

Mandarin Oriental, Bangkok was first established in the Thai Capital in 1876 and is today one of the world's most renowned hotels. Located on the banks of the Chao Phraya River with its famous Authors' Lounge, the Hotel has 374 bedrooms and suites with a unique selection of restaurants and outdoor dining. The Hotel company was listed on the Stock Exchange of Thailand in 1988.

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CORPORATE INFORMATION

DIRECTORS

Nijaporn Charanachitta

Chairwoman of Board of Directors

Edouard Ettegui

Director

Charles Stuart Dickie

Director

Yuthachai Charanachitta

Director

Adam Keswick

Director

Amanda Hyndman

Director and Managing Director

Pisit Leeahtam

Director

Aswin Kongsiri

Independent Director and

Chairman of the Audit Committee

Surachai Sirivallop

Independent Director and Audit Committee Member

William Zentgraf

Independent Director and Audit Committee Member

Sirichai Sombutsiri

Independent Director

AUDIT COMMITTEE

Aswin Kongsiri, *Chairman*

Surachai Sirivallop

William Zentgraf

COMPANY SECRETARY

Laddawal Sakornvasi

OPERATIONAL EXECUTIVES

Amanda Hyndman

Managing Director

Marcus Bauder

Hotel Manager

Laddawal Sakornvasi

Corporate Controller

Robert O'Kennedy

Director of Sales & Marketing

Etienne De Villiers

Director of Public Relations

Thomas Kinsperger

Director of Food & Beverage

Stefan Trepp

Executive Chef

NAME

OHTL Public Company Limited

Registered Number : Bor Mor Jor 176

REGISTERED OFFICE

48 Oriental Avenue, Soi Burapa, Charoenkrung Road,
Khwaeng Bangrak, Khet Bangrak, Bangkok Metropolis

Tel : 0-2659-9000

Fax : 0-2659-0000

AUDITOR

Nattaporn Phan-Udom

Certified Public Accountant (Thailand) No. 3430 and/or
Paiboon Tunkul

Certified Public Accountant (Thailand) No. 4298 and/or
Sakuna Yamsakul

Certified Public Accountant (Thailand) No. 4906

PricewaterhouseCoopers ABAS Limited

15th Floor, Bangkok City Tower

179/74-80 South Sathorn Road, Bangkok 10120

Tel : 0-2286-9999, 0-2344-1000

Fax : 0-2286-2666

REGISTRAR

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,

93 Rajadapisek Road, Dindaeng,

Bangkok 10400

Tel : 0-2009-9000

Fax : 0-2009-9991

SHARE CAPITAL

Par value : Baht 10.0

Registered and fully paid-up capital: Baht 160 million,
consisted of 16,000,000 ordinary shares

Share repurchased : 902,200 shares

DIRECTORS AND OPERATIONAL EXECUTIVES

Names	Higher Education	Working Experience
Mrs. Nijaporn Charanachitta	<ul style="list-style-type: none"> M.B.A. University of Wisconsin, USA B.A. (Arts) Chulalongkorn University 	<ul style="list-style-type: none"> Director and Senior Executive Vice President of Italian-Thai Development Public Co., Ltd. Chairwoman of Chaophaya Development Corporation Co., Ltd.
Mr. Edouard Ettedgui	<ul style="list-style-type: none"> M.B.A. ESSEC (École Supérieure des Science Économiques et Commerciales), Paris, France 	<ul style="list-style-type: none"> Group Chief Executive of Mandarin Oriental Hotel Group since August 1998
Mr. Charles Stuart Dickie	<ul style="list-style-type: none"> B.A. (Hons) Business Studies, Sheffield Hallam University, United Kingdom 	<ul style="list-style-type: none"> Chief Financial Officer of Mandarin Oriental Hotel Group since April 2010
Mr. Yuthachai Charanachitta	<ul style="list-style-type: none"> B.A. Economics, Hamilton College Clinton New York, USA 	<ul style="list-style-type: none"> Executive Director of ItalThai Industrial Co., Ltd. President & CEO of Amari Estates Co., Ltd.
Mr. Adam Keswick	<ul style="list-style-type: none"> Master of Arts, Edinburgh University United Kingdom 	<ul style="list-style-type: none"> Deputy Chairman and Deputy Managing Director of Jardine Matheson Ltd.
Mrs. Amanda Hyndman	<ul style="list-style-type: none"> General Manager's Programme, Cornell University, New York, USA B.A. (Hons), Hotel & Catering Management University of Strathclyde, Glasgow, Scotland 	<ul style="list-style-type: none"> Managing Director at Mandarin Oriental Bangkok since 15 July 2012 General Manager at Mandarin Oriental Washington D.C., USA
Dr. Pisit Leeahtam	<ul style="list-style-type: none"> B.S., M.S. and Ph.D. in Economics Erasmus University, The Netherlands 	<ul style="list-style-type: none"> Country Chairman Thailand of Jardine Matheson (Thailand) Ltd.
Mr. Aswin Kongsiri	<ul style="list-style-type: none"> B.A. (Hons) in Philosophy, Politics and Economics, Oxford University, United Kingdom 	<ul style="list-style-type: none"> Chairman of AK Place Co., Ltd. Director of Krung Thai Bank Public Co., Ltd.
Mr. Surachai Sirivallop	<ul style="list-style-type: none"> Albert Ludwig University-Freiburg, Germany Specialised in International Laws B.A. (Laws) Thammasat University 	<ul style="list-style-type: none"> President & CEO of Thai Reinsurance Public Co., Ltd.
Mr. William Zentgraf	<ul style="list-style-type: none"> B.A. (Hons) Harvard College, USA J.D. Harvard Law School, USA 	<ul style="list-style-type: none"> Financial Consultant Joint Venture Consultant
Mr. Sirichai Sombutsiri	<ul style="list-style-type: none"> Advance Management Program (AMP) Harvard Business School, USA M.B.A. (Finance) University of Southern California, USA B.A.(Hons) Accounting, Thammasat University 	<ul style="list-style-type: none"> Chairman Phoenix Land Development Co., Ltd. Chairman Phoenix Golf and Country Club Pattaya Co., Ltd.
Mr. Marcus Bauder	<ul style="list-style-type: none"> Certificate in Financial Management, Cornell University-School of Hotel Administration Hotel Management Degree Albrecht-Duerer Berufsschule, Duesseldorf, Germany 	<ul style="list-style-type: none"> Hotel Manager at Mandarin Oriental Bangkok since February 2013 Hotel Manager at China World Hotel, Beijing People's Republic of China
Ms. Laddawal Sakornvasi	<ul style="list-style-type: none"> M.B.A. Long Island University, New York, USA B.A. (Accounting), Thammasat University 	<ul style="list-style-type: none"> Corporate Controller at Mandarin Oriental Bangkok since September 1988
Mr. Robert O'Kennedy	<ul style="list-style-type: none"> HND Hotel and Catering Management Business Administration, GMIT, Ireland 	<ul style="list-style-type: none"> Director of Sales & Marketing at Mandarin Oriental, Bangkok since March 2009
Mr. Etienne De Villiers	<ul style="list-style-type: none"> Damelin Management School, South Africa 	<ul style="list-style-type: none"> PR Director at Mandarin Oriental, Bangkok since 1 May 2014 PR Director at Sun International, Capetown South Africa
Mr. Thomas Kinsperger	<ul style="list-style-type: none"> Hotel Management, Tourism School, Bludenz Austria 	<ul style="list-style-type: none"> Director of F&B at Mandarin Oriental Bangkok since 1 October 2014 F&B Manager at Mandarin Oriental Bangkok
Mr. Stefan Trepp	<ul style="list-style-type: none"> Apprentice Cook-Switzerland 	<ul style="list-style-type: none"> Executive Chef at Mandarin Oriental, Bangkok until 31 December 2015 Executive Sous Chef at Mandarin Oriental Bangkok

SHARES HELD BY DIRECTORS

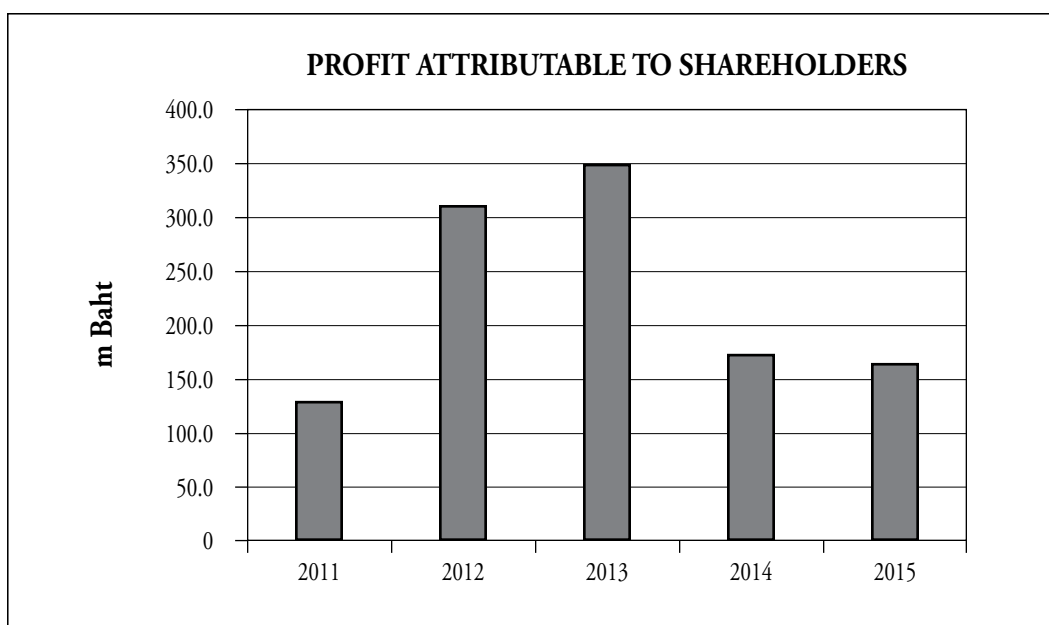
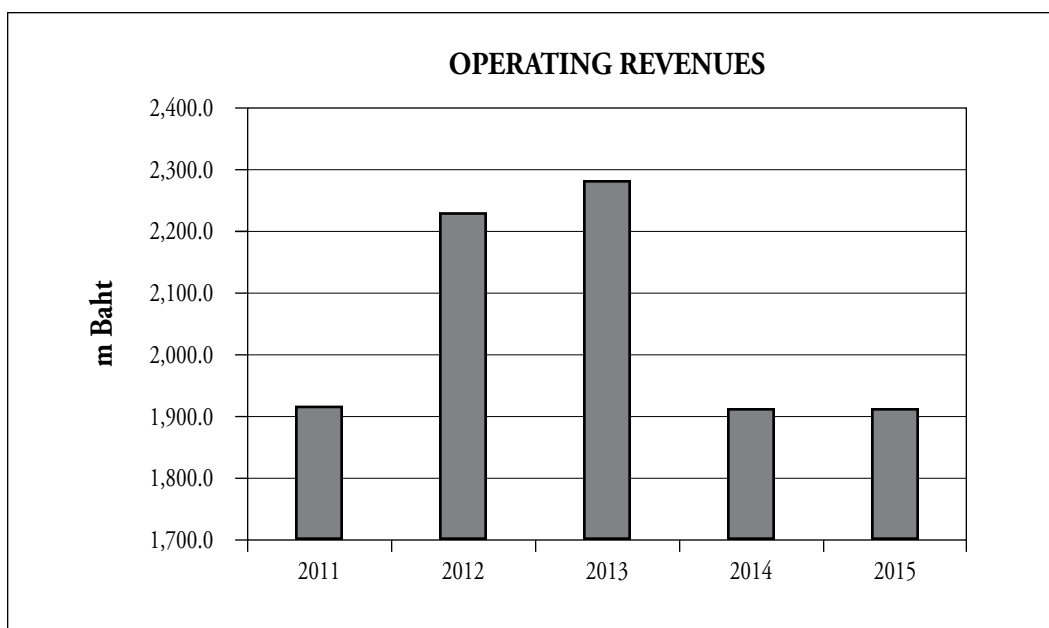
AS AT 31 DECEMBER 2015

AND REMUNERATION IN THE YEAR 2015

Directors	Remuneration Baht	Number of OHTL Shares Held
Nijaporn Charanachitta	150,000	3,506,098
Edouard Ettedgui	150,000	Nil
Charles Stuart Dickie	150,000	Nil
Yuthachai Charanachitta	150,000	231,350
Adam Keswick	150,000	Nil
Amanda Hyndman	150,000	Nil
Pisit Leeahtam	150,000	Nil
Aswin Kongsiri	300,000	Nil
Surachai Sirivallop	300,000	Nil
William Zentgraf	300,000	Nil
Sirichai Sombutsiri	150,000	Nil

FINANCIAL HIGHLIGHTS

	2015 m Baht	2014 m Baht
Operating revenues	1,918.5	1,914.6
Profit before taxation	207.7	225.0
Profit attributable to shareholders	166.0	175.2



MESSAGE FROM THE MANAGING DIRECTOR

The year 2015 started well with a rebound in tourist arrivals in the first half of the year after the stabilization of the political situation in 2014. The net profit increased in the first half when compared to the prior year as business people and leisure guests felt confident and safe to travel to Bangkok. In August, however, the unexpected bomb blasts at The Erawan Shrine and Sathorn Pier resulted in immediate cancellations from all segments but particularly from business groups and international delegation cancellations. There was a longer term affect on the booking pace in quarter four as well as global security concerns, therefore regional business and bookings for the festive season were less than in previous years.

Mandarin Oriental, Bangkok has undertaken a comprehensive renovation of the Authors' and Garden Wings (including the French restaurant - Le Normandie and the Italian Restaurant - Ciao Terrazza) at a cost of Baht 630 million which commenced on 1 May 2015 and will be completed within the first quarter of 2016. It was designed to restore the historic heart of the hotel and to significantly enhance the facilities and services of this award-winning property.

The Hotel hosted a series of culinary promotions including Enrico Bartolini and Karl-Heinz Hauser, two Michelin star chefs and Eric Pras and Thomas Buehner, both of whom are three Michelin star chefs.

Corporate Social Community responsibility initiatives were undertaken including the participation of all colleagues in the third FANtastic Fundraiser in November 2015 to support children at Bansaly School in Nan province, Banjaonen School in Kanchanaburi province and Lerdsin Hospital Foundation.

With additional new hotels in the city, the market was increasingly competitive. Nevertheless Mandarin Oriental, Bangkok maintained its position as market leader amongst the city's luxury hotels, as the first and only five star hotel and the first and only five star Spa awarded by *Forbes Travel Guide Star Rating List 2015*. Guest satisfaction scores were maintained at premium levels that is testament to both continuing service excellence and international recognition of Mandarin Oriental, Bangkok.

RESULTS

Net profit for the year ended 31 December 2015 was Baht 166.0 million compared to Baht 175.2 million in the previous year. The Hotel's occupancy increased from 41.1% in 2014 to 47.1% while the average rate decreased from Baht 12,540 in 2014 to Baht 11,713, the net effect of which was a 7.0% increase in revenue per available room. Food and beverage revenue decreased 5.5% from 2014 due to the different guest mix as well as Le Normandie and Authors' Lounge being under renovation.

Earnings per share were Baht 11.0 compared with Baht 11.6 in the prior year. The Directors are proposing a final dividend of Baht 7.0 per share which, together with the interim dividend of Baht 5.0 per share, will make a total dividend of Baht 12.0 per share, compared with Baht 13.0 in 2014. This is subject to approval of Shareholders at the Annual General Shareholders' Meeting on 28 April 2016. The final dividend will be payable on 27 May 2016.

OPERATIONS

Operating results were affected by the shortfall in revenues during the second half of the year due to the effect from the bomb blasts in August. Margins were carefully managed through diligent cost control to ensure that resources were in line with revenues as much as possible, while retaining an essential focus on guest service and customer care.

The competition continues to try and grow market share with heavily discounted rates but the Hotel's customary premium pricing successfully maximized available revenue as well as protecting margin.

CAPITAL IMPROVEMENTS

Mandarin Oriental, Bangkok continued to invest in its facilities and guest services throughout 2015 in order to maintain its position as one of the market leaders in the five star deluxe segment. In addition to the comprehensive renovation mentioned at the start of this report, the Hotel undertook a refurbishment of the Mandarin Oriental bakery shops at Emporium and Central Chidlom and the laundry shops at Central Chidlom and Siam Paragon.

AWARDS & PEOPLE

Mandarin Oriental, Bangkok continued to be consistently recognized by influential global media and travel industry experts as one of the world's leading hotels, including: Thailand's first and only Five Star Hotel and Thailand's first and only Five Star Spa - *Forbes Travel Guide Star Rating List 2015*; 2015 Gold List - **Condé Nast Traveler, Global Edition**; *The World's Top 10*, #1 Best Overseas Holiday Hotels in Asia and #5 Overseas Hotel Spas - **Condé Nast Traveller, United Kingdom, Readers' Choice Awards, 2015**; *Best Thailand Hotels* - **Condé Nast Traveller, China, Readers' Choice Awards, 2015**; *Best Hotels In The World and Best Hotels In Asia/Australasia* - **The Telegraph UltraTravel Magazine, United Kingdom, 2015 Ultra Awards - The 100 Finest Things In Travel**; *The World's Top 100 Hotels* - **Robb Report, USA**; *World's Top 100 Hotels (on the list for 20 consecutive years) and World's Best Hotels: Asia (on the list for 20 consecutive years)* - **Travel+Leisure, USA, World's Best Awards 2015**; #1 Best Hotel in South East Asia - **The Gallivanter's Guide, 2015**; *Best Hotel in Bangkok (9th win in 10 years)* - **DestinAsian, Readers' Choice Awards, 2015**; *Best City Hotel, Bangkok* - **TTG Travel Awards 2015** and *Thailand's Favourite Spa* - **Thailand Tatler, 2015 Asia Readers' Choice Award**.

These awards demonstrate the outstanding dedication and commitment of the colleagues to delight the guests. My appreciation goes out to each and every one of them for their continuing loyalty and commitment in further extending our legendary reputation for the finest standards of service and customer care.

OUTLOOK & PROSPECTS

The Hotel's prospects are affected by global security risk and the concerns of travelers, especially those from the United States and Europe. The Hotel has traditionally benefited from visiting Heads of State and government delegations but these have not occurred since May 2014 due to the political situation. If security fears are allayed then the tourism sector should see some recovery.

With a number of new five star hotels slated to open in 2016, overcapacity remains, together with increased competition for hotel staff which continues to increase labor costs. On a global scale, the economic outlook is uncertain based on the international security situation and the ability of government to rebuild the city's international reputation and to assure travelers of their personal safety.

Notwithstanding uncertainty in both the micro and the macroeconomic environment, Mandarin Oriental, Bangkok remains firmly focused in its pursuit of excellence. The announcement of the newly renovated Authors' and Garden Wings to coincide with the Hotel's 140th anniversary will boost global awareness and we are focused on retaining our position as market leader while growing our reputation as one of the truly legendary hotels of the world.



Amanda Hyndman
Managing Director

AUDITOR'S REPORT

To the Shareholders of OHTL Public Company Limited

I have audited the accompanying consolidated and company financial statements of OHTL Public Company Limited and its subsidiaries and of OHTL Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of OHTL Public Company Limited and its subsidiaries and of OHTL Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
PricewaterhouseCoopers ABAS Ltd.

Bangkok
28 January 2016

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		CONSOLIDATED		COMPANY	
		31 December 2015 Baht	31 December 2014 Baht	31 December 2015 Baht	31 December 2014 Baht
Notes					
ASSETS					
Current assets					
Cash and cash equivalents	6	124,831,615	211,299,686	104,539,498	207,014,717
Short-term investments		174,572	1,210,856	174,572	1,210,856
Trade and other receivables, net	7	93,749,991	95,610,709	94,901,618	100,525,623
Inventories		18,978,153	12,884,592	13,956,404	7,549,207
Other current assets		14,390,132	5,452,287	13,556,750	3,766,922
Total current assets		<u>252,124,463</u>	<u>326,458,130</u>	<u>227,128,842</u>	<u>320,067,325</u>
Non-current assets					
Investments in subsidiaries, net	8	-	-	100,000	100,000
Investments in associates	8	81,908,775	90,996,278	9,520,000	9,520,000
Property, plant and equipment, net	9	1,533,078,666	1,265,907,167	1,414,864,694	1,133,053,869
Intangible assets, net	10	28,007,300	28,290,610	27,147,245	27,290,222
Deferred tax assets	11	38,964,125	38,814,272	27,415,600	27,265,747
Land upfront fee	12	42,499,355	44,166,666	-	-
Other non-current assets		26,214,324	23,712,792	12,877,200	11,937,068
Total non-current assets		<u>1,750,672,545</u>	<u>1,491,887,785</u>	<u>1,491,924,739</u>	<u>1,209,166,906</u>
Total assets		<u>2,002,797,008</u>	<u>1,818,345,915</u>	<u>1,719,053,581</u>	<u>1,529,234,231</u>

Director



Director



The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2015

		CONSOLIDATED		COMPANY	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Short-term borrowings					
from financial institutions	14	180,000,000	-	180,000,000	-
Trade and other payables	13	383,424,911	320,795,158	375,685,506	316,742,860
Income tax payable		12,810,674	30,373,919	12,810,674	30,373,919
Other current liabilities		21,664,728	27,484,691	19,603,859	25,576,493
Total current liabilities		597,900,313	378,653,768	588,100,039	372,693,272
Non-current liabilities					
Long-term borrowing from					
financial institution	15	350,000,000	350,000,000	350,000,000	350,000,000
Employee benefit obligations	16	130,944,627	129,183,281	128,078,000	126,605,000
Accrued land rental	12	121,814,792	112,555,099	-	-
Other non-current liabilities		25,220,346	24,640,780	24,920,964	24,330,184
Total non-current liabilities		627,979,765	616,379,160	502,998,964	500,935,184
Total liabilities		1,225,880,078	995,032,928	1,091,099,003	873,628,456
Shareholders' equity					
Share capital					
Authorised share capital					
Ordinary shares, 16,000,000 shares					
at par value of Baht 10 each	17	160,000,000	160,000,000	160,000,000	160,000,000
Issued and paid-up share capital					
Ordinary shares, 16,000,000 shares					
at paid-up of Baht 10 each	17	160,000,000	160,000,000	160,000,000	160,000,000
Retained earnings					
Appropriated					
Legal reserve	18	16,000,000	16,000,000	16,000,000	16,000,000
Treasury share reserve	17	451,601,200	451,601,200	451,601,200	451,601,200
Unappropriated		600,916,930	647,312,987	451,954,578	479,605,775
Less Treasury shares	17	(451,601,200)	(451,601,200)	(451,601,200)	(451,601,200)
Total shareholders' equity		776,916,930	823,312,987	627,954,578	655,605,775
Total liabilities and shareholders' equity		2,002,797,008	1,818,345,915	1,719,053,581	1,529,234,231

The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED		COMPANY	
	Notes	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Hotel income	19	1,918,459,982	1,914,633,548	1,723,478,179	1,741,573,133
Cost of sales and services		(1,088,355,243)	(1,082,379,656)	(962,710,269)	(960,858,442)
Gross profit		830,104,739	832,253,892	760,767,910	780,714,691
Other income	20	4,438,575	6,081,422	27,627,498	26,501,317
Selling expenses		(101,672,969)	(89,820,995)	(99,971,893)	(89,383,325)
Administrative expenses		(526,091,428)	(522,531,135)	(450,147,241)	(445,462,274)
Finance costs - interest expense		(11,846,659)	(13,901,089)	(11,846,659)	(13,901,089)
Share of profit of associates, net	8 a)	12,752,497	12,894,527	-	-
Profit before income tax expense		207,684,755	224,976,622	226,429,615	258,469,320
Income tax expense	22	(41,651,412)	(49,770,084)	(41,651,412)	(49,770,084)
Profit for the year		166,033,343	175,206,538	184,778,203	208,699,236
Other comprehensive (expense)/income:					
Items that will not be reclassified to profit or loss					
(Loss)/Gain on remeasurements of defined employee benefit obligations	16	(1,345,000)	1,139,000	(1,345,000)	1,139,000
Income tax relating to items that will not be reclassified	11	269,000	(227,800)	269,000	(227,800)
Other comprehensive (expense)/income for the year, net of tax		(1,076,000)	911,200	(1,076,000)	911,200
Total comprehensive income for the year		164,957,343	176,117,738	183,702,203	209,610,436
Profit attributable to:					
Owners of the parent		166,033,343	175,206,538	184,778,203	208,699,236
Non-controlling interests		-	-	-	-
		<u>166,033,343</u>	<u>175,206,538</u>	<u>184,778,203</u>	<u>208,699,236</u>
Total comprehensive income attributable to:					
Owners of the parent		164,957,343	176,117,738	183,702,203	209,610,436
Non-controlling interests		-	-	-	-
		<u>164,957,343</u>	<u>176,117,738</u>	<u>183,702,203</u>	<u>209,610,436</u>
Earnings per share					
Basic earnings per share	23	11.00	11.60	12.24	13.82

The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED (Baht)						
Notes	Issued and paid-up share capital	Retained earnings		Unappropriated	Treasury shares	Total
		Appropriated- legal reserve	Appropriated- treasury shares reserve			
Opening balance as at						
1 January 2014	160,000,000	16,000,000	451,601,200	742,935,849	(451,601,200)	918,935,849
Changes in equity for the year						
Total comprehensive income for the year	-	-	-	176,117,738	-	176,117,738
Dividend paid	25	-	-	(271,740,600)	-	(271,740,600)
Closing balance as at						
31 December 2014	<u>160,000,000</u>	<u>16,000,000</u>	<u>451,601,200</u>	<u>647,312,987</u>	<u>(451,601,200)</u>	<u>823,312,987</u>
Opening balance as at						
1 January 2015	160,000,000	16,000,000	451,601,200	647,312,987	(451,601,200)	823,312,987
Changes in equity for the year						
Total comprehensive income for the year	-	-	-	164,957,343	-	164,957,343
Dividend paid	25	-	-	(211,353,400)	-	(211,353,400)
Closing balance as at						
31 December 2015	<u>160,000,000</u>	<u>16,000,000</u>	<u>451,601,200</u>	<u>600,916,930</u>	<u>(451,601,200)</u>	<u>776,916,930</u>

The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

COMPANY (Baht)						
Notes	Issued and paid-up share capital	Retained earnings		Unappropriated	Treasury shares	Total
		Appropriated- legal reserve	Appropriated- treasury shares reserve			
Opening balance as at						
1 January 2014	160,000,000	16,000,000	451,601,200	541,735,939	(451,601,200)	717,735,939
Changes in equity for the year						
Total comprehensive						
income for the year	-	-	-	209,610,436	-	209,610,436
Dividend paid	25	-	-	(271,740,600)	-	(271,740,600)
Closing balance as at						
31 December 2014	<u>160,000,000</u>	<u>16,000,000</u>	<u>451,601,200</u>	<u>479,605,775</u>	<u>(451,601,200)</u>	<u>655,605,775</u>
Opening balance as at						
1 January 2015	160,000,000	16,000,000	451,601,200	479,605,775	(451,601,200)	655,605,775
Changes in equity for the year						
Total comprehensive						
income for the year	-	-	-	183,702,203	-	183,702,203
Dividend paid	25	-	-	(211,353,400)	-	(211,353,400)
Closing balance as at						
31 December 2015	<u>160,000,000</u>	<u>16,000,000</u>	<u>451,601,200</u>	<u>451,954,578</u>	<u>(451,601,200)</u>	<u>627,954,578</u>

The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	CONSOLIDATED		COMPANY	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flows from operating activities					
Profit before income tax expense		207,684,755	224,976,622	226,429,615	258,469,320
Adjustments for:					
Transfers hotel operating equipment to cost of hotel operations	9	3,085,926	3,053,924	3,085,926	3,053,924
Depreciation charge on property, plant and equipment	9	206,265,471	213,789,047	180,079,082	185,782,033
Amortisation charge on intangible assets	10	5,449,144	7,035,746	5,277,368	6,810,761
Amortisation charge on land upfront fee	12	1,667,311	1,666,667	-	-
Loss on disposals of property, plant and equipment		2,457,964	4,890,232	2,422,392	4,833,754
Loss on write-off of property, plant and equipment		10,367,495	24,237	10,367,495	24,237
Loss on write-off of intangible asset		33,004	1	33,004	1
Doubtful accounts from amount due from a related party		-	-	1,380,858	1,380,858
Share of profit of associates, net	8 a)	(12,752,497)	(12,894,527)	-	-
Dividend income	8 e)	-	-	(21,840,000)	(19,110,000)
Employee benefit expense	16	13,013,346	17,704,817	12,725,000	17,435,745
Interest income	20	(1,828,553)	(2,811,059)	(3,206,811)	(4,189,630)
Finance costs - interest expense		11,846,659	13,901,089	11,846,659	13,901,089
Changes in operating assets and liabilities					
- trade and other receivables		1,860,718	28,344,152	5,624,005	26,136,546
- inventories		(6,093,561)	(1,158,109)	(6,407,197)	(1,510,382)
- other current assets		(8,937,843)	(2,420,245)	(9,789,828)	(2,421,414)
- other non-current assets		(873,170)	(2,972,264)	(940,131)	(3,178,194)
- trade and other payables		40,460,035	(37,791,195)	36,772,929	(35,542,106)
- employee benefit obligations		(12,597,000)	(17,501,065)	(12,597,000)	(17,501,065)
- accrued land rental		9,259,695	9,985,695	-	-
- other current liabilities and other non-current liabilities		(5,240,398)	918,572	(5,381,855)	810,057
Cash generated from operations		465,128,501	448,742,337	435,881,511	435,185,534
Interest received		1,828,553	2,811,059	1,825,953	2,808,772
Interest paid		(11,759,055)	(13,896,029)	(11,759,055)	(13,896,029)
Income tax paid		(60,723,877)	(50,072,412)	(59,095,510)	(48,444,049)
Net cash generated from operating activities		394,474,122	387,584,955	366,852,899	375,654,228

The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	CONSOLIDATED		COMPANY	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flows from investing activities					
Decrease in short-term investments		1,036,284	451,697	1,036,284	451,697
Purchases of property, plant and equipment		(469,261,245)	(146,383,678)	(457,637,492)	(129,654,643)
Purchases of intangible assets	10	(5,198,838)	(1,392,838)	(5,167,395)	(1,392,838)
Proceeds from disposals of property, plant and equipment		1,995,006	1,710,509	1,953,885	1,680,323
Dividends received from associate	8 e)	21,840,000	19,110,000	21,840,000	19,110,000
Net cash used in investing activities		<u>(449,588,793)</u>	<u>(126,504,310)</u>	<u>(437,974,718)</u>	<u>(109,805,461)</u>
Cash flows from financing activities					
Proceed from short-term borrowing from financial institutions	14	230,000,000	-	230,000,000	-
Proceed from long-term borrowing from financial institution	15	-	350,000,000	-	350,000,000
Repayments on short-term borrowings from financial institutions	14	(50,000,000)	-	(50,000,000)	-
Repayments on long-term borrowing from financial institution	15	-	(400,000,000)	-	(400,000,000)
Dividends paid to shareholders	25	(211,353,400)	(271,740,600)	(211,353,400)	(271,740,600)
Net cash used in financing activities		<u>(31,353,400)</u>	<u>(321,740,600)</u>	<u>(31,353,400)</u>	<u>(321,740,600)</u>
Net decrease in cash and cash equivalents		(86,468,071)	(60,659,955)	(102,475,219)	(55,891,833)
Cash and cash equivalents, opening balance		<u>211,299,686</u>	<u>271,959,641</u>	<u>207,014,717</u>	<u>262,906,550</u>
Cash and cash equivalents, closing balance	6	<u>124,831,615</u>	<u>211,299,686</u>	<u>104,539,498</u>	<u>207,014,717</u>

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2015 and 2014 are as follows:

Other payables arising from purchases of property, plant and equipment	46,610,473	9,900,282	46,610,473	9,900,282
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The notes to the consolidated and company financial statements on pages 87 to 123 form an integral part of the financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

OHTL Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

48 Oriental Avenue, New Road, Bangrak, Bangkok.

The Company is listed on the Stock Exchange of Thailand since 1988. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Group operate their business in Thailand and their principal business operations are hotel and restaurant operations.

These Group consolidated and company financial statements were authorised for issue by the Board of Directors on 28 January 2016.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of consolidated and company financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards, revised financial reporting standards, and interpretations

2.2.1 New financial reporting standards, revised financial reporting standards, and interpretations are effective on 1 January 2015. These standards are relevant to the Group.

- a) Financial reporting standards with major changes
 - TAS 1 (revised 2014) Presentation of financial statements
 - TAS 16 (revised 2014) Property, plant and equipment
 - TAS 19 (revised 2014) Employee benefits
 - TAS 27 (revised 2014) Separate financial statements
 - TAS 28 (revised 2014) Investments in associates and joint ventures
 - TAS 34 (revised 2014) Interim financial reporting
 - TFRS 10 Consolidated financial statements
 - TFRS 12 Disclosure of interest in other entities
 - TFRS 13 Fair value measurement
- b) Financial reporting standards with minor changes
 - TAS 2 (revised 2014) Inventories
 - TAS 7 (revised 2014) Statements of cash flows
 - TAS 8 (revised 2014) Accounting policies, changes in accounting estimates and errors
 - TAS 10 (revised 2014) Events after the reporting period
 - TAS 12 (revised 2014) Income taxes
 - TAS 17 (revised 2014) Leases
 - TAS 18 (revised 2014) Revenue
 - TAS 21 (revised 2014) The effects of changes in foreign exchange rates
 - TAS 23 (revised 2014) Borrowing costs
 - TAS 24 (revised 2014) Related party disclosures
 - TAS 26 (revised 2014) Accounting and reporting by retirement benefit plans
 - TAS 33 (revised 2014) Earnings per share
 - TAS 36 (revised 2014) Impairment of assets
 - TAS 37 (revised 2014) Provisions, contingent liabilities and contingent assets
 - TAS 38 (revised 2014) Intangible assets
 - TAS 40 (revised 2014) Investment property
 - TFRS 2 (revised 2014) Share-based payments
 - TFRS 3 (revised 2014) Business combinations
 - TFRS 5 (revised 2014) Non-current asset held for sale and discontinued operations
 - TFRS 8 (revised 2014) Operating segments
 - TSIC 15 (revised 2014) Operating leases - Incentives
 - TSIC 25 (revised 2014) Income taxes - changes in the tax status of an entity or its shareholders
 - TSIC 27 (revised 2014) Evaluating the substance of transactions involving the legal form of a lease
 - TSIC 31 (revised 2014) Revenue - barter transactions involving advertising services
 - TSIC 32 (revised 2014) Intangible assets - Web site costs
 - TFRIC 1 (revised 2014) Changes in existing decommissioning, restoration and similar liabilities
 - TFRIC 4 (revised 2014) Determining whether an arrangement contains a lease
 - TFRIC 10 (revised 2014) Interim financial reporting and impairment
 - TFRIC 13 (revised 2014) Customer loyalty programmes

Commencing 1 January 2015, the Group has applied these financial reporting standards. There are no material impacts to the Group as a result of such adoption.

2.2.2 New financial reporting standards, revised financial reporting standards, and interpretations are effective on 1 January 2016. These standards are relevant to the Group.

- a) Financial reporting standards with major changes
 - TAS 16 (revised 2015) Property, plant and equipment
 - TAS 19 (revised 2015) Employee benefits
 - TAS 24 (revised 2015) Related party disclosures
 - TAS 27 (revised 2015) Separate financial statements
 - TAS 36 (revised 2015) Impairment of assets
 - TAS 38 (revised 2015) Intangible assets
 - TFRS 2 (revised 2015) Share-based payment
 - TFRS 3 (revised 2015) Business combinations
 - TFRS 8 (revised 2015) Operating segments
 - TFRS 10 (revised 2015) Consolidated financial statements
 - TFRS 12 (revised 2015) Disclosure of interest in other entities
 - TFRS 13 (revised 2015) Fair value measurement
 - TFRIC 21 (revised 2015) Levies
- b) Financial reporting standards with minor changes
 - TAS 1 (revised 2015) Presentation of financial statements
 - TAS 2 (revised 2015) Inventories
 - TAS 7 (revised 2015) Statement of cash flows
 - TAS 8 (revised 2015) Accounting policies, changes in accounting estimates and errors
 - TAS 10 (revised 2015) Events after the reporting period
 - TAS 12 (revised 2015) Income taxes
 - TAS 17 (revised 2015) Leases
 - TAS 18 (revised 2015) Revenue
 - TAS 21 (revised 2015) The effects of changes in foreign exchange rates
 - TAS 23 (revised 2015) Borrowing costs
 - TAS 26 (revised 2015) Accounting and reporting by retirement benefit plans
 - TAS 28 (revised 2015) Investments in associates and joint ventures
 - TAS 33 (revised 2015) Earnings per share
 - TAS 34 (revised 2015) Interim financial reporting
 - TAS 37 (revised 2015) Provisions, contingent liabilities and contingent assets
 - TFRIC 4 (revised 2015) Determining whether an arrangement contains a lease
 - TFRIC 10 (revised 2015) Interim financial reporting and impairment
 - TFRIC 13 (revised 2015) Customer loyalty programmes
 - TFRIC 17 (revised 2015) Distributions of non-cash assets to owners

The Group has not yet early adopted these revised standards. The management has assessed and considered that the above revised standards will not have a material impact on the Group.

2.3 Group accounting - Investments in subsidiaries and associates

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries is set out in Note 8 c).

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. In addition, accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment.

A list of the Group's principal associates is set out in Note 8 c).

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.5 Cash and cash equivalents

In the consolidated and company statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amounts and subsequently measured at the remaining amounts less allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	40 years
Building improvements	20 years
Leasehold improvements and renovations	lease period or useful life of assets, whichever is shorter
Machinery and equipment	5 - 10 years
Furniture and fixtures	5 - 10 years
Vehicles	5 years
Boats	10 years
Hotel operating equipment	2 - 3 years

Operating equipment consisting of chinaware, glassware, silverware, linen and uniforms is recorded as hotel operating equipment and expensed upon issuance. In cases where an item of operating equipment becomes obsolete due to a concept change of restaurants, the value of the remaining operating equipment items being replaced is immediately written off.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related assets.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are recognised in profit or loss.

2.9 Intangible assets - computer software

Acquired computer software licences are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

2.10 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.11 Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.14 Employee benefits

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund managed by the external fund manager. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions by relevant companies in the Group to the provident fund are charged as expense in the statement of comprehensive income in the year to which they relate.

The Group also provides for post employment benefits that is a defined benefit pension plan, payable to employees who have completed ten years or more of continuous service with the Company and who reach the specified retirement age. Under the plan, an employee is entitled to receive, upon retirement or early retirement, a sum computed by reference to length of service, age and average remuneration on retirement. The liability recognised in the statement of financial position in respect of post employment benefits is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.15 Provisions

Provisions, excluding the provisions relating to employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.17 Revenue recognition

Revenues from hotel and restaurant operations represent the invoiced value for the sale of goods and services rendered after deducting discounts, value added tax and service charges, and after eliminating sales within the Group for the consolidated financial statements. Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

Rental income is recognised as a revenue on an accrual basis at the amount as specified under each lease agreement.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate and contract rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised as revenue when the Group's right to receive payment is established.

2.18 Dividends

Dividends are recorded in the consolidated and company financial statements in the period in which they are declared by the Board of Directors and approved by the shareholders.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Director that makes strategic decisions.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, market risk (including interest rate risk and currency risk) and credit risk. Risk management is carried out by Group management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Interest rate risk

The Group has normal exposure to interest rate risk, which relates primarily to deposits at financial institutions, and borrowings from financial institutions. The Group borrows at both fixed and floating rates of interest to finance its operations. The Company entered into interest rate cap contracts to swap interest rate on borrowings denominated in Thai Baht. Interest rate cap contracts protected the Company from movements in interest rates exceeding the agreed strike rate.

3.1.2 Foreign exchange risk

The Group is exposed to foreign exchange risk arising from some currency exposures, primarily relates to its certain receivables and payables. In addition to those transactional exposures, a subsidiary is also exposed to the effect of foreign exchange movements on its investment in foreign associate, which currently is not hedged by any derivative financial instruments. However, the Group believes that foreign exchange risk will have no material effect to their operational results and they therefore do not use derivative financial instruments to hedge this risk.

Below is a summary of the Group's assets and liabilities denominated in foreign currencies as at 31 December 2015 and 2014, which were unhedged.

Foreign currency (Unit : Million)	Consolidated and Company		Average exchange rate as at 31 December 2015
	Assets	Liabilities	Baht per foreign currency unit
US Dollar	0.0203	-	36.0886

Foreign currency (Unit : Million)	Consolidated and Company		Average exchange rate as at 31 December 2014
	Assets	Liabilities	Baht per foreign currency unit
US Dollar	0.0134	-	32.9630

3.1.3 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable in that sales and services are principally made to travel agents, credit card companies and companies with secure financial position. The Group has never experienced significant difficulties in debt collection.

3.2 Accounting for financial instruments

The Group is a party to derivative financial instruments, which mainly comprise interest rate cap agreements. Such instruments are not recognised in the financial statements on inception. Subsequent changes in the fair values of the swap contracts were not recognised in profit or loss. Any differential to be received on an interest rate cap agreement is recognised as a component of financial cost over the period of the agreement. Other financial cost incurred is capitalised and amortised over the contract period.

Disclosures about financial instruments to which the Group is a party are provided in Note 31.

3.3 Fair value estimation

As at 31 December 2015, the Group had no assets or liabilities measured at fair value. Disclosures of fair value measurements by level are:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Since the majority of the financial assets are short-term and that the loans and borrowings carry interest at rates close to current market rates, the management of the Group believes that the fair values of the Group's financial assets and financial liabilities do not materially differ from their carrying amounts.

The fair value of interest rate cap is calculated as the present value of the estimated future cash flows.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Information on the fair values of borrowings and interest rate cap is included in Notes 14, 15 and 31, respectively.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

4.2 Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Group considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Group's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on the Group's reported financial position and results of operations.

4.3 Provision for employee benefit

The Group has commitment to provide a retirement benefit plan for employees who have completed ten years or more of continuous service with the Group and who reach the specified retirement age. The present value of provision for retirement benefit plan recognised in the statement of financial position is determined on an actuarial basis utilising various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate and the future salary increase rate. Any changes in these assumptions will have an impact on the carrying amount of provision for retirement benefit. On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Other key assumptions for provision for retirement benefit are based in part on current market conditions. Additional information is disclosed in Note 16.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash on hand	2,015,070	1,802,118	1,990,070	1,777,118
Cash at banks - current accounts	17,859,894	19,408,382	-	15,592,221
- savings accounts	104,956,651	190,089,186	102,549,428	189,645,378
Total cash and cash equivalents	<u>124,831,615</u>	<u>211,299,686</u>	<u>104,539,498</u>	<u>207,014,717</u>

As at 31 December 2015, the interest rates of savings accounts were 0.50% to 0.63% per annum (2014: 0.50% to 1.25% per annum).

7. TRADE AND OTHER RECEIVABLES, NET

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivable				
Trade accounts receivable, gross	65,150,451	69,640,857	62,892,287	68,417,680
<u>Less</u> Provision for impairment	-	-	-	-
Trade accounts receivable, net	<u>65,150,451</u>	<u>69,640,857</u>	<u>62,892,287</u>	<u>68,417,680</u>
Other receivables				
Amounts due from related parties, net (Note 24 c))	856,179	439,848	6,163,776	7,975,064
Prepaid rental expenses	10,833,333	10,833,333	10,833,333	10,833,333
Prepaid insurance expenses	6,693,483	4,776,914	6,287,259	4,379,399
Other prepaid expenses	7,404,154	5,372,978	6,692,249	5,152,717
Advance payments	586,283	1,480,025	586,283	1,061,209
Others	2,226,108	3,066,754	1,446,431	2,706,221
Other receivables, net	<u>28,599,540</u>	<u>25,969,852</u>	<u>32,009,331</u>	<u>32,107,943</u>
Total trade and other receivables, net	<u><u>93,749,991</u></u>	<u><u>95,610,709</u></u>	<u><u>94,901,618</u></u>	<u><u>100,525,623</u></u>

Age analysis of the outstanding trade accounts receivable and amount due from related parties as at 31 December can be summarised as follows:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivable				
Under 30 days	60,158,861	66,249,277	57,900,697	65,026,100
31 - 60 days	4,589,331	3,207,474	4,589,331	3,207,474
61 - 90 days	352,259	184,106	352,259	184,106
91 - 120 days	50,000	-	50,000	-
Over 120 days	-	-	-	-
Total trade accounts receivable, gross	65,150,451	69,640,857	62,892,287	68,417,680
<u>Less</u> Provision for impairment	-	-	-	-
Trade accounts receivable, net	<u><u>65,150,451</u></u>	<u><u>69,640,857</u></u>	<u><u>62,892,287</u></u>	<u><u>68,417,680</u></u>

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Amounts due from related parties				
Under 30 days	820,728	134,120	5,364,122	6,074,656
31 - 60 days	35,451	305,728	35,451	1,616,860
61 - 90 days	-	-	-	-
91 - 120 days	-	-	1,414,958	-
Over 120 days	-	-	50,355,042	49,908,488
Total amounts due from related parties, gross	856,179	439,848	57,169,573	57,600,004
<u>Less</u> Provision for impairment	-	-	(51,005,797)	(49,624,940)
Amounts due from related parties, net	<u>856,179</u>	<u>439,848</u>	<u>6,163,776</u>	<u>7,975,064</u>

8. INVESTMENTS IN SUBSIDIARIES, NET AND ASSOCIATES

- a) The movements in investments in associates accounted for under equity method for the years ended 31 December comprise:

	CONSOLIDATED	
	2015 Baht	2014 Baht
Opening net book value	90,996,278	97,211,751
Share of profit from associates, net	12,752,497	12,894,527
Dividends received from associate	(21,840,000)	(19,110,000)
Closing net book value	<u>81,908,775</u>	<u>90,996,278</u>

- b) Investments in subsidiaries and associates accounted for under cost method as at 31 December comprise:

	COMPANY	
	2015 Baht	2014 Baht
Subsidiaries:		
Investments in subsidiaries, cost	4,100,000	4,100,000
<u>Less</u> Provision for impairment of investments in subsidiaries	(4,000,000)	(4,000,000)
Investments in subsidiaries, net	<u>100,000</u>	<u>100,000</u>

	COMPANY	
	2015 Baht	2014 Baht
Associate:		
Investments in associates, cost	9,520,000	9,520,000
Investments in associates	<u>9,520,000</u>	<u>9,520,000</u>

c) Details of the investments in subsidiaries and associates can be summarised as follows:

Company's name	Nature of business	Country of incorporation	Nature of relationship	Currency
Subsidiaries				
Baan Rim Naam Chao Phraya Company Limited	Restaurant and spa	Thailand	Shareholder	Baht
Bagan Hotel Holding (Thailand) Company Limited	Investment holding	Thailand	Shareholder	Baht
Associates				
Siam Flight Services Company Limited which has a subsidiary as follows:	Airline catering	Thailand	Shareholder	Baht
LSG Sky Chefs (Thailand) Limited	Airline catering	Thailand	Shareholder	Baht
Bagan Hotel Holding Company (BVI) Limited (invested by Bagan Hotel Holding (Thailand) Company Limited)	Investment in a Myanmar hotel project	British Virgin Islands	Shareholder	US Dollar

d) Carrying values of investments in subsidiaries

Company's name	As at 31 December 2015			
	Paid-up capital Baht	Investment portion %	Cost method Baht	Dividend Baht
Subsidiaries				
Baan Rim Naam Chao Phraya Company Limited	100,000	100	100,000	-
Bagan Hotel Holding (Thailand) Company Limited	4,000,000	100	4,000,000	-
Total investments in subsidiaries			4,100,000	-
<u>Less</u> Provision for impairment of investments in subsidiaries			(4,000,000)	-
Total investments in subsidiaries, net			100,000	-

Company's name	As at 31 December 2014			
	Paid-up capital Baht	Investment portion %	Cost method Baht	Dividend Baht
Subsidiaries				
Baan Rim Naam Chao Phraya Company Limited	100,000	100	100,000	-
Bagan Hotel Holding (Thailand) Company Limited	4,000,000	100	4,000,000	-
Total investments in subsidiaries			4,100,000	-
<u>Less</u> Provision for impairment of investments in subsidiaries			(4,000,000)	-
Total investments in subsidiaries, net			100,000	-

e) Carrying values of investments in associates

Company's name	As at 31 December 2015				
	Paid-up capital Baht	Investment portion %	Cost method Baht	Equity method Baht	Dividend Baht
Associates					
Siam Flight Services Company Limited	3,000,000	26	9,520,000	82,092,433	21,840,000
Bagan Hotel Holding Company (BVI) Limited	81,181,488	50	40,604,869	(183,658)	-
Total investments in associates			50,124,869	81,908,775	21,840,000
<u>Less</u> Provision for impairment of investments in associates			(40,604,869)	-	-
Total investments in associates, net			9,520,000	81,908,775	21,840,000

Company's name	As at 31 December 2014				
	Paid-up capital Baht	Investment portion %	Cost method Baht	Equity method Baht	Dividend Baht
Associates					
Siam Flight Services Company Limited	3,000,000	26	9,520,000	90,959,669	19,110,000
Bagan Hotel Holding Company (BVI) Limited	81,181,488	50	40,604,869	36,609	-
Total investments in associates			50,124,869	90,996,278	19,110,000
<u>Less</u> Provision for impairment of investments in associates			(40,604,869)	-	-
Total investments in associates, net			9,520,000	90,996,278	19,110,000

Bagan Hotel Holding (Thailand) Company Limited, a subsidiary of the Company, had invested in a hotel project in Republic of the Union of Myanmar through Bagan Hotel Holding Company (BVI) Limited. On 13 August 2003, the project was terminated by the Ministry of Hotels & Tourism, Republic of the Union of Myanmar. A full provision had been made against the investment.

The Group's share of the results of its principal associates, all of which are unlisted companies, and its share of the assets and liabilities are as follows:

As at 31 December 2015

	% Ownership interest	Assets Baht	Liabilities Baht	Revenues Baht	Profit/(loss) Baht
Associates					
Siam Flight Services Company Limited	26	163,899,272	25,657,481	164,772,457	34,812,764
Bagan Hotel Holding Company (BVI) Limited	50	275	224,485	-	(220,267)
		<u>163,899,547</u>	<u>25,881,966</u>	<u>164,772,457</u>	<u>34,592,497</u>

As at 31 December 2014

	% Ownership interest	Assets Baht	Liabilities Baht	Revenues Baht	Profit (loss) Baht
Associates					
Siam Flight Services Company Limited	26	172,570,729	25,461,703	167,118,680	32,027,334
Bagan Hotel Holding Company (BVI) Limited	50	251	183,205	-	(22,807)
		<u>172,570,980</u>	<u>25,644,908</u>	<u>167,118,680</u>	<u>32,004,527</u>

9. PROPERTY, PLANT AND EQUIPMENT, NET

CONSOLIDATED (Baht)									
	Land	Buildings and improvements	Leasehold improvements and renovations	Machinery and equipment	Furniture and fixtures	Vehicles and boats	Hotel operating equipment	Assets under construction and installation	Total
At 1 January 2014									
Cost	28,562,635	1,394,319,249	1,099,674,323	434,504,201	1,010,556,724	6,895,124	49,812,583	42,308,462	4,066,633,301
Less Accumulated depreciation	-	(790,089,103)	(864,410,963)	(268,564,621)	(757,387,030)	(5,464,910)	(47,625,518)	-	(2,733,542,145)
Net book amount	28,562,635	604,230,146	235,263,360	165,939,580	253,169,694	1,430,214	2,187,065	42,308,462	1,333,091,156
Year ended 31 December 2014									
Opening net book amount	28,562,635	604,230,146	235,263,360	165,939,580	253,169,694	1,430,214	2,187,065	42,308,462	1,333,091,156
Additions	-	5,889,985	6,300,229	27,746,340	30,134,727	-	5,796,908	80,415,771	156,283,960
Disposals, net	-	(21,261)	(1,762,621)	(79,955)	(4,736,904)	-	-	-	(6,600,741)
Write-off, net	-	-	-	(79)	(24,157)	(1)	-	-	(24,237)
Transfers	-	17,985,611	20,340,376	40,159,067	17,274,946	-	462,601	(96,222,601)	-
Transfers to cost of hotel operation (Note 21)	-	-	-	-	-	-	(3,053,924)	-	(3,053,924)
Depreciation charge (Note 21)	-	(67,472,375)	(54,643,069)	(32,663,115)	(57,147,381)	(456,757)	(1,406,350)	-	(213,789,047)
Closing net book amount	28,562,635	560,612,106	205,498,275	201,101,838	238,670,925	973,456	3,986,300	26,501,632	1,265,907,167
At 31 December 2014									
Cost	28,562,635	1,418,172,845	1,104,051,096	492,289,794	968,306,735	6,867,086	26,858,196	26,501,632	4,071,610,020
Less Accumulated depreciation	-	(857,560,739)	(898,552,821)	(291,187,956)	(729,635,810)	(5,893,630)	(22,871,896)	-	(2,805,702,853)
Net book amount	28,562,635	560,612,106	205,498,275	201,101,838	238,670,925	973,456	3,986,300	26,501,632	1,265,907,167

9. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

CONSOLIDATED (Baht)

	Land	Buildings and improvements	Leasehold improvements and renovations	Machinery and equipment	Furniture and fixtures	Vehicles and boats	Hotel operating equipment and installation	Assets under construction and installation	Total
Year ended 31 December 2015									
Opening net book amount	28,562,635	560,612,106	205,498,275	201,101,838	238,670,925	973,456	3,986,300	26,501,632	1,265,907,167
Additions	-	13,895,878	3,084,226	11,504,867	35,587,891	850,467	7,887,284	418,532,744	491,343,357
Disposals, net	-	(37,571)	(142,206)	(365,259)	(3,907,930)	-	-	-	(4,452,966)
Write-off, net	-	(2,159,372)	(756,211)	(913,802)	(6,347,667)	-	(190,443)	-	(10,367,495)
Transfers	-	2,228,479	20,362,862	23,673,525	42,261,316	-	2,327,932	(90,854,114)	-
Transfers to cost of hotel operation	-	-	-	-	-	-	(3,085,926)	-	(3,085,926)
(Note 21)	-	(69,819,985)	(47,125,843)	(35,274,475)	(51,293,507)	(322,890)	(2,428,771)	-	(206,265,471)
Depreciation charge (Note 21)	-	-	-	-	-	-	-	-	-
Closing net book amount	28,562,635	504,719,535	180,921,103	199,726,694	254,971,028	1,501,033	8,496,376	354,180,262	1,533,078,666
At 31 December 2015									
Cost	28,562,635	1,431,557,675	868,524,048	517,832,980	957,550,626	7,717,553	30,318,272	354,180,262	4,196,244,051
Less Accumulated depreciation	-	(926,838,140)	(687,602,945)	(318,106,286)	(702,579,598)	(6,216,520)	(21,821,896)	-	(2,663,165,385)
Net book amount	28,562,635	504,719,535	180,921,103	199,726,694	254,971,028	1,501,033	8,496,376	354,180,262	1,533,078,666

9. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

	COMPANY (Baht)								
	Land	Buildings and improvements	Leasehold improvements and renovations	Machinery and equipment	Furniture and fixtures	Vehicles	Hotel operating equipment	Assets under construction and installation	Total
At 1 January 2014									
Cost	28,562,635	1,394,319,249	769,645,299	397,952,624	926,788,944	5,155,124	34,792,871	39,460,033	3,596,676,779
Less Accumulated depreciation	-	(790,089,103)	(631,070,985)	(244,729,384)	(704,481,375)	(4,826,910)	(32,605,807)	-	(2,407,803,564)
Net book amount	28,562,635	604,230,146	138,574,314	153,223,240	222,307,569	328,214	2,187,064	39,460,033	1,188,873,215
Year ended 31 December 2014									
Opening net book amount	28,562,635	604,230,146	138,574,314	153,223,240	222,307,569	328,214	2,187,064	39,460,033	1,188,873,215
Additions	-	5,889,985	4,836,629	26,084,095	22,411,481	-	5,796,908	74,535,827	139,554,925
Disposals, net	-	(21,261)	(1,762,621)	(79,949)	(4,650,246)	-	-	-	(6,514,077)
Write-off, net	-	-	-	(79)	(24,157)	(1)	-	-	(24,237)
Transfers	-	17,985,611	20,253,076	39,026,317	11,128,998	-	462,601	(88,856,603)	-
Transfers to cost of hotel operation (Note 21)	-	-	-	-	-	-	(3,053,924)	-	(3,053,924)
Depreciation charge (Note 21)	-	(67,472,375)	(36,454,107)	(29,889,050)	(50,277,394)	(282,757)	(1,406,350)	-	(185,782,033)
Closing net book amount	28,562,635	560,612,106	125,447,291	188,364,574	200,896,251	45,456	3,986,299	25,139,257	1,133,053,869
At 31 December 2014									
Cost	28,562,635	1,418,172,845	772,471,173	453,138,471	871,606,665	5,127,086	26,858,196	25,139,257	3,601,076,328
Less Accumulated depreciation	-	(857,560,739)	(647,023,882)	(264,773,897)	(670,710,414)	(5,081,630)	(22,871,897)	-	(2,468,022,459)
Net book amount	28,562,635	560,612,106	125,447,291	188,364,574	200,896,251	45,456	3,986,299	25,139,257	1,133,053,869

9. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

COMPANY (Baht)

	Land	Buildings and improvements	Leasehold improvements and renovations	Machinery and equipment	Furniture and fixtures	Vehicles	Hotel operating equipment	Assets under construction and installation	Total
Year ended 31 December 2015									
Opening net book amount	28,562,635	560,612,106	125,447,291	188,364,574	200,896,251	45,456	3,986,299	25,139,257	1,133,053,869
Additions	-	13,895,878	1,884,608	10,349,234	32,878,427	850,467	7,887,282	411,973,709	479,719,605
Disposals, net	-	(37,571)	(142,169)	(365,257)	(3,831,280)	-	-	-	(4,376,277)
Write-off, net	-	(2,159,372)	(756,211)	(913,802)	(6,347,667)	-	(190,443)	-	(10,367,495)
Transfers	-	2,228,479	15,887,376	23,503,162	41,483,283	-	2,327,932	(85,430,232)	-
Transfers to cost of hotel operation	-	-	-	-	-	-	(3,085,926)	-	(3,085,926)
(Note 21)	-	(69,819,985)	(30,677,446)	(32,511,396)	(44,492,837)	(148,646)	(2,428,772)	-	(180,079,082)
Depreciation charge (Note 21)	-	-	-	-	-	-	-	-	-
Closing net book amount	28,562,635	504,719,535	111,643,449	188,426,515	220,586,177	747,277	8,496,372	351,682,734	1,414,864,694
At 31 December 2015									
Cost	28,562,635	1,431,557,674	531,358,743	477,860,119	858,714,074	5,977,553	30,318,270	351,682,734	3,716,031,802
Less Accumulated depreciation	-	(926,838,139)	(419,715,294)	(289,433,604)	(638,127,897)	(5,230,276)	(21,821,898)	-	(2,301,167,108)
Net book amount	28,562,635	504,719,535	111,643,449	188,426,515	220,586,177	747,277	8,496,372	351,682,734	1,414,864,694

10. INTANGIBLE ASSETS, NET

	CONSOLIDATED Baht	COMPANY Baht
At 1 January 2014		
Cost	81,534,700	79,816,939
Less Accumulated amortisation	(47,601,181)	(47,108,793)
Net book amount	<u>33,933,519</u>	<u>32,708,146</u>
Year ended 31 December 2014		
Opening net book amount	33,933,519	32,708,146
Additions	1,392,838	1,392,838
Write-off, net	(1)	(1)
Amortisation charge (Note 21)	(7,035,746)	(6,810,761)
Closing net book amount	<u>28,290,610</u>	<u>27,290,222</u>
At 31 December 2014		
Cost	82,891,539	81,173,779
Less Accumulated amortisation	(54,600,929)	(53,883,557)
Net book amount	<u>28,290,610</u>	<u>27,290,222</u>
Year ended 31 December 2015		
Opening net book amount	28,290,610	27,290,222
Additions	5,198,838	5,167,395
Write-off, net	(33,004)	(33,004)
Amortisation charge (Note 21)	(5,449,144)	(5,277,368)
Closing net book amount	<u>28,007,300</u>	<u>27,147,245</u>
At 31 December 2015		
Cost	87,498,177	85,748,973
Less Accumulated amortisation	(59,490,877)	(58,601,728)
Net book amount	<u>28,007,300</u>	<u>27,147,245</u>

11. DEFERRED TAX ASSETS

As at 31 December 2015 and 2014, deferred tax assets are calculated in full on temporary differences under the liability method using principal tax rates that are expected to be applied when the related deferred tax assets is realised.

The movements in the deferred tax assets are as follows:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Deferred tax assets				
Opening balance	38,814,272	39,522,068	27,265,747	27,973,543
Charged to profit or loss (Note 22)	(119,147)	(479,996)	(119,147)	(479,996)
Credited/(charged) directly to equity	269,000	(227,800)	269,000	(227,800)
Closing balance	<u>38,964,125</u>	<u>38,814,272</u>	<u>27,415,600</u>	<u>27,265,747</u>

Deferred tax assets and deferred tax charged in the statements of comprehensive income are attributable to the following items:

	CONSOLIDATED			
	1 January 2014 Baht	(Charged)/ Credited to profit or loss Baht	(Charged)/ Credited to equity Baht	31 December 2014 Baht
Deferred tax assets				
Employee benefit obligations	25,728,064	(13,064)	-	25,715,000
Gain on remeasurement of employee benefit obligations	(166,200)	-	(227,800)	(394,000)
Accrued land rental	11,548,525	-	-	11,548,525
Other allowances and provisions	2,411,679	(466,932)	-	1,944,747
Total deferred tax assets	39,522,068	(479,996)	(227,800)	38,814,272

	CONSOLIDATED			
	31 December 2014 Baht	(Charged)/ Credited to profit or loss Baht	(Charged)/ Credited to equity Baht	31 December 2015 Baht
Deferred tax assets				
Employee benefit obligations	25,715,000	25,600	-	25,740,600
(Gain)/Loss on remeasurement of employee benefit obligations	(394,000)	-	269,000	(125,000)
Accrued land rental	11,548,525	-	-	11,548,525
Other allowances and provisions	1,944,747	(144,747)	-	1,800,000
Total deferred tax assets	38,814,272	(119,147)	269,000	38,964,125

	COMPANY			
	1 January 2014 Baht	(Charged)/ Credited to profit or loss Baht	(Charged)/ Credited to equity Baht	31 December 2014 Baht
Deferred tax assets				
Employee benefit obligations	25,728,064	(13,064)	-	25,715,000
Gain on remeasurement of employee benefit obligations	(166,200)	-	(227,800)	(394,000)
Other allowances and provisions	2,411,679	(466,932)	-	1,944,747
Total deferred tax assets	27,973,543	(479,996)	(227,800)	27,265,747

	COMPANY		
	31 December 2014 Baht	(Charged)/Credited to profit or loss Baht	(Charged)/Credited to equity Baht
Deferred tax assets			
Employee benefit obligations	25,715,000	25,600	-
(Gain)/Loss on remeasurement of employee benefit obligations	(394,000)	-	269,000
Other allowances and provisions	1,944,747	(144,747)	-
Total deferred tax assets	<u>27,265,747</u>	<u>(119,147)</u>	<u>269,000</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 81.10 million (2014: Baht 79.94 million).

12. LAND UPFRONT FEE AND ACCRUED LAND RENTAL

On 29 June 2005, a subsidiary of the Company entered into a land lease agreement. The agreement is effective from 1 July 2005 for a thirty-year period with options to extend for further six years. The land upfront fee of Baht 60 million, which was paid to a lessor on that date under the operating lease, is charged to the statement of comprehensive income on a straight-line method over the lease period.

The movements in land upfront fee for the years ended 31 December are as follows:

	CONSOLIDATED	
	2015 Baht	2014 Baht
Opening balance	44,166,666	45,833,333
<u>Less Amortisation charge during the year</u>	<u>(1,667,311)</u>	<u>(1,666,667)</u>
Closing balance	<u>42,499,355</u>	<u>44,166,666</u>

The movements in accrued land rental for the years ended 31 December are as follows:

	CONSOLIDATED	
	2015 Baht	2014 Baht
Opening balance	112,555,099	102,569,404
Land rental expense during the year	25,231,695	25,231,695
<u>Payment of land rental</u>	<u>(15,972,000)</u>	<u>(15,246,000)</u>
Closing balance	<u>121,814,794</u>	<u>112,555,099</u>

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts payable	85,486,992	108,194,495	77,091,463	100,264,319
Amount due to related parties (Note 24 c))	50,509,679	39,213,672	67,631,146	55,656,980
Accrued expenses	187,396,804	105,318,262	177,908,378	98,238,352
Deposits from customers	44,356,693	61,688,837	38,143,047	56,576,737
Retention payable	14,753,499	5,331,069	14,059,014	5,026,435
Others	921,244	1,048,823	852,458	980,037
Total trade and other payables	<u>383,424,911</u>	<u>320,795,158</u>	<u>375,685,506</u>	<u>316,742,860</u>

14. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

The movements in short-term borrowings from financial institutions for the year ended 31 December are as follows:

	CONSOLIDATED AND COMPANY	
	2015 Baht	2014 Baht
Opening balance	-	-
<u>Add</u> Additions during the year	230,000,000	-
<u>Less</u> Repayments during the year	(50,000,000)	-
Closing balance	<u>180,000,000</u>	<u>-</u>

The short-term borrowings from financial institutions represent loans from the Revolving Facility Agreements which are denominated in Baht. The loans bear interest at the rates of 2.20% to 2.30% and will be repayable in February 2016 and due at call.

15. LONG-TERM BORROWING FROM FINANCIAL INSTITUTION

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current				
Current portion of long-term borrowing from financial institution	-	-	-	-
Total current borrowing	-	-	-	-
Non-current				
Long-term borrowing from financial institution	350,000,000	350,000,000	350,000,000	350,000,000
Total non-current borrowing	350,000,000	350,000,000	350,000,000	350,000,000
Total borrowing	350,000,000	350,000,000	350,000,000	350,000,000

The movements in long-term borrowing from financial institution for the years ended 31 December are as follows:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	350,000,000	400,000,000	350,000,000	400,000,000
<u>Add</u> Additions during the year	-	350,000,000	-	350,000,000
<u>Less</u> Repayments during the year	-	(400,000,000)	-	(400,000,000)
Closing balance	350,000,000	350,000,000	350,000,000	350,000,000

The long-term borrowing from financial institution represents loan from the Revolving Term Loan Facility Agreement which is denominated in Baht. The loan bears interest at the rate of THBFIX plus some margins and will be repayable within December 2020 (2014: within June 2019).

The effective interest rate of long-term borrowing as at 31 December 2015 was at 2.64% (2014: 3.03%).

The fair value of long-term borrowing as at 31 December 2015 is Baht 348.96 million (2014: Baht 350.25 million).

The fair value of long-term borrowing is based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date, and is within level 2 of the fair value hierarchy (Note 3.3).

Maturity of long-term borrowing from financial institution is as follows:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than one year	-	-	-	-
Between 1 and 5 years	350,000,000	350,000,000	350,000,000	350,000,000
Total long-term borrowing from financial institution	<u>350,000,000</u>	<u>350,000,000</u>	<u>350,000,000</u>	<u>350,000,000</u>

Borrowing facilities

The Group had committed borrowing facilities totaling Baht 900 million (2014: Baht 700 million). As at 31 December 2015, the balance of drawdown is Baht 350 million, net of repayment during the year (2014: Baht 350 million). Undrawn committed credit facilities are subject to the commitment fee at fixed rates per annum.

The Group and the Company have the following undrawn borrowing facilities:

	CONSOLIDATED		COMPANY	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Floating interest rate				
- expiring within one year	870	1,000	870	1,000
- expiring beyond one year	550	350	550	350
Total undrawn borrowing facilities	<u>1,420</u>	<u>1,350</u>	<u>1,420</u>	<u>1,350</u>

The facilities have been arranged to help operating activities of the Group and the Company.

16. EMPLOYEE BENEFIT OBLIGATIONS

The amounts recognised in the statement of financial position are determined as follows:

	CONSOLIDATED		COMPANY	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Present value of obligations	130,944	129,183	128,078	126,605
Liability in the statement of financial position	<u>130,944</u>	<u>129,183</u>	<u>128,078</u>	<u>126,605</u>

The movements in employee benefit obligations for the years ended 31 December are as follows:

	CONSOLIDATED		COMPANY	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
At 1 January	129,183	130,118	126,605	127,809
Current service cost	9,728	12,919	9,561	12,759
Interest cost	3,285	4,786	3,164	4,677
Loss/(Gain) on remeasurements	1,345	(1,139)	1,345	(1,139)
Benefits paid	(12,597)	(17,501)	(12,597)	(17,501)
At 31 December	<u>130,944</u>	<u>129,183</u>	<u>128,078</u>	<u>126,605</u>

The amounts recognised in profit or loss are as follows:

	CONSOLIDATED		COMPANY	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Current service cost	9,728	12,919	9,561	12,759
Interest cost	3,285	4,786	3,164	4,677
Total	<u>13,013</u>	<u>17,705</u>	<u>12,725</u>	<u>17,436</u>

The amounts recognised in other comprehensive income are as follows:

	CONSOLIDATED		COMPANY	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
(Loss)/Gain on remeasurement in the year	(1,345)	1,139	(1,345)	1,139
Cumulative gain on remeasurement	464	1,809	625	1,970

The principal actuarial assumptions used were as follows:

	CONSOLIDATED		COMPANY	
	2015	2014	2015	2014
Discount rate	2.70%	2.83%	2.70%	2.80%
Future salary increase rate	3.99%	4.05%	4.00%	4.00%

Sensitivity analysis for each principal actuarial assumptions used were as follows:

CONSOLIDATED			
	Impact on defined benefit obligation		
	Change	Increase	Decrease
	in assumption %	in obligation Thousand Baht	in obligation Thousand Baht
Discount rate	+1.0%	-	(8,319)
	-1.0%	16,012	-
Future salary increase rate	+1.0%	15,603	-
	-1.0%	-	(8,133)
COMPANY			
	Impact on defined benefit obligation		
	Change	Increase	Decrease
	in assumption %	in obligation Thousand Baht	in obligation Thousand Baht
Discount rate	+1.0%	-	(10,934)
	-1.0%	13,001	-
Future salary increase rate	+1.0%	12,962	-
	-1.0%	-	(11,111)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted retirement:

	CONSOLIDATED				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 31 December 2015					
Retirement benefits	21,575	10,051	31,309	376,633	439,568

	COMPANY				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 31 December 2015					
Retirement benefits	18,773	6,706	27,132	371,554	424,165

17. SHARE CAPITAL

	CONSOLIDATED AND COMPANY			
	Number of authorised and issued shares Shares	Number of treasury shares Shares	Ordinary shares Baht	Treasury shares Baht
As at 1 January 2014	16,000,000	(902,200)	160,000,000	(451,601,200)
As at 31 December 2014	16,000,000	(902,200)	160,000,000	(451,601,200)
As at 31 December 2015	16,000,000	(902,200)	160,000,000	(451,601,200)

The total authorised number of ordinary shares is 16,000,000 ordinary shares (2014: 16,000,000 shares) with a par value of Baht 10 per share (2014: Baht 10 per share). All issued shares are fully paid-up.

In year 2013, the Company repurchased ordinary shares in accordance to the share buy back program from the main board of Stock Exchange of Thailand of Baht 451.60 million for the ordinary shares of 902,200 shares for the purposes of financial management. The purchase for treasury shares represented a reduction in shareholders' equity, and therefore the Company has set up a reserve for such treasury shares in the same amount.

18. LEGAL RESERVE

Under the Public Company Act, the Company is required to set aside as a legal reserve at least 5% of its net profits after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is non-distributable.

19. HOTEL INCOME

Hotel income for the years ended 31 December 2015 and 2014 comprise:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Room income	748,823,241	703,720,680	748,823,241	703,720,680
Food and beverage income	838,005,277	886,616,954	720,412,505	784,866,073
Other service income	331,631,464	324,295,914	254,242,433	252,986,380
Total hotel income	<u>1,918,459,982</u>	<u>1,914,633,548</u>	<u>1,723,478,179</u>	<u>1,741,573,133</u>

20. OTHER INCOME

Other income for the years ended 31 December 2015 and 2014 comprise:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Interest income	1,828,553	2,811,059	3,206,811	4,189,630
Dividend income	-	-	21,840,000	19,110,000
Others	2,610,022	3,270,363	2,580,687	3,201,687
Total other income	<u>4,438,575</u>	<u>6,081,422</u>	<u>27,627,498</u>	<u>26,501,317</u>

21. EXPENSES BY NATURE

The following expenditures, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	CONSOLIDATED		COMPANY	
	For the years ended 31 December		For the years ended 31 December	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Staff costs	447.77	438.79	396.43	388.05
Depreciation charge on property, plant and equipment (Note 9)	206.27	213.79	180.08	185.78
Transfers to cost of hotel operation (Note 9)	3.09	3.05	3.09	3.05
Amortisation charge of intangible assets (Note 10)	5.45	7.04	5.28	6.81
Operating lease	62.05	57.73	36.82	32.50
Repairs and maintenance	52.54	48.59	43.63	41.13

22. INCOME TAX EXPENSE

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current tax	41,532,265	49,290,088	41,532,265	49,290,088
Deferred tax (Note 11)	119,147	479,996	119,147	479,996
Income tax expense for the year	<u>41,651,412</u>	<u>49,770,084</u>	<u>41,651,412</u>	<u>49,770,084</u>

The tax on the Group's and the Company's profit before income tax differs from the amount that would arise using the basic tax rate of the home country of the Company as follows:

	CONSOLIDATED		COMPANY	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Profit before income tax expense	207,684,755	224,976,622	226,429,615	258,469,320
Tax rate	<u>20.0%</u>	<u>20.0%</u>	<u>20.0%</u>	<u>20.0%</u>
The result of accounting profit multiplied by income tax rate	41,536,951	44,995,324	45,285,923	51,693,864
Tax effect of:				
Associates' results reported net of tax	(2,550,499)	(2,578,905)	-	-
Expense not deducted for tax purposes	2,664,426	4,123,906	733,489	1,898,220
Income not subject to tax	-	-	(4,368,000)	(3,822,000)
Tax losses for which no deferred income tax asset was recognised	534	3,229,759	-	-
Tax charge	<u>41,651,412</u>	<u>49,770,084</u>	<u>41,651,412</u>	<u>49,770,084</u>

23. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares (Note 17).

	CONSOLIDATED		COMPANY	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
Profit attributable to owners of the parent (Baht)	166,033,343	175,206,538	184,778,203	208,699,236
Weighted average number of ordinary shares in issue (Shares)	15,097,800	15,097,800	15,097,800	15,097,800
Basic earnings per share (Baht)	11.00	11.60	12.24	13.82

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

24. RELATED PARTY TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company shares are held by Mandarin Oriental Holdings B.V. and the Charanachitta Family and Chaophaya Development Corporation Limited in the proportions of 40%, 23% and 10% respectively. The remaining 27% of the shares are widely held.

During the year, the Group has transactions with related companies in the normal course of business. Sales/purchases price of goods and services is determined on Cost Plus Method.

The Group had transactions with related companies for the years ended 31 December as follows:

a) Sales of goods and services

	CONSOLIDATED		COMPANY	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Sales of goods and services rendered to:				
Subsidiaries	-	-	7.85	7.29
Other related parties	0.81	0.25	0.81	0.25
	<u>0.81</u>	<u>0.25</u>	<u>8.66</u>	<u>7.54</u>

b) Purchases of goods and services

	CONSOLIDATED		COMPANY	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Purchases of goods and services received from:				
Subsidiaries	-	-	9.40	8.95
Other related parties	150.13	150.57	134.08	136.21
	<u>150.13</u>	<u>150.57</u>	<u>143.48</u>	<u>145.16</u>

c) Outstanding balances arising from sales/purchases of goods/services

	CONSOLIDATED		COMPANY	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Amounts due from related parties:				
Subsidiaries	-	-	56.31	57.16
Other related parties	0.86	0.44	0.86	0.44
Total	0.86	0.44	57.17	57.60
<u>Less</u> Provision for impairment	-	-	(51.01)	(49.62)
	<u>0.86</u>	<u>0.44</u>	<u>6.16</u>	<u>7.98</u>

Amounts due to related parties:

Subsidiaries	-	-	17.32	16.45
Other related parties	50.51	39.21	50.31	39.21
	<u>50.51</u>	<u>39.21</u>	<u>67.63</u>	<u>55.66</u>

d) Key management compensation

Directors and managements' remuneration comprises salaries, other benefits, and other remuneration.

	CONSOLIDATED		COMPANY	
	2015	2014	2015	2014
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term benefits	34.40	34.09	34.40	34.09

The Company presents Directors' remuneration as part of administrative expenses.

25. DIVIDENDS

For the year ended 31 December 2015

At the Annual General Meeting of the Company's shareholders held on 24 April 2015, the shareholders passed a resolution to approve the payment of dividend from the Company's operating results for the period of July to December 2014 of Baht 9 per share for 15,097,800 shares, totaling Baht 135.88 million. The dividend was distributed to the shareholders on 22 May 2015. However, dividends of Baht 9,900 were not paid to certain shareholders due to disqualification.

At the meeting of the Company's Board of Directors held on 29 October 2015, the Board of Directors passed a resolution to approve the payment of an interim dividend from the Company's operating results for the period of January to June 2015 of Baht 5 per share for 15,097,800 shares, totaling Baht 75.49 million. The dividend was distributed to the shareholders on 27 November 2015. However, dividends of Baht 5,500 were not paid to certain shareholders due to disqualification.

For the year ended 31 December 2014

At the Annual General Meeting of the Company's shareholders held on 25 April 2014, the shareholders passed a resolution to approve the payment of dividend from the Company's operating results for the period of July to December 2013 of Baht 14 per share for 15,097,800 shares, totaling Baht 211.37 million. The dividend was distributed to the shareholders on 23 May 2014. However, dividends of Baht 15,400 were not paid to certain shareholders due to disqualification.

At the meeting of the Company's Board of Directors held on 29 October 2014, the Board of Directors passed a resolution to approve the payment of an interim dividend from the Company's operating results for the period of January to June 2014 of Baht 4 per share for 15,097,800 shares, totaling Baht 60.39 million. The dividend was distributed to the shareholders on 28 November 2014. However, dividends of Baht 4,400 were not paid to certain shareholders due to disqualification.

26. PROVIDENT FUND

The Group and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. Such fund is monthly contributed by both the employees and the Group. The Group contributes at the rate of 5% of the employees' basic salaries. The fund is managed by SCB Asset Management Company Limited.

27. SEGMENT INFORMATION

Segment reporting is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's and its subsidiaries' management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest or dividend, interest expenses, and corporate expenses.

Business segments

The Company and its subsidiaries comprise the following main business segments:

- Segment 1 Hotel operation
- Segment 2 Food and beverage

28. COMMITMENTS

As at 31 December 2015, the Group and the Company have outstanding commitments as follows:

28.1 The Company has entered into management and license agreements with its overseas affiliated companies. The agreements are effective from the year 1988 for a ten year period with options to extend for two further periods of ten years each. Subsequently, the Company exercised such options to extend for two further period of ten years each. The affiliated companies will provide service of hotel management and trademark to the Group. The Group is committed to pay fees based on these long-term management agreements on normal commercial terms.

28.2 The Group and the Company have outstanding capital expenditure and construction commitments of Baht 218.37 million and Baht 211.28 million, respectively (2014: Baht 72.59 million and Baht 65.43 million, respectively).

28.3 The future aggregate minimum lease payments under non-cancellable operating leases of the Group and the Company are as follows:

	CONSOLIDATED		COMPANY	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Not later than 1 year	53	47	38	31
Later than 1 year but not later than 5 years	193	181	122	113
Later than 5 years	958	1,009	286	312
Total operating lease commitments	1,204	1,237	446	456

29. BANK GUARANTEES

As at 31 December 2015, there were outstanding bank guarantees of Baht 6 million and Baht 5 million issued by banks on behalf of the Group and the Company, respectively, in respect of certain performance bonds as required in the normal course of business (2014: Baht 6 million and Baht 5 million, respectively).

30. CONTINGENT LIABILITIES

In June 2013, an unrelated third party filed a claim with the Southern Bangkok Civil Court against the Group for compensation regarding the cancellation of an agreement for sales of “loans to other company” at the claim value of Baht 384.6 million. The court accepted the case, and a witness hearing was held in June 2014, followed by a mediation session held on 25 July 2014. The court held further hearings for the presentation of witnesses in December 2014 and January 2015. On 20 April 2015, the Southern Bangkok Civil Court dismissed such claim against the Group. Subsequently, the Plaintiff filed an appeal to the Appeal Court on 18 August 2015, and the Group filed the answer to the appeal on 6 January 2016. However, the management has determined, after obtaining advice from external counsel, that the possibility that the Group has to pay such liabilities is still remote and the maximum liability should not exceed the actual legal fees incurred by such unrelated third party which is immaterial.

31. FINANCIAL INSTRUMENTS

The Company has entered into interest rate cap contract for the long-term borrowing (Note 15) with the notional amount of Baht 350 million.

The net fair values of the interest rate cap contract at the statements of financial position date are as follows:

	CONSOLIDATED AND COMPANY	
	2015 Baht	2014 Baht
Favorable on interest rate cap contract	753,028	1,669,496

The fair value of interest rate cap contract is within level 2 of fair value hierarchy (Note 3.3).

32. EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

At the meeting of the Company's Board of Directors held on 28 January 2016, the Board of Directors passed a resolution to approve the payment of dividend from the Company's operating results for the period of July to December 2015 of Baht 7 per share for 15,097,800 shares, totaling Baht 105.68 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for fiscal year 2016.

AUDITORS AND REMUNERATION

AUDIT FEE

The Board of Directors had appointed Mrs. Nattaporn Phan-Udom, Auditor License No. 3430 and/or Mr. Paiboon Tunkul, Auditor License No. 4298 and/or Ms. Sakuna Yamsakul, Auditor License No. 4906 of PricewaterhouseCoopers ABAS Limited as the Company's auditors and the remuneration for 2015 is Baht 1,470,100 (2014 : Baht 1,398,100).

NON-AUDIT FEE

There were no transactions for non-audit fees with the auditors during the year 2015.

AUDIT COMMITTEE REPORT

The Audit Committee of OHTL Public Company Limited is comprised of three qualified Independent Directors, all of whom possess knowledge, expertise and experience in finance and accounting including knowledge and experience in reviewing financial statements. Mr. Aswin Kongsiri is the Chairman of Audit Committee, and Mr. Surachai Sirivallop and Mr. William Zentgraf are the members of the Audit Committee. The Audit Committee reported its performance to the Board of Directors and performed duties and responsibilities in compliance with its Charter and the rules and regulations of the Stock Exchange of Thailand.

In 2015, the Audit Committee held seven meetings, all of which were convened with full attendance. At those meetings, the Audit Committee discussed and shared opinions with the external auditor, internal auditor, and management on matters related to the Company's business. At some meetings, the Audit Committee met privately with the external auditor in the absence of the management in order to discuss on significant matters relating to the Company.

For financial year 2015, the Audit Committee performed significant activities which can be summarized as follows:

1. Reviewed financial reporting process

The Audit Committee reviewed the Company's quarterly and annual financial statements, the consolidated financial statements as well as significant accounting standards and policies together with the management and the external auditor to ensure accuracy and adequate disclosure, in compliance with accounting standards. The Audit Committee examined transactions which were considered necessary and provided comments on the accurateness, completeness and credibility of the preparation process and disclosure of information in the Company's financial report.

It is the Audit Committee's and the external auditor's opinion that the Company's financial statements are accurate and in accordance with the Thai Financial Reporting Standard - TFRS, and represent the sufficient and timely disclosure of information for the benefit of investors or potential investors.

2. Reviewed internal control and risk management

The Audit Committee reviewed the audit plan jointly with the external auditor to ensure an appropriate and effective audit system and internal control are in place. The Audit Committee reviewed the risk management procedure carefully and monitored the Company's possible risk such as financial risk, operational risk as well as precaution against non-compliance cases on a quarterly basis. The Audit Committee provided assessment and useful recommendations for improvement to ensure successful action plans as conducted by the Risk Management Committee as well as in order to ensure complete and correct disclosures in financial report according to applicable standards and regulations.

Internal control quality has been continuously improved both in terms of human resources and operations to meet professional standards.

3. Reviewed connected transactions

The Audit Committee reviewed connected transactions on a quarterly basis to ensure that they were reasonable and complied with the Securities and Exchange Commission (SEC) Act, the laws and regulations of the Stock Exchange of Thailand (SET). The Audit Committee reviewed the disclosure of information related to the connected transaction to ensure accurateness and completeness of the information.

The Audit Committee was of the opinion that they were reasonable and that the Company conducted its business according to normal business conditions with accuracy and contributed to the best interests of the Company.

4. Compliance with related laws and regulations

The Audit Committee reviewed the Company's overall business conduct, provided updated information and useful recommendations to ensure full compliance with the Securities and Exchange Commission (SEC) Act, rules and regulations of the Stock Exchange of Thailand (SET) or laws relating to business of the Company.

From the report of the external auditor and the internal auditor as well as the Company's management, the Audit Committee has the opinion that the Company complied with all relevant laws and regulations.

In addition, the Audit Committee reviewed the performance and compliance with the Code of Corporate Conduct of the Company to ensure that the Company operated its business with good corporate governance practices.

5. Appointment of the external auditor for 2016

The Audit Committee recommended to the Board of Directors to consider the re-appointment of PricewaterhouseCoopers ABAS Limited as the Company's external auditor for 2016 considering its independence and performance including appropriateness of the audit fees and is of the opinion that the external auditor from PricewaterhouseCoopers ABAS Limited performed independently and demonstrated a sufficient degree of knowledge and experience in auditing financial statements with accuracy and reliability with the appropriate audit fee. The appointment of the said audit firm and its fees will be subject to the approval of the shareholders at the Annual General Meeting to be held on 28 April 2016.

The Audit Committee reported on activities carried out during the year according to the above duties and responsibilities which were delegated by the Board of Directors. The Audit Committee is of the opinion that the Company has operated the business ethically with good corporate governance. The management was determined to perform their duties professionally with accurate and reliable accounting principles, established effective internal control and in full compliance with related laws and regulations for the best interests of the Company and all stakeholders.



Aswin Kongsiri
Chairman of the Audit Committee
28 January 2016

The Company is committed to adhering to the highest standards of corporate governance to ensure that it has efficient and transparent management systems to create trust and confidence amongst its shareholders, investors and stakeholders. The Company has developed its principles and policies of corporate governance based on the Principles of Good Corporate Governance promulgated by the Stock Exchange of Thailand.

Shareholders

Shareholders' Meetings

The Company holds a general shareholders' meeting annually. The Annual General Meeting for 2015 was held at the Chaopraya-Tajeen Room of Mandarin Oriental, Bangkok. The minutes of the shareholders' meeting were accurate and complete, and can be checked by the shareholders.

The Company sends notice of the shareholders' meetings together with the annual report, the agenda and the Board of Directors' recommendations to the shareholders 14 days in advance according to the regulations. Shareholders who cannot attend the meeting will be able to authorise their representatives or an Independent Director to attend on their behalf. The chairwoman of the meeting will allocate an appropriate period of time during the meeting for shareholders to express their concerns and raise questions related to the Company's operations.

Following each Annual General Meeting of Shareholders, the notification of the resolutions of the Annual General Meeting will be filed with the Stock Exchange of Thailand in accordance with the regulations.

Shareholders' Rights

All shareholders have the same rights in casting their votes at shareholders' meetings and receiving dividends declared by the Company, which are assessed based on the number of shares held by such shareholders. All shareholders are given the right to vote on important matters such as the election of Directors, the remuneration for Directors, dividend distributions and the appointment of auditors.

Stakeholders

The Company recognises the rights of all groups of its stakeholders including, but not limited to, its employees, business partners, commercial debtors, customers, the local community and the government. The Company seeks to treat all its stakeholders with fairness and respect in order to create an environment that promotes good society and sustainable development. In addition, the Company has always strictly complied with applicable laws and regulations when dealing with its stakeholders.

Directors and Operations Management

Policy on Corporate Governance

The Company's Board of Directors is aware of the importance of good corporate governance in promoting and strengthening the trust of shareholders, customers, and related parties, creating thorough management and acting with prudence for the greatest benefits which can be subject to auditing. The Board of Directors regularly reviews and adapts its policy on corporate governance to ensure that it remains relevant and up-to-date in the Company's current business environment.

Leadership and Vision

The Board of Directors is responsible for setting out the overall vision, policies, financial targets, business plans and budget for the Company. The Board of Directors monitors the Company's operations to ensure that the Company's operations management team implements the approach established by the Board of Directors in an efficient and effective manner and in accordance with relevant laws and ethical standards. The Board of Directors has set a system for internal control, auditing and risk management including following up said matters regularly.

The Board of Directors comprise of individuals who are business leaders and professionals, with various backgrounds and qualifications, including in finance, accounting, construction, hospitality and business management, each of whom have the skills, experience and expertise that are useful to the Company. All Directors are encouraged to express their opinions independently and to perform their duties in good faith, with due diligence and care, and in the best interests of the Company and all shareholders.

Balance of Power for Non-Executive Directors, Aggregation or Segregation of Positions

The Company's Board of Directors consisted of eleven people with four Independent Directors.

The Chairwoman of the Board of Directors does not have a management position in the Company under the principle of segregation of roles in policy formulation and oversight from those in operations management.

Appointment and Retirement of Directors

All Directors are appointed for a term of one year and are subject to retirement at each Annual General Meeting. These provisions apply to both executive and Independent Directors. Upon retiring from their positions, such Directors may offer themselves for re-election.

The Company has not established a nomination committee and new Directors are primarily sourced through referrals. To determine the suitability of a candidate who is proposed as a new Director, the Board of Directors will assess the skills, experience and expertise possessed by the candidate as well as the independence and integrity of the individual. From time to time as deemed necessary, the Board of Directors shall hold meetings to consider the suitability and appointment of new Directors.

Hotel Operations

The Board of Directors has approved the appointment of the Mandarin Oriental Hotel Group ("MOHG") as its sole and exclusive agent to manage and operate the Hotel pursuant to a 30-year management contract, the terms of which were negotiated and agreed on market terms in 1988.

MOHG is given full authority, discretion and responsibility to manage and operate the Hotel, including directing and instructing all Hotel employees and determining their remuneration.

The Board of Directors reviews and comments on each annual budget prior to the beginning of each fiscal year and monitors the Hotel's progress through monthly financial report provided throughout the fiscal year. The General Manager of the Hotel is also appointed as the Managing Director of the Company and in that capacity, regularly reports on the progress of the Hotel to the Board of Directors when required.

The Board of Directors are of the view that the terms of engagement of MOHG allow the international hotel operator the flexibility to run the Hotel in accordance with its global policies and practices while allowing the Company to accurately monitor the Hotel's progress.

Committees, Directors' Reporting

The Company's Board of Directors has appointed a sub-committee to help oversee the following operations of the Company. The Audit Committee was set up on 22 April 1999.

1. The Audit Committee members are as follows:

Chairman of Audit Committee	Mr. Aswin Kongsiri
Member of Audit Committee	Mr. Surachai Sirivallop
Member of Audit Committee	Mr. William Zentgraf

2. The Audit Committee of the Company has the scope of duties and responsibilities, and shall report to the Board of Directors as follows:
 - 2.1 To review sufficiency, credibility and objectivity of the financial reports.
 - 2.2 To review adequacy and effectiveness of internal control systems and internal audit functions.
 - 2.3 To review adequacy and effectiveness of risk management policies and practices.
 - 2.4 To review and prevent conflict of interest.
 - 2.5 To review compliance with the Securities and Exchange Act, Regulations of Stock Exchange of Thailand, and any other relevant laws.
 - 2.6 To review documents for internal review when there is suspicion of corruption or there are abnormal transactions in the internal control system.
 - 2.7 To issue instructions and review documents when there is suspicion of not complying with laws or any of SET's regulations which may have an impact on the financial status and operational results of the Company in a significant way.
 - 2.8 To take care of any other matters assigned to it by the Board of Directors.

Board of Directors' Report

The Board of Directors is responsible for the Company's consolidated financial statements and financial information stated in the annual report. The said financial statements are prepared in conformity with generally accepted accounting standards. Material information is disclosed in the notes to the financial statements.

The Board of Directors places importance on an effective internal control system to ensure the accuracy, completeness and sufficiency of financial information to maintain assets and to prevent fraud. For this reason, the Board of Directors appointed an Audit Committee which comprises Directors not dealing in management to be responsible for the quality of financial statements and the internal control system. The results of the review by the Audit Committee appears in the Audit Committee Report in the annual report.

The Board of Directors has reviewed the Company's overall internal control system which is at a satisfactory level and can assure the reliability of the consolidated financial reports as at 31 December 2015.

Remuneration of Board Members and Management

Total Directors fees for eleven Directors	2,100,000	Baht
Total Remuneration for seven management members	32,295,716	Baht
Management receives salary, bonus, provident fund and life insurance.		

The Board of Directors sets the policies regarding the Directors' remuneration clearly and transparently, taking into account industry practice and the need to sufficiently remunerate individuals in order to maintain appropriately qualified Directors. The remuneration for the Board of Directors is subject to approval of the shareholders at the Annual General Meeting. From time to time as deemed necessary, the Board of Directors shall hold meetings to consider the remuneration for the Directors.

The remuneration for the Hotel management, including the Managing Director, is determined by MOHG in accordance with the terms of its management contract with the Company. MOHG's decisions on compensation and benefits are based on its policies and philosophy to establish and maintain levels of compensation and benefits that are competitive amongst and benchmarked against the Hotel's key competitors while also taking into account local compensation and benefits surveys.

Board of Directors' Meeting

The Board of Directors generally holds a meeting on a quarterly basis and special additional sessions are convened as necessary. For 2015, there were five regular meetings. The Company Secretary prepares and circulates the agenda and relevant documents seven days before the meeting to allow each member of the Board of Directors time to consider and review information. Each meeting takes about two to three hours. During each meeting, appropriate time is allocated for operations management presentations (where required) and comprehensive Directors' discussions. Persons attending the Board meetings will include the Directors, the Company Secretary, the Hotel Manager and presenters of items on the agenda for the Board meeting. The Board of Directors regularly conducts a self-assessment of its performance as a whole and specifically on particular issues, as required.

For 2015, the attendance of Board of Directors' meeting for each Director can be summarised as follows:

Names	Meeting
1. Mrs. Nijaporn Charanachitta	4/5
2. Mr. Edouard Ettedgui	3/5
3. Mr. Charles Stuart Dickie	5/5
4. Mr. Yuthachai Charanachitta	5/5
5. Mr. Adam Keswick	2/5
6. Mrs. Amanda Hyndman	5/5
7. Dr. Pisit Leeahtam	5/5
8. Mr. Aswin Kongsiri	3/5
9. Mr. Surachai Sirivallop	5/5
10. Mr. William Zentgraf	5/5
11. Mr. Sirichai Sombutsiri	4/5

Minutes of the meetings have been recorded and endorsed by Directors so that they can be checked by interested parties.

Company Secretary

The Company Secretary provides support to the Board of Directors in obtaining legal advice, rendering recommendations on rules, regulations and laws, coordinating the activities of the Board of Directors and monitoring the Company's activities for compliance with the Board of Directors' resolutions.

Board and Management Training

The Board of Directors supports all Directors, management executives and employees in seeking to improve and update their qualifications and skills through training. Management executives are also encouraged to mentor their subordinates so the Company maintains a depth of skilled and talented staff in the operation of the Company's business.

Conflict of Interest

The Board has drawn up a set of rules regarding conflict of interest in the code of conduct for Directors and employees. Careful consideration of any conflict of interest is implemented in compliance with the Stock Exchange of Thailand's regulation.

The Company has a policy regarding the prevention of using inside information for personal benefit. Anyone who has no duty and responsibility in preparing financial reports cannot have access to the information unless it has been announced to the public. Moreover, all executives and personnel must immediately report to the Company Secretary any changes in their shareholding so that this information will be reported to the Chairwoman of the Board of Directors.

Business Ethics

A written code of conduct has been prepared for the Board of Directors, management and employees to serve as a guideline in executing their duties honestly to both the Company and every group of stakeholders, including the public and society. The Company also hold staff meetings regularly to communicate and follow the said guideline.

Control System and Internal Audit

The Company places importance on efficient control at both management and operational levels. There is supervision to ensure that Company's assets are used solely for the Company's benefit. There is segregation of duties for operational staff, supervisors and those undertaking evaluation to ensure the balance of auditing and controlling is appropriate. The Company is confident of the effectiveness of its internal control systems in protecting its assets and those of its subsidiaries.

Please refer to the Audit Committee Report.

Disclosure of Information and Transparency

Investor Relations

The Board of Directors recognises the importance of accuracy, completeness and transparency of the information in both financial statements and general information including the critical information regarding the Company's share price. Information is disseminated via the Stock Exchange of Thailand. The Company has not established an investor relations section but has assigned the Company's Corporate Controller to act as its representative in meeting with investors, shareholders as well as analysts and related government sectors. Investors can contact the Corporate Controller for more information at Tel. 0-2659-0450 or e-mail: laddawas@mohg.com or the Company annual information disclosure form (form 56-1) at www.sec.or.th.

The Board of Directors adheres to the Code of Best Practices as exercised by the boards of listed companies and the Stock Exchange of Thailand.

Mandarin Oriental, Bangkok continuously operates our business with community relations, social equity, and social responsibility concerns. Responsibility is one of our Guiding Principles that has long been our core value which supports our mission and vision to be recognized as the best luxury hotel in the world. At Mandarin Oriental, Bangkok it is understood that long-term success depends on the health and prosperity of the communities in which it does business, therefore, the aim of contributing to the community is given high priority. We commit to take part in promoting and improving the quality of life by supporting sustainability in order to improve the well-being of people and communities.

In 2015, Mandarin Oriental, Bangkok presented our accountability to the community by:

Community Activities

The third 'FANTastic Fundraiser' charity run & walk (10 km.) was organized and over 600 colleagues, friends, family and business partners joined the event. The objective was to raise funds support children at Bansaly School in Nan province, Banjaonen School in Kanchanaburi province and Lerdsin Hospital Foundation in Bangkok. The Hotel exceeded its target and raised fund of Baht 1.5 million. The event was presided over by M.R. Sukhumbhand Paribatra, Bangkok Governor and served as a good exercise in team collaboration as well as generating positive media coverage.

Other

In addition, 2015 Bangkok Chefs Charity Gala Dinner has taken place in its seventh consecutive year, and staged by Executive Chefs from 20 of Thailand's leading five star hotels, Thai Airways International, Italthai, TWG, Lavazza, Ocean and Siam Winery to create the finest signature dishes to mark the auspicious celebration of the 60th Birthday Anniversary of Her Royal Highness Princess Maha Chakri Sirindhorn.

The event was presided over by Her Royal Highness Princess Maha Chakri Sirindhorn. A total of Baht 12.0 million was raised to benefit Border Patrol Police Schools under the Patronage of Her Royal Highness as well as underprivileged children in the remote Amphur Omkoy in Chiang Mai as well as the Rotary Club of Bangkok South's 'Coins on Silom' annual event.

STATISTICAL INFORMATION

	2015 m Baht	2014 m Baht	2013 m Baht	2012 m Baht	2011 m Baht
Balance Sheet					
Fixed assets	1,561.1	1,294.2	1,367.0	1,468.8	1,538.1
Net current liabilities	345.8	52.2	393.0	(7.9)	227.8
Non-current liabilities	628.0	616.4	256.4	695.4	723.3
Shareholder's funds	776.9	823.3	918.9	1,296.5	1,136.0
Profit					
Profit before financing charges and taxation	219.5	238.9	424.4	436.1	253.1
Profit before tax	207.7	225.0	406.0	414.7	232.3
Profit attributable to shareholders	166.0	175.2	347.5	307.0	129.7
Dividend	211.4	271.7	280.8	144.0	168.0
Shares					
Earnings per share (Baht)	11.0	11.6	22.2	19.2	8.1
Dividend per share (Baht)	14.0	18.0	18.0	9.0	10.5
Total asset value per share (Baht)	132.7	120.4	131.2	150.3	143.8
No. of shares (Million)	15.1*	15.1*	15.1*	16.0	16.0
Par value per share (Baht)	10.0	10.0	10.0	10.0	10.0

*During the year 2013, the Company repurchased the ordinary shares in accordance to the share buyback program for the ordinary shares of 902,200 shares for financial management purposes. Details are included in note 17 to the financial statements on page 115.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Company name	Main activities	Equity interest %	Issued capital m Baht
Baan Rim Naam Chao Phraya Co., Ltd.	Restaurant and Spa	100.0	0.1
Siam Flight Services Co., Ltd.	Airline catering	26.0	3.0
Bagan Hotel Holding (Thailand) Co., Ltd.	Investment holding	100.0	4.0
Bagan Hotel Holding Company (BVI) Ltd.	Investment in a Myanmar hotel project	50.0	81.2

REVIEW OF THE OPERATING PERFORMANCE AND FINANCIAL STATUS

OVERVIEW

In 2015, Mandarin Oriental, Bangkok remained as one of the market leaders within its competitive set.

The Company's financial position and performance declined from the previous year despite the improvement in the political situation of 2014 mainly due to the unexpected bomb blasts in Bangkok in August. This was followed by international security concerns in Europe and the USA as well as a slowdown in the Thai economy that caused a downturn in business and affected tourism.

The Company took advantage of the economic downturn to carry out ongoing maintenance programs and capital improvement projects and in 2015, key projects were the renovation of the Authors' Wing and Garden Wing, the French restaurant - Le Normandie, the Italian restaurant - Ciao Terrazza, as well as the renovation of the Mandarin Oriental shops at Emporium and Central Chidlom and of the laundry shops at Siam Paragon and Central Chidlom. These renovations had an adverse impact on the food and beverage performance.

Regardless of the slowdown in tourism industry, the Company continued the above investments, combined with colleague recognition and personal development initiatives, to ensure the hotel continues to provide the highest standards of guest service while maintaining its reputation as one of the legendary hotels of the world.

REVENUE

In 2015, the Company's hotel income was Baht 1,918.5 million, an increase of Baht 3.9 million or 0.2% from 2014. Room revenue increased by 6.4%, whereas food and beverage revenue dropped by 5.5% from 2014. Rooms revenue increased by Baht 45.1 million with an increase in occupancy by 6 percentage points, from 41.1% to 47.1%, albeit at a lower average room rate than 2014, due to special promotions. As a result, RevPAR (revenue per available room) grew by 7.0% from 2014.

Food and beverage revenue decreased by Baht 48.6 million due to the temporary closure of Le Normandie and the Authors' Lounge for renovation as well as the different guest mix.

OPERATING EXPENSES

The Company's cost of sales and services in 2015 was Baht 1,088.4 million, an increase of Baht 6.0 million or 0.6% compared with 2014.

Sales and marketing expenses increased by 13.2% from Baht 89.8 million to Baht 101.7 million, mainly due to additional PR activities and E-commerce.

NET PROFIT

The Company's consolidated net profit for 2015 was Baht 166.0 million, a decrease from Baht 175.2 million in 2014. This represented 8.7% of hotel income (2014: 9.2%). Earnings per share were Baht 11.0 compared with Baht 11.6 in 2014.

ASSETS

As at 31 December 2015, the Company's consolidated assets amounted to Baht 2,002.8 million, an increase of Baht 184.5 million or 10.1% from Baht 1,818.3 million as at the end of 2014. There was no significant change in the composition of assets during the year, which mainly comprised of the following:

1. Cash and cash equivalents totaling Baht 124.8 million (2014: Baht 211.3 million).
2. Trade and other receivables of Baht 93.7 million (2014: Baht 95.6 million).
3. Investments of Baht 81.9 million in Siam Flight Services Company Limited and Bagan Hotel Holding Company (BVI) Limited (2014: Baht 91.0 million).
4. Property, plant and equipment of Baht 1,533.1 million (2014: Baht 1,265.9 million).
5. Land upfront fee of Baht 42.5 million (2014: Baht 44.2 million).

The Company's property, plant and equipment are carried at depreciated cost which does not reflect its current market value.

LIABILITIES

The Company's consolidated liabilities as at 31 December 2015 amounted to Baht 1,225.9 million, an increase of Baht 230.9 million or 23.2% compared to Baht 995.0 million in 2014. These liabilities included outstanding bank loans at Baht 530.0 million (Baht 350.0 million in 2014).

The Company and its subsidiaries had committed borrowing facilities totaling Baht 900.0 million as at 31 December 2015 (2014: Baht 700.0 million), of which Baht 350.0 million was drawn at 31 December 2015 (2014: Baht 350.0 million). At 31 December 2015, the Company and its subsidiaries had Baht 550.0 million of committed, undrawn facilities in addition to its cash balances of Baht 124.8 million. The average tenor of the Company and its subsidiaries borrowings was five years. The Company's financial position remains strong.

SHAREHOLDERS' EQUITY

Shareholders' equity as at 31 December 2015 was Baht 776.9 million, a decrease of Baht 46.4 million or 5.6% from Baht 823.3 million in 2014. This comprised of the following:

1. Authorized share capital of Baht 160.0 million (2014: Baht 160.0 million).
2. Legal reserves of Baht 16.0 million (2014: Baht 16.0 million).
3. Treasury shares reserves of Baht 451.6 million (2014: Baht 451.6 million).
4. Retained earnings of Baht 600.9 million (2014: Baht 647.3 million).
- Less:
5. Treasury shares of Baht 451.6 million (2014: Baht 451.6 million).

The book value per share decreased from Baht 54.5 per share in 2014 to Baht 51.5 per share in 2015 mainly due to the fact that the dividend paid was higher than the earnings for the year.

CASH FLOWS

The cash flow statement shows the cash flows from operating, investing and financing activities during the year. The ending balance of cash and cash equivalents as at 31 December 2015 was Baht 124.8 million, a decrease of Baht 86.5 million from last year's balance of Baht 211.3 million, as a result of the following:

1. Cash generated from operating activities was Baht 394.5 million, an increase of Baht 6.9 million from Baht 387.6 million in 2014, mainly from higher room income.
2. Cash used in investing activities was Baht 449.6 million, an increase of Baht 323.1 million from the net cash generated from investing activities of Baht 126.5 million in 2014, mainly due to purchase of property, plant and equipment for the renovation of Authors' Wing and Garden Wing project.
3. The net cash used in financing activities was Baht 31.4 million, a decrease of Baht 290.3 million from Baht 321.7 million in 2014, mainly due to the receipt of Baht 180.0 million loans and dividend paid was decreased from Baht 271.7 million to Baht 211.4 million compared to the prior year.

COMMITMENTS

As at 31 December 2015, the Company and its subsidiaries have the following outstanding commitments:

1. The Company has entered into management and license agreements with its affiliated companies. The agreements are effective from the year 1988 for a ten year period with options to extend for two further periods of ten years each. Subsequently, the Company exercised such options to extend for two further periods of ten years each.

The Group is committed to pay fees based on these long-term management agreements on normal commercial terms.

2. The following lease commitments are payable by the Company and its subsidiaries:

(in Million Baht)	The Group	The Company
Not later than 1 year	53	38
Later than 1 year but not later than 5 years	193	122
Later than 5 years	958	286
Total lease commitments payable as at 31 December 2015	1,204	446
Total lease commitments payable as at 31 December 2014	1,237	456

3. The Group and the Company had outstanding capital expenditure and construction commitments of Baht 218.4 million and Baht 211.3 million, respectively (2014: Baht 72.6 million and Baht 65.4 million, respectively).

PERFORMANCE OF BUSINESS FUNCTIONS

PERFORMANCE OF BUSINESS FUNCTIONS

REVENUE STRUCTURE

Main Activities	Managed By	% Equity Interest	2013		2014		2015	
			Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
Hotel and Restaurants	OHTL Public Company Limited							
	- Room Revenue		855.6		703.7		748.8	
	- Food & Beverage Revenue		896.6		784.9		720.4	
	- Others Revenue		346.2		248.2		249.4	
	Total Revenue		2,098.4	88.6	1,736.8	89.8	1,718.6	88.8
Restaurant and Spa	Baan Rim Naam Chao Phraya Company Limited	100.0						
	- Food & Beverage Revenue		145.7		101.8		117.6	
	- Spa Revenue		79.1		63.0		68.0	
	- Others Revenue		21.5		19.1		18.7	
	Total Revenue		246.3	10.4	183.9	9.5	204.3	10.5
Investment Holding	Bagan Hotel Holding (Thailand) Company Limited	100.0	-	-	-	-	-	-
Airline Catering	Siam Flight Services Company Limited	26.0	22.6	1.0	12.9	0.7	12.8	0.7
Grand Total			2,367.3	100.0	1,933.6	100.0	1,935.7	100.0

CAPITAL IMPROVEMENT

Investment continued to the hotel's facilities and guest services throughout 2015 in order to maintain its position as one of the market leaders in the five star deluxe segment. A comprehensive renovation of the Authors' and Garden Wings (including the French restaurant - Le Normandie and the Italian restaurant - Ciao Terrazza) at a cost of Baht 630 million. It commenced on 1 May 2015 and will be completed within the first quarter of 2016 and was designed to restore the historic heart of the hotel and to significantly enhance the facilities and services of this award-winning property. In addition, the hotel undertook a refurbishment of the Mandarin Oriental bakery shops at Emporium and Central Chidlom and the laundry shops at Central Chidlom and Siam Paragon.

THE INDUSTRY AND COMPETITION

The oversupply of hotel rooms in Bangkok is expected to continue in 2016. Tourism continues to be affected by concerns of travelers in term of global security, which together with the large supply of hotel rooms puts pressure on citywide hotel occupancy levels, and average room rates in particular. The Company continues to maintain the hotel and its operation to the highest standard to ensure consistent recognition as one of the best hotels in the world and to maintain its leading position in the local market.

RISK FACTORS

The hotel's business levels may be adversely impacted by a number of risks, including the impact of a loss of business caused by various factors including political uncertainty and global security risk, the possibility of a natural disaster, terrorism, and the outbreak of infectious diseases. The Company will also face the risk of increased competition in the future as more new hotels are added to the city's supply of luxury hotels. In addition, the Company's activities are also exposed to a variety of financial risks, including the effect from changes in interest rates, foreign currency exchange rates and credit risk.

Risk management is carried out by the Company's management. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company has normal exposure to interest rate risk which relates primarily to deposits at banks and loans from banks. The Company has put hedging in place in the form of interest rate caps in order to partially mitigate the risk of increased interest rates.

The Company continues to place significant emphasis on the maintenance of the property. Fire, life, health, safety, security and environmental issues remain a top priority in order to protect the safety of its guests and colleagues.

THE COMPANY'S STRUCTURE

The Company's structure is composed of The Board of Directors and The Audit Committee.

The Board of Directors is composed of eleven Directors :-

- | | |
|--------------------------------|--|
| 1. Mrs. Nijaporn Charanachitta | Chairwoman |
| 2. Mr. Edouard Ettedgui | Director |
| 3. Mr. Charles Stuart Dickie | Director |
| 4. Mr. Yuthachai Charanachitta | Director |
| 5. Mr. Adam Keswick | Director |
| 6. Mrs. Amanda Hyndman | Director and Managing Director |
| 7. Dr. Pisit Leeahtam | Director |
| 8. Mr. Aswin Kongsiri | Independent Director and Chairman of Audit Committee |
| 9. Mr. Surachai Sirivallop | Independent Director and Audit Committee |
| 10. Mr. William Zentgraf | Independent Director and Audit Committee |
| 11. Mr. Sirichai Sombutsiri | Independent Director |

The Audit Committee is composed of three Directors :-

- | | |
|----------------------------|--|
| 1. Mr. Aswin Kongsiri | Independent Director and Chairman of Audit Committee |
| 2. Mr. Surachai Sirivallop | Independent Director and Audit Committee |
| 3. Mr. William Zentgraf | Independent Director and Audit Committee |

Numbers and names of the Directors who are authorised to sign to bind the Company are Mrs. Nijaporn Charanachitta or Mr. Yuthachai Charanachitta signing with Mr. Edouard Ettedgui or Mr. Charles Stuart Dickie or Mrs. Amanda Hyndman together with the Company's seal affixed.

The election of a Director is voted by cumulative voting under section 70 of the Public Limited Companies Act. All shareholders shall have equal right to vote for the election of a Director in accordance with the number of shares held in the Company. The current Board of Directors is composed of two groups of major shareholders: five Directors from Mandarin Oriental Hotel Group consisting of Mr. Edouard Ettedgui, Mr. Charles Stuart Dickie, Mr. Adam Keswick, Mrs. Amanda Hyndman and Dr. Pisit Leeahtam, and two Directors from ItalThai Group consisting of Mrs. Nijaporn Charanachitta and Mr. Yuthachai Charanachitta. The other four Directors are Independent Directors.

CODE OF BEST PRACTICES

The Board of Directors has developed its principles and policies of corporate governance based on the code of best practices of the Stock Exchange of Thailand in good corporate governance.

USE OF INTERNAL INFORMATION

The management has to report the trading of stocks. The Board of Directors received the internal audit report from the Audit Committee that the Company's internal audit has been done adequately and appropriately which can protect the assets of both the Company and its subsidiaries. No one can have privileged use of the Company's assets without prior approval.

SHAREHOLDERS

GROUP OF SHAREHOLDERS	31 December 2015	
	Number of Share	%
Group of Mandarin Oriental Holdings B.V.	7,183,500	44.90

LIST OF MAJOR SHAREHOLDERS	31 December 2015	
	Number of Share	%
Mandarin Oriental Holdings B.V.	6,399,500	40.00
Mrs. Nijaporn Charanachitta	3,506,098	21.91
Chaophaya Development Corporation Limited	1,600,000	10.00
Thailand Securities Depository Co., Ltd. for Depositors (Local)	2,496,289	15.60
Thailand Securities Depository Co., Ltd. for Depositors (Foreign)	670,773	4.19
Mrs. Pilaichit Reungpittaya	285,019	1.78
Mr. Premchai Karnasuta	271,520	1.70
Mr. Yuthachai Charanachitta	231,350	1.45
Ms. Valaithip Charanachitta	80,000	0.50
Ms. Chitraphan Charanachitta	80,000	0.50

COMPANY INVESTMENT

Name of Company	Address Head Office	Main Activities	Paid-up Capital (%)	Equity Interest (%)	Capital (Million Baht)	Value of Investment (Million Baht)	Major Shareholder and Other Shareholder
Baan Rim Naam Chao Phraya Company Limited	Bangkok	Restaurant and Spa	100	100	0.1	(138.0)	
Bagan Hotel Holding (Thailand) Company Limited	Bangkok	Investment Holding	100	100	4.0	(0.6)	
Siam Flight Services Company Limited	Bangkok	Airline Catering	100	26	9.5	82.0	LSG Catering (Thailand) Limited
Bagan Hotel Holding Company (BVI) Limited	Hong Kong	Investment in a Myanmar hotel project	100	50	40.6	(0.2)	