

*[Translation for convenience only]
[Official language is Thai]*



Notice of Allotment of Newly Issued Ordinary Shares and Information Memorandum

Charn Issara Development Public Company Limited

(29 November 2018)

*[Translation for convenience only]
[Official language is Thai]*

Part I
Information Regarding the Allocation of Newly Issued Ordinary Shares

1. Name and Address of Listed Company

Name: Charn Issara Development Public Company Limited (the “**Company**”)

Address: No. 2922/200 Charn Issara Tower 2, 10th floor, New Petchburi Road, Bangkapi Sub-District, Huay Kwang District, Bangkok, 10310, tel: 02-308-2020 ext. 546 and 541, fax: 02-308-2990

2. Date and Number of the Board of Directors’ Meeting and Shareholders Meeting approving the Allocation of Newly Issued Ordinary Shares

Annual General Meeting of Shareholder of the year 2018, held on 26th April 2018

Board of Directors’ Meeting No. 6/2016, held on 9th November 2018

3. Detail of the Allocation of Newly Issued Ordinary Shares

Types of Shares: Ordinary shares

Existing Paid-up Capital: Baht 889,726,608 comprising of 889,726,608 ordinary shares at par value of Baht 1.00.

Paid-up Capital to be increased: Baht 1,067,671,930 comprising of 1,067,671,930 ordinary shares at par value of Baht 1.00.

(In the event that the Company can sell all newly issued ordinary shares offered to its existing shareholder in proportion with their shareholdings (Rights Offering), the paid-up capital of the Company will be increased to Baht 1,067,671,930 and the number of total sold shares of the Company will be 1,067,671,930 at the par value of Baht 1.00 per share.)

Number of Shares Offered: 177,945,322 shares.

Offering Price: Baht 1.42 per share.

(In the event that the Company can sell all newly issued ordinary shares offered to its existing shareholder, the Company will receive the capital for Baht 252,682,357.24 (excluding related expenses))

Subscription Ratio: 5 existing ordinary shares per 1 newly issued ordinary share.

The existing shareholders are entitled to subscribe in proportion to their respective shareholdings according to the ratio specified above, and are also entitled to the rights of oversubscription in excess of their entitlements.

Allocation Method:

The Company will allocate 177,945,322 newly issued ordinary shares of the Company, at a par value of Baht 1 each, to the existing shareholders of the Company, in proportion to their respective shareholding, at the offering price of Baht 1.42 per share, in proportion to their respective shareholdings (the “**Rights Offering**”), by ratio of 5 existing ordinary share to 1 newly issued ordinary share.

- (1) In case shareholders subscribe for the newly-issued ordinary shares according to their entitlement or less than their entitlement, such shareholders shall receive the newly-issued ordinary shares in the total amount that they subscribed for.
- (2) In case shareholders subscribe for the newly-issued ordinary shares in excess of their entitlement (Oversubscription), such shareholders shall express the intention to subscribe for the newly-issued ordinary shares in excess of their entitlement in the subscription form and pay the subscription price in full for the shares subscribed in excess of their entitlement at the same time as the subscription for the newly-issued ordinary shares according to their entitlement.

In case there are remaining newly-issued ordinary shares from the calculation and/or the subscription by existing shareholders, the Board of Directors and/or managing directors and/or other persons authorized by the Board of Directors or managing directors shall have the power and discretion to allocate such remaining newly-issued ordinary shares to existing shareholders of the Company who express their intention to subscribe for shares in excess of their entitlement proportionately to their shareholding at the same offering price.

Please consider Other Conditions of Subscription specified in Clause 4 below.

Method for Fraction of Shares: In the case that there is a fraction of shares, such fraction will initially be disregarded. The fraction of shares shall subsequently be added to the shares remaining after the subscription as a result of certain shareholders waiving their rights to subscribe for shares or failing to pay the subscription price or for any other reasons whatsoever (collectively, the “**Remaining Shares**”). The Remaining Shares shall be allotted to the shareholders who have expressed their intention to

subscribe for shares in excess of their entitlements in proportion with their shareholdings.

4. Other Conditions of Subscription

4.1 In the case that a shareholder subscribes to the newly issued ordinary shares pursuant to his/her right or less than his/her right to receive the allocation thereof, such shareholder, who expresses an intention to subscribe to the newly issued ordinary shares pursuant to his/her right or less than his/her right to receive the allocation thereof, will receive the allocation of all newly issued ordinary shares that he/she has subscribed to.

4.2 In the case that the shareholder wishes to subscribe to the newly issued ordinary shares in excess of his/her entitlement right, such shareholder shall express an intention to subscribe to the newly issued ordinary shares as specified in the share subscription form, at the same time as the subscription to the newly issued ordinary shares pursuant to his/her right. In the case that there are newly issued ordinary shares outstanding from the subscription pursuant to the right, the shareholder who subscribes to the newly issued ordinary shares in a number more than the right will receive the allocation of the newly issued ordinary shares at the same price as the shares allocated pursuant to the right according to the following criteria:

- In case the remaining newly-issued ordinary shares exceed the number of shares subscribed for in excess of the entitlement

The Company will allocate such remaining shares to all existing shareholders of the Company who express their intention to subscribe for shares in excess of their entitlement and pay the subscription price for such newly-issued ordinary shares pursuant to the number of shares subscribed for in excess of their entitlement. (In case there are fractions of the newly-issued ordinary shares derived from calculations, such fractions of shares shall be discarded.)

- In case the remaining newly-issued ordinary shares are fewer than the number of shares subscribed for in excess of entitlement

a. Each existing shareholder who subscribes for shares in excess of his/her entitlement shall be allocated with shares proportionately to existing shareholding of such shareholder who subscribes for shares in excess of his/her entitlement. (In case there are fractions of the newly issued ordinary shares derived from calculations, such fractions of shares shall be discarded.) The number of shares to be allocated to shareholders who subscribe for shares in excess of their entitlement shall not exceed the number of the capital increase ordinary shares that each existing shareholder has subscribed and paid for.

b. In case there still are the newly issued ordinary shares remaining after the allocation under (a), the Company will allocate such remaining shares to each existing shareholder who subscribes for shares in excess of his/her entitlement and has not been fully allocated with shares, proportionately to existing shareholding of each existing shareholder who subscribes for shares in excess of his/her entitlement. (In case there are fractions of the newly-issued ordinary shares derived from calculations, such fractions of shares shall be discarded.) The number of shares to be allocated to shareholders who subscribe for shares in excess of their entitlement shall not exceed the number of the newly-issued ordinary shares that each existing shareholder has subscribed and paid for.

The said newly-issued ordinary shares allocation for oversubscription will continue until there is no remaining newly-issued ordinary shares from the allocation, or until there is only a fraction of share, or until no shareholder wish to subscribe the remaining newly-issued ordinary shares.

- 4.3 The shareholder who subscribes and pays the subscription price is not permitted to cancel his/her subscription unless a written consent from the Company is obtained.
- 4.4 In the case that the payment of the subscription price is made by cheque, the payment of such subscription price will be deemed complete once the bank has cleared the amount specified in the cheque, and in any circumstance, the subscription for the newly issued ordinary shares will be deemed complete once the Company has collected the payment of the subscription price.
- 4.5 If any shareholder who subscribes to the newly issued ordinary shares fails to pay the subscription price, or the Company is unable to collect the payment of the subscription price, either wholly or partly, within the specified period of the subscription and the payment of the share price, regardless of the cause which is not the fault of the Company, or if any shareholder who subscribes to the newly issued ordinary shares incompletely or unclearly fills in the details in the share subscription form, or subscribes to the newly issued ordinary shares by any method other than those as specified in this Notice of the Allotment of Newly Issued Ordinary Shares of the Company, the Company will consider that such shareholder waives his/her right to subscribe for the newly issued ordinary shares. In this regard, the Company hereby reserves the right to not allocate the newly issued ordinary shares to such shareholder. Therefore, in making payment of the subscription price, each shareholder is advised to examine the subscription method and correctly proceed with the subscription according to the specified conditions and methods.

The criteria for refunding the subscription payment for the unallocated shares to the shareholders are as specified under Clause 6.6.

- 4.6 In allocation of the newly issued ordinary shares of this offering, the Company hereby reserves the right not to allocate the newly issued ordinary shares to any shareholder if such allocation will cause (1) the Company to lose rights and benefits granted by the Foreign Business Act B.E. 2542, Invest Promotion Act B.E. 2520, Land Code, Condominium Act B.E. 2522 and Land Development Act B.E. 2543 or (2) the shareholding portion of ordinary shares of foreign shareholders to be in excess of forty nine percent (49%) of the total sold shares of the Company. In this regard, such shareholder may not receive the allocation of the newly issued ordinary shares or may only receive a partial allocation.

The criteria for refunding the subscription payment for the unallocated shares to the shareholders are as specified under Clause 6.6.

- 4.7 In the case that there is a problem, obstacle or limitation in the operation of the share subscription, the Company, by taking into account the utmost benefit of the subscription of the newly issued ordinary shares of the Company, hereby reserves the right to change the details in relation to the methods for the payment of the share price, subscription conditions or any information relating to the subscription method of the newly issued ordinary shares as it is deemed appropriate.
- 4.8 In case there are remaining newly issued ordinary shares from this allocation and offering, the Board of Directors will consider the appropriate method.
-

5. Determination of date to record the Name of Shareholders for the Rights to Subscribe for the Newly Issued Ordinary Shares for Capital Increase

The Company has determined the date to record the name of the shareholders that have the right to subscribe for the newly issued ordinary shares for the capital increase (Record Date for Rights Offering) to be on 26th November 2018.

6. Subscription and Payment Method

6.1 Subscription Period

5 business days which are 11th - 14th and 17th December 2018, during 10.00A.M. - 04.00P.M.

6.2 Place for Subscription and Payment

At the Company's premises as follows:

Charn Issara Development Public Company Limited

No. 2922/200

Charn Issara Tower 2, 10th floor,

New Petchburi Road, Bangkapi Sub-District, Huay Kwang District,

Bangkok, 10310,

tel: 02-308-2020 ext. 546 and 541,

fax: 02-308-2990

For shareholders who hold existing ordinary shares via script less system, please contact the broker that the shareholders have the trading account with and Charn Issara Development Public Company Limited's shares deposited with. Please arrange with the broker to collect all necessary documents and submit to the Company.

6.3 Method of Subscription and Payment

The shareholders who intend to subscribe to the newly issued ordinary shares must clearly and correctly complete and sign the Share Subscription Form. The subscribers or their proxies shall submit the subscription documents and make full payment for their share subscription according to the number of shares to be subscribed to, at the Company's premise. The payment for the share subscription shall be made with any one of the methods described below. The subscriber can choose only one of the following methods:

6.3.1 Payment made by cheque, cashier's cheque or bank draft shall be collectible within the next business day by the same clearing house. The cheque, cashier's cheque or bank draft shall be crossed "A/C Payee Only" and made payable to "Charn Issara Development Public Company Limited for Share Subscription" during 11th - 14th December 2018 from 10.00A.M. - 2.00P.M. Each subscriber, in any case, shall submit 1 personal cheque, cashier's cheque or bank draft per 1 share subscription form only.

6.3.2 Payment made by money transfer (through bank teller counters only) can be done during 11th - 14th and 17th December 2018 from 10.00A.M. - 04.00P.M. and payable to "Charn Issara Development Public Company Limited for Share Subscription" at

Thanachart Bank Public Company Limited, Saving Account no. 253-6-02855-2, Charn Issara Tower 2 Branch .

Other Important Information

- Shareholders shall be responsible for related expenses and bank's fees (if any).
- The Company **does not accept** any subscription order **by mail**.
- The Company **does not accept** any subscription payment **in cash**.
- The Company reserves the right to provide any other method of subscription as it deems appropriate.

6.4 Required Documents for Subscription

- a) Share Subscription Form which is clearly and accurately completed and signed by the Subscriber;
- b) Proofs of payment, including **original pay-in slip** (in the case of money transfer) or cheque or cashier's cheque or bank draft, specifying first name, last name and contact number of the subscriber on the back of such proof of payment;
- c) Certification of Subscription Entitlement issued and delivered, together with this notice, via registered mail to the shareholders by Thailand Securities Depository Company Limited, the share registrar of the Company;
- d) A certified photocopy of the front page of a savings or current account book provided that the name which appears in such bank account book shall be the same as that of the subscriber.
- e) Documents for Identification (the details appear in Clause 6.5); and
- f) A power of attorney affixed with Baht 30 stamp duty (in the case of appointment of proxy) together with certified photocopies of identification cards of the subscriber and his/her proxy).

6.5 Required Documents for Identification

Thai Individual:

A certified copy of identification card that is not expired or, in case there is no identification card, a certified copy of house registration containing the 13-digit identification number or a certified copy of any other official document containing the 13-digit identification number shall be submitted. In the case of change of first name/last name, which causes a non-similarity to the name of shareholders as displayed in the share registrar or in the Certification of Subscription Entitlement, a certified copy of other relevant official documents shall be submitted for authentication, such as marriage certificate, divorce certificate or certificate of change of first name/last name, together with a certified photocopy thereof.

Foreign Individual:

A certified copy of alien certification or passport that is not expired.

Juristic Person Incorporated in Thailand:

A certified copy of affidavit issued by the Ministry of Commerce not more than 6 months, certified by authorized person(s), and affixed with company seal (if any), together with a certified copy of identification card, alien certification, or passport that is not expired (as the case may be) of the authorized person(s).

Juristic Person Incorporated outside Thailand:

Copies of certificate of incorporation, memorandum of association and affidavit, issued not more than 6 months prior to the subscription date, which are certified by the authorized person(s) of such juristic person and affixed with the seal of the juristic person (if any), together with a certified copy of the alien certificate or passport that is not expired (as the case may be) of such authorized person(s) of the juristic person, shall be submitted.

All certified copies of each of the above documents must be notarized by a notary public and then authenticated by an official of the Thai Embassy or of the Thai Consulate in the country where the documents are prepared. Such notary public certification and authentication shall not be made more than 6 months prior to the subscription date (in the case that a shareholder authorizes a proxy to execute the share subscription form and accompanying documents on his/her behalf, a power of attorney affixed with Baht 30 stamp duty together with a certified photocopy of identification card that is not expired of the proxy shall be also submitted for authentication).

6.6 Refund of Subscription Payment for Un-allocated Portion (if any)

The Company shall refund the subscription payment without interest or any damages to subscribers who have been allocated fewer shares than the number of the newly issued ordinary shares for which they subscribed. Such refund shall be paid by Automatic Transfer System or ATS to the account of the subscribers within 21 days from the expiration date of the subscription period. The subscribers must attach a copy of the first page of his/her book bank (certify true and correct copy by himself/herself). Such bank account must be saving account or current account of the banks which have a branch located in Thailand only, and name of the account must be identical to the name of such subscriber.

In case the Company cannot refund such subscription payment by transferring to the such subscribers' bank account because the name of the bank account is not identical to the name of the subscriber or because of any other reasons which are beyond the Company's control, the Company shall refund such subscription payment in the form of a cheque payable only to such subscribers by sending such cheque to the subscribers to the address indicated in the Company's share registrar as of 26 November 2018.

In case that a refund is made in the form of cheque, the subscribers shall be responsible for the fee.

However, in cases where such subscription payment refund have been transferred to the subscribers' bank account or cheque for the refund of the subscription payment have been correctly delivered by registered post to the address as indicated in the share registrar as of 26 November 2018, it shall be deemed that the subscribers have duly received the refund of their

subscription payment, in which case, the subscribers shall no longer be entitled to claim any interest or damages.

6.7 Delivery of Subscribed Shares

6.7.1 In the case that the subscriber would like to receive the share certificate in the name of that subscriber, the Thailand Securities Depository Company Limited (“TSD”) which is the Company registrar will deliver the share certificate with the allotted share amount to the subscriber via registered mail to the address that appears in the register book within 15 business days starting from the last date of the subscription period. In such a case, the share-allotted subscriber cannot sell down the allotted shares in the Stock Exchange of Thailand (“SET”) until the subscriber receives the share certificate which might be after the first trading day of the allotted shares.

6.7.2 In the case that the subscriber would like to deposit the allotted shares with TSD under the Company’s account, the Company will deposit the allotted shares with the “Thailand Securities Depository Company Limited for Depositors”. The TSD will record those shares under the Charn Issara Development Public Company Limited’s account, account number 600, and will issue a confirmation of share deposit to the subscriber within 7 business days from the last date of the subscription period. When the share-allotted subscriber would like to sell the shares, he/she must withdraw those shares from the account number 600 by requesting the securities companies (fee applied, if any). In this case, the share-allotted subscriber could sell those shares in SET in the first trading day of the allotted shares having already withdrawn those shares from the account number 600.

6.7.3 In the case that the subscriber would like to deposit the allotted shares in his/her trading account open with the securities companies, the Company shall deposit the allotted shares under the name of “Thailand Securities Depository Company Limited for Depositor for Depositors”. The TSD and securities company will record the shares deposited and will issue a confirmation of share deposit to the subscriber within 7 business days from the last date of the subscription period. In this case, the share-allotted subscriber could sell those shares in the first trading day of the allotted shares.

In the case that the subscriber chooses this Clause 6.7.3, the name of the subscriber in the Share Subscription Form must be the same with the name of the assigned trading account for the share deposit in the securities company. The Company otherwise reserves the right to deliver those shares issued under the name of “Thailand Securities Depository Company Limited for Depositors” and deposit those shares with TSD under the Charn Issara Development Public Company Limited’s account, account number 600. The share-allotted subscriber could sell those shares in SET in the first trading day of the allotted shares having withdrawn those shares from the account number 600.

Shareholders subscribing to shares must correctly specify the participant number (as listed on the back of the Share Subscription Form) with which the shareholder has the securities trading account and the securities trading account number, to which the shareholder wants the allotted shares to be transferred. In the case of incorrect participant number or securities trading account number, which may cause an inability to transfer the subscribed shares to the securities trading account, the Company will not be responsible for any loss or delay in receiving the shares.

In the case that the shareholder incompletely provides required details, the Company reserves the right to issue shares in the name of “Thailand Securities Depository Company Limited for Depositors” and deposit those shares with TSD under the Chuo Senko (Thailand) Public

Company Limited's account, account number 600. In such case, the share-allotted subscriber could sell those shares in SET in the first trading day of the allotted shares having already withdrawn those shares from the account number 600.

In the case that the subscriber does not choose any options above in the Share Subscription Form, the Company reserves the right to issue shares in the name of "Thailand Securities Depository Company Limited for Depositors" and deposit those shares with TSD under the Company's account, account number 600.

6.8 Other Important Information for the Subscription of the Newly Issued Ordinary Shares

- Each shareholder subscribing for the newly issued ordinary shares will receive a receipt issued by the subscription agent as evidence for the subscription.
- Any shareholder who does not exercise his/her rights to subscribe to the shares or fails to make payment for the subscribed shares within the specified date and time, or whose cheque or cashier's cheques or bank draft cannot be cleared for payment within the specified date of payment shall be deemed by the Company to have his/her rights waived in this subscription to newly issued ordinary shares.
- For cheques or cashier's cheques or bank draft, please specify the date only as notified above. Specifying the date before or after the subscription period shall be against the Securities and Exchange Commission's regulation and shall be subject to a fine.
- If the number of shares specified in the Share Subscription Form is more than the amount of the subscription payment received by the Company, the Company reserves the right to allocate the shares according to the subscription payment.
- If the number of shares specified in the Share Subscription Form is less than the amount of the subscription payment received by the Company, the Company reserves the right to allocate the shares to each shareholder as it deems appropriate.

7. Objectives for Capital Increase

To increased a working capital for the operation of business and for the expansion of business within the year of 2019, unless the business circumstance is changed.

8. Benefits which the Company will receive from the Capital Increase and Share Allotment

The Company will have additional capital for the operation of business and will be ready in an aspect of the Company's capital and the financial liquidity in order for the Company to expand its business and to develop new projects in the future which will result in the Company's benefit and profit. And to add a value to the shareholders.

9. Benefits which the Shareholders will receive from the Capital Increase and Share Allotment

Since the Company could expand into the high potential businesses and region and strengthen its existing business, the Company should make more profit from operations and the shareholders shall get higher benefits in term of dividend.

10. Dividend Policy and the Right to Receive Dividend of the newly Issued Shares

10.1 Dividend payment policy

The Company has established a policy to distribute dividends to the shareholders of not exceeding 40 percent of the net profits after the deduction of corporate income taxes of each fiscal year of specific business. the criteria to be considered with the dividend payment policy such as business operation and financial status of the Company, cash flow of the Company, business expanding and other criteria relating to the business operation of the Company. Such dividend payment policy must be reasonable approved by the meeting of shareholders and must be approved by the board of directors of the Company.

10.2 Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from

The subscribers of the newly-issued ordinary shares issued and allocated to the existing shareholders (Rights Offering) and the specific investors (Private Placement) shall be entitled to receive dividends form the Company's business operation from the date on which their names appear in the share register book of the Company, which have been registered with the Ministry of Commerce.

10.3 Others

-None-

11. Other Reasons that may be Necessary for the Shareholders to Approve the Capital Increase and Share Allotment

11.1 Control Dilution

Right Offering does not affect Control Dilution.

11.2 Earn per Share Dilution or EPS Dilution

The Company has a net loss.

11.3 Price Dilution

$$= \frac{(\text{market price before offering} - \text{market price after offering})}{\text{market price before offering}}$$

$$= \frac{(1.57 - 1.545)}{1.57}$$

$$= 1.60 \text{ percent}$$

“market price after offering” = $\frac{(\text{market price} \times \text{amount of the paid-up shares}) + (\text{offering price} \times \text{amount of the offering shares})}{(\text{amount of the paid-up shares} + \text{amount of the offering shares})}$

$$= \frac{(1.57 \times 889,726,608) + (1.42 \times 177,945,322)}{(889,726,608 + 177,945,322)}$$

$$= 1.545$$

Part II

General Information of Charn Issara Development Public Company Limited

1. Name and Address

Name	: Charn Issara Development Public Company Limited
Nature of Business	: Real estate and construction Real estate development
Head Office	: No. 2922/200 Charn Issara Tower 2, 10th floor, New Petchburi Road, Bangkok Sub-District, Huay Kwang District, Bangkok, 10310
Registration No.	: 0107545000101
Telephone	: (662) 308-2020 ext. 546, 541
Facsimile	: (662) 308-2990
Website	: www.charnissara.com

Share capital issued and paid up : Baht 889,726,608, ordinary shares 889,726,608 shares.

(After the capital increase this time, in case that the Company can sell all newly issued ordinary shares offered to its existing shareholder in proportion with their shareholdings (Rights Offering), the paid up capital of the Company will be increased to Baht 1,067,671,930 and the number of total sold shares of the Company will be 1,067,671,930 at the par value of Baht 1.00 per share.)

2. Characteristics of Doing Business and Competition

2.1 Business Operations

The Company's main businesses are real estate development and property sale. The Company has revenue from property sales including land and house subdivision and condominium units which represent 60 - 75% of total revenue. The revenue from rental and services provided in office retails space of Charn Issara Tower and Charn Issara Tower 2 office and shopping center which earn around 3 - 5% of total revenue. The hotel operation contributes 20-25% while the remaining 5% comes from other revenue such as service fees for utilities in property project, interest income and others revenue.

2.2 Overall Picture on Business Operations of the Company Group

The Company's business can be described in 5 categories.

2.2.1 Property Development for sale

At present, the Company has developed projects which are in the process of transfer to customer, in the process of stock for sale and in the process of development for sale. Details can be summarized as follow;

- (1) The Issara Ladprao is a large scale residential condominium on 5 Rai land plot on Ladprao road between Ladprao Soi 12 and Ladprao Soi 14. The THB 2,800 million project

comprise of a 47-storey building of 561 units. The project is located just 300 meters away from Ladprao MRT Station. The Company had launched and started selling in the third quarter of 2007. In the year 2017 this project had been sold out and transferred except one unit which has been rent to be a restaurant. This project is developed by CIN Estate Co., Ltd. which is a subsidiary company.

(2) ISSI Condo Suksawat, the one brand of Charn Issara Group on Suksawat road nearby the planned BTS station, purple line. The 24-storey building on 4 rai site offer units ranging from 21 square meters to 55 square. The project has been so far sold out around 95% and started to transferred to the customers in 4th quarter of the year 2015. This project is developed by CIN Estate Co., Ltd. which is a subsidiary company.

(3) The Issara Village is a new concept townhome allowing living in natural surroundings. There are limited at 35 units. Issara Village is located on Petchkasem Road Km. mark 212 close to Cha- Am intersection, and is a mere 300 meters walk to the beach surrounded by 5 star amenities of established hotel brand. The project is valued THB 170 million, and is established on December 2010. Now there is only 1 unit still ready to sell. This project is developed by a subsidiary company, Charn Issara Vipaphol Co., Ltd.

(4) Baan Thew Talay Phase 1 (Aqua Marine) is villa style residential condominium project on the white, clean sandy beach of Cha-am Huahin. The project is fully equipped with facilities targeting B+ to A market segment, the 13 rai site of 57 meters beachfront is only 10 minute drive from Hua Hin. A group of row rise buildings, 4 of four-storey buildings on the beach front and 1 fifteen-storey building further in from the beach giving a total of 270 units of 1-3 bedrooms with floor space of 44-193 sq.m. available at the price range of Baht 3.1 - 35 million. Over 98 percent of this Baan Thew Talay has been sold. The project has been handed over to customers since the 4th quarter of 2014, while only 2 percent remaining unsold. This project is developed by a subsidiary company, Issara United Co., Ltd.

(5) Baan Thew Talay 2 is located on the site of 15 rai there are 2 four-storey buildings and 1 fifteen-storey building with 421 units ranging from 35 - 151 square meters of 1 - 3 bedrooms. Starting price is baht 2.4 Million. This THB 1,950 million project is sold by more than 80 percent by the end of 2015 and certain of which have been ownership transferred. This project is developed by a subsidiary company, Issara United Co., Ltd.

(6) BLU project is the subsequent residential condominium project following the two quality projects namely Baan Thew Talay Aquamarine and Blue Sapphire, the best condominium in Thailand which won awards for two consecutive years from the International Property Awards. This 21-storey building on 7 rai of beach front site house 30-60 square meters 1 - 2 bedrooms with a starting price of only THB 1.89 million was completed on December 2016. The project has been so far sold out around 40% out of the total project value and in the process of transfer to customers. This project is developed by a subsidiary company, Issara United Co., Ltd.

(7) Issara Collection Sathorn project is a luxury 7-storey residential condominium the location of Sathorn. This limited 33 units consist of 2 - 3 bedrooms and 3 bedrooms duplex, and have usable space exceeding 100 square meters in each unit. The project is valued at THB 877 million Baht. To date, more than 55% percent of the project has been sold. Its construction has been completed around the second quarter of 2017, and transfer to customers will take effect since the second half of the year 2017. This project is undertaken by Charn Issara Vipaphol Co., Ltd. which is subsidiary company.

(8) Baba Beach Club Huahin is a hotel project located within the same area as the luxury villas on Huahin-Cha Am beach, Thew Talay Estate project. The hotel consists of 18 units of pool suite which valued at THB 500 million, and has been completed and operated since October 2017. While the construction of the hotel back section, 54 units in concept of pool suite, has valued at Baht 1,300 million and is expected to be finished within 2020. This project is undertaken by Issara United Co.,Ltd. which is a subsidiary.

(9) Baba Beach Club Phuket Hotel project is located on the same compound of Baba Beach Club Phuket on Na Tai Beach, Kokkroy Sub-District, Takua Tung District, Phangha province. The Baba Beach Club which has been operational since the end of 2017 consists of Beach Club, Restaurant, Beach Front Gabana Villas and 16 Ocean Villas with a large swimming pool and the private beautiful natural woods by the beach. The beach features an exceptionally white powdering sand and crystal-clear sea water. This project is valued at Baht 600 million. This project is undertaken by Issara Junfa Co., Ltd. which is subsidiary company.

(10) Issara Residence Rama 9, The New Symphony of Freedom, urban single house. The project is located on Rama Nine on Soi Rama Nine 13 road in the city center close to entrance and exit of the expressway and the future MRT orange line. Designed by a leading architect, the 3-storey house of modern tropical style with usable space of up to 834 Sqm. provides up to the maximum of 8 car parks including elevator and swimming pool. The THB 1,830 million project has only limited 20 units with starting price of THB 80 million and 30% has been sold and transfer of completed units to customers is expected in the third quarter of 2018. This project is undertaken by the Company.

(11) Baan Sita Wan project at Pakchong District, Nakorn Ratchasima Province is a residential resort amongst natural surroundings. The 27-rai project site consists of 2- and 3- bedroom house. There are a total of 52 houses with total project value of approximately THB 800 million. Currently, the construction is underway and the ownership transfer to prospective buyers is worth approximately 30 percent. Baan Sita Wan is a project developed by the Company.

(12) Baan Issara Bangna is located on a plot of 24 rai of land close to Mega Bangna with a combination of 2 and 3-storey detached house with 332.5 to 697 Sqm. of usable area and is surrounded by greenery. The starting price of the unit is THB 3.8 million. The THB 2,560 million project consist of 43 units of single detached house. A show house is expected to be completed around the second quarter of 2017. This project is developed by CIN Estate Co.Ltd. which is a subsidiary company.

(13) Baba Beach Villa Huahin is a project of luxury resort on Huahin Cha Am beach and is part of the Thew Talay Estate. The project consists of the 279-525 Sq.m. 2 storey house with swimming pool on 111-197 Sqw. with the starting price of THB 42.9 – 80 million. The construction was finished in the middle of the year 2017. The project consists 11 villas with the value of approximately THB 480 million. 80 percent of the project have been sold and transferred to the customers.

(14) Sri panwa Project is a project with THB 5,000 million vacation home and hotel on 80 rai on Cape Panwa, Phuket. The project site is surrounded by sea view and islands. The hotel is consisting of 21 rai of land with buildings including pool villas, family suite and luxury villa total 38 units and 7 units of service apartment. There will be a development of an additional 30 pool suites with an approximate value of THB 1,300 million. Such pool suites are sold to Sri panwa Property Fund. The construction of phase 4 which consist of 6 residential villas is ongoing with a value of over THB 340 million which are already sold and are expected to be transferred to customer in the year of 2018.

(15) – (16) Issara Chiangmai, located in Muang District, Chiang Mai province, the Issara Chiang Mai project is a luxury residential condominium consisting of 4 seven-storey buildings with a total 448 units. Unit sizes range from 35 - 70 square meters of 1 - 2 bedrooms at the starting price of THB 1.89 million. The project is valued at THB 1,700 million. The 265 units of phase 1 with approximate value of THB 660 million is under construction, and about 20 percent of the project is sold. The project is expected to be completed and handed over to customers in the year 2018 onwards. This project is developed by a subsidiary company, Charn Issara Vipaphol Co., Ltd.

(17) Baba Beach Club Phuket is located in the land of 42-rai in Natai beach, Kokkroy Sub-District, Takua Thung District, Phang Nga Province. The site features natural beachfront beauty embraced by a generous natural wood. BABA BEACH CLUB PHUKET consists of 6 five-bedroom beachfront villas, 3 units complete construction, 3 units under construction and the construction of 18 pool villas were completed 4 units. This project carries a total value of around THB 3,000 million. The Phase 1 is valued at THB 1,938 million and to date 14 percent of the Beach Front Villa and pool villa have been sold. This project is undertaken by Issara Junfa Co., Ltd. which is subsidiary company.

2.2.2. Office building and retails space for sale, long-term lease and rent

The business which the Company currently operates is long term lease and rent the area of Charn Issara Tower on Rama 4 and Charn Issara Tower 2 on New Petchburi Road. The Company manage a total of 34,513.29 sq.m. of lettable space which comprise of the Company's space of 3,825.61 sq.m. and 30,687.68 sq.m. of contracted management for Bangkok Commercial Property Fund. As of year ended 2017 occupancy rate was 90% of total rentable space with leading tenants such as Siemens, Samsung Life Insurance and Thai Credit Guarantee Corporation (TCG) for instance

2.2.3. Hotel Business

Charn Issara Residence Co.Ltd. which is a subsidiary company has embarked on a hotel business at Sri panwa, Phuket province in the 3rd quarter of the fiscal year 2006. The hotel is categorized as a boutique hotel under the brand of Sri panwa. Started with 11 pool villas the hotel was granted a hotel operation license for the operation of 18 rooms and later another 23 units of pool villa in phase 3 have been added on. The total facilities were completed in the year 2009 and was well receptive by both Thai and foreign guests. Later in the year 2012 the Company has sold the hotel part which consists of 21 rai 55 square wah of land and buildings including pool villa, family suite, 38 units of luxury villa, and 7 units of service apartment together with all related hotel facilities to Sri panwa Property Fund while the Company hold 30% of the units issued by the Fund and lease back Sri panwa hotel for 15 years of operation under the agreed fix rental. The Sri panwa Hotel Property Fund had been converted into trust under the name of Sri panwa Hospitality Real Estate Investment Trust in December 2016. In addition, there was a development of an additional 30 pool suites and X29 residential villa for injection into the trust back in December 2016 with an approximate value of Baht 1,300 million. During the 4th quarter of fiscal year 2017 the Company has opened an additional 2 new hotels namely Baba Beach Club Huahin and Baba Beach Club Phuket. Baba Beach Club Huahin is located on the same compound as Thew Talay Estate, the Baht 1,800 million luxury resort by Huahin Cha-am beach featuring pool villa and pool suite and the beach club is part of this project. The beach front section has been operational since October 2017. The Baba Beach Club Phuket Hotel is located on Na Tai Beach, Kokkroy Sub-District, Takua Tung District, Phangha Province. The Baba Beach Club which has been operational since the end of 2017 consisting of Beach Club, Restaurant, Beach Front Gabana Villas and 16 Ocean Villas with a large swimming pool and the private beautiful natural woods by the beach. The beach features an exceptionally white powdering sand and crystal-clear sea water.

2.2.4. Office building management, management of condominium juristic person / housing juristic person and property project management

the Company was appointed by Bangkok Commercial Property Fund as Property manager and Assets manager for the Fund's assets including office suites in Charn Issara Tower and Charn Issara Tower 2 totaling 30,687.68 sqm. since 2002. In addition, the company has been hired by International Resource Development Co., Ltd. to manage its financial and accounting affairs as well as its development projects.

For the management of condominium juristic person or housing juristic person, the Company and its subsidiaries manage condominium and housing estate which the Company and its subsidiary develop such as Issara@42 Sukhumvit, The Issara Ladprao, Baan Sitawan and resort condominium Thew Talay Estate for instance

2.3 Procurement of Products or Service

The Company operates 4 types of real estate development businesses which are building and retails space for sale and lease, office building management and property project management, hotel business and property development for sale. Such business project can be divided to these following procedures:

1. Conception

The management team will prescribe the principal and concept of the project to match the needs of the target group of customers.

2. Formulation

After the principal is prescribed, the Company will then set the formulation of the project.

3. Analysis and Evaluation

The management team will do the analysis and evaluation of the possibility of the project, cost and return before approving the project.

4. Approval

After the analysis and evaluation are made, the project will have to be submitted to the Board of Directors to consider an approval.

5. Implementation

After the project is approved, then there will be an implementation process including negotiation for land purchasing and making a loan form the financial institution. The Company will then prepare personals to be responsible for each project, plan for the project, hire the designer, request permission from the authority, design the project, find the contractor and prepare the marketing work and project opening ceremony.

6. Reporting and Feedback

During the construction process, the Company will monitor to ensure that the contractor complies with the project plan and standard. During this period, the Company will also manage the customer to make a payment as prescribed in the contract. And when the project is finished, the Company will transfer the house or the condominium unit to the customer.

7. Transition to Normal Administration

After sale and construction are complete, it will be transition to a normal management.

8. Evaluation of Results

After the project is finished, the Company will evaluate the results by considering the sale work, construction, cost control and customer's satisfaction.

Material

Materials of the real estate business are land and construction materials.

Land Purchasing Method

1. Advertising a purchase demand in the newspaper
2. Purchase by bidding or purchase from the banks
3. Contact through agents
4. Directly contact the owner of the land

At the present, the Company does not purchase land from a person who might have a conflict of interest with the Company. However, if the said scenario occurs, the Company will follow the relating procedures and regulations.

Construction Materials Purchasing Method

The Construction materials are normally included in the contract with the contractor. The contractor will purchase the construction materials on his own expenses. However, the Company might purchase some materials on the Company's own expense; such as, elevator, gardening work, built-in furniture, bath work, kitchen work and air-conditioner. The Company will manage or negotiate to ensure that the Company will get the best price and condition from the seller.

Material Issue

The Company has no issue regarding a supplying of materials since the Company has agreed with the contractor that the contractor will be the one who responsible to obtain the materials to be used in the project.

Environment Impact

- **Condominium and house subdivision:** The Company designs the project by considering the environmental impact including the relating rules and regulations. The Company also controls the construction to be safety and to be strictly complied with the regulations and advises from the authorities.
 - **Office building for lease:** The Company complies with the relating rules and regulations; such as, using a bio contact waste water treatment system and renovate the air-conditioner system to be less electricity consuming and to have more quality.
 - **For hotel business:** The Company has a procedure for environment protection; such as, preserving trees in the construction process, designing house to be able to collect the rain
-

water, collecting leaves in the project in order to make fertilizer and encouraging the customers to save electricity and water.

In conclusion, the Company considers about an environmental impact of every parts of the business. Therefore, the business operation of the Company during the past 3 years does not illegally impact the environment.

2.4 Market and Competition Situations

Competition and potential of the Company

The business operation of the Company can be divided to 4 categories. The competition situation of each category is different as follow;

Property development for sale business

Property development for sale business is the business which the Company has many competitors. The main competitors are the companies which have the same target customers as the Company and have the project located outside CBD (Central Business District) or located in the Metropolitan area, such as Noble Development Public Company Limited and AP (Thailand) Public Company Limited.

Office building and retails space for sale and lease business

Number of the competitors in this business is not high. The main competitors is the companies which have an office building located on New Petchburi Road such as Italhai Tower, SSP Tower, UM Tower, IFCT Tower and Amarin Tower.

Office building and property project management business

The Company has no competitor in this business since the Company provides this service to only related companies. However, the Company is having a project to provide this service to other companies. The potential future competitors to the Company in this business are already well-known in the market such as Jones Lang Lasalle Management Limited and C. B. Richard Ellis Co., Ltd.

Hotel and resort business

5 stars hotel business growth is not high. The compatible hotels are Amanpuri and Trisara. Each entrepreneur has different customer base, location, design and management. However, a good service and strong customer base create satisfaction to the customers. This will cause the customers to revisit and to recommend to others.

Moreover, the Company is being ready for the business competition and opportunity caused by the Phuket International Airport expansion by continuously improving and developing the hotel rooms and services, keeping expanding the hotel business and focusing on good services and customer relations.

Market situation of real estate

Overall, there are many projects opening in the third and fourth quarter of the year 2017 in the real estate market. In the last two years, Thailand's economics was decelerating since an internal situation, politic and domestic and international economic. However, in the third and fourth quarter of the year, the economic was getting better because of the mass rapid transportation developed by the Government. This is creating the condominium market to expand. The purchasing power of the

household is higher. However, the supply in the real estate market is still higher than the demand. The entrepreneurs must compete by developing technology and innovation to satisfy the needs of the new generations.

In the year 2017, the number of the travellers increased by 35.38 million people (increasing 8.77 percent compared to the last year). The foreign travellers created an income of THB 1,824 million (increasing 11.66 percent compared to the last year), while Thai travellers created an income of THB 930 million. The travel business therefore created an income of THB 2,757 million in total. So the hotel business located in the tourism location can generate a satisfaction income.

Market situation of office building

In the year 2017, the office building area was increased by 132,000 square meters. Therefore, the supply of the office building area is at 8.78 million square meters, while the demand of the office building area is at 8.04 million square meters. This created the move-in ratio to be higher at 91.60 percent (which is higher than the previous years but only 4 percent higher than the last year). The average rent of grade A office building located in the Central Business District (CBD) is at THB 982 per square meter per month. And there are 288,300 square meters of the office building being in construction and will be finished in the year 2018-2020.

Market situation of condominium and house subdivision

The market situation of condominium and house subdivision in the past year was improving in the third and fourth quarter. There is an increasing of condominium and house subdivision project opening by 8 percent of the total units (from 75,035 units to 81,109 units), and the project value is increasing from THB 269,400 million to THB 332,439 million (equal to 23.39 percent) and the sale price per unit is increasing as well.

2.3.3 Status and Potential of Competition of the Company

The Company currently has 16 projects for sale and service. The 16 projects can be divided to 11 for sale projects, 3 hotel projects and 2 offices building for lease which are source of the Company's income and recurring income. The Company will also be able to transfer the hotels to the REIT.

The upcoming new projects are as follow;

Condominium and house subdivision

1. Residence Condominium at Chan Road, Sathorn
 2. The Issara Chiang Mai Phase 2 at Chiang Mai
 3. Baba Beach Villa Hua Hin Phase 2, 7 units located in Thew Talay Estate
 4. Pool Villa at Sri panwa Phuket, 4 units
 5. Vacation Club Hua Hin located in Thew Talay Estate
 6. Baba Beach Club Phuket Phase 2
-

Hotel

1. Baba Beach Club Hua Hin – Main Hotel
2. Sri panwa Phuket Phase 3 (Convention Hall and Hotel Room)

Commercial

1. Gas Station and retail store located on Petchkasem Road, Thew Talay Estate

There is a 923-rai plot of land located in Ladkrabang with a value of THB 2,600 million to be developed for sale. (The land is owned by International Resort Development Co., Ltd. which the Company holds 16 percent of its shares.)

There is a property development project in Hainan, China which the Company is a project advisor. The Company also manages the Sri panwa brand hotel which is currently under construction, and is estimate to soft opening in October, 2019. The Company receives an advisor fee and hotel management fee from this project. The Company also has more upcoming projects in China.

2.3.4 Policy on Competition and Marketing Strategic

Visionary of the Company is “Charn Issara proud to develop and create sustainable happiness”

Obligation

1. To develop professional staffs who are strong and reday to create the project
2. To transfer quality projects which are able to impress and meet the expectation of the customers
3. To maintain the size of the organization to keep the agility of doing business
4. To commit to operate business under sustainable development concept
5. To keep trust of the customers under the concept of transparent, honest and loyal
6. To make satisfaction and growing, sustain and appropriate reward to all stakeholders

Marketing Strategy

1. Focus on Middle-High Sector market
 2. Focus on the customers who need a real residence
 3. Develop a residence with all around function and comfortable
 4. Environment friendly
 5. Use innovation and technology to create value and different
 6. Amend sale and marketing strategy every quarter
-

7. Focus on communicating with customers by online social media
8. Recommend Charn Issara group's customer base to customers
9. Make Charn Issara Brand to be strong and well-known

2.4 Target Clients

Property Development for sale business

1. Target clients are the local people and people who wish to live in the project's location
2. Target clients described by types of the project

2.1 Residence condominium

- Young generations who like to live in the urban
- Working people who like to live close to their workplace
- People who enjoy a convenient of a public transportation
- Age and income are depend on a level of the project

2.2 Urban single house

- Proprietor, Executive
- Enjoy urban life-style
- Enjoy a convenient of a transportation by a toll-way
- Enjoy a modern design
- Enjoy a good value

2.3 Villa

- People who enjoy travelling
- People who enjoy nature
- People who enjoy spending holidays with family

Hotel business

- Foreign travellers
 - Thai travellers
 - Events such as wedding and celebration
-

Office building for lease business

- Various companies

Retail stores and restaurants

2.5 Channels of Providing the Service (Place)

Customers contact

Property Development for sale business

- Sale gallery
- The project's official website
- Facebook, Line, IG

Hotel business

- Booking with hotel receptions
- Booking online
- Booking through agents

Office building for lease business

Sale office of the building

2.6 Assets for the Company's business operation

Type of assets of the Company and the subsidiaries as of 31 December 2017

2.6.1 Cost of the real estate development for sale project as of 31 December 2017 is THB 4,585.20 million, and can be summarized as follows;

Asset	Asset Location	Estimate Price (million)	Book Value as of 31 December 2017 (million)	Source of Rights	Encumbrance
Baan Sita Wan project	Pakchong District Nakorn Ratchasima Province	-	191.98	Ownership	Mortgage as a security for THB 295.71 million loan
Issara Residence Rama 9	Huaykapi Sub-District, Huaykhwang District, Bangkok	-	467.99	Ownership	Mortgage as a security for THB 620.90 million loan
Baba Beach Club Phuket	Takua Tung District, Phangha Province	-	755.98	Ownership through subsidiary	Mortgage as a security for THB 886.91 million loan
Baan Sri panwa Project	Muang District, Phuket Province	-	228.28	Ownership through subsidiary	Mortgage as a security for THB 323 million loan
ISSI Condo Suksawat	Ratchaburana District, Bangkok	78.10	282.86	Ownership through subsidiary	Mortgage as a security for THB 112.50 million loan
Baan Issara Bangna	Bangpli District, Samut Prakarn Province	-	504.80	Ownership through subsidiary	Mortgage as a security for THB 1,012 million loan

Asset	Asset Location	Estimate Price (million)	Book Value as of 31 December 2017 (million)	Source of Rights	Encumbrance
The Issara Village	Cha-Um District, Phetchaburi Province	-	14.08	Ownership through subsidiary	None
Issara Collection Sathorn project	Sathorn District, Bangkok	-	408.67	Ownership through subsidiary	Mortgage as a security for THB 349 million loan
The Issara Chiang Mai	Sansai District, Chiang Mai Province	-	376.38	Ownership through subsidiary	Mortgage as a security for THB 719 million loan
Baan Thew Talay (Thew 1)	Cha-Um District, Phetchaburi Province	-	109.57	Ownership through subsidiary	None
Baan Thew Talay (Thew 2)	Cha-Um District, Phetchaburi Province	-	377.32	Ownership through subsidiary	Mortgage as a security for THB 216 million loan
BLU Project	Cha-Um District, Phetchaburi Province	-	615.72	Ownership through subsidiary	Mortgage as a security for THB 616 million loan
7 Villas, Baba Beach Club Hua Hin	Cha-Um District, Phetchaburi Province	-	176.01	Ownership through subsidiary	Mortgage as a security for THB 134 million loan
4 Villas, Baba Beach Club Hua Hin	Cha-Um District, Phetchaburi Province	-	75.56	Ownership through subsidiary	Mortgage as a security for THB 664 million loan

2.6.2 Real estate for investment as of 31 December 2017 has a value of THB 315.50 million, and can be summarized as follows;

List	Ownership	Net Value (million)	Encumbrance
1. Commercial unit and office, Charn Issara Tower	The Company	113.10	None
2. Commercial unit and office, Charn Issara Tower 2	The Company and Subsidiary	116.00	None
3. Commercial unit, ISSI Condo Suksawat	Subsidiary	23.90	None
4. Commercial and residential unit, The Issara Ladprao Condominium	Subsidiary	62.50	None

2.6.3 Land-to-be-develop as of 31 December 2017 has a value of THB 255.39 million. Such land-to-be-develop is the land to be used for the Company's subsidiary's project development located in Cha-Um District, Phetchaburi Province. The land-to-be-develop is the ownership of the subsidiary. This land-to-be-develop is subjected to mortgage as a security for THB 220 million loan.

2.6.4 Land, building and accessory as of 31 December 2017 have value of THB 945.89 million, and can be summarized as follows;

List	Ownership	Net Value (million)
1. Land	The Company and Subsidiary	284.33
2. Building	The Company and Subsidiary	478.78
3. Building Development Accessory	The Company and Subsidiary	26.32
4. Office Decoration and Accessory	The Company and Subsidiary	66.21



Charn Issara Development Public Company Limited

5. Vehicle	The Company and Subsidiary	27.85
6. Under Construction Work	The Company and Subsidiary	62.40

Note: Land, building and accessory in the amount of THB 839 million is part of a security for a bank loan, the detail is shown in part 4.1.

3.3. Management team and Major Shareholders

Board of Directors of the Company as of 29 November 2018 comprises of 2 sets of directors which are the Board of Directors and the Audit Committee, the details are shown as follows;

The Board of Directors

The Company has 9 directors as follow;

1. Mrs. Srivara Issara Chairperson
2. Mr. Songkran Issara Chief Executive Officer and Managing Director
3. Mrs. Linda Prasertsom Director
4. Mrs. Teeraporn Srijaroenwong Director
5. Mr. Vorasit Issara Director
6. Mr. Phisud Dejakaisaya Independent Director and Chairman of Audit Committee
7. Mr. Witit Ratchatatanun Independent Director and Audit Committee
8. Mr. Pinit Puapan Independent Director and Audit Committee
9. Mr. Pravesvudhi Raiva Independent Director

The Audit Committee

The Audit Committee consisted of 3 members. The Audit Committee was elected by the Annual General Meeting of Shareholders of the year 2016 held on 27 April 2016. All members of the Audit Committee are independent directors or are not be the employees of the Company. The members of the Audit Committee are as follow:

1. Mr. Phisud Dejakaisaya Chairman of Audit Committee
2. Mr. Witit Ratchatatanun Audit Committee
3. Mr. Pinit Puapan Audit Committee

The Audit Committee will be in the position until the year 2019.

Management Team

As of 29 November 2018, the management team of the Company consisted of 5 people as follow:

1. Mr. Songkran Issara Chief Executive Officer and Managing Director

Acting Assistant Managing Director on Joint Venture Project

Acting Assistant Managing Director on Operational Support

2. Mrs. Teeraporn Srijaroenwong Deputy Managing Director

Acting Assistant Managing Director on Project Management and Development

3. Mr. Ditawat Issara Assistant Managing Director on Business Development

4. Mrs. Kanokporn Sanawatana Assistant Managing Director on Accounting and Finance

5. Mrs. Wanida Ratanakam Assistant Managing Director of Sales and Marketing

Top Ten Major Shareholders of the Company

Major Shareholders of the Company as of 28 September 2018 are as follows:

Name of Shareholders	Number of Shares	Percentage Total Shares
1. Mr. Songkran Issara	261,362,079	29.38
2. Mr. Taweecat Jurangkool	192,687,300	21.66
3. C.I. Property Co., Ltd.	97,554,105	10.97
4. Ms. Karatphet Issara	32,809,218	3.69
5. Mr. Ditawat Issara	19,584,454	2.20
6. Mr. Satit Sangkiet	15,180,531	1.71
7. Mr. Adisak Assavakovit	14,745,718	1.66
8. Thai N.V.D.R. Co., Ltd.	13,880,453	1.56
9. Mr. Wallop Sangkiet	10,291,050	1.16
10. Mr. Akekachai Sattabongkoj	8,900,000	1.00

4. History of Capital increases and Dividend payment

4.1 History of Capital increases

Year	Registered Capital	Paid Up Capital
Year 2015	THB 719,999,598, comprised 719,999,598 shares with a par value of THB 1 per share	THB 719,999,598, comprised 719,999,598 shares with a par value of THB 1 per share
Year 2016 The Company decreased its registered capital by decreasing 402 shares, and increased its registered capital by increasing 72,000,000 shares.	THB 719,999,598 comprised 719,999,598 shares with a par value of THB 1 per share	THB 790,871,315 comprised 790,871,315 shares with a par value of THB 1 per share
Year 2017 The Company decreased its registered capital by decreasing 1,128,283 shares, and increased its registered capital by increasing 434,979,222 shares.	THB 1,255,850,537 comprised 1,255,850,537 shares with a par value of THB 1 per share	THB 889,726,608 comprised 889,726,608 shares with a par value of THB 1 per share

4.2 History of Dividend payment

The history of the dividend payments of the Company are as follow:

Operating Results	Dividend per Share	Date of Dividend Payment
2015	0.12	25 May 2016
1. Paid in shares (10:1)	0.10	
2. Paid in cash	0.02	
2016	0.185	24 May 2017
1. Paid in shares (8:1)	0.125	
2. Paid in cash	0.060	
2017	0.03	24 May 2018
1. Paid in cash	0.03	

5. Company Organization and its subsidiaries

The Company invests in these following subsidiaries, related companies and property funds:

Name	Paid up capital (million)	Number of shares holding	Par value (THB)	Percentage Total Shares
Charn Issara Residence Co., Ltd.	140.00	1,195,000	100	85.36
C.I.N. Estate Co., Ltd.	250.00	1,499,996	100	60.00
Charn Issara Vipaphol Co., Ltd.	100.00	499,997	100	50.00
Issara United Co., Ltd.	300.00	1,499,996	100	50.00
Sri panwa Management Co., Ltd. (holding through CIR which is a subsidiary)	30.00	3,000,000	10	85.36
Issara Junfa Co., Ltd.	420.00	2,940,000	100	70.00
Issara United Development Co., Ltd.	360.00	1,799,996	100	50.00
Charn Issara REIT Management Co., Ltd.	10.00	1,000,000	10	100.00
International Resources Development Co., Ltd.	1,757.95	2,810,695	100	15.99
Hida Grill Co., Ltd.	13.00	47,060	100	36.20
Bangkok Commercial Property Fund	1,000.00	33,300,000	10	33.30
SRI PANWA HOSPITALITY REAL ESTATE INVESTMENT TRUST (the Company holds 27.91 million units (10 percent) and CIR holds 56.90 million units (20.36 percent))	3,097.72	27,906,352	11.10	10.00

Note : ¹ The Company holds Sri panwa Management Co., Ltd.'s shares through CIR which is a subsidiary.

² The Company holds Sri panwa Hospitality Real Estate Investment Trust in the amount of 56,895,457 units (20.36 percent) through CIR which is a subsidiary.

Part 3

Summary of Financial Statement Charn Issara Development Public Company Limited

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Assets					
Current assets					
Cash and cash equivalents	7	282,434,098	701,708,457	72,449,727	267,208,297
Current investments	8	250,878,022	95,625,965	250,878,022	54,960,116
Trade and other receivables	9	69,260,904	69,556,588	26,280,595	17,327,179
Costs of property development projects for sales	10	4,585,200,353	4,398,116,120	692,740,492	606,074,277
Inventories	11	35,223,241	27,686,395	-	-
Current tax assets		18,990,715	7,591,779	4,904,265	4,335,487
Short-term loans to subsidiaries	6	-	-	376,000,000	198,000,000
Short-term loan to an associated company	6	3,000,000	3,000,000	3,000,000	3,000,000
Short-term loan to a related company	6	1,285,600	1,285,600	-	-
Current portion of long-term loan to subsidiary	6	-	-	-	30,000,000
Deposit for land acquisition - related party	6	674,333	674,333	674,333	674,333
Other current assets		63,962,208	60,079,913	26,772,944	4,471,809
Total current assets		5,310,909,474	5,365,325,150	1,453,700,378	1,186,051,498
Non-current assets					
Restricted bank deposits	12	44,192,422	44,158,436	3,871,405	3,838,998
Long-term loan to subsidiary - net					
of current portion	6	-	-	18,000,000	18,000,000
Investments in subsidiaries	13	-	-	985,651,500	774,401,500
Investments in associated companies	14	665,669,620	670,025,814	623,079,962	623,079,962
Investments in related companies	15	149,681,235	149,681,235	148,966,835	148,966,835
Investment properties	16	315,499,527	266,099,527	206,800,000	161,900,000
Land held for development	17	255,389,157	255,269,157	-	-
Property, plant and equipment	18	945,887,604	436,699,336	16,535,128	20,813,399
Deferred tax assets	31	91,808,274	81,514,733	-	-
Other non-current assets		78,003,512	59,507,019	24,720,336	20,062,049
Total non-current assets		2,546,131,351	1,962,955,257	2,027,625,166	1,771,062,743
Total assets		7,857,040,825	7,328,280,407	3,481,325,544	2,957,114,241

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u>	<u>31 December 2017</u>	<u>31 December 2016</u>	<u>31 December 2017</u>	<u>31 December 2016</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts from financial institutions	19	40,752,948	24,620,042	-	-
Trade and other payables	20	601,505,049	570,311,861	57,440,939	51,347,637
Bills of exchange	21	-	297,209,098	-	99,426,767
Current portion of liabilities under hire-purchase agreements		5,454,586	6,199,178	-	376,583
Current portion of long-term loans	22	613,656,625	973,308,527	-	91,211,850
Current portion of debentures	24	299,643,391	200,000,000	299,643,391	200,000,000
Short-term loans from related parties	6	326,000,000	258,000,000	-	-
Current portion of long-term loans from related companies	6	-	30,000,000	-	-
Deposits and advances received from real estate sales		330,799,689	246,413,821	58,249,610	23,278,603
Retention payables		151,910,647	158,674,623	8,064,480	8,454,590
Income tax payable		-	118,037,947	-	-
Other current liabilities		79,027,920	78,231,237	3,405,963	9,848,232
Total current liabilities		2,448,750,855	2,961,006,334	426,804,383	483,944,262
Non-current liabilities					
Liabilities under hire-purchase agreements - net of current portion		8,249,960	5,987,892	-	-
Long-term loans - net of current portion	22	1,059,205,412	961,535,719	254,548,150	292,131,395
Long-term loan from other company	23	59,000,000	15,000,000	-	-
Debentures - net of current portion	24	1,535,396,450	898,138,243	1,535,396,450	898,138,243
Long-term loan from related company - net of current portion	6	12,000,000	12,000,000	-	-
Provision for long-term employee benefits	25	42,255,186	54,427,717	33,535,823	40,106,563
Deferred revenue	14	25,018,425	28,590,265	-	-
Deferred tax liabilities	31	128,775,126	89,974,220	25,678,795	14,142,496
Other non-current liabilities		13,406,728	13,101,493	8,787,969	8,482,809
Total non-current liabilities		2,883,307,287	2,078,755,549	1,857,947,187	1,253,001,506
Total liabilities		5,332,058,142	5,039,761,883	2,284,751,570	1,736,945,768

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Revenue from real estate sales		1,476,721,268	1,908,355,077	22,900,000	-
Rental and services income		80,667,855	79,714,308	78,984,795	77,538,583
Revenue from hotel operations		571,609,638	530,631,819	-	-
Gain on sale of hotel and a residential villa	14	-	429,358,442	-	-
Other income					
Services and utilities income from real estate project		30,822,938	28,630,419	-	-
Management fee income and other fee income		68,576,390	73,777,600	120,630,896	108,918,768
Dividend income	13, 14	-	-	34,570,237	234,269,984
Interest income		6,609,842	11,465,887	19,314,089	18,529,624
Gain (loss) from a fair value adjustment on investment properties	16	49,400,000	(3,489,000)	44,900,000	2,000,000
Others		33,006,595	28,968,315	21,449,801	13,806,055
Total revenues		2,317,414,526	3,087,432,867	342,749,818	453,063,014
Expenses					
Cost of real estate sales		904,788,236	1,236,948,534	14,361,807	-
Cost of rental and services		43,363,330	44,563,194	44,973,055	46,194,468
Cost of hotel operations		544,243,194	493,398,100	-	-
Selling expenses		239,441,408	253,090,408	32,024,438	23,385,117
Administrative expenses		475,238,707	518,229,754	164,573,525	187,546,901
Total expenses		2,207,074,875	2,546,229,988	255,932,825	257,128,486
Profit before share of profit from investments in associated companies, finance cost and income tax expenses					
		110,339,651	541,202,879	86,816,993	195,936,528
Share of profit from investments in associated companies	14	71,063,886	55,341,626	-	-
Profit before finance cost and income tax expenses		181,403,537	596,544,505	86,816,993	195,936,528
Finance cost		(101,338,258)	(111,579,861)	(73,489,355)	(67,512,550)
Profit before income tax expenses		80,065,279	484,964,644	13,327,638	128,423,978
Income tax expenses	31	(35,327,639)	(162,169,131)	(11,258,681)	(1,504,218)
Profit for the year		44,737,640	322,795,513	2,068,957	126,919,760

Attachment 2

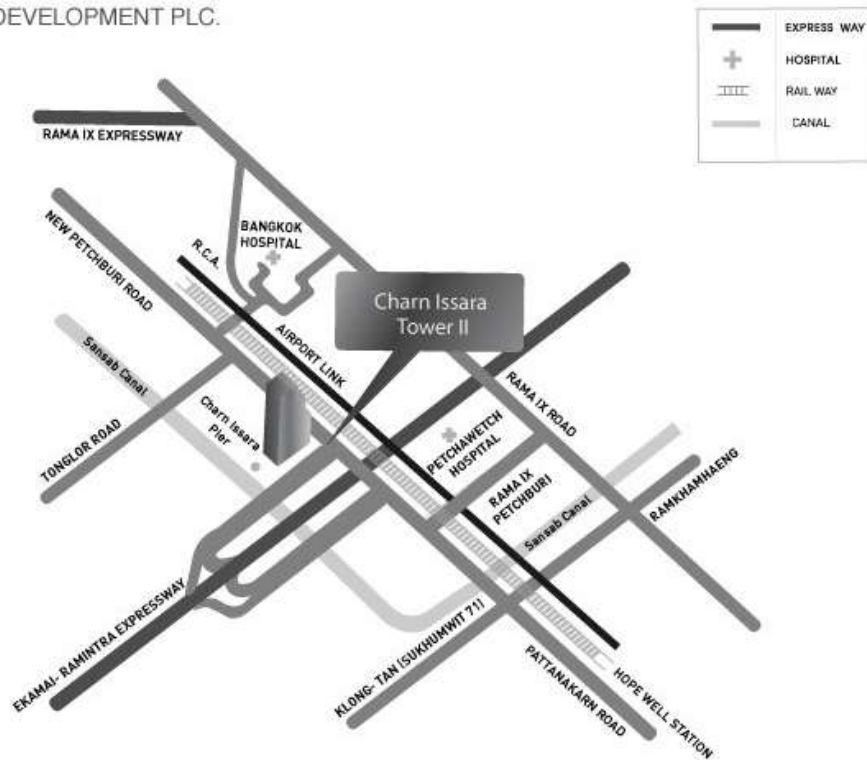
Subscription Form for Newly Issued Ordinary Shares (the “Share Subscription Form”)

(As per detached document)

Map to Venue for Subscription and Payment

CHARN ISSARA DEVELOPMENT PLC.

+662 308 2020



Address: Charn Issara Development Public Company Limited

No. 2922/200 Charn Issara Tower 2, 10th floor, New Petchburi Road, Bangkapi Sub-District, Huay Kwang District, Bangkok, 10310, tel: 02-308-2020 ext. 546 and 541, fax: 02-308-2990