for employee benefits have the movements as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht
Beginning Balance	6,244,794.37	5,870,732.74
Recognized in Profit for the year		
Past Service Cost	(1,201,899.27)	-
Current Service Cost	398,940.92	391,214.23
Interest Expense	233,195.12	219,794.40
Total Recognized in Profit for the year	<u>(569,763.23)</u>	<u>611,008.63</u>
Recognized in Other Comprehensive Income (Expense)		
Gain (Loss) on Remeasurement of Defined Benefit Plans		
Changes in Demographic Assumptions	(857,610.65)	-
Changes in Financial Assumptions	120,640.15	17,633.00
Experience Adjustments	5,203,391.59	-
Total Recognized in Other Comprehensive Income (Expense)	<u>4,466,421.09</u>	<u>17,633.00</u>
Employee Benefits Paid	<u>(698,320.00)</u>	<u>(254,580.00)</u>
Ending Balance	<u>9,443,132.23</u>	<u>6,244,794.37</u>

For the year ended 31 December 2018 and 2017, the significant assumptions used in the actuarial valuation are summarized as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2017
Discount Rate	3.13% per annum	3.51% per annum
Average Salary Increase Rate	6.00% per annum	6.19% per annum
Turnover Rate	2.39 – 28.65% per annum	5 – 50% per annum
Retirement Age	60 years old	60 years old

As at 31 December 2018 and 2017, the sensitivity analysis of each significant assumption while holding all other assumptions constant which have been affected by changes in the relevant actuarial assumption that were reasonably possible as at the end of the reporting period is summarized as follows:

	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Discount Rate		
Rate increase 0.50%	(399,608.00)	(271,424.00)
Rate decrease 0.50%	430,024.00	292,693.00
Average Salary Increase Rate		
Rate increase 0.50%	-	314,381.00
Rate decrease 0.50%	-	(294,178.00)
Rate increase 1.00%	858,719.00	-
Rate decrease 1.00%	(758,668.00)	-
Turnover Rate		
Rate increase 0.50%	(647,349.00)	(330,714.00)
Rate decrease 0.50%	565,686.00	356,511.00

As at 31 December 2018 and 2017, the maturity profile of the defined benefit obligations have the weighted average duration of 12 years and of 16 years respectively.

As at 31 December 2018 and 2017, the expected cash flows of benefit payments are summarized as follows:

	As at 31 December 2018 Baht	As at 31 December 2017 Baht
Within 1 year	583,426.00	611,215.00
Over 1 year but not over 5 years	4,407,892.00	2,190,022.00
Over 5 years	20,460,235.00	5,743,453.00
Total	25,451,553.00	8,544,690.00

As at 31 December 2018, the maturity analysis of benefits payments is summarized as follows:

	As at 31 December 2018 Baht
Within 1 year	575,975.00
Over 1 year but not over 5 years	3,795,237.00
Over 5 years	8,399,912.00
Total	<u>12,771,124.00</u>

Presently, Thailand is under the enactment of new labour protection law that requires the Group has to make the severance pay to the employee with the completion to 20 years or more of employment which not less than 400 days of last wage rate. The company will amend the plan when such law is enacted which will affect the defined benefit obligations as at 31 December 2018 increase amount of Baht 2.85 million.

## 15. Share capital

For the year ended 31 December 2018 and 2017, share capital has the movements as follows:

	For the year ended 31 December 2018			For the year ended 31 December 2017		
	Par Value Baht per share	Number of Share Shares	Amount Baht	Par Value Baht per share	Number of Share Shares	Amount Baht
<b>Authorized Share Capital</b>						
Beginning Ordinary Shares	10.00	20,500,000	205,000,000.00	10.00	20,500,000	205,000,000.00
Ending Ordinary Shares	10.00	<u>20,500,000</u>	<u>205,000,000.00</u>	10.00	<u>20,500,000</u>	<u>205,000,000.00</u>
<b>Issued and Paid-Up Share Capital</b>						
Beginning Ordinary Shares	10.00	20,500,000	205,000,000.00	10.00	20,500,000	205,000,000.00
Ending Ordinary Shares	10.00	<u>20,500,000</u>	<u>205,000,000.00</u>	10.00	<u>20,500,000</u>	<u>205,000,000.00</u>

## 16. Legal Reserve

In accordance with the Public Limited Companies Act B.E. 2535, the Company has to appropriate not less than 5% of its net profit less any accumulated losses brought forward (if any) to a reserve account, until this account reaches an amount not less than 10% of the authorized share capital. This legal reserve is not available for dividend distribution.

As at 31 December 2018, the Company has completely appropriated the legal reserve.

## 17. Dividend Payment

On 26 April 2018, the Annual General Shareholders' Meeting of the Company for 2018 has passed the resolution to approve the dividend payment to the ordinary shareholders of 20.50 million shares from the financial performance for 2017 at the rate of Baht 2.02 per share, totaling in amount of Baht 41.41 million.

On 27 April 2017, the Annual General Shareholders' Meeting of the Company for 2017 has passed the resolution to approve the dividend payment to the ordinary shareholders of 20.50 million shares from the financial performance for 2016 at the rate of Baht 1.80 per share, totaling in amount of Baht 36.90 million.

## 18. Capital Management

The objectives of the Company in capital management are to maintain the ability to continue as a going concern and to the optimal capital structure.

The Company monitors capital using debt to equity ratio which is calculated by dividing the liabilities as in the statement of financial position with the shareholders' equity as in the statement of financial position.

As at 31 December 2018 and 2017, the debt to equity ratio is as follows:

	As at 31 December 2018	As at 31 December 2017
Liabilities (Baht)	200,404,692.63	182,734,747.69
Shareholders' Equity (Baht)	1,290,830,942.04	1,283,981,063.64
Debt to Equity Ratio (Time)	0.16	0.14

**19. Other Incomes**

Consist of:

	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht
Interest Income	6,722,508.55	6,698,353.34
Dividend Income	1,042,320.34	1,508,961.86
Gain on Remeasuring Trading Securities	132,761.90	718,576.24
Gain on Disposal of Property, Plant and Equipment	566,508.05	3,868,132.30
Others	1,722,738.57	1,335,351.65
Total	<u>10,186,837.41</u>	<u>14,129,375.39</u>

**20. Provident Fund**

The Company and its employees had jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530, which consist of the contributions from employees and the Company, and will be paid to the employees upon termination in accordance with the fund's regulations.

For the year ended 31 December 2018, the Company has recognized the contribution as expenses in amount of Baht 1.05 million.

**21. Expenses by Nature**

Consist of:

	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht
Changes in Finished Goods	90,933.54	81,996.37
Raw Materials Used and Other Cost of Services	32,902,972.99	35,568,155.83
Employee Expenses	33,306,002.04	30,314,843.63
Depreciation and Amortization	18,202,824.36	12,942,574.05
Management Benefit Expenses	8,447,457.49	8,226,672.80
Others	15,452,497.34	13,884,841.98
Total	<u>108,402,687.76</u>	<u>101,019,084.66</u>

**22. Tax (Expense) Income**

## 22.1 Tax (Expense) Income which is recognized in Profit for the year

	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht
Current Tax		
Tax (Expense) Income for current period	(12,072,004.46)	(13,825,342.38)
Deferred Tax		
Deferred Income Tax (Expense) Revenue		
of Origination and Reversal of Temporary Differences	(2,781,162.56)	5,145,229.10
Total	<u>(14,853,167.02)</u>	<u>(8,680,113.28)</u>

For the year ended 31 December 2018 and 2017, the relationship between tax (expense) income and accounting profit (loss) in the form of reconciliation between tax (expense) income and the product of accounting profit (loss) by the applicable tax rate at 20% is as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht
Profit before Income Tax	<u>67,864,478.53</u>	<u>77,324,984.27</u>
Tax (Expense) Income by the Tax Rate of 20%	(13,572,895.71)	(15,464,996.85)
Expenses that are not deductible	(56,792.30)	1,437,741.65
Revenues that are exempted	208,464.07	301,792.37
Concessions	(1,431,943.08)	5,045,349.55
Total	<u>(14,853,167.02)</u>	<u>(8,680,113.28)</u>

## 22.2 Tax Expense (Income) which is recognized in Other Comprehensive Income (Expense)

	For the year ended 31 December 2018			For the year ended 31 December 2017		
	Amount	Tax (Expense)	Amount	Amount	Tax (Expense)	Amount
	Before Tax	Income	Net of Tax	Before Tax	Income	Net of Tax
	Baht	Baht	Baht	Baht	Baht	Baht
Gain (Loss) on Remeasuring Investments Held as Available-for-Sale	(1,472,870.30)	294,574.06	(1,178,296.24)	2,751,041.84	(550,208.37)	2,200,833.47
Gain (Loss) on Remeasurement of Defined Benefit Plans	(4,466,421.09)	893,284.22	(3,573,136.87)	(17,633.00)	3,526.60	(14,106.40)
Total	(5,939,291.39)	1,187,858.28	(4,751,433.11)	2,733,408.84	(546,681.77)	2,186,727.07

## 23. Segment Information

## 23.1 General Information about Segment

The Company has identified the reportable segments from the structure of internal managerial and financial information system of the Company according to the types of products and services which are the operating segments that the management of the Company has use the segment gross profit (loss) in the financial performance review regularly as follows:

- Business Segment of Golf Course which has revenue from membership fees and services related to golf course.
- Business Segment of Restaurant which has revenue from sale of foods and beverages.
- Business Segment of Sport Club which has revenue from membership fees and providing various services about sports clubs.

## 23.2 Information about Segment Profit or Loss

Inter-reportable segment transactions are carried out at arm's length and are eliminated from the financial statements of the Company.

Segment revenue and profit or loss include items directly attribute to a segment as well as these that can be allocated on a reasonable basis with revenue and profit or loss in the financial statements of the Company.

For the year ended 31 December 2018 and 2017, the operating segment information is presented as follows:

For the year ended 31 December 2018

	Reportable Segment			Eliminated	Total
	Golf Course Business	Restaurant Business	Sport Club Business		
	Baht	Baht	Baht		
<b>Revenue from Sales and Services</b>					
External Customers	131,836,441.25	27,477,369.78	6,782,651.57	-	166,096,462.60
Inter-Segment	-	-	-	-	-
Total	131,836,441.25	27,477,369.78	6,782,651.57	-	166,096,462.60
Gross Profit (Loss)	95,457,777.23	5,599,277.58	(1,310,880.55)	-	99,746,174.26
Interest Income					6,722,508.55
Dividend Income					1,042,320.34
Gain on Remeasuring Trading Securities					132,761.90
Other Incomes					2,289,246.62
Distribution Costs					(1,147,603.24)
Administrative Expenses					(40,904,796.18)
Loss on Disposal of Investment Held as Available-for-Sale					(16,133.72)
Profit (Loss) before Income Tax					67,864,478.53
Tax (Expense) Income					(14,853,167.02)
Profit for the year					53,011,311.51
Depreciation and Amortization	16,465,799.93	412,419.71	1,324,604.72	-	18,202,824.36

For the year ended 31 December 2017

	Reportable Segment			Eliminated	Total
	Golf Course Business	Restaurant Business	Sport Club Business		
	Baht	Baht	Baht		
<b>Revenue from Sales and Services</b>					
External Customers	128,848,877.82	29,358,177.51	6,007,638.21	-	164,214,693.54
Inter-Segment	-	-	-	-	-
Total	128,848,877.82	29,358,177.51	6,007,638.21	-	164,214,693.54
Gross Profit (Loss)	95,321,710.54	7,828,402.16	(1,828,301.03)	-	101,321,811.67
Interest Income					6,698,353.34
Dividend Income					1,508,961.86
Gain on Remeasuring Trading Securities					718,576.24
Other Incomes					5,203,483.95
Distribution Costs					(1,193,603.90)
Administrative Expenses					(36,932,598.89)
Profit (Loss) before Income Tax					77,324,984.27
Tax (Expense) Income					(8,680,113.28)
Profit for the year					68,644,870.99
Depreciation and Amortization	11,095,414.51	476,604.57	1,370,554.97	-	12,942,574.05

### 23.3 Information about Major Customers

For the year ended 31 December 2018 and 2017, there is no any external customer which has value of 10% or more of revenue in the financial statements of the Company.



### 24.3 Credit Risks

Credit risk is the risk that are party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Company is associated with cash and cash equivalents, held-to-maturity investments in debt instruments and receivables.

As at 31 December 2018 and 2017, the Company has managed the credit risk by the group of financial assets as follows:

- For deposits at financial institutions, the Company has considered the credit rating of financial institutions.
- For held-to-maturity investments in debt securities, the Company has considered the credit rating of the debt instruments issuer throughout the investing period.
- For receivables, the Company has collected membership fees in advance and receive the revenue from sales and services in cash.

### 24.4 Fair Value

As at 31 December 2018 and 2017, financial assets and financial liabilities are mainly in short-term and investments in debt instruments and loans are bearing interest rate close to market interest rate. Thence, the management of the Company believes that the carrying amount of such financial assets and financial liabilities are immaterially differed from fair value.

### 24.5 Fair Value Hierarchy

As at 31 December 2018 and 2017, fair value hierarchy of assets and liabilities in the statement of financial position is as follows:

	As at 31 December 2018				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
		Inputs	Inputs	Inputs	
Baht	Baht	Baht	Baht	Baht	
<b>Assets measured at Fair Value</b>					
Trading Securities	7,808,385.99	7,088,385.99	-	-	7,088,385.99
Investments Held as Available-for-Sale	58,250,678.03	58,250,678.03	-	-	58,250,678.03
Revalued Land	1,100,721,085.34	-	-	1,100,721,085.34	1,100,721,085.34
<b>Assets not measured at Fair Value</b>					
<b>but for which the Fair Value is disclosed</b>					
Debt Instruments – Held-to-Maturity					
Current	2,000,000.00	-	2,025,992.54	-	2,025,992.54
Non-Current	170,000,000.00	-	172,766,835.60	-	172,766,835.60

	As at 31 December 2017				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
		Inputs	Inputs	Inputs	
Baht	Baht	Baht	Baht	Baht	
<b>Assets measured at Fair Value</b>					
Trading Securities	22,530,837.08	22,530,837.08	-	-	22,530,837.08
Investments Held as Available-for-sale	64,739,682.05	64,739,682.05	-	-	64,739,682.05
Revalued Land	1,100,721,085.34	-	-	1,100,721,085.34	1,100,721,085.34
<b>Assets not measured at Fair Value</b>					
<b>but for which the Fair Value is disclosed</b>					
Debt Instruments – Held-to-Maturity					
Current	20,000,000.00	-	20,141,576.00	-	20,141,576.00
Non-Current	152,000,000.00	-	157,109,957.01	-	157,109,957.01

## 25. Related Party Transactions

The Company has significant business transactions with the related parties. Such transactions are concluded on commercial terms and bases agreed upon between the Company and those related parties which are in ordinary course of business, are summarized as follows:

### 25.1 Relationship of the Company

Entity's Name	Nature of Relationship
Navatane Company Limited	Related entity by common major shareholders and director

### 25.2 Key Management's Remuneration

	For the year ended	For the year ended
	31 December 2018	31 December 2017
	Baht	Baht
Short-Term Benefits	8,369,710.00	7,964,302.00
Post-Employment Benefits		
Defined Contribution Plans	275,976.15	158,563.44
Defined Benefit Plans	(198,228.66)	103,807.36
Total	<u>8,447,457.49</u>	<u>8,226,672.80</u>

## 26. Non-Cash Flows Transaction

### 26.1 Non-Cash Flow Transactions

Consist of:

	For the year ended 31 December 2018	For the year ended 31 December 2017
	Baht	Baht
Purchase of Assets with Credit		
Value of Assets	16,211,539.66	75,000.00
Value Added Tax	1,134,807.78	5,250.00
Transfer of Other Non-Current Assets		
to Property, Plant and Equipment	1,400,000.00	-
Gain (Loss) on Remeasuring Investments Held as		
Available-for-Sale	(1,472,870.30)	2,751,041.84

### 26.2 Changes in Liabilities arising from Financing Activities

For the year ended 31 December 2018 and 2017, changes in liabilities arising from financing activities have the movements as follows:

	For the year ended 31 December 2018			
	Beginnig Balance as at 1 January 2018 Baht	Changes from Financing Cash Flows Baht	Other Changes Baht	Ending Balance as at 31 December 2018 Baht
Asset Payables	80,250.00	(80,250.00)	17,346,347.44	17,346,347.44
Dividend Payables	4,533,266.81	(41,962,530.90)	41,410,000.00	3,980,735.91
Total	<u>4,613,516.81</u>	<u>(42,042,780.90)</u>	<u>58,756,347.44</u>	<u>21,327,083.35</u>
	For the year ended 31 December 2017			
	Beginnig Balance as at 1 January 2017 Baht	Changes from Financing Cash Flows Baht	Other Changes Baht	Ending Balance as at 31 December 2018 Baht
Asset Payables	4,000,485.37	(4,000,485.37)	80,250.00	80,250.00
Dividend Payables	4,067,293.43	(36,434,026.62)	36,900,000.00	4,533,266.81
Total	<u>8,067,778.80</u>	<u>(40,434,511.99)</u>	<u>36,980,250.00</u>	<u>4,613,516.81</u>

## 27. Obligations

In addition to the liabilities in the statement of financial position as at 31 December 2018 and 2017, the Company has obligations as follows:

27.1 As at 31 December 2018 and 2017, the Company has obligations on buildings renovation contract as follows:

	As at 31 December 2018	As at 31 December 2017
	Baht	Baht
Within 1 year	5,751,620.00	600,000.00

27.2 As at 31 December 2018 and 2017, the Company has obligations on service contract as follows:

	As at 31 December 2018	As at 31 December 2017
	Baht	Baht
Within 1 year	30,000.00	-

## 28. Significant Complaint

On 25 January 2018, the Company received a letter from the Subcommittee of Bangkok Land Development Purchasers Protection dated 16 January 2018, stated that, in compliance with the law, the land with title-deed No. 1556, which the Company acquired from the purchase in 2015, require the approval of the Bangkok Land Development Board prior to the purchase. The matter is then sent to the Land Registry Standard Bureau, Department of Land for their consideration and issuance of the legal order. However, the Company has not received any order from the relevant government agent. Therefore, the management of the Company expects that there is no any damage that may incurred from such matter.

## 29. Reclassification

The Company has reclassified some items in the financial statements for prior period which are presented as comparative so as to comply with the classification of financial statements for current period, which does not have any effect on profit for the year or shareholders' equity already presented, are summarized as follows:

	As Previously Reported	Reclassification	As Currently Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as at 31 December 2017</b>			
Trade and Other Current Receivables	2,784,362.26	(198,124.11)	2,586,238.15
Trade and Other Current Payables	(15,366,788.10)	198,124.11	(15,168,663.99)
<b>Statement of Financial Position as at 1 January 2017</b>			
Trade and Other Current Receivables	2,068,447.56	(232,857.00)	1,835,590.56
Trade and Other Current Payables	(18,615,480.77)	232,857.00	(18,382,623.77)
<b>Statement of Comprehensive Income</b>			
<b>For the year ended 31 December 2017</b>			
Costs of Sales and Rendering of Services	(61,840,791.34)	(1,052,090.53)	(62,892,881.87)
Distribution Costs	(2,166,431.51)	972,827.61	(1,193,603.90)
Administrative Expenses	(37,011,861.81)	79,262.92	(36,932,598.89)

## 30. Event after the Reporting Period

On 28 February 2019, the Board of Directors Meeting of the Company No. 1/2019 has passed the resolution to approve and to propose the Annual General Shareholders' Meeting for consider the appropriation of the dividend payment to the shareholders in 20.50 million shares from the financial performance for 2018 at the rate of Baht 1.70 per share, totaling in amount of Baht 34.85 million, without additional legal reserve because the Company had reserved completely by the law.

## 31. Approval of the Financial Statements

These financial statements have been approved for issue by the Board of Directors of City Sport and Recreation Public Company Limited on 28 February 2019.



## สำนักงาน

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