

**PACE DEVELOPMENT CORPORATION  
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**Interim Financial Information**

**For the Period Ended March 31, 2017**

**and Report on Review of Interim Financial Information**

**Performed by the Independent Auditor**

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
PERFORMED BY THE INDEPENDENT AUDITOR**

**To the Board of Directors of Pace Development Corporation Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of Pace Development Corporation Public Company Limited and its subsidiaries, and of Pace Development Corporation Public Company Limited as at March 31, 2017, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and condensed explanatory notes ("interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my reviews.

***Scope of Reviews***

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the reviewed interim financial information.

***Conclusion***

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information does not present fairly, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

***Emphases of Matter***

Without qualifying my conclusion,

- a) Note 1 to the interim financial statements that the consolidated interim financial information for the three-month period ended March 31, 2017 included financial information for the three-month period then ended of three subsidiaries, which have been prepared based on quantitative information of construction area of each project of such subsidiaries.
- b) Note 29 to the interim financial statements, regarding the determination of controls over 2 subsidiaries after the incremental of share capital to new investors.

(Ms. Wimolsri Jongudomsombut)  
Certified Public Accountant, Registration No. 3899  
Baker Tilly Audit and Advisory Services (Thailand) Ltd.  
Bangkok  
May 15, 2017

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2017

ASSETS

	Notes	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		"Unaudited" "Reviewed"	"Audited"	"Unaudited" "Reviewed"	"Audited"
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5, 22	5,246,607	692,455	454,298	186,195
Savings deposit with specific purpose	4, 5	-	-	1,661,000	-
Short-term investments	6	9,776	44,695	9,776	44,695
Trade and unbilled trade account receivables					
- Related companies	4	83,937	50,203	-	-
- Other companies - net	7	186,679	43,140	-	-
Inventories - net	8, 22	298,521	296,008	-	-
Real estate projects for sales under development	4, 11, 20, 22, 27	10,079,872	10,553,946	2,776,980	2,424,584
Advance payments for construction		286,850	338,848	53,938	94,705
Short-term loans to subsidiaries and interest receivables	4	-	-	3,177,327	2,513,091
Advances to and other current receivables from subsidiaries and related parties	4	2,779	6,715	146,806	126,144
Refundable value added tax		260,853	238,179	1,505	1,470
Other current assets		158,007	149,694	10,932	4,916
<b>Total Current Assets</b>		<b>16,613,881</b>	<b>12,413,883</b>	<b>8,292,562</b>	<b>5,395,800</b>
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	9, 22	-	-	2,935,144	2,935,144
Investment in joint venture	4, 10, 27	233,246	227,911	-	-
Restricted savings deposit and current account	4, 22, 27	295,187	291,043	43,428	39,312
Accrued management fee income	4	-	-	253,911	240,000
Interest receivables from subsidiaries and related company	4	1,048	824	1,073,975	1,739,833
Long-term loans to subsidiaries and related company	4, 22	77,513	75,244	6,499,153	8,172,461
Rights to use assets - net	14, 27	60,900	46,259	-	-
Advance payment for purchase of land		100,000	-	100,000	-
Land	12, 20, 22	1,503,387	1,503,387	276,242	276,242
Advance payments for construction		762,077	778,419	269,771	276,220
Deferred loan arrangement fee		8,200	8,200	-	-
Real estate projects for sales under development	4, 11, 20, 22, 27	3,496,480	3,319,460	2,979,369	2,832,807
Construction in progress	1, 4, 13, 22, 27	4,546,164	3,915,907	398,557	398,557
Leasehold improvements and equipment - net	15, 27	1,748,347	1,589,595	83,651	74,116
Properties for lease - net	4, 16, 22	988,112	984,212	-	-
Goodwill - net	17	3,520,209	3,665,421	-	-
Other intangible assets - net	18	2,186,115	2,292,178	5,031	5,568
Deferred income tax assets - net	19	569,191	564,043	228,292	175,727
Other non-current assets - net		216,442	155,175	19,715	11,104
<b>Total Non-Current Assets</b>		<b>20,312,618</b>	<b>19,417,278</b>	<b>15,166,239</b>	<b>17,177,091</b>
<b>TOTAL ASSETS</b>		<b>36,926,499</b>	<b>31,831,161</b>	<b>23,458,801</b>	<b>22,572,891</b>

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
		"Reviewed"	"Audited"	"Reviewed"	"Audited"
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings from					
financial institutions	11, 13, 20, 22	1,134,328	1,141,024	495,147	500,000
Short-term borrowings	21	4,905,909	4,444,981	4,905,909	4,346,221
Trade account payables					
- Related companies	4	529	-	-	-
- Other companies		1,829,847	1,660,243	396,137	462,651
Payable for purchase of land		101,412	101,412	101,412	101,412
Other current payables to related companies	4	20,517	23,077	7,796	2,213
Other current payables		29,669	32,855	-	-
Current portion of long-term borrowings from					
financial institutions	4, 5, 9, 11, 12, 13, 16, 22, 27	5,828,030	9,235,365	1,352,676	1,120,277
Current portion of liabilities under finance lease contracts		5,907	6,135	3,060	3,387
Current portion of debentures	24	3,410,122	1,393,515	3,410,122	1,393,515
Short-term borrowings from related parties and					
accrued interest	4	39,596	-	-	-
Advances and deposits received from customers	4	2,660,150	3,011,073	277,062	258,333
Current income tax payable		3,767	9,164	-	-
Current portion of deferred revenue		10,373	2,699	-	-
Accrued expenses	27	514,034	467,963	90,073	82,886
Accrued construction costs		72,284	48,743	-	-
Other current liabilities		368,392	316,877	120,134	79,741
<b>Total Current Liabilities</b>		<b>20,934,866</b>	<b>21,895,126</b>	<b>11,159,528</b>	<b>8,350,636</b>
<b>NON-CURRENT LIABILITIES</b>					
Deposits received from customers	4, 27	1,702,454	1,572,437	1,624,504	1,500,269
Long-term borrowings from related companies	4, 5, 9, 12, 13, 15, 16	658,000	-	-	-
Long-term borrowings from financial institutions - net	4, 5, 9, 11, 12, 13, 16, 22, 27	2,690,423	2,513,505	2,301,938	2,128,260
Long-term borrowings from other persons	23	30,000	30,000	30,000	30,000
Liabilities under finance lease contracts - net		5,327	6,029	4,819	5,448
Debentures - net	24	1,290,610	3,300,863	1,290,610	3,300,863
Deferred income tax liability	19	655,892	691,201	-	-
Non-current provision for employee benefit		18,782	17,482	16,166	15,025
Other non-current liabilities		139,193	115,305	-	-
<b>Total Non-Current Liabilities</b>		<b>7,190,681</b>	<b>8,246,822</b>	<b>5,268,037</b>	<b>6,979,865</b>
<b>Total Liabilities</b>		<b>28,125,547</b>	<b>30,141,948</b>	<b>16,427,565</b>	<b>15,330,501</b>

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		"Unaudited"	"Unaudited"		
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
- Authorized share capital, ordinary share					
	4,078,028,197 shares at Baht 1 par value	4,078,028	4,078,028	4,078,028	4,078,028
- Issued and paid share capital, ordinary share					
	3,758,028,197 shares at Baht 1 per share	3,758,028	3,758,028	3,758,028	3,758,028
	Share premium on ordinary shares	3,846,808	3,846,808	3,846,808	3,846,808
	Other reserve	463,168	463,168	-	-
	Discount on increase in shareholding in subsidiaries	(1,064,004)	(1,064,004)	-	-
	Discount on business combination under common control	(324,475)	(324,475)	-	-
	Currency translation differences	107,683	173,620	-	-
Retained earnings (Deficit)					
	- Appropriated for legal reserve	15,643	15,643	15,643	15,643
	- Deficit	(5,801,166)	(5,179,576)	(589,243)	(378,089)
<b>Equity Attributable to Owners of the Parent</b>		1,001,685	1,689,212	7,031,236	7,242,390
	Non-controlling interests	7,799,267	1	-	-
	<b>Shareholders' Equity - Net</b>	8,800,952	1,689,213	7,031,236	7,242,390
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		36,926,499	31,831,161	23,458,801	22,572,891

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"  
"REVIEWED"

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Notes		2017	2016	2017	2016
<b>Revenues</b>					
	Revenue from sales of residential condominium units	4	1,761,331	-	-
	Revenue from sales of merchandises, foods and beverages	4	702,119	716,768	-
	Revenue from trademark and trade name fees		10,317	724,107	-
	Rental and service income	4	16,732	11,865	-
	Creative service income	4	162	-	-
	Interest income	4	819	104	195,560
	Management fee income	4	-	-	28,986
	Other income		4,056	3,733	489
	<b>Total Revenues</b>		<u>2,495,536</u>	<u>1,456,577</u>	<u>225,035</u>
<b>Expenses</b>					
	Cost of sales of residential condominium units		1,242,365	-	-
	Costs of sales of merchandises, foods and beverages		349,691	355,024	-
	Cost of rental and service		28,702	25,007	-
	Cost of creative service		129	-	-
	Selling expenses	4	633,939	430,564	14,727
	Administrative expenses	4	637,704	451,899	241,904
	Management benefit expenses	4	19,078	12,281	18,119
	Loss on foreign exchange - net		397	10,267	65,081
	Finance costs	4	170,759	147,581	148,923
	<b>Total Expenses</b>		<u>3,082,764</u>	<u>1,432,623</u>	<u>488,754</u>
	<b>Profit (Loss) before Share of Loss of Investment in Joint Venture</b>		(587,228)	23,954	(263,719)
	Share of loss of investment in joint venture	10	(3,455)	-	-
	<b>Profit (Loss) before Tax</b>		(590,683)	23,954	(263,719)
	Tax Income	19	16,411	43,592	52,565
	<b>Profit (Loss) for the Period</b>		(574,272)	67,546	(211,154)
<b>Other Comprehensive Loss:</b>					
<b>Item that may be reclassified subsequently to profit or loss:</b>					
	Currency translation differences		(65,937)	(51,380)	-
	<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<u>(640,209)</u>	<u>16,166</u>	<u>(211,154)</u>
<b>Profit (loss) for the period attributable to:</b>					
	Owners of the parent		(575,638)	67,546	(211,154)
	Non-controlling interests		1,366	-	-
			<u>(574,272)</u>	<u>67,546</u>	<u>(211,154)</u>
<b>Total comprehensive income (loss) for the period attributable to:</b>					
	Owners of the parent		(641,575)	16,166	(211,154)
	Non-controlling interests		1,366	-	-
			<u>(640,209)</u>	<u>16,166</u>	<u>(211,154)</u>
<b>Basic Earnings (Loss) per Share Attributable to</b>					
<b>Owners of the Parent (In Baht)</b>					
			<u>(0.153)</u>	<u>0.021</u>	<u>(0.056)</u>
<b>Weighted Average Number of Shares (In Thousand Shares)</b>					
			<u>3,758,028</u>	<u>3,261,678</u>	<u>3,758,028</u>

The accompanying notes are an integral part of these interim financial statements.

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"  
 "REVIEWED"

Consolidated Financial Statements (In Thousand Baht)												
	Notes	Issued	Share premium on ordinary shares	Other reserve	Discount on increase in shareholding in subsidiaries	Discount on business combination under common control	Currency translation differences	Retained earnings (Deficit)		Equity attributable to		
		and paid-up share capital						Appropriated for legal reserve	Deficit	owners of the parent	Non-controlling interests	Shareholders' equity - net
<b>Balance as at January 1, 2016</b>		3,261,678	2,897,314	-	(1,064,004)	(324,475)	194,622	15,643	(2,853,179)	2,127,599	1	2,127,600
Profit for the period		-	-	-	-	-	-	-	67,546	67,546	-	67,546
Other comprehensive loss for the period		-	-	-	-	-	(51,380)	-	-	(51,380)	-	(51,380)
Total comprehensive income (loss) for the period		-	-	-	-	-	(51,380)	-	67,546	16,166	-	16,166
<b>Balance as at March 31, 2016</b>		<u>3,261,678</u>	<u>2,897,314</u>	<u>-</u>	<u>(1,064,004)</u>	<u>(324,475)</u>	<u>143,242</u>	<u>15,643</u>	<u>(2,785,633)</u>	<u>2,143,765</u>	<u>1</u>	<u>2,143,766</u>
<b>Balance as at January 1, 2017</b>		3,758,028	3,846,808	463,168	(1,064,004)	(324,475)	173,620	15,643	(5,179,576)	1,689,212	1	1,689,213
Profit (loss) for the period		-	-	-	-	-	-	-	(575,638)	(575,638)	1,366	(574,272)
Other comprehensive loss for the period		-	-	-	-	-	(65,937)	-	-	(65,937)	-	(65,937)
Total comprehensive income (loss) for the period		-	-	-	-	-	(65,937)	-	(575,638)	(641,575)	1,366	(640,209)
Addition in non-controlling interests from increase in preferred shares of subsidiaries	1, 4	-	-	-	-	-	-	-	-	-	7,783,200	7,783,200
Addition in non-controlling interests from investment in new subsidiary	1	-	-	-	-	-	-	-	-	-	14,700	14,700
Transaction costs relating to incremental of preferred share in subsidiaries which recognize to equity		-	-	-	-	-	-	-	(45,952)	(45,952)	-	(45,952)
<b>Balance as at March 31, 2017</b>		<u>3,758,028</u>	<u>3,846,808</u>	<u>463,168</u>	<u>(1,064,004)</u>	<u>(324,475)</u>	<u>107,683</u>	<u>15,643</u>	<u>(5,801,166)</u>	<u>1,001,685</u>	<u>7,799,267</u>	<u>8,800,952</u>

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017**

"UNAUDITED"  
"REVIEWED"

	Separate Financial Statements (In Thousand Baht)				Shareholders' equity - net
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings (Deficit)		
			Appropriated for legal reserve	Deficit	
<b>Balance as at January 1, 2016</b>	3,261,678	2,897,314	15,643	(135,120)	6,039,515
Total comprehensive loss for the period	-	-	-	(97,431)	(97,431)
<b>Balance as at March 31, 2016</b>	<u>3,261,678</u>	<u>2,897,314</u>	<u>15,643</u>	<u>(232,551)</u>	<u>5,942,084</u>
<b>Balance as at January 1, 2017</b>	3,758,028	3,846,808	15,643	(378,089)	7,242,390
Total comprehensive loss for the period	-	-	-	(211,154)	(211,154)
<b>Balance as at March 31, 2017</b>	<u>3,758,028</u>	<u>3,846,808</u>	<u>15,643</u>	<u>(589,243)</u>	<u>7,031,236</u>



PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"  
"REVIEWED"

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Profit (loss) for the period	(574,272)	67,546	(211,154)	(97,431)
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities:				
Management fee income	-	-	(13,911)	(15,000)
Reversal allowance for doubtful accounts	(8)	(6)	-	-
Reversal allowance for decline in value of inventories	(93)	(95)	-	-
Loss on decline in value of real estate project for sales under development	39,800	-	-	-
Depreciation and amortization	80,030	86,629	5,432	9,257
Gain on sales of short-term investments	(30)	(235)	(30)	(235)
Gain on sales of leasehold improvements and equipment	-	(502)	-	(459)
Provision for employee benefit	1,300	2,461	1,141	2,199
Unrealized loss (gain) on foreign exchange - net	(1,955)	377	65,309	5,108
Unrealized gain on revaluation of short-term investments	(51)	(35)	(51)	(35)
Impairment loss on goodwill	21,985	882	-	-
Share of loss of investment in joint venture	3,455	-	-	-
Tax income	(16,411)	(43,592)	(52,565)	(24,234)
Interest income	(819)	(104)	(195,560)	(143,538)
Finance costs	170,759	147,581	148,923	113,395
<b>Decrease (increase) in operating assets:</b>				
Trade and unbilled trade account receivables	(177,264)	16,034	-	-
Inventories	(2,420)	11,207	-	-
Advances to and other receivables from subsidiaries and related parties	3,936	12,641	(21,175)	(1,256)
Other account receivables	-	(158,743)	-	-
Refundable value added tax	(22,674)	(11,415)	(35)	180
Real estate projects for sales under development	269,878	(392,108)	(509,101)	(73,079)
Advance payments for construction	58,447	(139,785)	47,216	(181,927)
Advance payment for purchase of land	(100,000)	-	(100,000)	-
Other current assets	(7,992)	(24,512)	(5,470)	(3,205)
Other non-current assets	(32,273)	(4,263)	(630)	2,749
<b>Increase (decrease) in operating liabilities:</b>				
Trade account payables and accrued construction costs	173,289	(61,645)	738	(626)
Other payables to related companies	(2,560)	5,727	5,583	1,940
Advances and deposits received from customers	(220,906)	328,388	142,964	124,398
Other payables	(3,186)	(5,651)	-	-
Deferred revenue	7,705	(120,394)	-	-
Accrued expenses	50,794	(8,507)	8,492	20,786
Other current liabilities	51,515	9,198	40,393	(5,184)
Other non-current liabilities	23,888	2,113	-	-
Tax paid	(29,637)	(1,425)	(8,068)	(1)
<b>Net Cash Used in Operating Activities</b>	<b>(235,770)</b>	<b>(282,233)</b>	<b>(651,559)</b>	<b>(266,198)</b>

## STATEMENT OF CASH FLOWS (Continued)

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Increase in investment in joint venture	-	(163,302)	-	-
Increase in savings deposit with specific purpose	-	-	(1,661,000)	-
Increase in restricted savings deposit and current account	(4,144)	(23,333)	(4,116)	(1,209)
Additions in non-controlling interests from investments in new subsidiary	14,700	-	-	-
Increase in short-term investments	-	(430,000)	-	(430,000)
Proceeds from sales of short-term investments	35,000	433,000	35,000	433,000
Increase in short-term loans to subsidiaries	-	-	(681,773)	(186,244)
Cash receipts from short-term loans to subsidiaries	-	-	6,000	-
Increase in long-term loans to subsidiaries and related company	(5,303)	-	(223,750)	(232,200)
Cash receipts in long-term loans to subsidiaries and related company	-	-	1,897,058	20,000
Proceeds from sales of equipment	-	5,382	-	4,619
Purchases of leasehold improvements and equipment	(120,423)	(78,668)	(13,436)	(5,329)
Purchases of other intangible assets	(12,284)	(620)	(106)	(44)
Decrease in advance payments for construction	9,893	69,472	-	-
Payment of rights to use assets	(16,613)	(7,020)	-	-
Increase in properties for lease	(13,812)	-	-	-
Increase in construction in progress	(551,754)	(245,704)	-	(432)
Interest received	273	104	806,877	104
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(664,467)</b>	<b>(440,689)</b>	<b>160,754</b>	<b>(397,735)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	8,030	(3,964)	-	-
Increase in short-term borrowings	1,210,000	1,505,000	1,210,000	1,005,000
Repayment of short-term borrowings	(740,000)	(1,000,000)	(640,000)	(500,000)
Cash receipts from short-term borrowings from subsidiaries and related parties	39,684	-	-	598,000
Repayment of short-term borrowings from subsidiaries	-	-	-	(498,000)
Cash receipts from long-term borrowings from related companies (Note 4)	658,000	-	-	-
Cash receipts from long-term borrowings from financial institutions	480,544	321,988	400,541	-
Cash receipts from debentures	-	1,623,000	-	1,623,000
Repayment of long-term borrowings from financial institutions	(3,635,822)	(4,675)	-	-
Repayment of debentures	-	(1,499,500)	-	(1,499,500)
Repayment of liabilities under finance lease contracts	(1,355)	(925)	(956)	(713)
Cash receipts from incremental of preferred shares of subsidiaries (Note 4)	7,783,200	-	-	-
Transaction costs relating to incremental of preferred share in subsidiaries	(45,952)	-	-	-
Payment of loan arrangement fee and debenture underwriting fee	(8,405)	(14,008)	(8,405)	(14,008)
Interest paid	(293,535)	(355,309)	(202,272)	(128,974)
<b>Net Cash Provided by Financing Activities</b>	<b>5,454,389</b>	<b>571,607</b>	<b>758,908</b>	<b>584,805</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,554,152</b>	<b>(151,315)</b>	<b>268,103</b>	<b>(79,128)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>692,455</b>	<b>651,100</b>	<b>186,195</b>	<b>125,200</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5,246,607</b>	<b>499,785</b>	<b>454,298</b>	<b>46,072</b>

## STATEMENT OF CASH FLOWS (Continued)

"REVIEWED"

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
<b>Non-Cash Transactions</b>				
a) Interest expense recorded as cost of real estate projects for sales under development, construction in progress and fixed assets	6,932	6,682	1,699	3,680
b) Net change in construction payables and accrued construction costs	(82,353)	325,727	(67,169)	213,438
c) Transfer construction in progress to leasehold improvements and equipment	-	591,368	-	-
d) Transfer construction in progress to properties for lease	-	525	-	-
e) Transfer furnitures of sales gallery to real estate project for sales under development	-	44,542	-	-
f) Deferred loan arrangement fee and debenture underwriting fee capitalized as a part of real estate projects for sales under development, construction in progress and fixed assets	22,898	8,288	4,022	1,252
g) Short-term borrowings transferred to long-term borrowings from other persons	-	30,000	-	30,000
h) Leasehold improvements and equipment increased by means of :				
- Finance lease agreements	425	-	-	-
- Net change in payables for purchase of leasehold improvements and equipment	104,693	-	652	-
- Cash payments	120,423	78,668	13,436	5,329
Total	<u>225,541</u>	<u>78,668</u>	<u>14,088</u>	<u>5,329</u>

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**Notes to Interim Financial Statements**

**March 31, 2017 (Unaudited / Reviewed)**

**1. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS**

- a) The Company and its subsidiaries (together referred to as “the Pace Development Corporation Group”) maintain their accounting records in conformity with Thai Financial Reporting Standards. Accordingly, the interim financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

The interim financial statements have been prepared to provide an update on the financial statements for the year ended December 31, 2016. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2016.

For the convenience of readers, the Pace Development Corporation Group prepared an English translation of the interim financial statements from the Thai language of interim financial statements, which are issued solely for domestic financial reporting purposes.

- b) The interim financial statements for each of the three-month periods ended March 31, 2017 and 2016 of Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. have been prepared based on the quantitative information of construction area of each project of these subsidiaries, which is shown below:

Subsidiaries	Previous Proportion (%)	New Proportion (%)	
	Land, construction costs and common project costs	Land	Construction costs and common project costs
Pace Project One Co., Ltd.	40.00	25.68	25.80
Pace Project Two Co., Ltd.	40.00	60.02	60.88
Pace Project Three Co., Ltd.	20.00	14.30	13.32
Total	100.00	100.00	100.00

During the first quarter of 2017, Dean and Deluca (Thailand) Co., Ltd. invested in Dean & DeLuca Airport Co., Ltd., a new subsidiary of Baht 15.3 million (ordinary share 152,999 shares at Baht 100 par value) resulting the Company had the percentage of indirect shareholding in this subsidiary of 51%. Such subsidiary registered with the Ministry of Commerce on January 5, 2017 with the registered capital of Baht 30 million (ordinary share 300,000 shares at Baht 100 par value).

At the Board of Directors' meeting of the Company held on January 10, 2017, the Board of Directors has resolved to approve the proposed investment by 2 new investors, namely Apollo Asia Sprint Holding Company Limited and Goldman Sachs Investments Holdings (Asia) Limited in 2 subsidiaries which were Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. totalling Baht 7,783.2 million. The Company and its subsidiaries entered into Subscription Agreement with such 2 investors on January 10, 2017 and entered into First Amendment Subscription Agreement and Shareholder Agreement on January 30, 2017. Under the agreements,

- (a) Share capital of Pace Project One Co., Ltd. will increase by issuing 1,921,000 new preference shares at the offering price of Baht 100 per share with totalling Baht 192.1 million (divided into 1,170,970 Group B preference shares at Baht 100 per share and 750,030 Group C preference shares at Baht 100 per share). Hence, the share capital will increase from Baht 200 million (ordinary share 2,000,000 shares at Baht 100 par value) to Baht 392.1 million (ordinary share of 2,000,000 shares at Baht 100 par value and preference share of 1,921,000 shares at Baht 100 par value). Such subsidiary registered the capital increase with the Ministry of Commerce on February 28, 2017.
- (b) Share capital of Pace Project Three Co., Ltd. will increase by issuing 950,000 new preference shares at the offering price totalling Baht 7,591.1 million (divided into 579,100 Group B preference shares at Baht 7,990.45 per share and 370,900 Group C preference shares at Baht 7,990.91 per share). Hence, the share capital will increase from Baht 100 million (ordinary share 1,000,000 shares at Baht 100 par value) to Baht 195 million (ordinary share of 1,000,000 shares at Baht 100 par value and preference share of 950,000 shares at Baht 100 par value). Such subsidiary registered the capital increase with the Ministry of Commerce on February 28, 2017.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

The consolidated interim financial statements for the three-month periods ended March 31, 2017 and 2016 and the consolidated financial statements for the year ended December 31, 2016 include the financial statements of the Pace Development Corporation Group as follows:

	Nature of Business	Type of Holding	Proportionate of Share (%)		
			March 31, 2017	December 31, 2016	March 31, 2016
<b>Subsidiaries</b>					
YLP Company Limited	Property development	Direct	100	100	100
Pace Country Club Co., Ltd.	Property development				
	and management	Direct	100	100	100
Pace Interior Services Co., Ltd.	Interior service	Direct	100	100	100
Pace Creative Agency Co., Ltd.	Designing, advertising and marketing communication				
		Direct	100	100	100
Pace Management Co., Ltd.	Management services	Direct	99.97	99.97	-
Pace Food Retail Co., Ltd.	Investment in equity shares of retailer of premium gourmet and delicatessen business	Direct	100	100	100
Dean and DeLuca (Thailand) Co., Ltd.	Food and beverage	Indirect	100	100	100
Dean & DeLuca Airport Co., Ltd.	Food and beverage	Indirect	51	-	-
Pace Real Estate Co., Ltd.	Investment in equity shares	Direct	100	100	100
Pace Project One Co., Ltd.	Hotel	Direct and indirect	51	100	100
Pace Project Two Co., Ltd.	Luxury condominium	Direct and indirect	100	100	100
Pace Project Three Co., Ltd.	Shopping centre	Direct and indirect	51.28	100	100
<b>Dean Group held by Pace Food Retail Co., Ltd.</b>					
- The Companies incorporated in The United States of America					
Dean & DeLuca, Inc.		Indirect	100	100	100
Dean & DeLuca Brands, Inc.		Indirect	100	100	100
Dean & DeLuca Marketing, LLC		Indirect	100	100	100
Dean & DeLuca Atlanta, LLC		Indirect	100	100	100
Dean & DeLuca Markets, LLC		Indirect	100	100	100
D&D Cafes of NC, LLC		Indirect	100	100	100
Dean & DeLuca Georgetown, Inc.		Indirect	100	100	100
Dean & DeLuca Imports, Inc.		Indirect	100	100	100
Dean & DeLuca Call Center, Inc.		Indirect	100	100	100
Dean & DeLuca New York, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100	100
Dean & DeLuca Espresso, Inc.		Indirect	100	100	100
Dean & DeLuca Madison Avenue, Inc.		Indirect	100	100	100
Gaetano & Barteau, Inc.		Indirect	100	100	100
Dean & DeLuca International, LLC		Indirect	100	100	100
Dean & DeLuca Brands Hawaii, LLC		Indirect	100	100	100
Dean & DeLuca Management Co.		Indirect	100	100	100
Dean & DeLuca, Incorporated		Indirect	100	100	100
Dean & DeLuca Espresso D.C., Inc.		Indirect	100	100	100
Dean & DeLuca Productions, LLC		Indirect	100	100	100
Dean & DeLuca Small Format, LLC		Indirect	100	100	100
Dean & DeLuca Small Format Lq. LLC		Indirect	100	100	-
- The Companies incorporated in United Kingdom					
D&D Mount Limited	Food and beverage	Indirect	100	100	-
D&D Fourteen Limited	Food and beverage	Indirect	100	100	-
<b>Joint venture (Incorporated in Japan)</b>					
Dean & DeLuca Café Japan Co., Ltd.	Food and beverage	Indirect	50	50	50

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

- c) Significant transactions among the Pace Development Corporation Group have been eliminated in these consolidated interim financial statements.
- d) The interim financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.
- e) Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and under equity in the consolidated statements of financial position.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying interim financial statements have been prepared in accordance with Thai Financial Reporting Standards. Accounting policies that have been applied to the preparation of interim financial statements for each of the three-month periods ended March 31, 2017 and 2016 are similar to those have been applied to the financial statements for the year ended December 31, 2016.

The Pace Development Corporation Group disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2017, in the notes to financial statements for the year ended December 31, 2016.

The Pace Development Corporation Group's management has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact.

**3. USES OF ESTIMATES AND JUDGEMENTS**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by the management in applying the Pace Development Corporation Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2016.

The consolidated interim financial statements for each of the three-month periods ended March 31, 2017 and 2016 of Pace Development Corporation Group include financial information of subsidiaries for each of the periods then ended, which were revised based on the new estimation and assumptions that the management used to allocate land, construction costs and common project costs of the subsidiaries according to revised proportion. The management determined the new proportion by considering quantitative information of construction area of each project of such subsidiaries as discussed in Note 1.

**4. TRANSACTIONS WITH RELATED PARTIES**

Significant portions of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the consolidated interim financial statements are determined at the price as stipulated in the agreement or mutual negotiation.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

The significant transactions between the Pace Development Corporation Group and their related parties for each of the three-month periods ended March 31, 2017 and 2016 are as follows:

			In Thousand Baht			
			Consolidated		Separate	
			Financial Statements		Financial Statements	
Relationship	Policy of Pricing		2017	2016	2017	2016
<b>Revenue from sale of residential condominium units</b>						
Related persons	Shareholder and director wife	Contract price	294,658	-	-	-
<b>Revenues from sales of foods and beverages</b>						
Fourteen Points Company Limited	Related company	Mutual negotiation	206	25	-	-
Fierce Publishing Company Limited	Related company	Mutual negotiation	427	-	-	-
Verita MHK (Thailand) Ltd.	Related company	Mutual negotiation	11	-	-	-
Total			<u>644</u>	<u>25</u>	<u>-</u>	<u>-</u>
<b>Creative service income</b>						
Fourteen Points Company Limited	Related company	Mutual negotiation	162	-	-	-
<b>Rental and service income</b>						
Fourteen Points Company Limited	Related company	Contract price	6,538	8,110	-	-
Verita MHK (Thailand) Ltd.	Related company	Contract price	3,347	-	-	-
MahaNakhon Bespoke Tailoring Co., Ltd.	Related company	Contract price	335	335	-	-
Total			<u>10,220</u>	<u>8,445</u>	<u>-</u>	<u>-</u>
<b>Management fee income</b>						
YLP Company Limited	Subsidiary company	Contract price	-	-	600	-
Pace Project One Co., Ltd.	Subsidiary company	Contract price	-	-	13,945	4,015
Pace Project Two Co., Ltd.	Subsidiary company	Contract price	-	-	12,530	9,471
Pace Project Three Co., Ltd.	Subsidiary company	Contract price	-	-	1,911	2,018
Total			<u>-</u>	<u>-</u>	<u>28,986</u>	<u>15,504</u>
<b>Interest income</b>						
Pace Country Club Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	7,278	6,479
Pace Food Retail Co., Ltd.	Subsidiary company	MLR+3% p.a. and 7.5% p.a.	-	-	5,373	4,206
Dean & DeLuca, Inc.	Subsidiary company	MLR+3% p.a.	-	-	35,531	3,470
Pace Project One Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	50,887	45,678
Pace Project Two Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	61,006	44,981
Pace Project Three Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	21,153	29,764
Pace Real Estate Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	6,322	6,375
Dean and Deluca (Thailand) Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	5,381	2,481
Pace Interior Services Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	1,902	-
Pace Creative Agency Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	183	-
Grovepark International Limited *	Related company	AFR p.a. **	261	-	-	-
Total			<u>261</u>	<u>-</u>	<u>195,016</u>	<u>143,434</u>

\* Relatives through the subsidiaries' directors

\*\* Applicable Federal Rate

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

			In Thousand Baht			
			Consolidated		Separate	
			Financial Statements		Financial Statements	
	Relationship	Policy of Pricing	2017	2016	2017	2016
<b>Interest expense (included in real estate projects for sales under development, construction in progress and finance costs)</b>						
YLP Company Limited	Subsidiary company	6.0% p.a.	-	-	-	869
Pace Creative Agency Co., Ltd.	Subsidiary company	6.05% p.a.	-	-	-	1,038
Pace Food Retail Co., Ltd.	Subsidiary company	6.05% p.a.	-	-	-	691
Apollo Asia Sprint Holding Company Limited	Subsidiaries' shareholders	8% p.a.	3,515	-	-	-
Mercer Investments (Singapore) Pte. Ltd. **	Related company	8% p.a.	1,507	-	-	-
Related persons	Subsidiaries' shareholder	7.5% p.a.	306	-	-	-
Total			<u>5,328</u>	<u>-</u>	<u>-</u>	<u>2,598</u>
<b>Loan arrangement fee (included in construction in progress)</b>						
Apollo Asia Sprint Holding Company Limited	Subsidiaries' shareholder	Contract price	3,077	-	-	-
Mercer Investments (Singapore) Pte. Ltd. **	Related company	Contract price	1,318	-	-	-
Total			<u>4,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other expenses</b>						
Finch & Partners Group *	Related company	Mutual negotiation	539	19,147	-	7,668
Grovepark International Limited *	Related company	Contract price	2,584	-	-	-
WM Advisory Co., Ltd. *	Related company	Contract price	5,000	5,000	-	-
Pace Project Two Co., Ltd.	Subsidiary company	Contract price	-	-	-	157
Pace Project Three Co., Ltd.	Subsidiary company	Contract price	-	-	2,157	-
Pace Creative Agency Co., Ltd.	Subsidiary company	Mutual negotiation	-	-	468	-
Dean and Deluca (Thailand) Co., Ltd.	Subsidiary company	Mutual negotiation	-	-	2,352	1,508
Fourteen Points Company Limited	Related company	Mutual negotiation	1,502	866	718	347
Total			<u>9,625</u>	<u>25,013</u>	<u>5,695</u>	<u>9,680</u>
<b>Purchase of fixed assets</b>						
WM Imagineer Co., Ltd. *	Related company	Mutual negotiation	-	985	-	-
<b>Prepaid marketing materials</b>						
Finch & Partners Group *	Related company	Mutual negotiation	-	22,034	-	-

\* Relatives through the subsidiaries' directors

\*\* Relatives through the subsidiaries' shareholder

The monetary management benefit expenses for each of the three-month periods ended March 31, 2017 and 2016 are as follows:

In Thousand Baht				
Description	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Salaries and other benefits	18,684	12,033	17,725	11,128
Meeting allowances	394	248	394	248
Total	<u>19,078</u>	<u>12,281</u>	<u>18,119</u>	<u>11,376</u>



**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

The outstanding balances with related parties as at March 31, 2017 and December 31, 2016 in the consolidated financial statements are as follows:

	Consolidated Financial Statements (In Thousand Baht)				
	Balance as at			Currency	Balance as at
	December 31,	Increase	Decrease	translation	March 31,
	2016			differences	2017
<b>Trade and unbilled trade account receivables</b>					
Fourteen Points Company Limited	45,607	7,205	(442)	-	52,370
Verita MHK (Thailand) Ltd.	2,426	3,442	(831)	-	5,037
Fierce Publishing Co., Ltd.	492	457	-	-	949
MahaNakhon Bespoke Tailoring Co., Ltd.	1,678	346	-	-	2,024
Related person - shareholder	-	23,557	-	-	23,557
Total	<u>50,203</u>	<u>35,007</u>	<u>(1,273)</u>	<u>-</u>	<u>83,937</u>
<b>Advances to and other current receivables</b>					
Pace Development Co., Ltd.	2,890	-	-	(111)	2,779
Related person - director	3,825	-	(3,825)	-	-
Total	<u>6,715</u>	<u>-</u>	<u>(3,825)</u>	<u>(111)</u>	<u>2,779</u>
<b>Long-term loans and interest receivable</b>					
Grovepark International Limited (directorship)					
- Principal	75,244	5,266	-	(2,997)	77,513
- Interest receivable	824	261	-	(37)	1,048
Total	<u>76,068</u>	<u>5,527</u>	<u>-</u>	<u>(3,034)</u>	<u>78,561</u>
<b>Trade account payable</b>					
Finch & Partners Group *	-	539	-	(10)	529
<b>Other current payables</b>					
Pace Development Co., Ltd.	3,559	-	-	-	3,559
Grovepark International Limited	7,167	2,584	-	(324)	9,427
Fourteen Points Company Limited	1,410	1,479	(358)	-	2,531
Fierce Publishing Co., Ltd.	241	-	(241)	-	-
WM Advisory Co., Ltd. (directorship)	10,700	5,000	(10,700)	-	5,000
Total	<u>23,077</u>	<u>9,063</u>	<u>(11,299)</u>	<u>(324)</u>	<u>20,517</u>
<b>Advances received from customers</b>					
Related persons - directors	40,327	-	-	-	40,327
Related person - shareholder	327	-	-	-	327
Dynasty Apparel Co., Ltd. (directorship)	327	-	-	-	327
Verita MHK (Thailand) Ltd. (indirect shareholding by director)	4,164	-	-	-	4,164
Total	<u>45,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,145</u>
<b>Short-term borrowings and accrued interest</b>					
Related persons - shareholders of subsidiary					
- Principal	-	18,620	-	-	18,620
- Accrued interest	-	306	-	-	306
	-	18,926	-	-	18,926
Related person - director					
- Principal	-	21,064	-	(394)	20,670
Total	<u>-</u>	<u>39,990</u>	<u>-</u>	<u>(394)</u>	<u>39,596</u>

\* Relatives through the subsidiaries' directors

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

	Consolidated Financial Statements (In Thousand Baht)				Balance as at March 31, 2017
	Balance as at December 31, 2016	Increase	Decrease	Currency translation differences	
<b>Long-term borrowings</b>					
Apollo Asia Sprint Holding Company Limited	-	460,600	-	-	460,600
Mercer Investments (Singapore) Pte. Ltd.	-	197,400	-	-	197,400
Total	-	658,000	-	-	658,000
<b>Accrued expenses - accrued interest and accrued loan arrangement fee</b>					
Apollo Asia Sprint Holding Company Limited	-	6,592	(3,077)	-	3,515
Mercer Investments (Singapore) Pte. Ltd.	-	2,825	-	-	2,825
Total	-	9,417	(3,077)	-	6,340

The aging analyses of trade account receivables - related companies as at March 31, 2017 and December 31, 2016 are as follows:

	Consolidated Financial Statements (In Thousand Baht)	
	March 31, 2017	December 31, 2016
Trade account receivables		
Within credit term	24,596	1,354
Overdue		
- Not over 3 months	10,970	7,420
- Over 3 months to 6 months	7,166	10,648
- Over 6 months to 12 months	20,598	19,534
- Over 12 months	18,530	8,946
Total trade account receivables	81,860	47,902
Unbilled trade account receivables	2,077	2,301
Total	83,937	50,203

**SHORT-TERM BORROWINGS FROM RELATED PARTIES**

Short-term borrowings from certain shareholders of Dean & DeLuca Airport Co., Ltd. are unsecured borrowings. These borrowings bear interest at the rate of 7.5% per annum and will be repayable in January 2018.

Short-term borrowing from director of the Company of U.S. Dollars 0.6 million lent to Dean & DeLuca Inc., a subsidiary, is unsecured and no interest bearing loan. This borrowing is due upon the lenders' written demand given at least 15 days in advance and will be payable in full amount on May 15, 2017. Presently, such subsidiary is in the process of requesting to extend repayment period.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

**LONG-TERM BORROWINGS FROM RELATED COMPANIES**

On January 30, 2017, Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. entered into Credit Facility Agreements with Apollo Asia Sprint Holding Company Limited (Lender) and Mercer Investments (Singapore) Pte. Ltd. (Co-Lender) for term borrowings totalling Baht 658 million which were allocated to Pace Project One Co., Ltd. of Baht 329 million and Pace Project Three Co., Ltd. of Baht 329 million.

On February 28, 2017, such subsidiaries received proceeds from capital increase and borrowings as mentioned above and already repaid all existing borrowings from the financial institutions totalling Baht 2,302.4 million (borrowing of Pace Project One Co., Ltd. of Baht 1,270.3 million and of Pace Project Three Co., Ltd. of Baht 1,032.1 million).

The significant details are follows:

- a) Borrowings are repayable within February 2021.
- b) These borrowings bear interest at the rate of 8% per annum.
- d) The borrower is responsible for withholding tax and other expenses.

Pace Development Corporation Group are committed to comply with certain conditions as indicated in the Credit Facility Agreements such as financial ratio and others. The loans are collateralized by the followings:

- mortgage of land and building located or will be constructed on land and properties for lease of Pace Project One Co., Ltd. and of Pace Project Three Co., Ltd. as discussed in Notes 12, 13 and 16,
- mortgage of equipment of Pace Project One Co., Ltd. and of Pace Project Three Co., Ltd. as discussed in Note 15,
- all of the Pace Project One Co., Ltd. and Pace Project Three Co., Ltd.'s shares held by the shareholders as discussed in Note 9,
- conditional assignment of intercompany loan agreements, Managed Services Agreement, construction contracts, management agreement and other agreements with Marriott International Group and Retail Shop Lease Agreement with the customers of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd.,
- pledge of Interest Reserve Account of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd.,
- deposits at banks of the Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. without any restriction use.

**ARRANGEMENT FEE AGREEMENTS**

On February 17, 2017, Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. entered into Arrangement Fee Agreements with Apollo Asia Sprint Holding Company Limited (Lender) and Mercer Investments (Singapore) Pte. Ltd. (Co-Lender). In consideration thereof, such subsidiaries is committed to pay loan arrangement fee calculated from total unpaid loan balances at the rate of 1.225% per quarter for lender and at the rate of 0.525% per quarter for co-lender.

**SHAREHOLDERS AGREEMENTS AND SUBSCRIPTION AGREEMENTS**

The Company, Pace Real Estate Co., Ltd., Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. entered to the Subscription Agreements on January 10, 2017 and First Amendment to Subscription Agreements and Shareholders Agreements on January 30, 2017 with Apollo Asia Sprint Holding Company Limited and Goldman Sachs Investments Holdings (Asia) Limited for increment in preferred shares of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. as discussed in Notes 1 and 9. The significant details are follows:

- a) The Company has call rights to purchase preferred shares in Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. from existing preferred shareholders which will be entitled to purchase preferred shares from both companies at the same time at the aggregate total return calculated as specified in Shareholder Agreements as follows:

	Number of preferred shares (shares)		
	Pace Project One Co., Ltd.	Pace Project Three Co., Ltd.	Total
- Group B preference shares: Call rights on the date 36 months until 48 months after the original issue date of preferred shares (commencing from February 28, 2020 ending February 28, 2021)	1,170,970	579,100	1,750,070
- Group C preference shares: Call rights on the date 18 months after the original issue date of preferred shares (on August 31, 2018)	750,030	370,900	1,120,930
<b>Total</b>	<b>1,921,000</b>	<b>950,000</b>	<b>2,871,000</b>

- b) The preferred shareholders of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. have preferred share purchase rights to purchase ordinary shares from exiting ordinary shareholders on a business day after the dates of 18 months and 48 months after the original issue date of preferred shares for Group C preferred shareholders and Group B preferred shareholders, respectively, at the market price less total investments and aggregate total return of preferred shareholders as specified in the Shareholder Agreements by giving of written notice.

The Company and above subsidiaries are committed to comply with certain conditions as indicated in the above agreements. In addition, a director of the Company has provide a limited recourse indemnifies pledge the Company's shares held by the director totalling 240.9 million shares.

**MANAGED SERVICES AGREEMENT AND COORDINATION AGREEMENT**

The Company has provided the services to Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. as indicated in Managed Service Agreements with the service fees of Baht 5 million per month which can be billed after the completion of the MahaNakhon project and the completion of the construction loan repayment of the project.

On February 17, 2017, the Company and above subsidiaries entered into the Coordination Agreement to amend the service fees to be Baht 3.9 million per month since March 2017 afterwards.

**MANAGED AND INTERIOR SERVICES AGREEMENT**

Pace Interior Services Co., Ltd., a subsidiary, has entered into a Managed and Interior Services Agreement for construction management and interior services of MahaNakhon Project dated January 6, 2017 with WM Advisory Co., Ltd., a related company, whereby such related company will provide the services as indicated in agreement starting from January 1, 2017 until June 30, 2017. In consideration thereof, such subsidiary is committed to pay service fees to such related company totalling Baht 10 million.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

The outstanding balances with related parties as at March 31, 2017 and December 31, 2016 in the separate financial statements are as follows:

	Separate Financial Statements (In Thousand Baht)			Balance as at March 31, 2017
	Balance as at December 31, 2016	Increase	Decrease	
<b>Short-term loans to and interest receivable</b>				
Pace Country Club Co., Ltd.				
- Principal	381,100	59,500	-	440,600
- Interest receivable	21,881	7,278	-	29,159
	<u>402,981</u>	<u>66,778</u>	<u>-</u>	<u>469,759</u>
Pace Food Retail Co., Ltd.				
- Principal	193,200	104,300	-	297,500
- Interest receivable	15,812	3,841	-	19,653
	<u>209,012</u>	<u>108,141</u>	<u>-</u>	<u>317,153</u>
Dean & DeLuca Inc.				
- Principal	1,446,296	373,631	-	1,819,927
- Interest receivable	62,712	32,865	-	95,577
	<u>1,509,008</u>	<u>406,496</u>	<u>-</u>	<u>1,915,504</u>
Dean and Deluca (Thailand) Co., Ltd.				
- Principal	270,270	51,475	-	321,745
- Interest receivable	17,547	5,381	-	22,928
	<u>287,817</u>	<u>56,856</u>	<u>-</u>	<u>344,673</u>
Pace Interior Services Co., Ltd.				
- Principal	92,600	25,000	(6,000)	111,600
- Interest receivable	3,102	1,902	(120)	4,884
	<u>95,702</u>	<u>26,902</u>	<u>(6,120)</u>	<u>116,484</u>
Pace Creative Agency Co., Ltd.				
- Principal	8,500	5,000	-	13,500
- Interest receivable	71	183	-	254
	<u>8,571</u>	<u>5,183</u>	<u>-</u>	<u>13,754</u>
Total	<u>2,513,091</u>	<u>670,356</u>	<u>(6,120)</u>	<u>3,177,327</u>
<b>Advances to and other current receivables</b>				
Pace Project One Co., Ltd.	9,661	14,446	(19)	24,088
Pace Project Two Co., Ltd.	8,517	5,602	(935)	13,184
Pace Project Three Co., Ltd.	13,911	1,802	(223)	15,490
Pace Real Estate Co., Ltd.	1,296	32	-	1,328
YLP Company Limited	4	642	(4)	642
Pace Country Club Co., Ltd.	7,619	101	-	7,720
Pace Creative Agency Co., Ltd.	417	120	(417)	120
Pace Food Retail Co., Ltd.	1,056	26	-	1,082
Pace Management Co., Ltd.	30	2	-	32
Dean & DeLuca Inc.	83,633	-	(513)	83,120
Total	<u>126,144</u>	<u>22,773</u>	<u>(2,111)</u>	<u>146,806</u>
<b>Accrued management fee income</b>				
Pace Project One Co., Ltd.	61,920	3,014	-	64,934
Pace Project Two Co., Ltd.	146,112	9,132	-	155,244
Pace Project Three Co., Ltd.	31,968	1,765	-	33,733
Total	<u>240,000</u>	<u>13,911</u>	<u>-</u>	<u>253,911</u>

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

	Separate Financial Statements (In Thousand Baht)			Balance as at March 31, 2017
	Balance as at December 31, 2016	Increase	Decrease	
<b>Interest receivables</b>				
Pace Project One Co., Ltd.	612,533	50,887	(458,493)	204,927
Pace Project Two Co., Ltd.	607,343	61,006	-	668,349
Pace Project Three Co., Ltd.	327,112	21,153	(348,265)	-
Pace Real Estate Co., Ltd.	96,789	6,322	-	103,111
Pace Food Retail Co., Ltd.	96,056	1,532	-	97,588
Total	<u>1,739,833</u>	<u>140,900</u>	<u>(806,758)</u>	<u>1,073,975</u>
<b>Long-term loans to</b>				
Pace Project One Co., Ltd.	2,735,509	32,750	(25,443)	2,742,816
Pace Project Two Co., Ltd.	3,292,167	172,500	(117,186)	3,347,481
Pace Project Three Co., Ltd.	1,735,929	18,500	(1,754,429)	-
Pace Real Estate Co., Ltd.	341,856	-	-	341,856
Pace Food Retail Co., Ltd.	67,000	-	-	67,000
Total	<u>8,172,461</u>	<u>223,750</u>	<u>(1,897,058)</u>	<u>6,499,153</u>
<b>Other current payables</b>				
Pace Project Three Co., Ltd.	-	2,235	-	2,235
Pace Creative Agency Co., Ltd.	98	501	-	599
Dean and Deluca (Thailand) Co., Ltd.	1,208	2,370	-	3,578
Fierce Publishing Co., Ltd.	241	-	(241)	-
Fourteen Points Company Limited	666	718	-	1,384
Total	<u>2,213</u>	<u>5,824</u>	<u>(241)</u>	<u>7,796</u>
<b>Advances and deposits received from customers</b>				
Related persons - directors	40,327	-	-	40,327
Related person - shareholder	327	-	-	327
Dynasty Apparel Co., Ltd. (directorship)	327	-	-	327
Total	<u>40,981</u>	<u>-</u>	<u>-</u>	<u>40,981</u>

**Short-term loans to subsidiaries**

Short-term loans to Pace Country Club Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in April to December 2017.

Short-term loans to Dean & DeLuca Inc. are unsecured loans. These loans bear interest at the rate of MLR+3% per annum and will be repayable in May 2017 to March 2018.

Short-term loans to Dean and Deluca (Thailand) Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in April to December 2017.

Short-term loans to Pace Food Retail Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in April to December 2017.

Short-term loans to Pace Interior Services Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in May to December 2017.

Short-term loans to Pace Creative Agency Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in June to December 2017.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

**Long-term loans to subsidiaries**

Long-term loan to Pace Food Retail Co., Ltd. is unsecured loan. This loan bears interest at the rate of MLR+3% per annum and will be repayable upon the lenders' written demand given at least 15 days in advance.

Long-term loans to Pace Project One Co., Ltd., Pace Project Two Co., Ltd., and Pace Real Estate Co., Ltd. are unsecured loans. The significant details are follows:

- a) Loans are due upon the lenders' written demand given at least 30 days in advance.
- b) Loans are to be subordinated to the loans from the financial institutions as discussed in Note 22.
- c) These loans bear interest at the rate of 7.5% per annum.

**5. CASH AND CASH EQUIVALENTS**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Cash on hand	4,568	4,506	149	129
Cash at banks - current accounts	2,716,774	2,582	879	1,357
Cash at banks - savings accounts	2,525,265	685,367	2,114,270	184,709
Total	5,246,607	692,455	2,115,298	186,195
Less: Savings deposit with specific purpose	-	-	(1,661,000)	-
Net	5,246,607	692,455	454,298	186,195

As at March 31, 2017, savings deposit with specific purpose amounting to Baht 1,661 million represented proceeds of loans repayment from Pace Project Three Co., Ltd. for the construction payments of Pace Project Two Co., Ltd. in according to Shareholder Agreements as discussed in Note 4 (December 31, 2016: Nil).

**6. SHORT-TERM INVESTMENTS**

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	March 31, 2017	December 31, 2016
Investments in open-end fixed income fund		
- Cost value	9,725	44,583
- Unrealized gain on revaluation	51	112
Fair value	9,776	44,695

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

**7. TRADE AND UNBILLED TRADE ACCOUNT RECEIVABLES - OTHER COMPANIES - Net**

The aging analyses of trade account receivables - other companies as at March 31, 2017 and December 31, 2016 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Trade account receivables				
Within credit term	175,958	25,554	-	-
Overdue				
- Not over 3 months	6,554	13,391	-	-
- Over 3 months to 6 months	2,085	2,197	-	-
- Over 6 months to 12 months	726	450	-	-
Total trade account receivables	185,323	41,592	-	-
Unbilled trade account receivables	1,539	1,739	-	-
Total	186,862	43,331	-	-
Less: Allowance for doubtful accounts	(183)	(191)	-	-
Net	186,679	43,140	-	-
Doubtful debts (reversal) during the period/year	(8)	(351)	-	350

**8. INVENTORIES - Net**

	Consolidated Financial Statements (In Thousand Baht)	
	March 31, 2017	December 31, 2016
Inventories in interior service business	35,309	30,042
Inventories in retailer of premium gourmet and delicatessen		
- Cost	268,844	271,691
- Less: Allowance for decline in value of inventories	(5,632)	(5,725)
- Net	263,212	265,966
Total	298,521	296,008
Write-down (reversal) of inventories recognized as a part of cost of sales during the period/year	(93)	343



**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

**9. INVESTMENTS IN SUBSIDIARIES**

As at March 31, 2017 and December 31, 2016, investments in subsidiaries are as follows:

	Country of Registration	Type of Business	Paid-up Share Capital (In Million Baht)		Percentage of Ownership (%)		Separate Financial Statements (In Thousand Baht) Cost Method	
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
YLP Company Limited	Thailand	Property development	170	170	100	100	170,000	170,000
Pace Country Club Co., Ltd.	Thailand	Property development and management	20	20	100	100	20,000	20,000
Pace Interior Services Co., Ltd.	Thailand	Interior services	20	20	100	100	20,000	20,000
Pace Creative Agency Co., Ltd.	Thailand	Designing, advertising and marketing communication	10	10	100	100	10,000	10,000
Pace Management Co., Ltd.	Thailand	Management services	1	1	99.97	99.97	1,000	1,000
Pace Food Retail Co., Ltd.	Thailand	Investment in equity shares of retailer of premium gourmet and delicatessen business	2,205.25	2,205.25	100	100	2,205,250	2,205,250
Pace Real Estate Co., Ltd.	Thailand	Investment in ordinary shares	10.2	10.2	100	100	19,972	19,972
Pace Project One Co., Ltd.	Thailand	Hotel	392.1	200	25.50	50	195,569	195,569
Pace Project Two Co., Ltd.	Thailand	Luxury condominium	200	200	50	50	195,569	195,569
Pace Project Three Co., Ltd.	Thailand	Shopping centre	195	100	25.64	50	97,784	97,784
Total							<u>2,935,144</u>	<u>2,935,144</u>

All of the Pace Project Two Co., Ltd., Pace Real Estate Co., Ltd., Pace Food Retail Co., Ltd. and Pace Country Club Co., Ltd.'s shares held by the Company and a subsidiary are pledged as collateral for credit facilities of subsidiaries as discussed in Note 22.

All of the Pace Project One Co., Ltd. and Pace Project Three Co., Ltd.'s shares held by the Company and a subsidiary are pledged as collateral for long-term borrowings from related companies as discussed in Note 4.

At the extraordinary shareholders' meeting of Pace Project One Co., Ltd. held on February 7, 2017, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 200 million (ordinary share 2,000,000 shares at Baht 100 par value) to Baht 392.1 million (ordinary share of 2,000,000 shares at Baht 100 par value and preference share of 1,921,000 shares at Baht 100 par value.). The subsidiary registered the capital increase with the Ministry of Commerce on February 28, 2017.

At the extraordinary shareholders' meeting of Pace Project Three Co., Ltd. held on February 7, 2017, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 100 million (ordinary share 1,000,000 shares at Baht 100 par value) to Baht 195 million (ordinary share of 1,000,000 shares at Baht 100 par value and preference share of 950,000 shares at Baht 100 par value). The subsidiary registered the capital increase with the Ministry of Commerce on February 28, 2017.

Such increases in preference shares of 2 subsidiaries were invested by Apollo Asia Sprint Holding Company Limited and Goldman Sachs Investments Holdings (Asia) Limited as discussed in Notes 1 and 4.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

**10. INVESTMENT IN JOINT VENTURE**

As at March 31, 2017 and December 31, 2016, investment in joint venture is as follows:

	Country of Registration	Type of Business	Authorized Share Capital (In Million Yen)	Paid-up Share Capital (In Million Yen)	Percentage of Ownership (%)	Consolidated Financial Statements (In Thousand Baht)	
						Cost Method	Equity Method
Dean & DeLuca Café Japan Co., Ltd.	Japan	Food and beverage					
March 31, 2017			2,500	1,700	50	273,400	233,246
December 31, 2016			2,500	1,700	50	273,400	227,911

The movements of investment in joint venture during the three-month period ended March 31, 2017 accounted for using the equity method was as follows:

	Consolidated Financial Statements (In Thousand Baht)
Balance as at January 1, 2017	227,911
Share of net loss of investment - at equity method	(3,455)
Currency translation differences	8,790
<b>Balance as at March 31, 2017</b>	<b>233,246</b>

**11. REAL ESTATE PROJECTS FOR SALES UNDER DEVELOPMENT**

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2017	13,873,406	5,257,391
Additions	839,407	441,932
Borrowing costs capitalized during the period	101,721	53,010
Capitalized amortization of deferred loan arrangement fee and debenture underwriting fee during the period	4,183	4,016
Recognition as cost of sales during the period	(1,202,565)	-
Write-down of real estate project for sales under development during the period	(39,800)	-
<b>Balance as at March 31, 2017</b>	<b>13,576,352</b>	<b>5,756,349</b>
Current	10,079,872	2,776,980
Non-current	3,496,480	2,979,369
<b>Total</b>	<b>13,576,352</b>	<b>5,756,349</b>

**The Company**

As at March 31, 2017 and December 31, 2016, land and construction on land for real estate project, which have carrying values totalling Baht 5,169.1 million and Baht 4,709.1 million, respectively, were pledged as collateral for long-term borrowings from financial institution of the Company and credit facilities of a subsidiary as discussed in Note 22.

**Subsidiaries**

As at March 31, 2017 and December 31, 2016, land and construction on land for real estate project of 2 subsidiaries, which have carrying values totalling Baht 7,820.0 million and Baht 8,616.0 million, respectively, were pledged as collateral for credit facilities from financial institutions of the Company and certain subsidiaries as discussed in Note 22.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**12. LAND**

**The Company**

As at March 31, 2017 and December 31, 2016, land of the Company which have carrying value totalling Baht 276.2 million was pledged as collateral for long-term borrowings from financial institution of the Company and credit facilities of a subsidiary as discussed in Note 22.

**Subsidiaries**

As at March 31, 2017 and December 31, 2016, land of subsidiaries which have carrying value totalling Baht 5.0 million and Baht 1,227.1 million, respectively, was pledged as collateral for credit facilities from financial institutions as discussed in Note 22.

As at March 31, 2017, land of 2 subsidiaries which have carrying value totalling Baht 1,222.1 million was pledged as collateral for long-term borrowings from related companies as discussed in Note 4 (December 31, 2016: Nil).

**13. CONSTRUCTION IN PROGRESS**

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2017	3,915,907	398,557
Additions	562,681	-
Borrowing costs capitalized during the period	48,867	-
Capitalized amortization of deferred loan arrangement fee during the period	18,709	-
<b>Balance as at March 31, 2017</b>	<b>4,546,164</b>	<b>398,557</b>

**The Company**

As at March 31, 2017 and December 31, 2016, construction in progress of the Company which have carrying value totalling Baht 398.6 million was pledged as collateral for long-term borrowings from financial institution of the Company and credit facilities of a subsidiary as discussed in Note 22.

**Subsidiaries**

As at March 31, 2017 and December 31, 2016, construction in progress of subsidiaries which have carrying value totalling Baht 157.3 million and Baht 3,517.3 million, respectively, were pledged as collateral for credit facilities from financial institutions as discussed in Note 22.

As at March 31, 2017, construction in progress of 2 subsidiaries which have carrying value totalling Baht 3,990.3 million was pledged as collateral for long-term borrowings from related companies as discussed in Note 4 (December 31, 2016: Nil).

**14. RIGHTS TO USE ASSETS - Net**

The movements of rights to use assets - net during the three-month period ended March 31, 2017 were as follows:

	Consolidated Financial Statements (In Thousand Baht)
Beginning net book value as at January 1, 2017	46,259
Additions	16,613
Amortization charge for the period	(1,972)
<b>Ending net book value as at March 31, 2017</b>	<b>60,900</b>

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

On January 25, 2017, Dean & DeLuca Airport Co., Ltd., a subsidiary, has entered into an agreement with King Power Suvarnabhumi Co., Ltd. in connection with the sale operations of food and beverage at the Suvarnabhumi Airport for the period of 3 years 8 months expiring on September 27, 2020. In consideration thereof, the subsidiary has to pay the right to operate and use assets at the agreed amount on the agreement date and is obligated to pay such company the monthly concession fee in an amount not less than the minimum guarantee prescribed for that particular year as specified in the agreement. Hence, the Pace Development Corporation Group recorded such paid fee as a part of "Rights to use assets" in the consolidated statement of financial position as at March 31, 2017.

**15. LEASEHOLD IMPROVEMENTS AND EQUIPMENT - Net**

The movements of leasehold improvements and equipment - net during the three-month period ended March 31, 2017 were as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning net book value as at January 1, 2017	1,589,595	74,116
Additions	225,541	14,089
Borrowing costs capitalized during the period	142	142
Capitalized amortization of deferred loan arrangement fee and debenture underwriting fee during the period	6	6
Depreciation charge for the period	(36,785)	(4,702)
Currency translation differences	(30,152)	-
<b>Ending net book value as at March 31, 2017</b>	<b>1,748,347</b>	<b>83,651</b>

As at March 31, 2017 and December 31, 2016, leasehold improvement and equipment of the Pace Development Corporation Group which have carrying value totalling Baht 521.7 million and Baht 524.8 million, respectively, were pledged as collateral for credit facilities from financial institution as discussed in Note 22 (The Company: Nil).

As at March 31, 2017, leasehold improvement and equipment of the Pace Development Corporation Group which have carrying value totalling Baht 66.9 million, was pledged as collateral for long-term borrowings from related companies as discussed in Note 4. (December 31, 2016: Nil).

**16. PROPERTIES FOR LEASE - Net**

The movements of properties for lease - net during the three-month period ended March 31, 2017 were as follows:

	Consolidated Financial Statements (In Thousand Baht)
Beginning net book value as at January 1, 2017	984,212
Additions	13,812
Depreciation charge for the period	(9,912)
<b>Ending net book value as at March 31, 2017</b>	<b>988,112</b>

As at March 31, 2017, property for lease was pledged as collateral for borrowings from related companies as discussed in Note 4.

As at December 31, 2016, property for lease was pledged as collateral for credit facilities from financial institutions as discussed in Note 22.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Interim Financial Statements (Continued)**  
**March 31, 2017 (Unaudited / Reviewed)**

**17. GOODWILL - Net**

The movements of goodwill - net during the three-month period ended March 31, 2017 were as follows:

	Consolidated Financial Statements (In Thousand Baht)
Beginning net book value as at January 1, 2017	3,665,421
Additionally provided allowance for impairment loss during the period	(21,985)
Currency translation differences	(123,227)
<b>Ending net book value as at March 31, 2017</b>	<b>3,520,209</b>

**18. OTHER INTANGIBLE ASSETS - Net**

The movements of other intangible assets - net during the three-month period ended March 31, 2017 were as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning net book value as at January 1, 2017	2,292,178	5,568
Additions	12,284	106
Amortization charge for the period	(31,240)	(643)
Currency translation differences	(87,107)	-
<b>Ending net book value as at March 31, 2017</b>	<b>2,186,115</b>	<b>5,031</b>

**19. DEFERRED INCOME TAX ASSETS (LIABILITY) - Net**

The Pace Development Corporation Group calculated tax income (expense) by using accounting loss multiplied by the applicable tax rate for each of the three-month periods ended March 31, 2017 and 2016.

Tax income (expense) for each of the three-month periods ended March 31, 2017 and 2016 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Current income tax:				
- Interim corporate income tax	(2,422)	(6,800)	-	-
Deferred income tax:				
- Deferred income tax relating to temporary differences and reversal of temporary differences	18,833	50,392	52,565	24,234
Tax income	16,411	43,592	52,565	24,234

**Unrecognized Deferred Income Tax Assets**

As at March 31, 2017 and December 31, 2016, the Pace Development Corporation Group did not recognize deferred income tax assets from loss carry forward and certain temporary differences totalling Baht 1,341.0 million and Baht 1,021.5 million, respectively, since it is not probable that future taxable profit will be available against which certain subsidiaries can utilize the benefit therefore.

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**20. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht					
	Interest rate (% p.a.)		Consolidated		Separate	
	March 31, 2017	December 31, 2016	Financial Statements		Financial Statements	
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Bank overdrafts	7.12 - 7.375	7.12 - 7.375	29,899	21,869	-	-
Short-term borrowings						
- In Thai Baht	5.5	5.5	769,500	769,500	500,000	500,000
- In U.S. Dollars	1.03056	0.8556	344,501	358,307	-	-
Total			1,114,001	1,127,807	500,000	500,000
Less: Deferred loan arrangement fee			(9,572)	(8,652)	(4,853)	-
Net			1,104,429	1,119,155	495,147	500,000
Grand Total			1,134,328	1,141,024	495,147	500,000

**The Company**

As at March 31, 2017 and December 31, 2016, the Company had an overdraft line amounting to Baht 30 million. Such credit facility is guaranteed by collaterals as discussed in Note 22.

On March 8, 2017, the Company entered into the Credit Facility Agreement to obtain short-term loan facility from a local financial institution using for working capital of the Company amounting to Baht 500 million. This borrowing bears interest at the rate of 5.5 per annum and will be repayable within March 7, 2018. Such credit facilities of subsidiaries are guaranteed by collaterals as discussed in Note 22.

**Subsidiaries**

On May 31, 2016, Dean & DeLuca, Inc. entered into the short-term credit facilities agreement totalling U.S. Dollars 10 million with a financial institution in the United States of America. Such credit facilities have the maturity date within June 2, 2017 and are guaranteed by a standby letter of credit issued by a financial institution in Thailand of credit of U.S. Dollars 10 million as discussed in Note 22.

As at March 31, 2017 and December 31, 2016, short-term borrowing of YLP Company Limited amounting to Baht 269.5 million is guaranteed by collaterals as discussed in Note 22.

As at March 31, 2017 and December 31, 2016, the subsidiaries have overdraft lines amounting to Baht 50 million and Baht 90 million, respectively. Such credit facilities of subsidiaries are guaranteed by collaterals as discussed in Note 22.

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**21. SHORT-TERM BORROWINGS**

	In Thousand Baht					
	Interest rate (% p.a.)		Consolidated		Separate	
	March 31, 2017	December 31, 2016	Financial Statements		Financial Statements	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	
Short-term borrowings	5.5 - 7.75	5.5 - 7.75	4,977,000	4,507,000	4,977,000	4,407,000
Less : Prepaid interest expense			(68,524)	(61,914)	(68,524)	(60,674)
Less : Deferred loan arrangement fee			(2,567)	(105)	(2,567)	(105)
Net			<u>4,905,909</u>	<u>4,444,981</u>	<u>4,905,909</u>	<u>4,346,221</u>

**The Company**

As at March 31, 2017, borrowings of Baht 4,667 million are unsecured bills of exchange and borrowings of Baht 310 million are secured bills of exchange and repayable during April to October 2017.

As at December 31, 2016, borrowings of Baht 4,407 million are unsecured bills of exchange and repayable during January to August 2017.

**Subsidiary**

As at December 31, 2016, borrowing of Baht 100 million is secured bill of exchange and repayable in March 2017 (March 31, 2017: Nil).

**22. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS - Net**

	In Thousand Baht					
	Interest rate (% p.a.)		Consolidated		Separate	
	March 31, 2017	December 31, 2016	Financial Statements		Financial Statements	
		March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	
Borrowings from financial institutions						
- In Thai Baht	5.775 - 6.025	5.775 - 6.125	5,817,703	8,972,981	3,689,245	3,288,704
- In U.S. Dollars	5.49817	5.13085	2,756,008	2,866,456	-	-
Total			8,573,711	11,839,437	3,689,245	3,288,704
Less : Deferred loan arrangement fee			(55,258)	(90,567)	(34,631)	(40,167)
			8,518,453	11,748,870	3,654,614	3,248,537
Less : Portion due within one year			(5,828,030)	(9,235,365)	(1,352,676)	(1,120,277)
Net			<u>2,690,423</u>	<u>2,513,505</u>	<u>2,301,938</u>	<u>2,128,260</u>

**The Company**

The credit facilities of the Company are as follows:

	Type of credit facilities	(In Million Baht)	
		Amount	Interest rate
1	Bank overdrafts and short-term loan facilities	530	Fixed rate and float rate as indicated in each agreement
2	Long term loan facilities	5,773.3	Float rates as indicated in each agreement
3	Letter of guarantee, letter of credit, trust receipt and aval (sublimit of long term loan facilities as mentioned in no.2)	600	Indicated in each agreement
4	Letter of guarantee	45	Indicated in each agreement

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Total 6,348.3

Credit facilities are collateralized by the following:

- mortgage of land and building located or will be constructed on land of the developing the real estate project of the Company and Pace Project Two Co., Ltd. as discussed in Notes 11, 12 and 13,
- mortgage of land and building located or will be constructed on land of Pace Country Club Co., Ltd. as discussed in Notes 12, 13 and 15,
- conditional assignment on main construction contracts and project accounts,
- conditional assignment on shareholder loan agreements, Managed Services Agreement, Unit Lease Purchase Agreement, Agreement to Sell and Purchase of Condominium Unit with the customers of Pace Project Two Co., Ltd.
- assignment of rights and interests under the guarantee bond of contractors,
- assignment of rights and obligations under the insurances of the project,
- all of the Pace Project Two Co., Ltd.'s shares held by the shareholders as discussed in Note 9,
- pledge of Interest Reserve Account of the Company,
- jointly guarantee by Dean & DeLuca, Inc., Dean & DeLuca New York, Inc., Dean & DeLuca Atlanta, LLC, Dean & DeLuca Markets, LLC, Dean & DeLuca Brands, Inc., Dean & DeLuca International, LLC and Dean & DeLuca Small Format, LLC,
- guarantee by a director of the Company,
- a director of the Company is the sponsor to provide the necessary financial supports in any events of cost overrun and cash deficiency of the Company.

The Company is committed to comply with certain conditions as indicated in the credit facilities agreements.

**Subsidiaries**

The credit facilities of subsidiaries are as follows:

	Type of credit facilities	(In Million Baht) Amount	Interest rate
1	Bank overdrafts and short-term loan facilities (short-term loan facilities of Baht 270 million can be amended to long-term loan facilities)	320	Float rate as indicated in each agreement
2	Long term loan facilities	5,599.9	Float rates as indicated in each agreement
3	Letter of guarantee, letter of credit, trust receipt and aval (sublimit of long term loan facilities as mentioned in no.2)	1,230	
4	Letter of guarantee	<u>220</u>	
	Total	<u><u>6,139.9</u></u>	

	Purpose	(In Million U.S. Dollars) Amount	Interest rate
A	Long term loan facility	80	Float rate as indicated in the agreement
B	Standby letter of credit facility	<u>10</u>	
	Total	<u><u>90</u></u>	



**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Credit facilities are collateralized by the following:

- mortgage of land and building located or will be constructed on land of the developing the real estate project of the Company and subsidiaries as discussed in Notes 11, 12 and 13,
- mortgage of land and building located or will be constructed on land of Pace Country Club Co., Ltd. as discussed in Notes 12, 13 and 15,
- conditional assignment on main construction contracts and project accounts,
- conditional assignment on Managed Services Agreement, Unit Lease Purchase Agreement, Agreement to Sell and Purchase of Condominium Unit with the customers of Pace Project Two Co., Ltd.,
- assignment of rights and interests under the guarantee bond of contractors,
- assignment of rights and obligations under the insurances of the project,
- all of the Pace Project Two Co., Ltd., Pace Real Estate Co., Ltd., Pace Food Retail Co., Ltd. and Pace Country Club Co., Ltd.'s shares held by the shareholders as discussed in Note 9,
- all of the Dean & DeLuca, Inc.'s shares held by the shareholders,
- pledge of Interest Reserve Account of certain subsidiaries,
- deposits at bank of Pace Project Two Co., Ltd. without any restriction use,
- jointly guarantee by the Company, Pace Food Retail Co., Ltd., Dean & DeLuca Inc., Dean & DeLuca New York, Inc., Dean & DeLuca Atlanta, LLC, Dean & DeLuca Markets, LLC, Dean & DeLuca Brands, Inc., Dean & DeLuca International, LLC and Dean & DeLuca Small Format, LLC,
- mortgage of certain residential condominium units of 2 directors,
- the Company's shares held by a director of 30 million shares,
- shares of the related company held by a related person of 10 million shares,
- guarantee by a director of the Company and a related person.
- the Company and a subsidiary are the sponsors to provide the necessary financial supports in any events of cost overrun and cash deficiency of subsidiaries.

The Company and subsidiaries are committed to comply with certain conditions as indicated in the credit facilities agreement such as maintaining of financial ratio, maintaining all of cash at banks - savings accounts at every time not lower than Baht 30 million until the project completion and others.

As at March 31, 2017 and December 31, 2016, a subsidiary could not maintain debt to equity ratio not exceeding 2.5 to 1 indicated in the credit facility agreement with a financial institution. Up to present, such financial institution is still giving the credit line to the subsidiary with the normal interest rate. Hence, the subsidiary presented such loan totalling Baht 39.5 million and Baht 43.6 million as at March 31, 2017 and December 31, 2016, respectively, as a part of "Current portion of long-term borrowings from financial institutions" under the current liabilities in the consolidated statements of financial position as at March 31, 2017 and December 31, 2016.

**23. LONG-TERM BORROWINGS FROM OTHER PERSONS**

As at March 31, 2017 and December 31, 2016, long-term borrowings from other persons represented unsecured borrowings. These borrowings will be repayable in December 2018 with the surcharge of Baht 5.4 million.

**24. DEBENTURES - Net**

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	March 31, 2017	December 31, 2016
Debentures	4,723,000	4,723,000
Less : Deferred debenture underwriting fee	(22,268)	(28,622)
	<u>4,700,732</u>	<u>4,694,378</u>
Less : Portion due within one year	(3,410,122)	(1,393,515)
Net	<u>1,290,610</u>	<u>3,300,863</u>

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Such debentures represented unsubordinated and unsecured debentures in registered name. The details are as follows:

Issuance and offering date	Amount (In Thousand Baht)		Term of debenture	Maturity date	Fixed interest rate (% per annum)
	March 31, 2017	December 31, 2016			
April 29, 2015	200,000	200,000	3 years	April 29, 2018	6.25
July 23, 2015	500,000	500,000	3 years	July 23, 2018	5.8
July 23, 2015	300,000	300,000	2 years 1 day	July 24, 2017	5.8
August 20, 2015	600,000	600,000	3 years 3 months	November 20, 2018	6.0
March 3, 2016	1,100,000	1,100,000	1 year 7 months	October 3, 2017	5.5
March 4, 2016	523,000	523,000	2 years	March 4, 2018	7.0
June 30, 2016	1,500,000	1,500,000	1 year 7 months	January 30, 2018	5.4
Total	<u>4,723,000</u>	<u>4,723,000</u>			

The Company is committed to comply with certain conditions as indicated in the prospectus such as maintaining of financial ratio and others.

**25. NON-CONTROLLING INTERESTS**

Non-controlling interests included share of comprehensive income of Dean & DeLuca Airport Co., Ltd. of Baht 1.4 million in the consolidated interim financial statement for the three-month period ended March 31, 2017.

Share capital of the Pace Project One Co., Ltd. consisted of ordinary share of 2,000,000 shares (Group A ordinary shares) at Baht 100 par value and preference share of 1,921,000 shares (divided into 1,170,970 Group B preference shares and 750,030 Group C preference shares) at Baht 100 par value, which have rights as indicated in the articles of association as follows:

- a) Each Group B preferred shareholder and Group C preferred shareholder shall be entitled to receive annual cumulative-fixed dividend at the rate of Baht 26.84 per share. First to each Group B preferred shares, second to each Group C preferred shareholders, and in priority to all ordinary shareholders, but not be entitled to any further right to participate in the profits of the Pace Project One Co., Ltd.
- b) The holders of ordinary shares shall have the right to vote at one (1) share for one (1) vote and the holders of Group B and Group C preferred shares shall have the right to vote at one (1) share for one (1) vote.

Share capital of the Pace Project Three Co., Ltd. consisted of ordinary share of 1,000,000 shares (Group A ordinary shares) at Baht 100 par value and preference share of 950,000 shares (divided into 579,100 Group B preference shares and 370,900 Group C preference shares) at Baht 100 par value, which have rights as indicated in the articles of association as follows:

- a) Each Group B preferred shareholder and Group C preferred shareholder shall be entitled to receive annual cumulative-fixed dividend at the rate of Baht 2,144.64 per share and Baht 2,144.77 per shares, respectively. First to each Group B preferred shares, second to each Group C preferred shareholders, and in priority to all ordinary shareholders, but not be entitled to any further right to participate in the profits of the Pace Project Three Co., Ltd.
- c) The holders of ordinary shares shall have the right to vote at one (1) share for one (1) vote and the holders of Group B and Group C preferred shares shall have the right to vote at one (1) share for one (1) vote.

Upon liquidation of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd., the net assets available for distribution to all shareholders after payment of all liabilities and expenses of such subsidiaries shall be allocated and paid in the following order:

- first, to each Group B preferred shareholder for all unpaid and cumulative dividend, par value and share premium on preferred shares (if any),
- second, to each Group C preferred shareholder for all unpaid and cumulative dividend, par value and share premium on preferred shares (if any),
- third, to each Group A ordinary shareholder.

## **26. OPERATING SEGMENTS**

Operating segment information is reported in a manner consistent with the internal reports of the Pace Development Corporation Group that are regularly reviewed by the Board of Directors in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Pace Development Corporation Group is organized into business units based on their businesses and has 5 reportable segments as follows:

- 1) The property development segment, which develops and sells condominium units.
- 2) The hotel segment, which operates hotel business.
- 3) The shopping centre segment, which develops and leases out shopping centre
- 4) The retailer of premium gourmet and delicatessen business segment
- 5) Others

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of entity's country of domicile. The Pace Development Corporation Group comprises the following main geographic segments as follows:

- 1) Thailand
- 2) United States of America
- 3) Japan

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

Inter-segment revenues and expenses are eliminated on consolidation.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**Notes to Interim Financial Statements (Continued)**

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The following table presents revenue and profit information regarding the Pace Development Corporation Group' operating segments for each of the three-month periods ended March 31, 2017 and 2016 and segment assets and liabilities as at March 31, 2017 and 2016:

	In Million Baht													
	Property development		Hotel		Shopping centre		Premium gourmet and delicatessen		Others		Elimination of inter-segment		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	1,761	-	-	-	24	20	745	1,445	73	35	(112)	(47)	2,491	1,453
Cost of sales	(1,281)	-	-	-	(29)	(25)	(374)	(355)	(47)	(35)	110	35	(1,621)	(380)
Gross profit (loss)	480	-	-	-	(5)	(5)	371	1,090	26	-	(2)	(12)	870	1,073
Other income	225	161	1	-	24	-	7	5	-	1	(252)	(163)	5	4
Other expenses	(560)	(259)	(25)	(4)	(6)	(3)	(786)	(664)	(10)	(10)	96	34	(1,291)	(906)
Segment profit (loss)	145	(98)	(24)	(4)	13	(8)	(408)	431	16	(9)	(158)	(141)	(416)	171
Finance costs	(171)	(131)	(37)	(28)	(22)	(34)	(112)	(69)	(9)	(7)	180	122	(171)	(147)
Share of net loss of investment in joint venture	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)	-
Income tax income (expense)	(5)	34	-	-	10	8	11	2	-	-	-	-	16	44
Profit (loss) for the period	(31)	(195)	(61)	(32)	1	(34)	(512)	364	7	(16)	22	(19)	(574)	68
Non-controlling interests													(1)	-
Profit (loss) attributable to owners of the parent													(575)	68
<b>Other information</b>														
Segment assets	33,603	27,086	6,789	3,562	7,671	2,716	9,981	9,346	451	417	(21,569)	(15,819)	36,926	27,308
Segment liabilities	27,672	22,471	7,171	4,102	583	3,121	8,057	5,259	680	658	(16,037)	(10,448)	28,126	25,163
Depreciation	8	14	-	-	12	11	24	21	1	1	2	2	47	49

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**Geographical segment**

The Pace Development Corporation Group has expanded its investment and operating in foreign countries. All significant revenue from sales for the three-month periods ended March 31, 2017 and 2016 and total assets as at March 31, 2017 and 2016 on the basis of geography are presented in this information. Segment revenue is based on the geographical location of customers and segment total assets are based on the geographical location of the assets.

	In Million Baht									
	Thailand		United States of America		Japan		Elimination of inter-segment		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues and other income	2,214	276	646	1,391	-	-	(364)	(210)	2,496	1,457
Total assets	50,901	36,470	6,774	6,494	820	163	(21,569)	(15,819)	36,926	27,308

**27. OTHERS**

1) As at March 31, 2017 and December 31, 2016, the Pace Development Corporation Group had:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
a) letters of credit opened but not utilized.	-	14,129	-	-
b) letters of guarantee issued by local financial institutions in favor of a government agency, the state enterprises, and customers which were guaranteed by collaterals as discussed in Note 22.	90,517	90,517	21,783	21,783
c) commitments under the agreements and letters of intent for the costs of construction and interior services. (Notes 11 and 13) As at December 31, 2016: a portion of Baht 14.1 million were covered by letters of credit which were guaranteed by collaterals as discussed in Note 22 (March 31, 2017: Nil)	5,459,749	4,779,902	2,133,784	2,086,562
d) commitment under the linkbridge agreement to pay the consideration fee for the right to connect and use the linkbridge commuting path with Bangkok Mass Transit System Public Company Limited and concession fee under the agreement in connection with the sale operations of food and beverage at the Suvarnabhumi Airport with King Power Suvarnabhumi Co., Ltd. (Note 14).	142,175	19,500	-	-

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	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
e) commitments under the agreement to purchase and to sell land for new development project.	987,704	-	987,704	-
f) commitments under the agreements for purchase of fixed assets (Note 15).	140,578	64,171	-	-
g) commitments to pay initial license fees under the license and consulting agreements.	10,857	17,961	-	-
2) As at March 31, 2017 and December 31, 2016, the Pace Development Corporation Group had commitments under various operating lease agreements covering the retail rental agreements, warehouse and office premises for the periods from 12 months to 193 months. In addition, on May 22, 2016, Dean & DeLuca, Inc. entered into a six years agreement to become the Title Sponsor of DEAN & DELUCA Invitational, an internationally televised PGA Tour event, beginning in May 2016. The totals of future minimum lease payments under non-cancellable operating leases and the commitment under the Title Sponsor Agreement for each period are as follows:				

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Not later than 1 year	1,026,510	986,516	24,407	8,111
Later than 1 year and not later than 5 years	4,169,045	4,290,110	38,325	8,318
Later than 5 years	2,733,068	2,976,358	-	-
Total	7,928,623	8,252,984	62,732	16,429

3) As at March 31, 2017 and December 31, 2016, the Pace Development Corporation Group has detail of projects under development as follows:

	March 31, 2017	December 31, 2016
Value of sales already contracted (in Thousand Baht)	17,432,731	17,087,299
As percentage of total sales of project on hand (%)	64.57	64.28

4) As at March 31, 2017 and December 31, 2016, current account amounting to USD 0.82 million (equivalent to Baht 28.3 million and Baht 29.4 million, respectively) was pledged as collateral for letters of credit according to a requirement of leases on the 3 cafes and an office in New York.

5) As at March 31, 2017 and December 31, 2016, the Pace Development Corporation Group had commitment for additional investments in Dean & DeLuca Café Japan Co., Ltd., joint venture, totalling JPY 200 million (equivalent to Baht 61.5 million and Baht 61.6 million, respectively) within March 31, 2019.

**PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**28. FAIR VALUE MEASUREMENT**

The Pace Development Corporation Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs, such as estimates of future cash flows

As at March 31, 2017, the Pace Development Corporation Group had the following assets that were measured at fair value using different levels of inputs as follows:

	Consolidated/Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Trading investments				
- Open-end fixed income fund	-	9,776	-	9,776

Level 2 investments of marketable securities are fair valued based on net assets value announced by the Asset Management Fund companies at the close of business on the statement of financial position date.

**29. OTHER INFORMATION (Unaudited / Unreviewed)**

As mentioned in Note 1 regarding the proposed investment by two new investors in Pace Project One Co., Ltd. and Pace Project Three Co., Ltd., the Company presented the consolidated financial statements for the three-month period ended March 31, 2017 as if the Company has not lost control over these two subsidiaries. However, the Company is consulting with the authorities that may have different interpretations of joint control or the protective rights of investors. If the result is such that the new investment makes the company lose control of these two entities and the new investors have joint control, the Company shall derecognize the assets and liabilities of the former subsidiary from the consolidated statement of financial position and recognize gain or loss from evaluating the remaining investment as fair value, which will be the initial recognition value of the joint ventures according to Thai Financial Reporting Standard. In case of the interpretation that the new investors have joint control over the economic activities of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd., the consolidated financial statement of Pace Development Corporation Group shall present an increase in total assets by approximately Baht 278 million and a decrease in total liabilities by approximately Baht 227 million, an increase in equity attributable to owners of the parent by approximately Baht 8,288 million, non-controlling interests decrease in approximately Baht 7,783 million and an increase in profit attributable to owners of the parent for the three-month period ended March 31, 2017, by approximately Baht 7,795 million. This is mainly due to the gain from evaluating the remaining investments in Pace Project One Co., Ltd. and Pace Project Three Co., Ltd. as fair value as referred to in the independent valuation report dated May 12, 2017.

**30. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

The Company's directors have authorized these interim financial statements for issue on May 15, 2017.