

Overview

Singha Estate Public Company Limited (the “Company” or “S”) is a real estate investment and development company. Formerly Rasa Property Development Company Limited (“RASA”), S is incepted through entire business transfer process (“Business Integration”) between RASA, Santiburi Company Limited and S Bright Future Company Limited. The Business Integration was completed on 12 September 2014, and soon afterwards the corporate name was changed to Singha Estate Public Company Limited with a new security symbol “S”.

As a result of the Business Integration, Boon Rawd Brewery Company Limited, through wholly subsidiaries named Singha Property Management Company Limited and Singha Property Management (Singapore) Pte. Ltd., and Mr.Santi Bhirombhakdi became major shareholders of S.

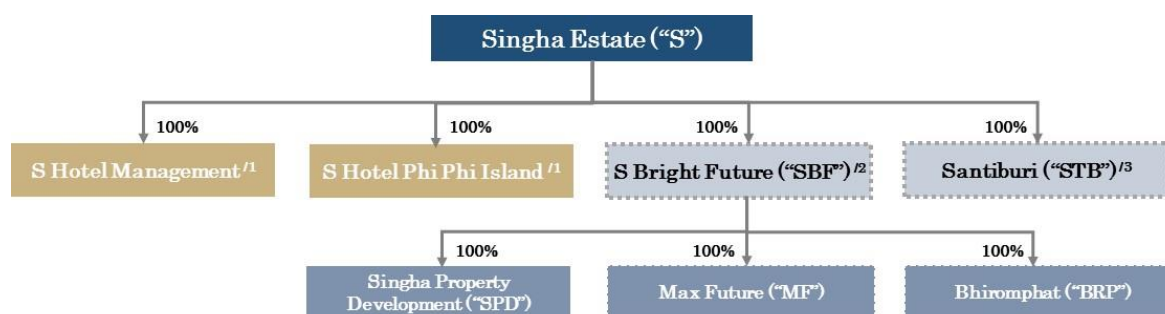
Shareholding Structure Post Business Integration¹



Remark: 1. As of 30 January 2015.
2. Khun Santi Bhirombhakdi and Damerius Pte.Ltd.
3. Singha Property Management Co., Ltd. and Singha Property Management (Singapore) Pte. Ltd.

With assets injected by the new major shareholders and newly acquired assets, the Company’s core business in real estate expanded from primarily residential development to hospitality and property investment/ development.

Corporate Structure Post Business Integration



Remark: 1. The companies were set-up post Business Integration to support hotel business expansion.
2. SBF completed its business integration with S on 1 October 2014.
3. STB completed its business integration with S on 1 October 2014.

Post Business Integration, the Company's subsidiaries engage in the following businesses:

1. Santiburi Company Limited ("STB") – the owner of a 5-star resort "Santiburi Beach Resort and Spa" on Samui Island.
2. S Bright Future ("SBF") – a real estate investment company, holding land banks in strategic areas in Bangkok through wholly owned subsidiaries:
 - 2.1. Singha Property Development Company Limited ("SPD") – owner of an 11-rai land plot at Asoke-Petchburi intersection where the Japanese Embassy once situated. The land will soon be developed into a mixed-use complex project comprising a Grade A office, multipurpose hall, retail area and boutique hotel.
 - 2.2. Max Future Company Limited ("MF") – owner of a 30-rai land plot at Praditmanutham, an increasingly affluent residential and retail area of Bangkok. The land plot will soon be developed into a luxurious low-rise residential project.
 - 2.3. Bhiromphat Company Limited ("BRP") – owner of 2-rai land plot at Asoke, in the heart of central business district of Bangkok. The land will be soon developed into a high-rise residential project.
3. S Hotel Management Company Limited ("SHM") – was established to provide hotel management services. SHM is the manager of the Santiburi Beach Resort and Spa.
4. S Hotel Phi Phi Island Company Limited ("SHPP") – the owner of a newly acquired 4-star resort "Phi Phi Island Village Beach Resort and Spa" and a major shareholder (95% stake) of a newly acquired company "Phi Phi Village Asset Management Company Limited ("PPVAM")" – the hotel manager of the Phi Phi Island Village Beach Resort and Spa.

Basis of Accounting

While from a legal standpoint RASA is the acquirer of shares in STB and SBF, the accounting standard views the Business Integration as a reverse acquisition whereby STB and SBF are acquirers and RASA is an acquiree. As a result, the consolidated financial information of S were prepared as if STB and SBF were amalgamated with one another from the start and acquired RASA on 12 September 2014.

For the consolidated statements of comprehensive income

For the year ended	31 December 2014	31 December 2013
Presented companies	<u>1 January to 11 September</u> – STB – SBF and its subsidiaries <u>12 September to 31 December</u> – STB – SBF and its subsidiaries – RASA (or S) and its newly set-up subsidiaries	<u>1 January to 31 December</u> – STB – SPD, BRP and MF

For the separate statements of comprehensive income

For the year ended	31 December 2014	31 December 2013
Presented companies	<u>1 January to 31 December</u> – RASA (or S)	<u>1 January to 31 December</u> – RASA (or S)

For the consolidated statements of financial position

As at	31 December 2014	31 December 2013
Presented companies	– STB – SBF and its subsidiaries – RASA (or S) and its newly set-up subsidiaries	– STB – SBF and its subsidiaries

For the separate statements of financial position

As at	31 December 2014	31 December 2013
Presented companies	– RASA (or S)	– RASA (or S)

Operational Summary

Properties for sale

Since 12 September 2014, 12 units of Intro Condo and 57 units of Maxx Ville Townhome were transferred

At the Business Integration, remaining inventories comprised 20 units of a complete condominium-for-sale “Intro” (approx. THB 2.5-13.3 mn per unit) and 64 units of a townhome project “RASA Maxx Ville” (approx. THB 2.0-3.9 mn per unit). Since the Business Integration date to 31 December 2014, 12 units of Intro Condominium (“Intro”) and 57 units of RASA Maxx Ville Townhome (“Maxx Ville”), both of which are legacy assets of RASA, were transferred. As at 31 December 2014, only 8 and 7 units of Intro and Maxx Ville respectively are left as inventories.

Hotel

Santiburi Beach Resort & Spa is closed for refurbishment during 7 September to 19 December 2014

Santiburi Beach Resort & Spa is a 5-star beachfront resort, consisting of 71 rooms and villas. The resort is located on a 56-rai freehold land with private beach on Samui Island, Surat Thani Province. The resort was fully closed during 7 September 2014 to 19 December 2014 for a THB 200 mn. all-rounded refurbishment. The resort re-opened on schedule on the 20 December

Acquired a 4-star resort – Phi Phi Island Village Beach Resort and Spa on Phi Phi Island in November 2014

Acquired on 28 November 2014, *Phi Phi Island Village Beach Resort and Spa* – a 4-star beachfront resort – comprises 112 villas and 5 clusters. The resort is located on a 167-rai freehold land with private beach on Phi Phi Island, Krabi Province.

Financial Summary

Property for Sale Business

In FY14, consolidated revenues from sales were THB 142.8 mn, while costs of unit sold amounted to THB 113.0 mn. These were solely from the transfer of residential inventories as previously mentioned.

Hotel Business

Though there was additional income from the newly acquired Phi Phi Island Village Beach Resort and Spa in Q4'14, S posted a 16% yoy drop in service revenues,

mainly as a result of the closure of Santiburi Beach Resort and Spa for renovation. However, costs in this period increased by 23% yoy, due to fixed costs of Santiburi Beach Resort and Spa incurred during the closure and its additional depreciation of the renovated phase together with additional costs from the newly acquired hotel.

Selling and Administrative Expenses

Total selling and administration expenses in FY14 stood at THB 386.2 mn, a rise of 172% yoy mainly from professional and transaction fees related to the Business Integration and increased number of employees at head office to support business expansion after the Business Integration.

Net Profit

In FY14, S reported its consolidated net loss of THB 249.6 mn, declined from a net profit of THB 26.1 mn in FY13. This was primarily from the absence of revenue from Santiburi Beach Resort Golf and Spa during its closure for refurbishment and the higher expenses at head office, as previously mentioned.

Consolidated Statement of Comprehensive Income

	2014	2013	% Change
	(THB mn)	(THB mn)	
Revenues	362.4	260.8	39%
Revenue from sales of house and condominium units	142.8	0.0	N/A
Revenue from services	219.6	260.8	(16%)
Costs	(231.6)	(96.4)	140%
Costs of house and condominium unit sold	(113.0)	0.0	N/A
Costs of services	(118.6)	(96.4)	23%
Gross profit	130.8	164.4	(20%)
Gross profit from house and condominium unit sold	29.7	0.0	N/A
Gross profit from services	101.0	164.4	(39%)
Selling and admin expenses	(386.2)	(142.2)	172%
Profit (loss) from operation	(255.4)	22.2	(1,252%)
Other income	40.0	13.9	187%
Profit (loss) before interest and income taxes	(215.4)	36.1	(696%)
Financial costs	(28.1)	(0.9)	2,926%
Profit (loss) before income taxes	(243.4)	35.2	(792%)
Income taxes	(6.2)	(9.0)	(32%)
Profit (loss) for the period	(249.6)	26.1	(1,055%)

Financial Position

As at 31 December 2014, S reported consolidated total assets of THB 9,721.7 mn, an increase of THB 4,769.8 mn from that of the end of last year. The increase was primarily the result of the followings;

1. An addition of the newly acquired asset - Phi Phi Island Village Beach Resort and Spa.
2. The incorporation of RASA's properties for sale at fair value upon Business Integration.
3. Goodwill from the Business Integration

Consolidated total liabilities stood at THB 4,170.5 mn, an increase of THB 4,011.9 mn, mainly from bridging loans utilized for the acquisition of Phi Phi Island Village Beach Resort and Spa, consolidation of RASA's outstanding loans upon Business Integration, and new loans raised to support business expansion and for the renovation of Santiburi Beach Resort and Spa.

Shareholders' equities increased by THB 757.9 mn, primarily as a result of the share premium from Business Integration on the 12 September 2014 as previously mentioned.

Capital Structure

Net D/E stood at 0.51x

As at 31 December 2014, interest-bearing debts stood at THB 3,710.0 mn, increased by THB 3,652.3 mn from that of the end of last year. All of the interest-bearing debts are floating interest rate. Net interest-bearing debt to equity ratio stood at 0.51 times.

Consolidated Statement of Financial Position

	31 DEC 2014	31 DEC 2013	% Change
	(THB mn)	(THB mn)	
Cash and cash equivalents	766.4	429.2	79%
Short-term investments	131.8	0.0	N/A
Costs of property development	794.8	0.0	N/A
Other current assets	104.6	333.3	(69%)
Total current assets	1,797.7	762.5	136%
Land held for development	1,499.6	1,097.6	37%
Investment property, net	2,820.0	2,627.5	7%
Property, plant and equipment, net	3,122.9	458.3	581%
Goodwill	399.0	0.0	N/A
Other non-current assets	82.6	6.1	1,249%
Total non-current assets	7,924.1	4,189.5	89%
Total assets	9,721.7	4,952.0	96%
Bank overdrafts and short-term loans from financial institutions	3,166.9	0.0	N/A
Trade and other payables	234.7	36.4	545%
Current portion of long-term loans	38.3	11.0	248%
Short-term loans from related parties	90.6	16.0	466%
Other current liabilities	104.0	29.6	252%
Total current liabilities	3,634.4	93.0	3,808%
Long-term loans, net	504.8	46.7	982%
Other non-current liabilities	31.3	19.0	65%
Total non-current liabilities	536.1	65.6	717%
Total liabilities	4,170.5	158.6	2,529%
Issued and paid-up share capital	4,712.4	4,235.0	11%
Premium from acquisition	551.1	0.0	N/A
Retained earnings			
Appropriated	10.0	10.0	0%
Unappropriated	297.6	548.3	(46%)
Other components of shareholders' equity	(19.8)	0.0	N/A
Total shareholders' equity	5,551.2	4,793.3	16%

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