

SUCCESS WITH INTEGRITY

OUR BUSINESS STRATEGY

Hotel Growth Strategy :

Develop a well-diversified hotel portfolio to provide appropriate return

Return Enhancing Strategy :

Continuous improvement of operating assets and optimize return through “Asset Monetization Program”

Sustainable Platform Strategy :

Ensure stability and sustainable growth of organization through development of systems, human capitals, core competencies, information database for decision making and core corporate culture

2015 HIGHLIGHTS:

12 HOP INN Hotels under Development

- **2015** Opened 5 HOP INN Hotels across Thailand: Krabi, Nakhon Si Thammarat, Phitsanulok, Surat Thani and Trang.
- **7 Hotels to open in 2016**; 6 HOP INN Hotels across Thailand; Chanthaburi, Chiang Mai, Chumphon, Hat Yai, Roi Et, Sakon Nakhon and 1 HOP INN Hotel in Manila, Philippines.



VISION 2015

To become Thailand's leading hotel developer and investor

MISSION

To continue growing quality hotel portfolio in Thailand which optimize values to shareholders as well as other Stakeholder

CORE VALUE

ERAWAN's SPICE

SYSTEM

"Systematic management approach to enhance efficiency as well as to lessen reliance on individuals"

PEOPLE

"Competent workforce with dedication to further learning and continual improvement"

INFORMATION

"Accurate, adequate, and up-to-date database for the purpose of management and decision-making"

CULTURE

"Sound corporate culture to support sustainable growth"

ENVIRONMENT

"Being a good, responsible corporate citizen by taking care of all stakeholders including community and environment"

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ESG REPORT

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THE
ERAWAN
GROUP

SUCCESS WITH INTEGRITY

2015 IN REVIEW

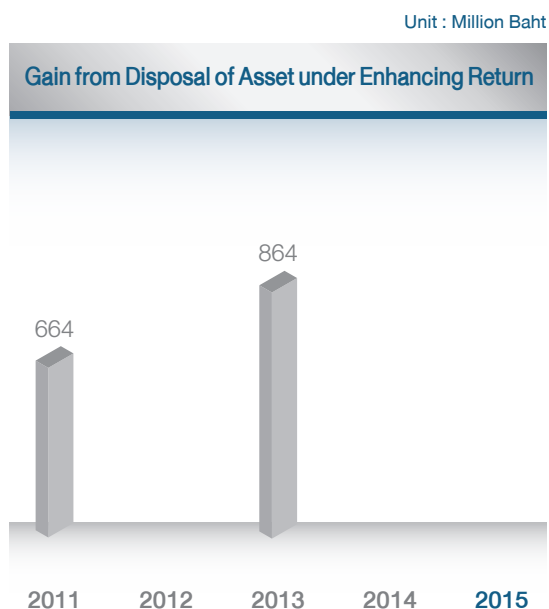
Sustainable Platform Strategy:

Ensure stability and sustainable growth of organization through development of systems, human capitals, core competencies, information database for decision making and core corporate culture

Financial Highlights

Unit : Thousand Baht

Description	2013	2014	2015
Operating results			
Operating Income	4,702,359	4,284,513	5,254,918
Total Revenues	5,596,957	4,354,089	5,300,674
Gross Profit	2,487,327	2,054,995	2,744,445
EBITDA	1,226,490	940,075	1,435,802
Gain from Disposal of Asset under Enhancing Return Strategy	864,085	-	-
Net Profit (Loss)	936,766	(111,579)	197,866
Financial Position			
Total Assets	13,715,302	14,516,617	14,820,047
Total Liabilities	8,486,405	9,782,670	9,903,315
Total Shareholders' Equity	5,228,897	4,733,946	4,916,732
Equity Attributable to Company's Shareholders	5,035,312	4,554,152	4,702,572
Paid-Up Share Capital (Thousand Baht)	2,474,635	2,478,778	2,498,173
Number of Paid-Up shares (Thousand shares)	2,474,635	2,478,778	2,498,173
Par Value Per Share (Baht)	1	1	1
Earnings Per Share (Baht)	0.42	(0.05)	0.08
Dividend Per Share (Baht)	0.15	0.04	0.04
Book Value Per Share (Baht)	2.03	1.84	1.88
Significant Financial Ratio			
Current Ratio (times)	0.58	0.39	0.40
Quick Ratio (times)	0.49	0.33	0.34
Liquidity Ratio (Cash Flow Basis) (times)	0.65	0.38	0.42
Gross Profit Ratio (%)	52.90%	47.96%	52.23%
Net Profit Margin (%)	16.74%	-2.56%	3.73%
Return on Total Assets (%)	7.06%	-0.79%	1.35%
Return on Equity (%)	21.97%	-2.33%	4.28%
Debt to Equity Ratio (times)	1.62	2.07	2.01
Interest Bearing Debts to Equity Ratio (times)	1.35	1.78	1.75
Interest Coverage Ratio (times)	3.91	2.66	3.58



Hotel and Resort Portfolio in 2015

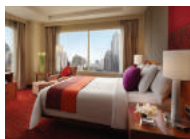
Bangkok



Grand Hyatt Erawan Bangkok



JW Marriott Hotel Bangkok



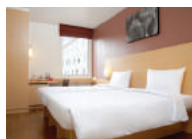
Courtyard by Marriott Bangkok



Mercure Bangkok Siam



ibis Bangkok Siam



ibis Bangkok Sathorn

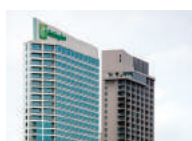


ibis Bangkok Nana

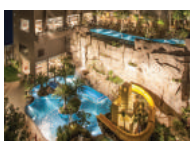


ibis Bangkok Riverside

Pattaya



Holiday Inn Pattaya

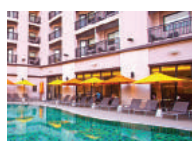


Mercure Pattaya Ocean Resort



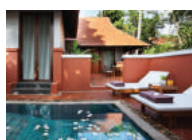
ibis Pattaya

Hua Hin



ibis Hua Hin

Samui



Renaissance Koh Samui Resort & Spa



ibis Samui Bophut

Krabi



ibis Styles Krabi Ao Nang

Phuket



The Naka Island, a Luxury Collection Resort & Spa, Phuket



ibis Phuket Patong



ibis Phuket Kata



HOP INN 15 Places



Kanchanaburi, Khon Kaen, Krabi, Lampang, Mae Sot, Mukdahan, Nakhon Ratchasima, Nakhon Si Thammarat, Nong Khai, Phitsanulok, Sa Kaeo, Surat Thani, Trang, Ubon Ratchathani, Udon Thani

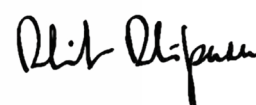
Chairman Review

2015 marked the completion of our phase 2 Master Plan for the period of 2011-2015 of which we have implemented our three main strategies as planned. As part of our hotel growth strategy, we have developed and operated additional 20 hotels which further expanded our hotel portfolio to cover all hotel segments from luxury, midscale, and economy to budget segment across Thailand. Secondly, for the return enhancing strategy, we were able to generate both revenue and net profit growth in 2015 despite the minimal impact to tourism industry from the incident that took place in Bangkok in late August 2015. Last but not least, we remain focused on building our business platform for a long term sustainable growth of which we emphasized on enhancing and strengthening our competencies and expertise within the organization through our corporate Core Values. This will ensure that we will be able to respond to the dynamic market conditions and minimize the impact from all the factors that may affect our operations.

We underlined our business expansion with the focus to creating well balanced among social, environmental and governance. We believe that we will continue to be well recognized from all stakeholders from our efficient business management, accountability to all stakeholders and commitment in corporate social responsibility, under the business philosophy of "Success with Integrity".

In 2015, our corporate governance report continued to be acclaimed "Very Good" by the Thai Institute of Directors Association's Corporate Governance Report of Thai Listed Companies 2015 while our 2015 Annual General Meeting of Shareholders (AGM) was rated "Excellent". With our strong commitment to the corporate governance practice, in 2015, we were recognized in "ESG100 Companies" certified of Environmental Social Governance Company of the year 2015 by Thaipat Institute and The Securities and Exchange Commission (SEC). We also nominated for "Best Investor Relations Awards" from the Stock Exchange of Thailand (SET Awards) which precisely reflects our principle of transparency to constantly provide information to the public whether during regular or unusual circumstances.

The success that we received during the past years was certainly driven from the support from all the stakeholders. We would like to thank our shareholders, business partners, creditors, related government and private organizations, and our customers who always support us and also our management and staff for their full commitment and dedication for the company. We will remain committed as active social members in driving for sustainable development for Thailand and the global community.



Mr. Prakit Pradipasen
Chairman of the Board



Full Member of the CAC
Certifies that the company
to declaration on anti-corruption



"Most Improved"
CSR Recognition 2013
Project: SET Awards 2013



"Best Investor Relations-Distinctive"
IR Awards 2013-2014
Project: SET Awards 2013-2014



Excellent CGR Report 2009-2013
Very Good CGR Report 2014-2015

President's Report

“Number of tourist arrivals for FY15 recorded at 29.9 million, the highest arrivals in South East Asia region, representing a 20 percent increase from FY14. This reaffirmed the strong fundamental of Thailand tourism industry as the world top tourist destination.”



Pattaya Beach, Chonburi

Thailand's tourism industry recorded remarkable growth in 2015 despite the minimal impact from the Rajprasong bomb in August 2015. Number of tourist arrivals for FY15 recorded at 29.9 million, the highest arrivals in South East Asia region, representing a 20 percent increase from FY14. This reaffirmed the strong fundamental of Thailand tourism industry as the world top tourist destination. Our performance also benefited from the strong growth of tourism industry. We posted a 24 percent increase in our operating income and generated net profit of THB 198 million, a significant growth from net loss of THB 112 million in FY14.

We continuously expanded our hotel portfolios over the past ten years as set forth in our strategic direction, adding 11 hotels during our Phase 1 Master Plan (2006-2010) and another 20 hotels during our Phase 2 Master Plan (2011-2015) with our vision to be the leading hotel developer and investor in Thailand. Such hotel growth strategy has been structured to provide optimal return to our shareholders and combined interests of all stakeholders. In 2015 we developed more hotels under our own brand "HOP INN", of which 5 new HOP INN hotels were opened this year and the rest will be gradually opened in 2016. At the end of 2015 we have 15 HOP INN hotels in our portfolio.

With the aforementioned expansion strategy, we now own 33 hotels 5,676 rooms, increasing significantly from 13 hotels with 3,355 rooms as of 2010 when we finished our Phase 1 Master Plan (2006-2010). We are the only hotel company in Thailand with hotel portfolio that covers all segments from luxury, midscale, and economy to budget segment across Thailand. For the next 5 years through our Phase 3 Master Plan (2016-2020) we will continue our investment focus in Thailand with additional expansion to ASEAN countries where we see good growth potential. As we regularly review market conditions and relevant internal and external factors that influence tourism industry,



Grand Hyatt Erawan Bangkok Hotel

President's Report

we remain confident in Thailand's and Asia Pacific's attractiveness as the world's leading business hub and traveling destinations.

We strongly believe that our existing 33 hotels together with the new hotels developed under Phase 3 Master Plan over the next 5 years will continue to generate good growth to ERAWAN. Our sustainable platforms which emphasize on enhancing our competencies as investor, developer and operator of hotels and shared interests of all our stakeholders under the business philosophy "Success with Integrity" will remain our key drivers for long term sustainable growth.



Mrs. Kamonwan Wipulakorn

President



Holiday Inn Pattaya



HOP INN Hotel

Report of the Audit Committee to Shareholder

To Shareholders of The Erawan Group Public Company Limited,

The Audit Committee of The Erawan Group Public Company Limited consists of Mr. Sansern Wongcha-um as the Chairman, Assoc. Prof. Manop Bongsadadt and Mr. Dej Bulsuk. The Audit Committee performs its duty independently based on its scope of responsibility to support the Board of Directors according to the Audit Committee Charter and the announcement made by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). In 2015, the Audit Committee held four meetings. All members attended all meeting. Executives, Head of Internal Audit Department, and auditors also attended the meetings when there are relevant agenda items that need their input. Results of the Audit Committee's performance can be summarized as follows:

- 1. Financial Statement Review:** The Audit Committee reviewed the quarterly financial statements and the 2015 financial statements of the Group and found that they were completed accurately. The information was adequately disclosed in a reliable manner, and was approved by the auditors without conditions. The meetings were held with auditors, without members of management present, to discuss the independence of the Committee, opinions of auditors, their observations, and improvement guidelines that would be of benefit to the Company.
- 2. Internal Control System:** The Audit Committee reviewed the internal control system of The Erawan Group Public Company Limited and its subsidiaries with respect to accounting and finance, safeguarding of assets, operations, evaluation as well as legal and regulatory compliance. Check and balance mechanisms were implemented and monitoring was performed by Internal Audit Department whose independence and efficiency and deemed sufficient for protecting the interest of shareholders and relevant parties. The Company has transparent whistle-blowing and complaint-handling procedures in place. Moreover,

it has announced its intention to be part of the Anti-Corruption Movement and certifies that the Company to declaration on anti-corruption by putting in place good business principles and control against bribery in response to Thailand's policy to support transparency and sustainability in business and the Company was also received level 4 "Certified" Anti-Corruption Progress Indicator Completed from the Securities and Exchange Commission (SEC).

- 3. Business Law Compliance:** The Audit Committee determined that the Company duly complied with laws governing securities and exchange, as required by the SET, The SEC and other statutes relating to the Company's business.
- 4. Connected Transactions of Transactions with Potential Conflict of Interest:** The Audit Committee reviewed connected transactions and found that they were genuine transactions carried out as a normal course of business, and with reasonable cause. The Company carried then out according to good corporate governance without any conflict of interest. The Company has strictly followed the SEC's and SET's rules and regulations by taking into account the interest of all Stakeholders.
- 5. Risk Management:** The Audit Committee reviewed the annual plan and monitored the progress of the risk management on a quarterly basis. The Audit Committee was confident that the Company has appropriate and efficient risk management policy and procedures. Risk assessment criteria of investment projects were standardized in response to changing business environment, with the objective of discovering new business opportunities and creating value for the Company.
- 6. Internal Audit:** The Audit Committee give advice and approve the annual auditing plan; to acknowledge and submit an internal auditing result to the Board of Directors; to review an annual budget and to supervise and evaluate the Internal Audit Department's performance.

Report of the Audit Committee to Shareholder



The Audit Committee expressed its opinion, starting that the Company was actively committed to its corporate governance policy. Risk management is in line with the Company's policy. This compliance resulted in an effective and adequate internal control system that corresponded with both internal and external changes. An appropriate internal control system was in place. Connected transactions that may lead to conflict of interest were deemed to be genuine transactions carried out based on a normal course of business for the Company's maximum benefit. All related laws and regulations were fully complied with. The financial statements for the accounting period ending on 31st December 2015 were duly prepared, while adequate and reliable information was properly disclosed.

Appointment of auditors in 2016:

The Audit Committee considered selection of the auditors based on the Company's evaluation criteria, which includes independence, quality, standards of work, and qualifications according to SET requirements, and would like to propose to the Board of Directors and to seek shareholders' approval for appointment of the following individuals:

1. Ms. Marisa Tharathornbunpakul,
Certificate Public Accountant (Thailand) No.5752 and/or
2. Ms. Patamavan Vadhanakul,
Certificate Public Accountant(Thailand) No.9832 and/or
3. Ms. Vipavan Pattavanvivek,
Certificate Public Accountant (Thailand) No. 4795

of KPMG Phoomchai Audit Ltd. as The Erawan Group Public Company Limited and its subsidiaries' auditor in 2016.

A handwritten signature in black ink, appearing to read 'Sansern Wongcha-um'.

Mr. Sansern Wongcha-um
Chairman of the Audit Committee
17 February 2016



 THE
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SUCCESS WITH INTEGRITY

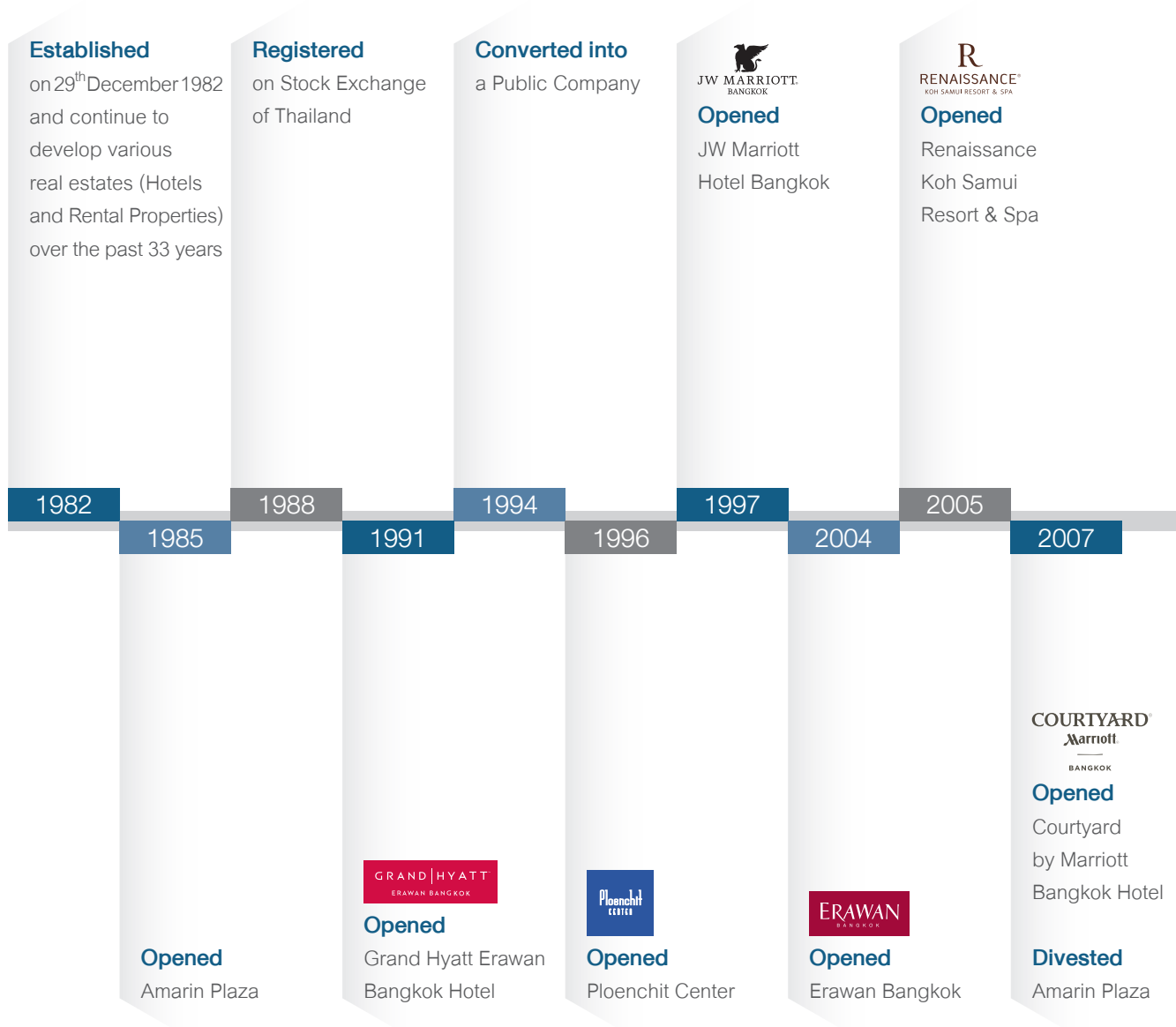
ABOUT ERAWAN

Hotel Growth Strategy:

Develop a well-diversified hotel portfolio
to provide appropriate return

Corporate Profile

The Erawan Group Public Company Limited





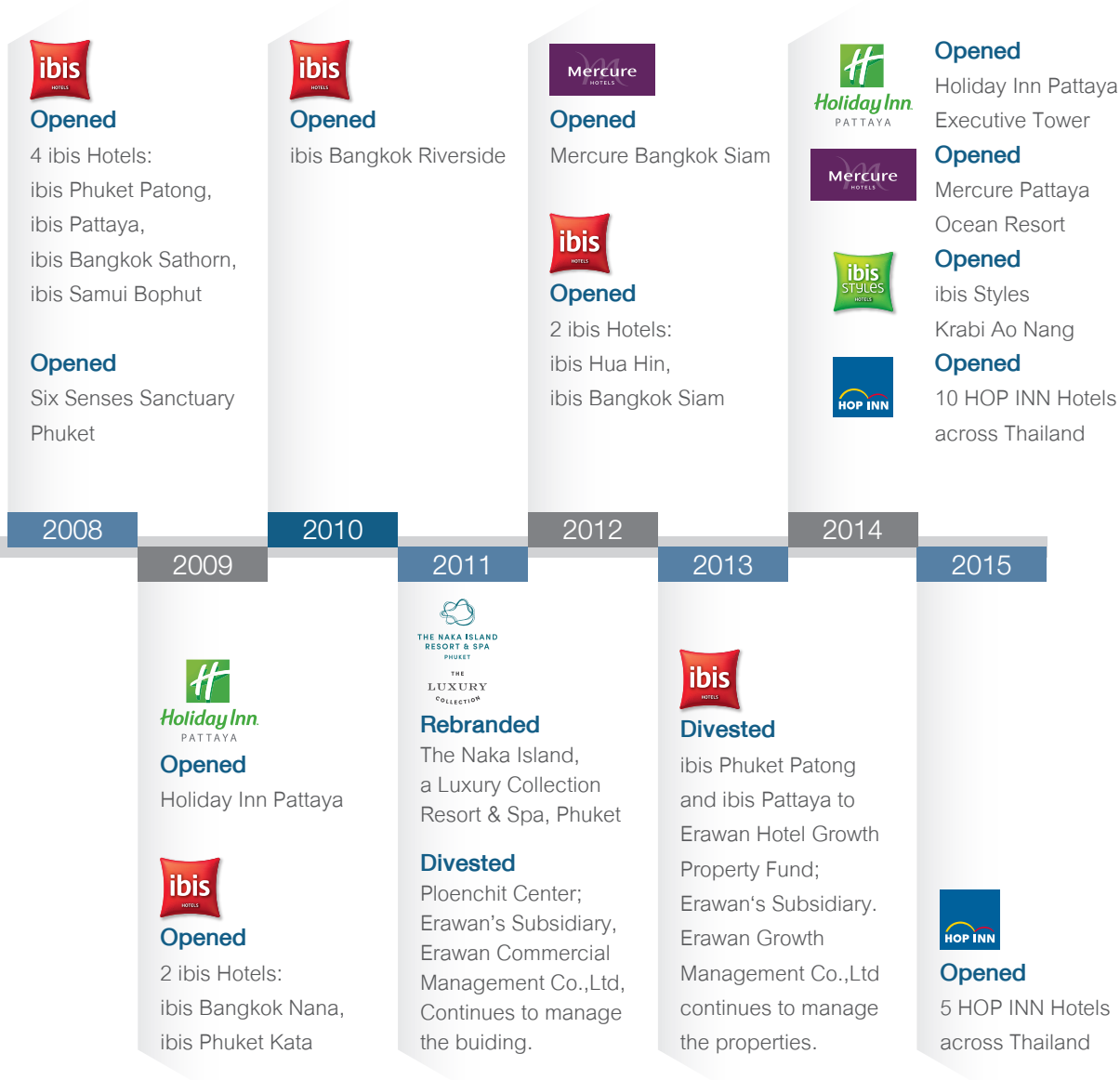
2009



2014



2015



Our Shareholders and Management Structure

Our Shareholders & Management Structure

Shareholders

As at 31st December 2015, the company's paid up capital is Baht 2,494,864,025 divided into 2,494,864,025 ordinary shares at par value 1 Baht per share. Top ten shareholders holding the highest number of shares are as follows:

Shareholder's name	Number of shares	% of total shares
1. Mr. Sukakarn Wattanavekin	376,300,287	15.08%
2. City Holding Co.,Ltd.	203,481,318	8.16%
3. Mrs. Vansamorn Wannamethee	149,618,113	6.00%
4. Mid-Siam Capital Co.,Ltd.	144,488,645	5.79%
5. PAN ASIA ASSETS LIMITED	73,000,000	2.93%
6. N.C.B.TRUST LIMITED-NORGES BANK 11	71,886,200	2.88%
7. Mr. Supol Wattanavekin	64,568,807	2.59%
8. UBS AG SINGAPORE BRANCH	60,000,000	2.40%
9. Ms. Thitinant Wattanavekin	43,520,400	1.74%
10. MP Particle Board Co.,Ltd.	42,933,675	1.72%
Total top ten shareholders holding	1,229,797,445	49.29%

Detail Groups of Major Shareholders are as follows:

Shareholder's name	Number of shares	% of total shares
Vongkusolkrit Group	811,446,455	32.53%
Wattanavekin Group	712,245,640	28.55%
Thai Institution Investor and Foreign Institution Investor	539,341,885	24.00%
Company's executives and employees	12,143,906	0.49%
Minor Shareholders	419,686,139	16.84%
Total	2,494,864,025	100.00%

Investor will be able to see the updated shareholders list from the Company's website at www.TheErawan.com before the Annual General Meeting of Shareholders.

Directors that represent the major shareholders are as follows:

Director's Names	Groups of Major Shareholders
1. Mr. Vitoon Vongkusolkrit 2. Mr. Chanin Vongkusolkrit 3. Mr. Gavin Vongkusolkrit	Vongkusolkrit Group
4. Mr. Supol Wattanavekin 5. Mrs. Panida Thepkanjana	Wattanavekin Group



Holiday Inn Pattaya

Our Shareholders and Management Structure

Management Structure

The Board of Directors consists of thirteen directors;

The Board has appointed four committees namely:

- The Audit Committee (AC)
- The Strategic and Investment Committee (SIC)
- The Nominating and Corporate Governance Committee (NCG)
- The Management Development and Compensation Committee (MDC)



Mr. Prakrit Pradipasen 1

Age 74 years

Position

- Chairman of the Board
- Independent Director
- Chairman of the Nominating and Corporate Governance Committee

Date of Directorship

1991
(24-year working period)

Education

- M.A. Business Administration Wayne State University, Detroit, Michigan, U.S.A
- B.A. Science in Business Administration, Silliman University, Dumaguete, Philippines

Directors Training Program

1. RCP: Role of the Chairman Program 15/2007
2. DAP: Director Accreditation Program 1/2003
3. R-CAC: Thailand's 4th National Conference on Collective Action Against Corruption 1/2013
4. Panelist: CG Forum 4/2014

5 years experience in other Listed Company

- Chairman of the Board and Independent Director, Asian Marine Services Plc.
- Chairman of the Board, Diamond Building Products Plc.
- Independent Director and Member of the Audit Committee, Susco Plc.
- Independent Director and Chairman of the Audit Committee, Haad Thip Plc.
- Independent Director and Chairman of the Audit Committee, Luckytex (Thailand) Plc.
- Independent Director and Chairman of the Audit Committee, Supalai Plc.
- Independent Director and Chairman of the Audit Committee, Thai Carbon Black Plc.
- Independent Director and Chairman of the Audit Committee, Bata Shoe of Thailand Plc.

Mr. Sansern Wongcha-um 2

Age 68 years

Position

- Independent Director
- Chairman of the Audit Committee

Date of Directorship

September 17th, 2008
(7-year 3-month working period)

Education

- Master Degree of Business Economics, University of Bridgeport, U.S.A
- Bachelor of Economics, Thammasat University
- Thai NDC no.37/2005
(The National Defence College)

Directors Training Program

1. CGI: Corporate Governance for Capital Market Intermediaries 3/2014
2. FN: Finance for Non-Finance Director 17/2005
3. DAP: Director Accreditation Program 42/2005
4. RCP: Role of the Chairman Program 8/2003

5 years experience in other Listed Company

- Chairman of the Board and Independent Director, Somboon Advance Technology Plc.
- Chairman of the Nomination and Remuneration Committee and Independent Director, The Deves Insurance Plc.
- Chairman of the Board and Independent Director, Bualuang Securities Plc.

Assoc. Prof.
Manop Bongsadadt

3

Age 75 years

Position

- Independent Director
- Member of the Audit Committee

Date of Directorship

April 23rd, 2004
(11-year 8-month working period)

Education

- Master of Architecture (Regional Planning), Institute of Social Studies, Netherlands
- Certificate in Development Planning, UCL, London, U.K.
- Master of Architecture (M. Arch), Kansas State University, U.S.A.
- Bachelor of Architecture, Chulalongkorn University

Directors Training Program

1. RNG: Role of the Nomination and Governance Committee 1/2011
2. DCP: Director Certification Program 150/2011
3. RCC: Role of the Compensation Committee 8/2009
4. RCP: Role of the Chairman Program 17/2007
5. ACP: Audit Committee Program 10/2005
6. DAP: Director Accreditation Program 8/2004
7. Thai NDC no.38 (The National Defense College)
8. Commerce Academy: Top Executive Program in Commerce and Trade (TEPCOT) no.3

5 years experience

in other Listed Company

- Chairman of the Board and Independent Director, Woroluk Property Plc.
- Independent Director and Chairman of the Nomination and Remuneration Committee, Kiatnakin Bank Plc.
- Chairman of the Board, Rasa Property Development Plc.
- Independent Director and Member of the Audit Committee, Kiatnakin Bank Plc.

Mr. Dej Bulsuk

4

Age 66 years

Position

- Independent Director
- Member of the Audit Committee

Date of Directorship

November 22nd, 2004
(11-year 1-month working period)

Education

- Bachelor of Business Administration, Thammasat University

Directors Training Program

- DAP: Director Accreditation Program 23/2004

5 years experience

in other Listed Company

- Chairman of the Nomination and Remuneration Committee, GMM Grammy Plc.
- Independent Director and Member of the Audit Committee, GMM Grammy Plc.
- Independent Director and Member of the Audit Committee, Siam Future Development Plc.
- Independent Director and Member of the Audit Committee, Aeon Thana Sinsap (Thailand) Plc.
- Independent Director, Patum Rice Mill and Granary Plc.
- Independent Director and Member of the Audit Committee, Jay Mart Plc.
- Vice Chairman of the Board, Jay Mart Plc.
- Advisory to the Board, President Bakery Plc.

Mr. Ekasith Jotikasthira

5

Age 46 years

Position

- Independent Director
- Member of the Nominating and Corporate Governance Committee

Date of Directorship

April 25th, 2009
(6-year 8-month working period)

Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Directors Training Program

- DAP: Director Accreditation Program 79/2009

5 years experience

in other Listed Company

- No

Our Shareholders and Management Structure

Mr. Banyong Pongpanich 6

Age 62 years

Position

- Director
- Member of the Management Development and Compensation Committee
- Advisory to the Strategic and Investment Committee

Date of Directorship

November 16th, 2004
(11-year 1-month working period)

Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Economics, Chulalongkorn University

Directors Training Program

1. ACEP: Anti-Corruption for Executive Program 2/2012
2. DAP: Director Accreditation Program 36/2005
3. RCP: Role of the Chairman Program 5/2001

5 years experience in other Listed Company

- Director and Chief Executive Officer, Chairman of the Executive Committee and Member of the Risk Management Committee, Kiatnakin Bank Plc.
- Chairman of the Board, Phatra Capital Plc.
- Chairman of the Board, Phatra Securities Plc.
- Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee, Muang Thai Insurance Plc.
- Independent Director, Don Muang Tollway Plc.
- Director, Thai Airways Plc.

Mr. Vitoon Vongkusolkiet 7

Age 75 years

Position

- Director
- Member of the Nominating and Corporate Governance Committee
- Advisory to the Strategic and Investment Committee

Date of Directorship

1982
(33-year working period)

Education

- Bachelor of Science, Chulalongkorn University

Directors Training Program

1. RCP: Role of the Chairman Program 11/2005
2. DCP: Director Certification Program 17/2002

5 years experience in other Listed Company

- Director, Banpu Plc.

Mr. Supol Wattanavekin 8

Age 61 years

Position

- Director
- Member of the Nominating and Corporate Governance Committee
- Advisory to the Strategic and Investment Committee

Date of Directorship

November 4th, 2004
(11-year 1-month working period)

Education

- Master of Business Administration (Executive) (EMBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Directors Training Program

1. DCPU: Director Certification Program Update 1/2014
2. FGP: Financial Institutions Governance Program 2/2011
3. DCP: Director Certification Program 76/2006
4. DAP: Director Accreditation Program 56/2006
5. RCP: Role of the Chairman Program 1/2000
6. Chairman Forum 1/2013, Meeting the AEC Challenge: Role of the Chairman
7. Chairman Forum 2/2013, Role of the Chairman in promoting ethical business
8. Board & CEO Assessment 2003
9. Conflict of Interest: Fighting abusive RPT, The Securities Exchange of Commission (SEC)
10. The 5th SEACEN / ABAC / ABA / PECC Public Private Dialogue for the Asia Pacific Region (2009), The South East Asia Central Bank Research and Training Center of Malaysia
11. Corporate Governance Report of Thai Listed Companies (2007), Thai Institute of Directors
12. Sasin Graduate Institute of Business Administration of Chulalongkorn University
 - 12.1 Leadership, Strategic Growth and Change (2006)
 - 12.2 Organizing and Managing Strategic Alliances for Success and Profit (2006)
13. Orchestrating Winning Performance (2005), IMD International, Switzerland

5 years experience in other Listed Company

- Chairman of the Board and Chairman of the Risk Management Committee, Kiatnakin Bank Plc.
- Director, KKTRADE Securities Co., Ltd.

Mr. Chanin Vongkusolkrit

9

Age 64 years

Position

- Director
- Chairman of the Strategic and Investment Committee
- Chairman of the Management Development and Compensation Committee

Date of Directorship

November 4th, 2004
(11-year 1-month working period)

Education

- Master of Business Administration (Finance), St. Louis University, Missouri, U.S.A.
- Honorary Ph.D. in Entrepreneurship, University of the Thai Chamber of Commerce

Directors Training Program

1. DCP: Refresher Course 3/2006
2. DCP: Director Certification Program 20/2002
3. Panelist: CG Forum 4/2014

**5 years experience
in other Listed Company**

- Director and Chief Executive Officer, Banpu Plc.

Mrs. Panida Thepkajana

10

Age 57 years

Position

- Director
- Member of the Strategic and Investment Committee
- Member of the Management Development and Compensation Committee

Date of Directorship

1991
(24-year working period)

Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Law, Chulalongkorn University
- Barrister-at-Law, The Institute of Thai Bar Association

Directors Training Program

1. RNG: Role of the Nomination and Governance Committee 6/2014
2. DCP: Refresher Course 1/2005
3. DCP: Director Certification Program 18/2002

**5 years experience
in other Listed Company**

- No

Mr. Gavin Vongkusolkrit

11

Age 34 years

Position

- Director
- Member of the Strategic and Investment Committee

Date of Directorship

December 1st, 2011
(4-year 1-month working period)

Education

- Master of Business Administration (Finance), The University of Sydney, Australia

Directors Training Program

1. RCC: Role of the Compensation Committee 7/2013
2. RNG: Role of the Nomination and Governance Committee 4/2013
3. DCP: Director Certification Program 156/2012

**5 years experience
in other Listed Company**

- No

Our Shareholders and Management Structure

Mrs. Kamonwan Wipulakorn 12 Age 54 years Position • Director • President • Member of the Strategic and Investment Committee Date of Directorship April 27th, 2011 (4-year 8-month working period) Education • Master of Business Administration (Finance), Western Illinois University, U.S.A. Directors Training Program 1. Leader Program Capital Market Academy (CMA19) 2. DCP: Director Certification Program 122/2009 3. Diploma Examination (Exam) 26/2009 5 years experience in other Listed Company • Independent Director, Member of Audit Committee, Member of the Nomination Committee, Member of the Remuneration Committee and Member of the Corporate Governance Committee, Total Assets Communication Plc.	Mr. Petch Krainukul 13 Age 45 years Position • Director • Senior Executive Vice President • Member of the Strategic and Investment Committee Date of Directorship June 1st, 2014 (1-year 7-month working period) Education • Master of Business Administration (Finance), University of South Alabama, Alabama, U.S.A. Directors Training Program • DCP: Director Certification Program 101/2008 5 years experience in other Listed Company • No	Ms. Kanokwan Thongsiwarugs 14 Position • Company Secretary • Secretary of the Audit Committee and Head of Internal Audit • Secretary of the Nominating and Corporate Governance Committee Other Position • Member of the Risk Management and Internal Control Club, Thai Listed Companies Association Education • Master of Business Administration (MBA), Kasetsart University Training Program 1. Corporate Secretary Development Program 11/2005, Chulalongkorn University 2. IIAT: Auditing Information System, The Institute of Internal Auditors of Thailand 3. RCC: Role of the Compensation Committee Program 3/2007 4. CSP: Company Secretary Program 28/2008 5. Going from "Good" to "Great" in IT Risk and Control Management, November 28, 2012 6. IOD: Company Secretary Forum 2013, topic "Equipping Your Board for AGM" 7. Lecturer: Company Secretary Program (CSP) 2014 8. Panelist: IOD Company Secretary Forum 2014, topic "Strengthening Anti-Corruption Practice in Your Boardroom"
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ibis Sathorn

Authority to sign on behalf of the Company

Two of the following four directors namely, Mr. Vitoon Vongkusolkrit or Mrs. Panida Thepkanjana or Mrs. Kamonwan Wipulakorn or Mr. Petch Krainukul, shall jointly sign a document together.

Dividend Policy

Approximately 40 percent of the net profits of the consolidated financial statements after deduction of all kind of reserves as specified by law and the Company (with additional conditions).

Roles and Responsibilities of the Board of Directors and the Committee

Board of Directors consists of thirteen members as follows:

- | | |
|---------------------------|---|
| 1. Mr. Prakrit Pradipasen | Chairman and
Independent Director |
| 2. Mr. Sansern Wongcha-um | Independent Director and
Chairman of the Audit Committee |

- | | |
|----------------------------------|---|
| 3. Assoc. Prof. Manop Bongsadadt | Independent Director and
Member of the Audit Committee |
| 4. Mr. Dej Bulsuk | Independent Director and
Member of the Audit Committee |
| 5. Mr. Ekasith Jotikasthira | Independent Director |
| 6. Mr. Banyong Pongpanich | Director |
| 7. Mr. Vitoon Vongkusolkrit | Director |
| 8. Mr. Chanin Vongkusolkrit | Director |
| 9. Mr. Supol Wattanavekin | Director |
| 10. Mrs. Panida Thepkanjana | Director |
| 11. Mr. Gavin Vongkusolkrit | Director |
| 12. Mrs. Kamonwan Wipulakorn | Director and President |
| 13. Mr. Petch Krainukul | Director and Senior Executive
Vice President |

Board of Directors' roles and responsibilities are:

1. To manage the Company according to the laws, the Objects in Detail, the Articles of Association and resolutions of the Shareholders' Meeting with integrity and prudence for the Company's interests.
2. To determine the company's visions, obligations and business policy.
3. To review the business development plans to increase potential of itself.
4. To consider budgets to maximum the business's economic values and for better returns to shareholders.

Our Shareholders & Management Structure

5. To formulate the compensation policy and a succession plan of executives.
6. To supervise and develop risk assessment.
7. To supervise and develop the Company's good corporate governance.
8. To supervise and set up an internal control and an internal audit system.
9. To take care of interests of both major and minor shareholders so that they can equally exercise and maintain their interests while accessing accurate and complete information with transparency and accountability
10. To appoint committees in order to determine scopes of work and monitor their performances.
11. To performance evaluation's executives and the HR development policy.
3. To review material problems and obstacles the auditor may come across while performing his duty and to settle differences between the auditor and the management.
4. To review the appropriateness and effectiveness of the internal control system and internal audit systems are in place according to international standards.
5. To set up a defensive work system for business units in the company to increase operation efficiency and effectiveness.
6. To review an annual internal audit plan proposed by the Internal Audit Office. To provide opinion on the consideration of performance, appointment, removal, and remuneration of the Company's internal auditor.
7. To promote and support the development of a financial reporting system that meets the international standards.
8. To control company's compliance with the laws on Securities and Exchange and other legislations relating to its business.
9. To determine fraud prevention measures and review results of a corruption inspection report.
10. To review the accuracy and effectiveness of information technology relating to the internal control system; to offer advice for roles and regular updates.
11. To consider the Company's information disclosure in case of connected transactions or transactions which may involve conflict of interest to ensure that all are correct, sound and carried out in a normal course of business.
12. To prepare the Audit Committee's report to be signed by Chairman of the Committee and disclosed it in the Company's annual report.
13. To act otherwise as required by the laws or entrusted by the Board of Directors; when performing along its scopes of work, the Audit Committee shall be empowered to order the President, Senior Executives, Heads of Department or related staff to provide their opinions, participate in meeting or submit documents deemed necessary or relevant.

Term of Directors:

3 years each term. At the Annual General Meeting of Shareholders (AGM), one-third of all directors shall resign by rotation. The resigning directors may be re-elected.

The Audit Committee consists of three members as follows:

- | | |
|---------------------------------|---|
| 1. Mr. Sansern Wongcha-um | Chairman |
| 2. Assoc. Prof Manop Bongsadadt | Member of the Committee |
| 3. Mr. Dej Bulsuk | Member of the Committee |
| 4. Miss Kanokwan Thongsiwarugs | Secretary of the Committee and Head of Internal Audit |

Audit Committee's roles and responsibilities are:

1. To review an annual financial statement already audited by auditors and to ensure that it meets the generally-accepted accounting principles; to consider and screen financial information together with the auditors before releasing it to the third party.
2. To consider and select, propose for appointment, removal and determine auditors fees and met four times a year with the auditors.

Term of Audit Directors: 3 years each term.

The Strategic and Investment Committee consists of seven members as follows:

- | | |
|--------------------------------|----------------------------|
| 1. Mr. Chanin Vongkusolkrit | Chairman |
| 2. Mrs. Panida Thepkanjana | Member of the Committee |
| 3. Mr. Gavin Vongkusolkrit | Member of the Committee |
| 4. Mrs. Vansamorn Wannamethee | Member of the Committee |
| 5. Mr. Nattapong Vongkusolkrit | Member of the Committee |
| 6. Mrs. Kamonwan Wipulakorn | Member of the Committee |
| 7. Mr. Petch Krainukul | Member of the Committee |
| 8. Miss Kanyarat Krisnathevin | Secretary of the Committee |

Advisory to the Committee:

1. Mr. Vitoon Vongkusolkrit
2. Mr. Supol Wattanavekin
3. Mr. Banyong Pongpanich
4. Mr. Kasama Punyagupta

The Strategic and Investment Committee's roles and responsibilities are:

1. To consider and formulate the business plan and long term strategy of the Company with the President and Management and propose to the Board of Director for final approval.
2. To supervise and approve investment projects and divestment transactions as set out in the Company's master plan. The Committee's responsibilities shall include preliminary approvals of project feasibility, financial returns, and review of risks associated with the project, financial structure and source of financing.
3. To provide recommendation to management in relation to business opportunity.

Term of the Strategic and Investment Directors:
3 years each term.

The Nominating and Corporate Governance Committee consists of four members as follows:

- | | |
|-----------------------------|-------------------------|
| 1. Mr. Prakrit Pradipasen | Chairman |
| 2. Mr. Vitoon Vongkusolkrit | Member of the Committee |

- | | |
|--------------------------------|----------------------------|
| 3. Mr. Supol Wattanavekin | Member of the Committee |
| 4. Mr. Ekasith Jotikasthira | Member of the Committee |
| 5. Miss Kanokwan Thongsiwarugs | Secretary of the Committee |

Nominating and Corporate Governance Committee's roles and responsibilities are:

1. To determine the Board of Directors' composition and qualification of its members as well as members of board committees.
2. To nominate candidates for the Board of Directors and member of board committees.
3. To determine the Remuneration of Directors.
4. To propose corporate governance policies and guidelines to the Board of Directors and to review and update such policies and guidelines on ongoing basis.
5. To evaluate the Board of Directors and each committee's performance and to ensure that the Board of Directors and management's operations are being conducted within corporate governance policies and guidelines.
6. To promote knowledge acquisition for the Company's nature of business, regulations, and strategy.

Term of Nominating and Corporate Governance Director: 3 years each term.

The Management Development and Compensation Committee consists of three members as follows:

- | | |
|--------------------------------|----------------------------|
| 1. Mr. Chanin Vongkusolkrit | Chairman |
| 2. Mr. Panida Thepkanjana | Member of the Committee |
| 3. Mr. Banyong Pongpanich | Member of the Committee |
| 4. Mr. Suchai Wuthworachairung | Secretary of the Committee |

Management Development and Compensation Committee's roles and responsibilities are:

1. To assess and evaluate performances; to determine annual remunerations and a compensation structure of President while offering him/her an advice regarding remunerations of Senior Executives.
2. To consider a plan to develop skills and competency of President Nominees (in case of change).

Our Shareholders & Management Structure

3. To determine significant HR policies i.e. and structure of staff's remunerations for Annual Remunerations and Budgeting, Rewards (bonus), etc.
4. To consider an allocation of the Employees Share Options Program (ESOP) in case such allocation exceeds 5 percent of the program's shares.

Term of Management Development and Compensation

Directors: 3 years each term.

Independent Directors, who account for 38.46 percent of the Company's Board of Directors, consist of:

- | | |
|----------------------------------|--|
| 1. Mr. Prakit Pradipasen | Chairman of the Board and Independent Director |
| 2. Mr. Sansern Wongcha-um | Chairman of the Audit Committee and Independent Director |
| 3. Assoc. Prof. Manop Bongsadatt | Member of the Audit Committee and Independent Director |
| 4. Mr. Dej Bulsuk | Member of the Audit Committee and Independent Director |
| 5. Mr. Ekasith Jotikasthira | Independent Director |

The Company's Executives consist of:

- | | |
|-------------------------------|--|
| 1. Mrs. Kamonwan Wipulakorn | President |
| 2. Mr. Petch Krainukul | Senior Executive Vice President |
| 3. Miss Kanyarat Krisnathevin | Executive Vice President and Chief Financial Officer |
| 4. Mr. Apichan Mapaisansin | Executive Vice President |
| 5. Mr. Navarat Tamsuwan | Executive Vice President |

Duties and Authorities of President

1. To formulate the business plan and long term strategy of the Company with the Strategic and Investment Committee and propose to the Board of Director for final approval.

2. To formulate the Company's business plan and strategy in accordance with the Company's Vision and Mission.
3. To formulate the Company's annual budget and allocate required resources to achieve annual goal.
4. To manage human resources including recruiting, setting compensations, welfare and benefits, setting evaluation methods, appointing, removing and transferring staff and issuing rules, regulations and announcements as deemed appropriate.
5. To set forth management structure, determine roles, duties and approval authorities.
6. To develop various systems to ensure effective and efficient operations.
7. To build and nurture corporate cultures to achieve long term sustainable growth.
8. To develop skills, knowledge and employee competency in accordance with the Company's business plan.
9. To develop valid and sufficient databases to support decision making.
10. To represent and promote corporate image and profile to public.
11. To develop good corporate governance and ensure good practice throughout both at company and employee's level.

Duties and Responsibilities of Company Secretary

The Company Secretary shall have duties and responsibilities that are no fewer than what the Securities and Exchange Act (No.4) B.E. 2551 and/or other related laws, rules and regulations have stipulated. This includes:

1. To support the Board to perform its fiduciary duties with integrity and care as a normal person may do in the same situation; to offer advice to directors, the Management and staff to ensure compliances to the laws, rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and other relevant legislations.
2. To supervise the internal auditing, the internal control system, compliance to the principle of good corporate governance.

3. To coordinate matters relating to directors such as changes of qualifications, changes of roles and duties, terms of offices of committees, resignation on rotation, resignation prior to a due term and appointment of new directors.
4. To specify and inform a place where important documents of the firm are kept and to disclose related information based on duties and responsibilities to the SEC.
5. To monitor the Management's performances to ensure good practices.
6. To prepare enough annual reports for distribution to shareholders and related persons.
7. To review invitation letters to the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders, adequacy of documents, supporting documents and information disclosure to the meeting and minutes of the meeting.
8. To disclose related information under the Secretary's duties and responsibilities to the SET.

The Company's Articles of Association of the Nomination of Directors

Clause 18 the Shareholders' Meeting shall elect directors according to the following rules and procedures:

- 18.1 Chairman of the Meeting shall propose names and work experiences of nominees submitted by the Board of Directors for approval.
- 18.2 Each shareholder shall have voting rights equal to the number of shares he holds.
- 18.3 An election of director may be done by voting either one or several persons as director as the Shareholders' Meeting deems appropriate. However, each shareholder must exercise all of his voting rights existed under Clause 18.2 for each director. Dividing votes to a particular nominee is not permitted.

- 18.4 Those receiving the highest number of votes in a sequent order shall be elected as directors for an available number of directors. Should those elected in a subsequent order enjoy equal votes which however exceed the number of the existing directors, Chairman of the Meeting shall have a casting vote.

Clause 19 At each annual ordinary meeting of shareholders, not less than one-third (1/3) of the directors shall retire. If the number of directors is not a multiple of three, the number of directors shall be the closest to one-third (1/3)

A director who vacates his office may be re-elected.

The directors shall agree among themselves as to the order of their retirement from the office in accordance with the first paragraph.

Clause 48 A resolution of the Shareholders' Meeting shall consist of the following votes:

- 48.1 In a normal case, majority votes of shareholders who attend the meeting (either by themselves or by proxy) and exercise their votes shall be considered a resolution.

Shareholding of the Board of Directors and Management

Report of securities held by the Company's directors as of December 31, 2015/2014

Name	Title	Ordinary Share (Units)		
		Dec.31,2015	Dec.31,2014	+ (-)
1. Mr. Prakit Pradipasen	Chairman of the Board and Independent Director	165,058	165,058	-
2. Mr. Sansern Wongcha-um	Independent Director	-	-	-
3. Assoc. Prof. Manop Bongsadatt	Independent Director	319,729	319,729	-
4. Mr. Dej Bulsuk	Independent Director	726,000	726,000	-
5. Mr. Ekasith Jotikasthira	Independent Director	-	-	-
6. Mr. Banyong Pongpanich	Director	-	-	-
7. Mr. Vitoon Vongkusolkrit ¹	Director	72,203,044	72,203,044	-
8. Mr. Supol Wattanavekin	Director	64,568,807	64,568,807	-
9. Mr. Chanin Vongkusolkrit	Director	102,905	102,905	-
10. Mrs. Panida Thepkanjana ²	Director	3,457,557	3,457,557	-
11. Mr. Gavin Vongkusolkrit	Director	67,213	193,934	(126,721)
12. Mrs. Kamonwan Wipulakorn	President	4,800,000	600,000	4,200,000
13. Mr. Petch Krainukul	Senior Executive Vice President	1,464,082	1,664,082	(200,000)
14. Mrs. Vansamorn Wannamethee ³	Member of Sub-Committee	149,625,413	149,625,413	-
15. Mr. Nattapong Vongkusolkrit	Member of Sub-Committee	249,640	188,640	61,000
16. Miss Kanyarat Krisnathevin	Executive Vice President	-	-	-
17. Mr. Apichan Mapaisansin	Executive Vice President	510,000	1,110,000	(600,000)
18. Mr. Navarat Tamsuwan	Executive Vice President	710,000	410,000	300,000
Grand Total		298,969,448	295,335,169	3,634,279

Note: ¹ Deposit the 60,000,000 shares through UBS AG SINGAPORE BRANCH

² Include spouse of 1,868,500 shares

³ Include spouse of 7,300 shares

Remuneration of the Board of Directors and Management

The Board entrusts several committees to formulate a compensation plan for directors, executives and staff as follows:

The Nominating and Corporate Governance Committee has a duty to formulate a compensation policy of directors where it is to review the soundness of compensations being paid on an annual basis on the basis of directors' scopes of duties as well as their roles and responsibilities and the company's financial status and operation results vis-à-vis others in a similar business enjoying the same amount of revenues. Compensations will be paid in two types: meeting allowances (retainer fees or attendance fees) and bonuses. Director entrusted as a committee's member shall receive additional compensations based on his additional responsibilities and this will be submitted to the Annual General Meeting of Shareholders for approval on an annual basis.

The Management Development and Compensation Committee evaluates performances of the President based on four aspects; namely, finance, customer satisfaction, internal process and HR and corporate development, as part of a review of the President compensation and the Company annual compensation.

The President reviews annual compensations of executives based on a formulated policy through two evaluation processes; namely, (1) Balance Score Card (BSC) evaluation, which reviews strategic significances of each department vis-à-vis corporate strategy through a linkage that will eventually trigger corporate-level strategies to lower levels; namely, from corporate strategy, to departmental and section strategies; and (2) Competency Skill Behavior (CSB) evaluation, where behaviors that support corporate culture will be evaluated. Supervisors will evaluate each individual. Some of the evaluation will be based upon the company's policies; others upon something else, depending on criteria set by department supervisors. To ensure effective evaluation and to access information from co-workers of various levels, the assessment is conducted from every direction. In this regard, supervisors will evaluate their supervisees and vice versa. In addition, staff of all levels is encouraged to conduct a self-evaluation. Results of both BSC and CSB evaluations are used to allocate the company's overall returns to departments, sections and units.

Remunerations in cash for the year ending 31st December 2015 totaled THB 30,234,923.28:

1. Remunerations of directors of the Company's Board of Directors and the Committees totaled THB 5,199,000.00
2. Remunerations of directors of the Company's subsidiary totaled THB 2,460,000.00
3. Remunerations, which were total wages of the (6) executives paid by the Company and its subsidiaries, totaled THB 21,712,594.48
4. Provident fund of the executives under item 6 above totaled THB 863,328.80

Remuneration of the Board of Directors and Management

Remunerations for the Board of Directors and the Committees in cash for the year ending 31st December 2015

Name	Position	Remunerations in cash for member of the Committee					Total (THB/year)
		Board of Directors	Audit Committee	Strategic and Investment Committee	Nominating and Corporate Governance Committee	Management Development and Compensation Committee	
1. Mr. Prakrit Pradipasen	Chairman of the Board and Independent director	390,000	-	-	58,500	-	448,500
2. Mr. Sansern Wongcha-um	Independent director	300,000	130,000	-	-	-	430,000
3. Assoc.Prof. Manop Bongsadadt	Independent director	300,000	100,000	-	-	-	400,000
4. Mr. Dej Bulsuk	Independent director	300,000	100,000	-	-	-	400,000
5. Mr. Ekasith Jotikasthira	Independent director	300,000	-	-	42,000	-	342,000
6. Mr. Banyong Pongpanich	Director	300,000	-	-	-	-	300,000
7. Mr. Vitoon Vongkusolkrit	Director	300,000	-	108,250	14,000	14,000	436,250
8. Mr. Supol Wattanavekin	Director	300,000	-	93,750	14,000	19,500	427,250
9. Mr. Chanin Vongkusolkrit	Director	300,000	-	115,500	28,000	39,000	482,500
10. Mrs. Panida Thepkanjana	Director	300,000	-	93,750	28,000	28,000	449,750
11. Mr. Gavin Vongkusolkrit	Director	300,000	-	56,250	-	14,000	370,250
12. Mrs. Kamonwan Wipulakorn	Director	300,000	-	-None-*	-	-	300,000
13. Mr. Petch Krainukul	Director	300,000	-	-None-*	-	-	300,000
14. Mrs. Vansamorn Wannamethee	Member of Sub Committee	-	-	56,250	-	-	56,250
15. Mr. Nattapong Vongkusolkrit	Member of Sub Committee	-	-	56,250	-	-	56,250
Total (THB/year)		3,990,000	330,000	580,000	184,500	114,500	5,199,000

Note: * Executive



THE
ERAWAN
GROUP

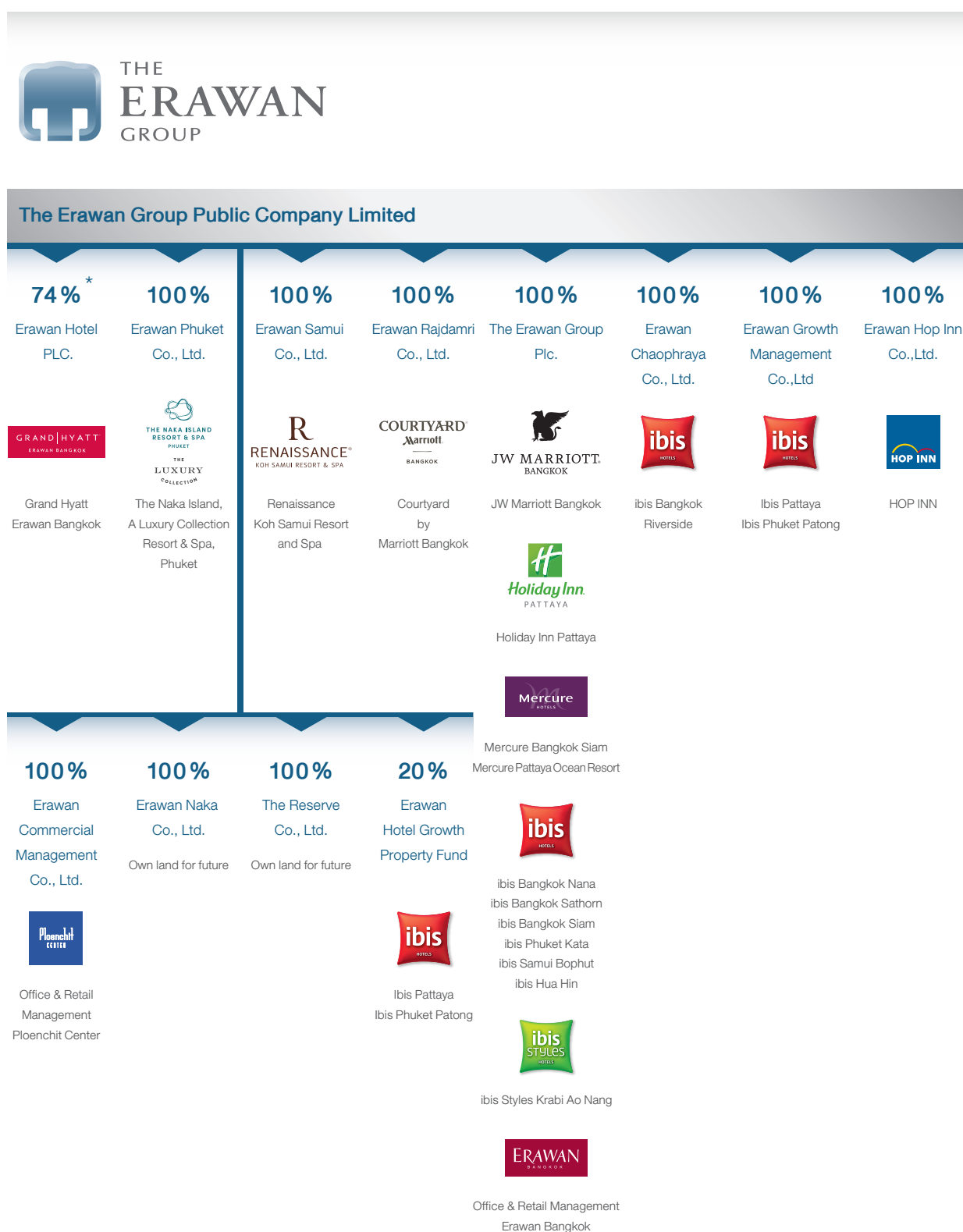
SUCCESS WITH INTEGRITY

BUSINESS OVERVIEW

Return Enhancing Strategy:

Continuous improvement of operating assets
and optimize return through
“Asset Monetization Program”

Business Structure



* The Government hold 26% of shares via the Syndicate of Thai Hotels & Tourist Enterprise Limited and also the landlord

Operation Structure

There are 3 types of asset management structure in our hotel operation.

1. Hotels managed under Hotel Management Agreement

The Company selects only well-known international hotel management companies to operate our properties. The selection criteria are based on the reputation, experience, global network and operation system of hotel operators as well as the appropriateness to our properties.

Hotel Operators				
Luxury		 		 
Midscale				

2. Hotels managed by Erawan under the Franchise Agreement

The Erawan Group has entered into franchise agreement with  to have a right to use brands    to operate our properties. The Company also applies the selection criteria that the selected brands are best fitted to our properties.

3. Hotels managed by Erawan with own brand

The Erawan Group has developed its own brand  by focusing on necessity and requirements of main target group of customers.

Properties in Operation

Hotels and Resorts

◆ Bangkok

LUXURY



Grand Hyatt Erawan Bangkok
www.bangkok.grand.hyatt.com

Number of rooms : 380 rooms

Location : Ratchaprasong, Rajdamri Road



JW Marriott Hotel Bangkok
www.marriott.com/bkkdt

Number of rooms : 441 rooms

Location : Sukhumvit Soi 2

MID-SCALE



Courtyard by Marriott Bangkok
www.courtyard.com/bkkcy

Number of rooms : 316 rooms

Location : Soi Mahadlekluang 1,
Rajdamri Road



Mercure Bangkok Siam
www.mercure.com

Number of rooms : 189 rooms

Location : Siam, Rama 1 Road

The Company and its subsidiaries' core businesses are investment and development of diversified hotel properties across Thailand's key destinations. Currently, the Company owns 33 hotels and operates other businesses including retail space rental, and management of office building.

◆ Provincial

LUXURY



Renaissance Koh Samui Resort and Spa
www.marriott.com/usmbr

Number of rooms : 45 deluxe rooms
 and 33 pool villas

Location : Lamai Beach, Koh Samui,
 Surat Thani



**The Naka Island, a Luxury Collection
 Resort and Spa, Phuket**
www.nakaislandphuket.com

Number of rooms : 67 pool villas

Location : Koh Naka Yai, Phuket

MID-SCALE



Holiday Inn Pattaya
www.holidayinn-pattaya.com

Number of rooms : 567 rooms

Location : Pattaya Sai 1 Road, Chon Buri



Mercure Pattaya Ocean Resort
www.mercure.com

Number of rooms : 210 rooms

Location : Pattaya Sai 1 Road, Chon Buri

Properties in Operation

Hotels and Resorts

◆ Bangkok

ECONOMY

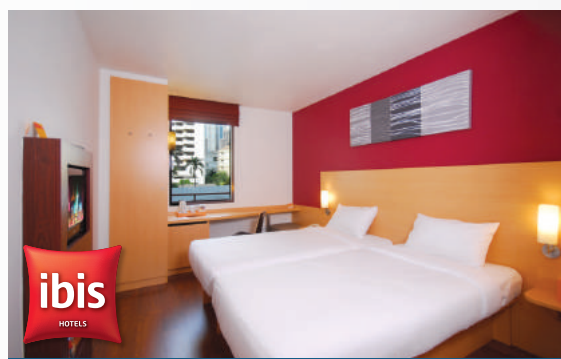


ibis Bangkok Sathorn

www.ibishotel.com

Number of rooms : 213 rooms

Location : Soi Ngam Duphli, Rama 4 Road



ibis Bangkok Nana

www.ibishotel.com

Number of rooms : 200 rooms

Location : Sukhumvit Soi 4 (Nana)

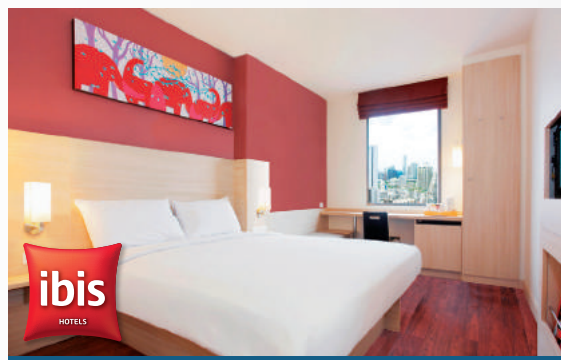


ibis Bangkok Riverside

www.ibishotel.com

Number of rooms : 266 rooms

Location : Chaophraya River,
Charoennakorn Road Soi 17



ibis Bangkok Siam

www.ibishotel.com

Number of rooms : 189 rooms

Location : Siam, Rama 1 Road

◆ Provincial

ECONOMY



ibis Samui Bophut
www.ibishotel.com

Number of rooms : 209 rooms
 Location : Bophut Beach,
 Koh Samui



ibis Phuket Kata
www.ibishotel.com

Number of rooms : 258 rooms
 Location : Kata Beach,
 Phuket



ibis Phuket Patong
www.ibishotel.com

Number of rooms : 258 rooms
 Location : Patong Beach,
 Phuket



ibis Hua Hin
www.ibishotel.com

Number of rooms : 200 rooms
 Location : Hua Hin, Prachuap
 Khiri Khan



ibis Pattaya
www.ibishotel.com

Number of rooms : 254 rooms
 Location : Pattaya Sai 2 Road,
 Chon Buri



ibis Styles Krabi Ao Nang
www.ibishotel.com

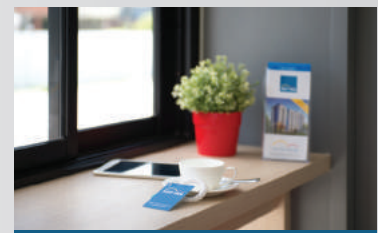
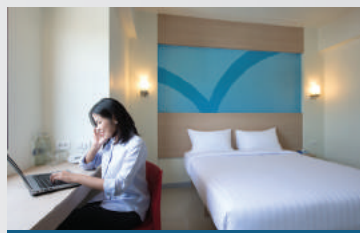
Number of rooms : 206 rooms
 Location : Ao Nang, Krabi

BUDGET



HOP INN
www.hopinnhotel.com

Number of rooms : 1,175 rooms, 15 hotels
 Location : Kanchanaburi, Khon Kaen, Krabi, Lampang, Mae Sot , Mukdahan,
 Nakon Ratchasima, Nakhon Si Thammarat, Nong Khai, Phitsanulok,
 Sa Kaeo, Surat Thani, Trang, Ubon Ratchathani, Udon Thani



Properties in Operation

Rental Property

▣ Bangkok



Erawan Bangkok

www.erawanbangkok.com

Retail Shops (up-scale) : 6,554 sq.m.

Location : Ratchaprasong Intersection

Property Management

▣ Bangkok



Ploenchit Center

Owner : Prime Office Leasehold Property Fund

Managed by : Erawan Commercial Management Co., Ltd.

Office Building : 42,847 sq.m.

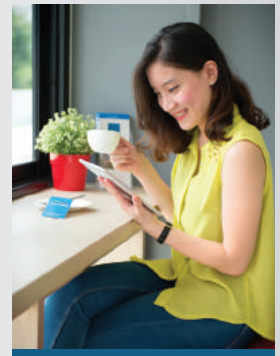
Location : Sukhumvit Road Soi 2

Properties Under Development

Hotels

◆ Provincial and Overseas

BUDGET



HOP INN

www.hopinnhotel.com

Number of hotels : 7 hotels in Thailand, 2 hotels Overseas

Location in Thailand : Chanthaburi, Chiang Mai, Chumphon, Hat Yai, Phuket, Roi-Et, Sakon Nakhon

Location Overseas : Manila, Philippines

Thailand's Tourism Industry Outlook in 2015

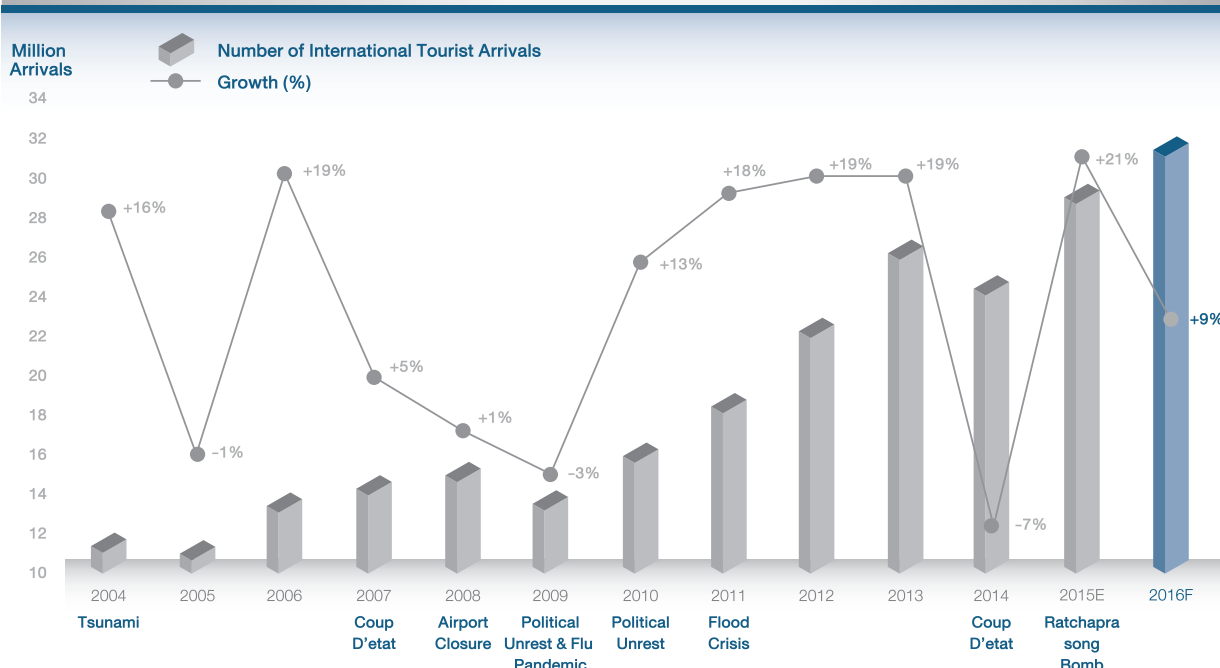
In 2015, the number of international tourists to Thailand exceeded the initial target of 28.8 million visitors and reached a record high of 29.88 million, a 20.44 percent increase from 24.8 million visitors in 2014. The end of political turmoil and sustained influx of Chinese tourists to Thailand constituted a significant portion of this increase. According to the Tourism Authority of Thailand (TAT), the number of Chinese tourist arrivals increased from 4.63 million in 2014 to approximately 8 million in 2015. China remained the largest source market followed by Malaysia, Japan, and South Korea respectively. Chinese tourists alone accounted for approximately one in every four international tourists travelling to Thailand this year.

In the first half of the year, hotels in Thailand witnessed robust demand from both transient and group segments, owing to 29 percent increase in foreign tourist arrivals compared to same period last year. Nevertheless, the bombing incident at the Ratchaprasong intersection in August raised security concerns among international tourists, inducing 23 countries

to issue travel advisories for Thailand. While hotels in resort markets experienced no material adverse impact, hotels in Bangkok reported many corporate and wholesale group cancellations in response to the incident, especially from Hong Kong and Singapore. However, the impact of the bombing incident on the tourism sector was short-lived. Within three months following the incident, foreign visitors regained confidence and international tourist arrivals to Thailand quickly rebounded. Thailand's international tourism sector demonstrated impressive recovery, ending the year with higher-than-forecast number of foreign tourist arrivals.

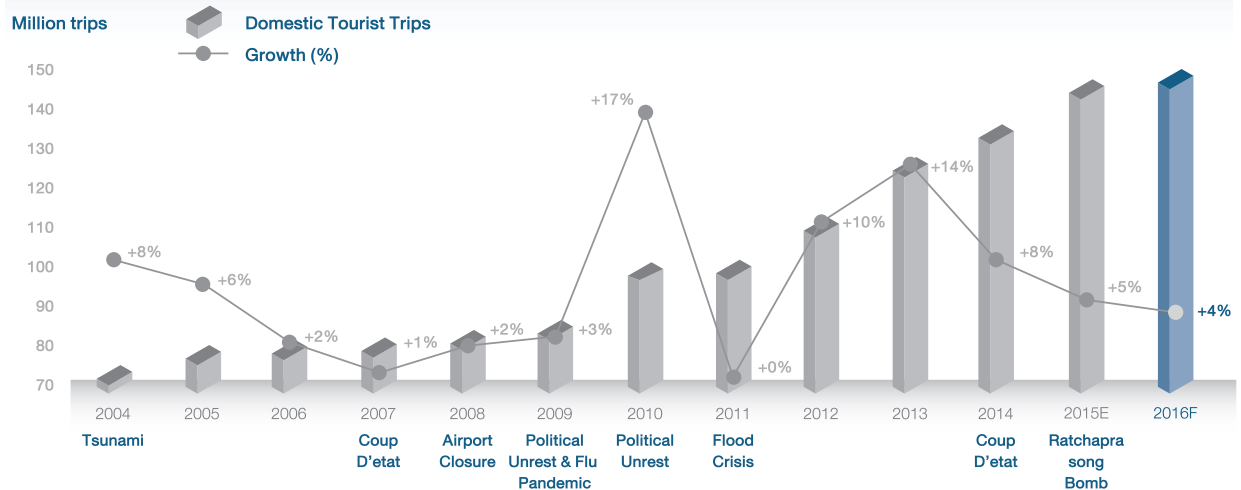
Thailand's Tourism sector continued to face challenges from Russia's economic downturn and the depreciation of Russian ruble. Pattaya and Phuket, two of the major destinations for Russians, experienced substantial drop in demand from Russian tourists especially in high season. However, demand losses from Russian tourists were offset by substantial increase in the number of Chinese tourists, a group that travels year-round to Thailand.

International tourist arrivals over years (Million Arrivals)



Source: Department of Tourism, Tourism Authority of Thailand, and Tourism Council of Thailand

Domestic Tourism Figure over years (Million Trips)



Source: Department of Tourism and Tourism Authority of Thailand

In December, Airports of Thailand (AOT) opened newly renovated Terminal 2 at Don Muang International Airport, raising Don Muang's passenger-handling capacity from 18.5 million to 30 million, accommodating increasing low-cost carrier passenger traffic. Furthermore, AOT is in the process of expanding other airports and facilities in major tourist destinations, including the expansion of Suvarnabhumi Airport and Phuket International Airport, which will almost double their passenger handling capacity.

Domestic tourism enjoyed steady growth over the year. TAT estimated that in 2015 domestic travelers took 145 million domestic trips, a 5 percent increase from 138 million trips in 2014. Major airports in Thailand saw huge traffic surge as many domestic low-cost carriers introduced new routes and increased flight frequencies. According to the Center for Asia-Pacific Aviation, Don Muang Airport saw a 50 percent surge in passenger traffic in the first half of year, overtaking the position as the world's busiest low-cost carrier airport. The government had been aggressively stimulating domestic tourism by launching marketing campaigns and

introducing fiscal incentives, including issuing tax rebate scheme for domestic travel expenses up to 15,000 baht annually.

The outlook for Thailand's tourism industry in 2016 remains positive. Tourism Authority of Thailand expects total revenue generated by tourism to reach 2.46 trillion baht next year with 1.56 trillion baht coming from international tourism receipt. Tourism Council of Thailand expects international tourist arrivals to reach 32.5 million arrivals with approximately 8.53 million arrivals coming in the first quarter. The number of Chinese tourist arrivals to Thailand is expected to further increase and reach 10 million in 2016. Moreover, TAT estimates that Thais will take 151 million trips, generating 850 billion baht in domestic tourism revenue.

Thailand's Tourism Industry Outlook in 2015

The aim to further develop Thailand's tourism sector is at the forefront of the government's top priorities. To develop a more sustainable tourism industry, the Tourism Authority of Thailand plans to shift its strategy to promoting quality tourism and boosting total tourism expenditures rather than solely increasing the quantity of visitors. With the commencement of Association of South East Asian Nations Economic Community (AEC), inbound travel to Thailand is expected to further increase as Thailand benefits from its geographical location in the center of ASEAN region, increasing availability of low-cost carriers, and recent introduction of Multiple Entry Tourist Visa (METV) for foreign visitors. The establishment of Special Economic Zones by the Board of Investment (BOI), the development of high speed railway and infrastructures, and cooperation from both private and public sectors will further stimulate domestic tourism. Thailand still possesses many undiscovered destinations in both primary and secondary provinces that, coupled with strong government's support to heavily invest in local tourism, demonstrate promising potential to attract both international and domestic tourists and further contribute to the overall development of the country's tourism industry.



Courtyard by Marriott Bangkok Hotel

Risk Factors

Our company has Strategic and Investment Committee ("SIC"), who supervises and manages policies, plans and investment projects approved by the Board. The Committee also ensures that the firm has a systematic, distinct and effective risk management system. Each head of departments are responsible to analyze and formulate strategies to manage or mitigate risks in respective areas.

Risks and risks management strategies associated with our operations are:

1. Risk of dependency on third-party hotel management companies

International hotel operators are carefully selected and hired to utilize their reputations, experiences and expertise in managing and administering our hotels. These third-party hotel operators include Hyatt International, Marriott International, InterContinental Hotels Group, and Starwood Hotels & Resorts Worldwide, which are amongst the world's largest with proven track records, established systems, worldwide reputations, and strong financial positions.

However, there is a risk that operators' capabilities to compete may decline and adversely affect our hotels' performance during the long-term management agreements contracted periods. Therefore, all hotel management agreements with third-party hotel operators include termination for non-performance clause, which allows the company to terminate the contract and appoint another international hotel operator to take over the management of the property, in case that the existing operator is not able to manage the hotel to reach expected performance level.

Additionally, the company has also developed skillful and experienced hotel operations team to operate properties under franchise agreement as well as company's owned brand to further mitigate the third-party dependency risk.

2. Risk from Declining Demand and Increasing Supply

The unbalanced situation of supply and demand could cause an intense competition in the hotel market, which may affect company's income and operating profit. We have mitigated this unbalanced demand-supply risk effectively by diversifying hotels and resorts portfolio into luxury, mid-scale, economy, and budget segments in various tourist destinations and business district areas. Moreover, the company carefully selects different highly-experienced hotel management operators and develops competent hotel operations team to manage our properties based on their strong market segments. Such hotel operators and hotel operations team can provide competitive advantage over other hotels such as extensive sales and marketing network, worldwide customer base, and proactive crisis management under unanticipated situations. We have always been proactive in introducing and reestablishing hotels' competitive strengths as well as reinforcing hotels to manage their operating expenses effectively and efficiently on an on-going basis.

3. External Risk Factors Impacting Company's Assets and Business Operations

Unpredictable and uncontrollable external risk factors such as natural disaster, terrorism or political unrest may cause a serious impact on company's properties and business operations. However, the company has set international accepted crisis management standard procedures based on level of situations to reduce such adverse impacts. For example, crisis management during political unrest or demonstrations, which have been implemented including increased security guards on duty, restricted access to and from properties, setup barriers within vicinity, retained extra supplies, and prepared evacuation plans in accordance with international standard. Furthermore, all hotel properties of the company are covered under all-risk, business interruption, and terrorism insurances to cover the

Risk Factors

aforementioned damages should they have direct impact to any of the properties.

These external risk factors might also cause a sudden drop in number of international tourist arrival, which will have a direct impact on hotel revenue and net income. Nevertheless, precedent events have shown a pattern that these adverse impacts are short-lived, around 3 - 9 months, depending on severity. Since our hotels are managed by international hotel operators, who are professional, possess flexible and responsive systems and can capitalize on their experiences in dealing with extraordinary events from across the globe, our business performance are more resilient to such external factors. Sales and marketing activities are flexible and can be promptly adjusted according to market condition, while proactive extensive cost management policies can be implemented to reduce impacts to the company's net income.

4. Risk from International Investment

Our business strategy to invest internationally exposed the company to additional threats such as exchange rate volatility, fluctuation in investment value, lack of knowledge in laws and regulations related to hotel operations, as well as licenses and permits application. In order to diminish the above mentioned risks, the company carefully monitors international investments. Local experts are also employed as to share know how in running business in foreign countries.

5. Interest rate risk

Interest rate risk, which is a result of changes of market rates in the future, will affect our operating results and cash flow. For the purpose of interest rate risk mitigation, the Company previously converted a portion of long term loan from floating rates into fixed rates. However, as of 31 December 2015, this conversion had expired and all of our long term loans were subject to floating interest

rates, most of which apply a Minimum Lending Rate (MLR) and a 6-month Fixed Deposit Rate. We believe the hedging expense is uneconomical compare to benefit. We are monitoring the interest rate trend closely and will arrange risk prevention measures when there is a good balance between cost of fund and risk prevention.

6. Human Resources Risk

Loss of executive management or key personnel of the company is also considered a risk for the company. However, human resources development and management is one of the key priorities of the company. Over the past years, the company has recruited employees and managements in rapid growth departments and provides continuous training and development to existing employees. More importantly, the company has implemented a 3-layer succession plan from President down to Vice President level which supervised by the Management Development and Compensation Committee ("MDC") and Executive Vice President of each department respectively. In addition, with a professionally run structure, the company operates under an efficient system and do not rely on sole capability or decision-making of a single individual. Authority has been decentralized to various level employees under the supervision of the Board of Directors. These structures of management will help reduce risk from loss of key personnel.

In addition, key corporate cultures including "Team spirit" and "With integrity", will also attract capable professionals with integrity to join the company. Lastly, competitive compensation and benefits, bonus scheme which links to corporate strategy map as well as long term stock option plan for executive management and employees also creates commitment and loyalty to employees which will help them to work more efficiently. This compensation structure will also help to retain quality employees with the company.



THE
ERAWAN
GROUP

SUCCESS WITH INTEGRITY

ESG REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Success with Integrity

CG Awards



Year 2015

- "Very Good" CGR Report 2015
Project: Corporate Governance Report of Thai Listed Companies, the Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand (SEC)
- "Excellent" AGM Assessments Program 2015, Thai Investors Association
Project: AGM Assessments Program 2015, the Stock Exchange of Thailand.
- "ESG100 Companies" Certified of Environmental Social Governance Company of the year 2015 are recognized for its outstanding sustainability performance in the tourist & leisure sector in Thailand by Thaipat Institute and the Securities and Exchange Commission, Thailand (SEC)
- Nomination to "Best Investor Relations-Distinctive"
Project: SET Awards 2015

Recognitions 2005-2014

Board of the Year Awards

- Board of the Year for Distinctive Practices 2006/2007

Corporate Governance Report of Thai Listed Companies

- "2nd Quartile" Year 2005 (Top rating = 1st Quartile)
- "Very Good" Corporate Governance Rating 2006, 2008
- "Excellent" Corporate Governance Rating 2009-2012
- "Excellent & Top Quartile" Corporate Governance Rating 2013
- "Very Good" Corporate Governance Rating 2014

AGM Assessments Program

- "Good" AGM 2006
- "Very Good" AGM 2007
- "Excellent" AGM 2008-2009
- "Excellent Recognized as Good Example" AGM 2010
- "Excellent" AGM 2011-2014

SET Awards

- 1 in 3 Nomination to "IR Excellent" Awards 2009
- "Excellent" IR Awards 2010
- Nomination to "Excellent CSR Awards 2010"
- Nomination to "Excellent CSR Awards 2011"
- "Most Improved" CSRI Recognition 2013
- IR Awards 2013 "Best Investor Relations-Distinctive"
- IR Awards 2014 "Best Investor Relations-Distinctive"

The Collection Action Against Corruption (CAC)

- Full Member of the CAC (Certifies that the company to declaration on anti-corruption by putting in place good business principles and control against briber).
- The Collection Action Against Corruption (CAC)
- Level 4 "Certified" Anti-Corruption Progress Indicator Completed.
Project Sustainable Development by Thaipat Institute and The Securities and Exchange Commission (SEC)

Asia Recognition Awards

- "The Best of Asia" the 3rd Asian Excellence Recognition Awards 2012, Corporate Governance Asia Recognition Award
- "The Best of Asia-Corporate Director Recognition Awards" the 4th Asian Corporate Director Recognition Awards 2013, Corporate Governance Asia Recognition Awards

Sustainable Development Policy

The Erawan Group Public Company Limited is determined to operate a business for a long term sustainable growth. This was built from our corporate governance, financial performance, employees and corporate culture with an emphasis at transparent operation to enhance the benefit and values to all our stakeholders while focus on the community and the environment.

We emphasize on our corporate strategy and sustainable strategic direction to build the Company to be the profitable and sustainable organization. We believe that key factors are good leadership and corporate governance, strategic planning and quality and efficiency of all stakeholders; namely, shareholders, employees and their families, customers, creditors, suppliers, competitors, the state, communities, the society and the environment. As such we have formulated the sustainable development policy as follows.

1. Implementing a development concept through communication and exchange of excellent practices with all stakeholders to lead the company to the sustainability organization.
2. Conducting the concept of sustainable development to be fully integrated in all work and decision-making processes.
3. Promoting opportunities for learning and professional development and provide recommendations that focus on practices under the framework of sustainable development.
4. Encouraging the collaboration with the public and private sector to ensure the sustainable development was in place with the cooperation from all parties.

The Sustainable Development Policy is the accountability of our Board of Directors and Management to drive it in a constructive manner. It is also the duty of all employees in our organization to comply with the policy and integrated it as part of our day-to-day business process to achieve concrete outcomes.



Mrs. Kamonwan Wipulakorn
President



Grand Hyatt Erawan Bangkok

Anti-Corruption Policy



Courtyard by Marriott Bangkok

Erawan manages our business on the basis of the corporate governance principle. We have formulated an anti-corruption policy against all forms of corruption likely to emerge from our operation and contacts with stakeholders which directors, the management and employees of the Company, our subsidiaries and associated firms are required to strictly comply with.

Corruption as defined by the anti-corruption policy

Corruption means bribing, using a title, responsibility and/or information derived from work performed for the company to do anything to render benefit to one's self, his/her alliance and/or other parties in order to directly and indirectly acquire assets or any other profit not appropriate for the business or any illegitimate interest for oneself including any action found conflicting with the Company's Code of Conduct unless the laws, rules, announcements, regulations and local customs or business practice have allowed so.

Corruption is possibly expressed through the following four forms.

1. Political assistance - this refers to financial support or donation of items and/or participation in activities; or the Company's support for employees to attend

political events in its name in order to acquire business advantages. This however does not include employee's own participation on the basis of his/her personal rights and freedom.

Erawan's policy is to conduct our business on a neutral basis with neither political alignment nor attachment to any professional politician of any party. We will not donate our funds or other forms of assistance for political purpose as defined in paragraph one for the benefit of our business.

2. Charity donation can be a corruption risk to the Company when the activity refers to a payment but without constructive returns. Besides, the activity can become a claim or a means of corruption. To avoid any charity donation with a hidden agenda, Erawan has formulated a policy and criteria as well as a review process and control details as follows.

- 2.1 A charity activity has to be proven that it actually exists; that actions have been made to successfully realize the purpose of the project and that it is set up for the real benefit of the society.
- 2.2 A charity donation has to be proven that it has nothing to do with a reciprocal return with anyone

or any organization except an action to honor the donor as normally practiced such as displaying our logo, mentioning our name at the event or in a PR media.

3. Sponsorships to promote our business, logo or goodwill may, too, contain a risk as money usually paid for business or profit is difficult to detect and measure. In addition, the sponsorships could be related to bribing. That's why Erawan is stipulating a sponsorship policy, a review process, control details and assessment methods as follows.

- 3.1 A project has to be proven that the person soliciting for sponsorship has actually run the project; that his action is to realize the project's purpose; and that the project is created for the real benefit of the society.
- 3.2 It has to be proven that sponsorship or any other profit computable in a monetary value such as gift of accommodation and food has nothing to do with a reciprocal return with anyone or any organization unless it is an announcement to honor the person as normally practiced in the business.



ibis Hua Hin

4. As for expenses relating to gifts, hospitality and others, their policies, criteria, review process and control procedures as well as assessment of approval criteria will be in line with the CSR regulations.

Whistle blowing and controlling measures

Should anyone come across or doubt over the violation of the Code of Conduct or relevant rules, laws and regulations, the Company has set up an independent unit to review details informed by such whistleblower who may either be an internal employee or an external party through the following process for the purpose of fact-finding:

1. Fact-finding process: Erawan has set up a grievance-filing channel on its website, through the annual report under the topic of corporate governance statement and also through Code of Conduct. Our fast and systematic fact-finding process refers to the following:

- 1.1 Sufficiency and clarity-details of what is revealed or filed must be true and/or enough to conduct an investigation.
- 1.2 Materiality-as for tips or grievance found to contain materiality, the person receiving the grievance will submit the matter to the Disciplinary Action Committee whose members consist of the Compliance Unit, the HR Unit, the department in which the person being the subject of such grievance is working and the unit in which the whistleblower or the person filing the grievance (in case of an employee) is attached to in order to conduct a further investigation for fact-finding purpose.
- 1.3 The whistleblower or the person filing a grievance will be equally protected whether he is an employee or the third party.



Courtyard by Marriott Bangkok

1.4 The whistleblower or the person filing the grievance may choose not to reveal his name, address or contact number unless he feels that such a disclosure will enable Erawan to inform him a progress, to inquire him additional information that could be beneficial to the case, to notify him the facts or to relieve him from damage in a quicker and more convenient manner.

2. Fair treatment process: the Disciplinary Action Committee will review the case on a fair basis and will protect the whistleblower or the person filing grievance, the person handling the grievance, the person subject to such grievance and parties involving in the fact-finding and reporting process. Information will be kept confidential and only be revealed when necessary while we will take into consideration safety and damage of the whistleblower or the person filing grievance, the person subject to such grievance or those cooperating in the fact-finding process, source of information or other related persons where everyone will sign a pledge together.

3. Reporting process: The Disciplinary Action Committee has a duty to directly report the facts of the matter to the President and/or the Audit Committee and/or

the Board of Directors, depending however on what has happened where it will be upon the Committee's discretion to decide to what extent it is appropriate to present the report to a responsible person where Erawan has stipulated the following as a framework:

- 3.1 To the President if it's about general management and the matter is under the President's supervision;
- 3.2 To the Audit Committee if it's related to the corporate governance policy and/or if it's an intended violation of one's duty and responsibility with serious effect;
- 3.3 To the Board of Directors after the Audit Committee's decision that it's appropriate that the matter be reported thereto for its acknowledgement and/or for action relating to the supervision policy; and/or if the matter is having an effect to senior executives.

4. Disciplinary action and reporting :

- 4.1 Disciplinary action shall be in line with the Employee's Disciplinary Action Regulations issued by the Company and/or relevant laws.
- 4.2 In case the Company can contact the whistleblower or the person filing the grievance, it will report the person in writing.
- 4.3 Related supervisors are required to monitor improvement actions, if any, and report their line supervisors.

Anti-Money Laundering and Countering Financing of the Terrorism (AML/CFT) Policy

To ensure that the Erawan Group Public Company Limited and its subsidiaries (the "Company") comply with the laws on anti-money laundering (AML) and international criteria on anti-money laundering and counter financing of terrorism (AML/CFT), the Board of Directors has established the AML/CFT Policy, the Know Your Customer (KYC) Policy and the risk management policy against customer's money laundering practices. This also include supervisee employees to effectively comply the with the AML/CFT policy.

The AML/CFT Policy

The Company has a duty and business ethics to establish the AML/CFT policy and practice guidelines while committing to prevent itself from being a money-laundering and terrorist financing haven. This can be done by strictly complying with the laws on AML as well as other related legislations and practices stipulated by the Anti-Money Laundering Office (AMLO).

The Company will also establish secondary policies and supporting measures to accommodate the aforementioned policy which shall include the Know Your Customer (KYC) policy, the risk management policy against customer's money laundering practices, ongoing Customer Due Diligence (CDD) practice as well as supervision for effective AML/CFT compliance among employees. Details are as follows.

The Know Your Customers (KYC) Policy

The Company has a duty to ask customers to identify themselves and to verify customer's identity before accepting them as customers under the provisions of the anti-money laundering laws.

The Risk Management Policy against Customer's Money Laundering Practices

The Company is liable to manage risks involving customer's money-laundering practices before approving customers under the laws on AML.

Ongoing Customer Due Diligence (CDD) Practices

The Company has a duty to constantly and continuously monitor customer information until its relationship with customers comes to an end in accordance with the laws on AML.

Supervision for AML/CFT compliance among employees

1. The Company requires executives at every levels, employees and business partner (hotel operator) to strictly comply with the AML/CFT policy and practice regulations.
2. The Company requires authorized executives to supervise compliance with the laws on AML and to coordinate with the Anti-Money Laundering Office (AMLO).
3. The Company determine measurement to control AML/CFT risks possibly occurred from customers using its services from the Company.
4. The Company communicates the AML/CFT policy with the Board of Directors, executives, employees and business partner (hotel operator) to promote genuine understanding toward this policy and compliance with it.
5. The Company set up procedure, guideline and operation manuals that comply with the AML/CFT policy.
6. All levels of executives, employees and business partners (hotel operator) must comply with the AML/CFT policy and regulations.

Corporate Governance Policy

The Erawan Group is managed on the principle of good corporate governance. The business is run in compliance with the laws and on the basis of the Business Code of Conduct where information is disclosed in a transparent and straightforward manner. We have also put in place efficient auditing mechanisms. We operate our business by taking into consideration our responsibility in every aspect to shareholders and stakeholders, the structure of our Board of Directors, supervision mechanisms and efficient management responsibility. Aside from complying with the OCED's best practices and ASEAN CG Scorecard, we also implement other best practices normally practiced overseas; for example, The Erawan Group have set up four sub-committees to help supervising each task or the fact that our board consists of as much as 38.46 percent of Independent Directors out of the entire board. With regard to corporate governance, The Erawan Group has set up the Nominating and Corporate Governance Committee (NCG) to regularly review and update corporate governance policies and practices so the company will continue to have up-to-date criteria that it can be actually implemented. To comply with the policy, the President has been directed to promote corporate governance among staff of all levels.

The Erawan Group has signed the Collective Action Coalition (CAC), a movement established by the Thai private sector against corruption and certifies that the company to declaration on anti-corruption by putting in place good business principles and control against briber. (Full Member of the CAC) and got a level 4 "Certified" Anti-Corruption Progress Indicator Completed. Project Sustainable Development by Thaipat Institute and the Securities and Exchange Commission (SEC).

The Erawan Group also ensure that staff understands the concept of Corporate Social Responsibility (CSR) where business is run by properly taking into consideration the interest of all stakeholders whether they are employees and family, customers, suppliers/creditors, competitors, public sector, society and environment. The Erawan Group regularly conducts an opinion survey of stakeholders.

Results of the survey are used to improve business efficiency and to be one of the factors evaluating our staff performances annually.

Good Corporate Governance can be divided into eight areas as follows:

1. Code of Conduct

The Erawan Group have announced a policy to conduct our business based on the principles of good corporate governance. We combined the best practices and the Code of Conduct, which not only were in line with our corporate strategy, but were also practicable, into our Code of Conduct manual. The manual was updated in 2014, which was indeed a significant move based on our motto of "Success with Integrity". The updated Code of Conduct has been distributed to executive officers and staff for implementation to ensure our success with integrity and also to promote our corporate culture and ethical performances. Our Code of Conduct is now posted in our website at www.TheErawan.com, a mechanism to ensure that our directors, management and staffs commit to their responsibilities to all stakeholders.

2. Qualifications, Structure, Duties and Responsibilities of the Board and the Management

Not only qualifications of our directors are in line with the SET's requirements but they are also much more intensive. Director's term of office is three years each term with clear scopes of work and with power being balanced between non-executive directors. Half of the Board's entire members are independent non-executive directors. The Board consists of Chairman of the Board, who is an independent Director and different person from the President where their roles, authority and responsibilities are clearly separated to maintain balance between managing and supervising the company. In addition, there are five other independent directors, six non-executive directors and two executive directors. The total number is 13.

The Board has appointed four different committees in a move to clearly define duties and responsibilities. The Board also has a policy to promote rotation among directors to sit at different committees for appropriate timeframe and on appropriate occasions. Chairman of a committee has a duty to submit a clear-cut policy of his committee to the Board. Every committee must appoint a secretary, who will coordinate with directors and the management to ensure that the policy is translated into action. In addition, the secretary must also record minutes of meeting in writing.

The committees include the following:

The Audit Committee (AC): The entire Audit Committee consists of independent directors and at least three members, who must have adequate accounting knowledge to be responsible for auditing the company's financial statements and its internal control system and to monitor the company's risk management practices on a regular basis. In addition, the Audit Committee will also review the independence of the company's Internal Audit Unit; approve appointment, transfer or termination of supervisor who works as its secretary; review legal compliance; select, appoint, removal and propose an auditor and auditor's fees and review the auditing and disclose information about connected transactions to meet the criteria in an accurate and transparent manner.

The Strategic and Investment Committee (SIC): This Committee consists of no fewer than six directors. The Committee is responsible for consider and formulate the business plan and long term strategy of the Company. To supervise and approve investment projects and divestment transactions as set out in the Company's master plan. The Committee's responsibilities shall include preliminary approvals of project feasibility, financial returns, and review of risks associated with the project, financial structure and source of financing and to provide recommendation to management in relation to business opportunity.

The Nominating and Corporate Governance Committee (NCG):

This Committee consists of no fewer than four members. Its chairman shall be an independent and non-executive director while the remaining two members are non-executive directors. The Committee is responsible for reviewing the structure of the Board, setting qualifications of a particular position, reviewing and recruiting experts to become our directors as well as assessing the Board's performances and other committees appointed by the Board. The Nominating and Corporate Governance Committee also sees that directors, executive officers and staff of all levels comply with the Good Corporate Governance practices and Code of Conduct.

The Management Development and Compensation Committee (MDC):

The Committee, consisting of no fewer than four non-executive directors, is responsible for proposing development policies, assessing knowledge and skills of and compensations to management's highest executives, writing a management's highest executives succession plan and reviewing the company's HR development policy.

3. Qualification of Directors

Principles: The Board of Directors should consist of members of eclectic qualifications in terms of gender, age, knowledge and experiences in various fields from finance to economy, management, business administration, marketing, service, tourism, law and property development as this will allow the Board to formulate business policies and goals, approve strategic plans and operations, supervise and audit the management's performances and make sure the management is carried out under the principles of Good Corporate Governance. The Board of Directors, as a result, shall consist of the following:

1. Independent Directors, Non-Executive Directors and Executive Directors where the number of independent directors shall be no less than one-third of the entire board members.

Corporate Governance Policy

- Chairman of the Board and all members of the Audit Committee shall be independent directors where at least one director shall be knowledgeable in accounting and finance.

General Qualifications:

- Not exceeding 75 years old.
- Being knowledgeable with well-versed experience; being professional and ethical.
- Understanding one's roles and responsibilities; able to completely conduct one's practices on behalf of others with good faith and with ongoing commitment to maximize long-term interest of the business and shareholders.
- Having enough time to effectively perform one's duty.
- Able to conduct a self-assessment and notify the Board upon change or incident that may jeopardize one's effective performance.

Term of Office

- Term of office of Director and Executive Director**
A director will be in the office for three years each term based on the Company's Articles of Association. The Board may nominate retiring directors to shareholders for re-election after their term expires based on an annual evaluation of their performances. Likewise, the term of office of members of a sub-committee is equally three years. In case the term of the board/committee expires and no board/committee has been appointed, the existing board/committee shall continue performing its duties unless a new board/committee is appointed.
- Term of office of Independent Director**
An independent director shall remain in his/her office for no more than nine years in response to the principles of Good Corporate Governance and to attract competent personnel with new knowledge and experience to help managing the business while enhancing the Board's visions and perspectives. An independent director who retires from the office under Clause 2 above may be re-elected as an independent director only after having retired from the office for no fewer than two years.

Specific Qualifications:

Chairman of the Board of Directors

Aside from roles and responsibilities described in the principles and set for other directors, Chairman shall have the following duties: (1) presiding over the meeting of the Board of Directors; (2) making a casting vote at the Board's meeting when votes are tied; (3) calling the meeting of the Board of Directors; and (4) presiding over the Shareholders' Meeting. As a result, qualifications of Chairman are to be different from the rest of directors as follows.

- He/she must be an independent director.
- He/she must neither participate in any management, nor be an employee, staff, advisor who receives a regular salary, auditor or other types of professionals; nor shall he/she have any control authority over the Company or its affiliated or associated company or auditing firm; or be a person with possible conflict of interest without having to have any interest or stake in such a manner described above.

Executive Director

An Executive Director who is Chief Executive Officer and/or President is advised to dedicate time to actively manage the business. He/she should not hold a position in other firms except in a subsidiary or an affiliate. His/her wish to become a director in other firms shall however be first subject to the Board of Directors' review.

Independent Director

- Independent Director shall hold less than 1 percent of the total shares with voting rights in a company, its affiliated company, associated company or any other person with possible conflicts of interest (including shares held by related persons).
- Independent Director must not be involved in the management and is currently not being and has never been employee, staff, advisor enjoying monthly income or person with controlling power of the company, its affiliated company, associated company and auditing company; nor shall he be a person with conflict of

- interest without having to have any interest or stake in such manner for no less than two years.
3. An Independent Director shall have neither blood nor registered relationship as a father, mother, spouse, sibling and children including spouse of children of executive officers, major shareholders, persons with controlling authority or anyone to be nominated as an executive officer or a person with controlling power of the company or its subsidiary.
 4. An Independent Director shall have no business relationship with the company during the previous two years. Details are as follows:
 - 4.1 No relationship as a provider of professional service including being an auditor (in any case), or of other professions such as being a legal consultant, a financial advisor or an asset appraiser with an annual transaction value exceeding Baht 2 million.
 - 4.2 A business and trade relationship including normal transactions, renting or leasing of property, transactions relating to assets and services and giving or getting financial assistance with a transaction value from Baht 20 million or 3 percent of the Company's NTA, whichever is lower. This however shall include values of all retroactive transactions during at least the six previous months prior to the latest transaction.
 - 4.3 An Independent Director shall possess no other characteristic that prevents him/her from expressing his opinion independently.
 5. Independent Director must attend at least one of the following courses held by the Thai Institute of Directors (IOD); namely, Director Certification Program (DCP); or Director Accreditation Program (DAP); or Audit Committee Program (ACP).

Member of the Audit Committee

1. He/she shall be an Independent Director appointed by the Board of Director or Shareholders.
2. He/she shall not be a director entrusted by the Board to make any decision with regard to a business of the company, its parent company, subsidiary and affiliate,

subsidiary of the same level or other entities that may have a conflict of interest.

3. His duties must not be fewer than what is stipulated by the SET.

Transactions with Possible Effects to Independence

1. Being authorized to approve transactions or signing to bind the Company, to exempt collective decision.
2. Attending a meeting or voting in a matter he has an interest or a conflict of interest therein.

Prohibited Characteristics

Directors and executive officers must possess no qualifications that are conflicting with the company's requirements and announcements made by the SEC and the SET.

4. Rules and Responsibility of the Board of Directors and the Management

The Board of Directors determines policies and practices for the management, which include important tasks of an executive. In addition, the Board also allows the management to formulate a management policy based on the Company's objectives and missions, which will be subject to the Board's approval.

The Board of Directors also sets to have its Independent Directors meeting every year so that all directors meet the management.

5. Board of Directors' Meeting

The Erawan Group set a number of both the Board of Directors' meetings and those of other subcommittees. The meeting dates during an entire year would be communicated to directors and other relevant parties in advance. In addition, an agenda was introduced to allow independent directors to freely exchange ideas at the Board of Directors' Meeting during which neither the President

Corporate Governance Policy

nor the Management Director, both of whom were the management's highest executives, was present at the meeting where ideas were freely exchanged among directors.

In 2015, the Erawan Group organized 5 the Board of Directors' meetings, 4 the Audit Committee's meetings, 5 the Strategic and Investment Committee's meetings, 3 the Nominating and Corporate Governance Committee's meetings and 3 the Management Development and Compensation Committee's meetings. Minutes of meeting were recorded in writing at each and every meeting and kept at the Office of the Company Secretary and on a data server so that officers can conveniently access the database. Details of the 2015 meeting attendance of directors are in the Times of Attendance 2015 page 58

6. Evaluation of the Board's Performances

Our Board of Directors is subject to an annual performance evaluation. To be in compliance with the principle of good corporate governance by listed companies, the Board of Directors and sub-committees are having a self-evaluation at least once a year so that they could review and improve their own conduct. The evaluation is based on the latest forms developed by the Corporate Governance for Capital Market Department of the Stock Exchange of Thailand (SET) released in February 2015, which is applied to suit our business nature and to cover performances of one Board of Directors and four sub-committees. The forms we have used consist of the following:

1. Evaluation form of the Board of Directors' performance to evaluate the entire Board.
2. Evaluation form of four sub-committees of:
 - 2.1 The Audit Committee (AC)
 - 2.2 The Strategic and Investment Committee (SIC)
 - 2.3 The Nominating and Corporate Governance Committee (NCG)
 - 2.4 The Management Development and Compensation Committee (MDC)

3. Evaluation form of Self-assessment All forms have been used by the Board and each sub-committee to self-evaluate themselves.

How to read scores: Scores from 1 to 5 are given for statistical analysis. For each score, here is its meaning:

- 1 = Not agreeing. Need urgent improvement. Please provide recommendations.
- 2 = There is room for improvement. Please provide recommendations.
- 3 = Appropriate
- 4 = Very appropriate
- 5 = extremely appropriate

As for the Board of Directors' evaluation performance in 2015, 90% of board members agreed with the structure of the board and its components that they were appropriate and that members were independent enough to create a right check and balance. 89% were of the opinion that directors did understand their roles and responsibilities that they were independent when making a decision without being dominated by anyone. 90% viewed that the number of board meetings was appropriate and they had received enough documents to make a sound decision. Board members were able to study documents prior to the meeting and could attend the meeting on a regular basis. 87% felt that all members performed their duties with responsibilities to maximize the interest of shareholders. 89% deemed that board members did have a good relationship with the management and could frankly communicate with executives. 87% felt that directors were properly exposed to both self-development and executive development processes that allowed them to adequately understand the nature of the business.

Topics in Performance Evaluation	BOD	AC	SIC	NCG	MDC	Self assessment
1. Board Structure and Component	90%	87%	90%	93%	100%	92%
2. Rule duties and Responsibility	90%	92%	88%	91%	97%	89%
3. Board's Meeting	90%	98%	89%	94%	100%	91%
4. Director Fiduciary Duty	87%					
5. Relation with Executive Management	89%					
6. Directors' Improvement and Management Development	87%					
Total	89%	92%	89%	93%	99%	90%

7. Nomination of Directors and Executives

The Board entrusts the Nominating and Corporate Governance Committee to draft a clear nomination policy and process for directors. This refers to a process to initially check a nominee's qualifications to ensure that his are in compliance with director's qualifications; a selection and courting process of a nominee to be our director; a nomination process to the Board or shareholders and a reviewing process of director being re-nominated. An individual evaluation of a director's performances while in the office will be used to support the consideration.

Furthermore, the selection was independently conducted without being subject to anyone's influence. The management's highest executive conducted a two-hour orientation session and arranged for a management team to meet the new director so that he learned about the company, got access to corporate information and strategic plans.

The Board designated the Management Development and Compensation Committee to recruit and formulate a succession plan of management's highest executives, to ensure continued performances and to avoid business disruption.

Times of Attendance 2015

Name	Title	Term	Times of attendance/Number of Total attendance				
			Board of Directors	Audit Committee	Strategic and Investment Committee	Nominating and Corporate Governance Committee	Management Development and Compensation Committee
1. Mr. Prakrit Pradipasen	Chairman and Independent Director	Apr. 2015 - 2018	5/5			3/3	
2. Mr. Sansern Wongcha-um	Independent Director	Apr. 2015 - 2018	5/5	4/4			
3. Assoc. Prof. Manop Bongsadatt	Independent Director	Apr. 2015 - 2018	5/5	4/4			
4. Mr. Dej Bulsuk	Independent Director	Apr. 2015 - 2018	5/5	4/4			
5. Mr. Ekasith Jotikasthira	Independent Director	Apr. 2014 - 2019	5/5			3/3	
6. Mr. Banyong Pongpanich	Director	Apr. 2013 - 2016*	2/5		0/2		0/3
7. Mr. Vitoon Vongkusolkrit	Director	Apr. 2014 - 2017	5/5		2/2	1/1	1/1
8. Mr. Supol Wattanavekin	Director	Apr. 2013 - 2016*	5/5		2/2	1/1	1/1
9. Mr. Chanan Vongkusolkrit	Director	Apr. 2013 - 2016*	5/5		5/5	2/2	2/2
10. Mrs. Panida Thepkanjana	Director	Apr. 2014 - 2017	5/5		5/5	2/2	2/2
11. Mr. Gavin Vongkusolkrit	Director	Apr. 2013 - 2016*	5/5		3/3		1/1
12. Mrs. Kamonwan Wipulakorn	Director	Apr. 2014 - 2017	5/5		5/5		
13. Mr. Petch Krainukul	Director	Jun. 2014 - 2017	5/5		5/5		
14. Mrs. Vansamorn Wannamethee	Member of Sub-Committee	Jun. 2015 - 2018			3/3		
15. Mr. Nattapong Vongkusolkrit	Member of Sub-Committee	Jun. 2015 - 2018			3/3		
Percent of directors' attended			95%	100%	94%	100%	69%

Note: *To propose the Annual General Meeting of Shareholders on April 26, 2016, to reappoint 4 directors who retire by rotation to succeed for another term.

Corporate Social Responsibility “CSR”

8. Corporate Social Responsibility (CSR)

The Board of Directors has formulated several business strategies and also has a strong determination to develop a sustainable business through the nurturing of internal CSR mentality. Known internally as the “CSR-in-process,” the mechanism refers to our responsibilities to all stakeholders; namely, shareholders, employees and families, customers, suppliers, creditors, competitors, public sector, the communities, the society and the environment. In addition, the Board of Directors has also set aside budget to conduct corporate contribution activities (CSR-after-process). The project is called “The ERAWAN for Society and the Environment” which involves annual activity programs on a continuous basis for the benefit of communities and the society at large.



Aside from corporate governance awards received by the Company (For more information, please go to “CG Awards”), we have joined hands with various agencies accredited

by the SET and the Securities and Exchange Commission (SEC) including non-governmental organizations (NGO) as a corporate leader to train people to work in the hospitality business. Some of our activities are:

1. Being a member of the PACT Network run by Thaipat Institute, the public-interest organization, and Thai Rural Reconstruction Movement (TRRM) under the Royal Patronage.
2. Promoting children's rights and business principles (CBRP) by signing and delivering our commitment to work on the subject with the Thaipat Institute and Thai Rural Reconstruction Movement.
3. Being one of the 50 company leaders to drive the society through the philanthropic investments, which is an alternative for sustainable corporate social responsibility.
4. Supporting the planning to develop and train personnel by;
 - 4.1 Develop people in hospitality business by enter into the Memorandum of Cooperation with the University of the Thai Chamber of Commerce, Thai Hotels Association, Association of Thai Travel Agents and their business alliance.
 - 4.2 Support the program to develop and train underprivileged children and those with special needs run by the Pimali Foundation (<http://www.pimali.org>), an NGO. By helping the foundation formulate its plan, we are able to provide training to underprivileged children and those with special needs to work in the hospitality business under the foundation's project called “Learning by Doing” aimed to develop kids up to 17 years old in Nongkhai Province area. The project, which will enhance these children's vocational capacity for a stable career path, is part of our CSR-in-process and CSR-after-process that we hope will lead to a sustainable development in the long run.

Corporate Social Responsibility “CSR”

In addition, we have benefited from the development of a process aimed to enhance the CSR concept by taking into consideration the interests of all stakeholders. Aside from creating values to the society, as a company, we have benefited from the fact that it keeps us run our business on a fair practice, allows us to support trade competitions and liberation and prevents us from doing anything considered a conflict of interest and intellectual property infringement and leads us to oppose all forms of corruption (For more information, please go to the “Sustainable Development Policy,” the “Anti-Corruption Policy,” and the “Anti-Money Laundering/Counter Terrorist Financing”). In addition, it also helps preparing us for the ISO37001 anti-bribery management system and makes us consider human rights, fair labor treatment as well as community, social and environmental development under the CSR-in-process concept as our practice with all groups of stakeholders. (For more information, please go to “Code of Conduct” on our website.)

Duties and Responsibilities of the Board to Shareholder

The Board of Directors takes into consideration shareholders’ rights without limiting only to their fundamental rights as stipulated by laws. This refers to their rights to trade or transfer shares, to share the company’s profits, to adequately receive the company’s information, to attend meetings to vote at shareholders’ meeting in order to either appoint or remove directors and to appoint or remove auditors and discuss important matters affecting the company. In this regards, important matters can range from allocating dividends to formulating or amending rules and regulations and the Memorandum of Association, increasing or reducing capital and approving special transactions. The Board of Directors also supervises to ensure that meeting’s time, date, place and meeting agendas are given to shareholders; that relevant documents and information required for making decisions at a meeting are available to shareholders, that shareholders are notified of applicable rules at the meeting, that voting procedures are not too

complicated and that a meeting location is convenient and not expensive for shareholders to attend the meeting.

The Board of Directors has allowed shareholders to propose agendas of the Annual General Meeting of Shareholders in advance prior to the meeting date. Clear rules and regulations in doing so have been posted in the company’s website to facilitate shareholders. Shareholders may submit a document to propose potential meeting agendas by January 31st of every year. The Board encourages shareholders to use Proxy Form B so that shareholders can determine a voting direction as there are names and information of five Independent Directors who can be alternative proxy for shareholders. In addition, the information must be posted in the Company’s website at least 30 days prior to the meeting. Documents must also be sent to shareholders in advance enough for them to study prior to the meeting.

During the Meeting, the Company treats every procedure equally. No agendas are shortened, deleted or alternated. This is especially the case of an agenda to appoint directors where shareholders are entitled to vote for directors individually upon enough information. All ballots featuring **yes**, **no** and **abstention** votes are duly kept as evidence.

At every the shareholders’ meeting, Chairman of the Board, Chairman of the Committees, Directors, the Chief Executive Officer (CEO) and the President attend the meeting to allow shareholders to express their views and ask questions about relevant matters to the meeting. During the past, the Chairman, Chairman of Sub-committee and Management attended the meeting to allow shareholders to ask questions in an adequate fashion, which however did not delay the meeting. In addition, Q&A sessions, resolutions adopted at the meeting and votes received at each agenda were properly recorded in writing in the Company’s minutes of meeting and posted at the Company’s website within 14 days from the shareholders’ meeting date.

Aside from the Board’s responsibilities to shareholders as

mentioned above, the Board also formulates a Corporate Social Responsibility policy, which includes responsibilities to shareholders as follows.

Responsibilities to Shareholders

1. To manage the Company in a way that will turn it into a quality corporation committed to integrity while creating sustainable strength and growth for shareholders in the long run.
2. To perform our job with thorough care and competency as a business may do under the same situation.
3. To perform our duty with integrity and to fairly treat both major and minor shareholders for the benefit of all relevant parties.
4. To manage the Company's properties in a manner that avoids their depreciation.
5. To report the Company's status and operation results regularly, accurately and completely based on existing facts.
6. To prevent the Company's confidential information from being improperly disclosed to the third party.
7. To avoid doing anything that may lead to a conflict of interest against the Company without any advanced notice.
8. To respect the rights and to equally treat all shareholders, whether they are executive or non-executive shareholders, and foreign shareholders.

Responsibilities to Investor Relations

We set up the Investor Relations (IR) Department as a center to provide complete company information to retail and institutional investors, shareholders, analysts and the public sector. Contacts can be made directly at the Company's office or visit us at www.TheErawan.com. Inquiries can also be made through IR@TheErawan.com.

We conduct an Investor Relations IR Survey to gauge satisfaction in relation to our information disclosure at

least once a year. In 2015, we conducted the survey by distributing questionnaires to analysts at the Quarterly Meeting held in November 2015, and also the last meeting of the year. All respondents were within a target group. More than 56 percent of the respondents had monitored our information for no less than 5 years. 95 percent of the respondents said they were satisfied with the information.

Responsibilities of the Right to Access Information of Stakeholders

We give all stakeholders an access to information. We also determine guidelines and practices for our executive officers and staff to encourage their fair and equal interactions with all stakeholders. We also allow stakeholders to directly contact the Board, the Audit Committee and the Nominating and Corporate Governance Committee for their valuable suggestions that will not only benefit but also add more values to our management at our office, No. 2, Ploenchit Center Building, 6th Floor, Sukhumvit Road, Klongtoey District, Bangkok; or at the Office of Corporate Governance, email: GCG@TheErawan.com. All information is treated confidential and will be directly forwarded to the Board.

Responsibilities to Employees and Families

1. To determine an appropriate structure of remunerations in line with market rates, staff's competency and responsibilities and their work performances through three levels of strategic assessments; namely, corporate strategy, department strategy and division strategy. The Competency Skill Behavior Assessment will be carried out in a 360-degree manner where supervisor will assess supervisees and vice versa and where everyone will have a self-evaluation at all levels.
2. To provide appropriate welfare and other benefits such as accident insurance to staff and executives working out of the office, health insurance and allowances for healthcare services as an out-patient, annual health check-up and coffee corner for staff.

Corporate Social Responsibility “CSR”

3. To ensure staff's Understanding about their professional roles and responsibilities as well as their career goals, to provide an opportunity for staff to grow professionally and to acknowledge and recognize staff's work.
4. Award and punishment will be conducted based on the concept of right and wrong and with integrity.
5. To ensure workplace safety, health and sanitation.
6. To have a clear and efficient working system that allows staff to exercise their knowledge and competency while supporting their knowledge enhancement and recognizing their participation role.
7. To promote the Code of Conduct to staff to help them duly understand and fully comply with the practices.
8. To comply with all the rules and regulations relating to labor laws and staff welfare.
9. To avoid action considered unfair and illegitimate that may affect staff's advancement and job security while respecting an individual's rights.

Responsibilities to Customers

1. To set up a pricing policy considered fair and appropriate.
2. To treat all business deals equally without treating anyone more favorably where every deal is considered conducted on an arm's length basis.
3. To procure and improve the procurement process considered appropriate and meeting business conditions.
4. To execute a fair contract with customers. (without depriving a customer of his benefits)
5. To disclose related and beneficial information accurately, completely and in time without any distortion.
6. To keep customer's confidential information secret as if it is the Company's own information and not using it for the Company's own benefit.
7. Not demanding, receiving from or not giving any illicit profit to customers.

Responsibilities to Suppliers and Creditors

1. To offer a fair competition environment where the procurement and hiring process of goods and services is carried out properly, transparently and efficiently. This will include finalizing price negotiations, making quotations, bidding methods, special methods and procurement methods for government agencies and state enterprises. Questionnaire will be regularly issued to ask for opinions about the Company's bid participation in order to regularly improve its procurement and hiring process of goods and services.
2. Avoid specify a particular product or choosing a particular product intentionally unless otherwise there is an enough reason to do so. In case of change of products or specifications of the product, suppliers must be informed. If necessary, a new price quotation must be submitted. An original supplier must be given an opportunity to equally offer his quotation.
3. Choose a quality supplier who is really interested in doing the job. Avoid inviting suppliers just to have enough participating suppliers as stated in a regulation. All bidders are to receive the same written details, information and conditions. If notified verbally, they shall receive a written confirmation later.
4. Executives or staff involving in the procurement or hiring process must disclose information and/or their personal relationship as well as that of their spouses or closed relatives or a personal relationship with a particular bidder that may directly result in an opaqueness of their job. They shall also exercise their responsibility by not attending a decision-making process when a particular supplier is chosen.
5. Not demanding and receiving gifts, favors or treats unless otherwise on appropriate occasions; refrain from having a special relationship with suppliers so much so that others may believe it may lead to an unfair treatment especially if it makes other suppliers misunderstand, refuse to participate in quoting prices or spread ill words that damages the Company's reputation.

6. To prepare a fair contract and to comply with an agreement executed with suppliers and creditors. In case the Company is unable to comply with its contract, negotiate with suppliers/creditors without delay to find a solution and to prevent further damage.
7. To refrain from doing anything that will prevent suppliers from paying tax to the state.
8. To disclose related and beneficial information accurately, completely and in time without distortion.

Responsibilities to Competitors

1. Acting within the framework of decent competitions.
2. Not seeking competitor's confidential information dishonestly or inappropriately.
3. Not trying to ruin competitors reputation by accusing him falsely without factual basis.
4. Cooperating to reinforce business potentials for a sustainable growth collaborating to ensure safety and public order of public areas in the neighborhood and jointly resolving problems to lessen impacts from what could affect the business.

Responsibilities to the Public Sector

1. Complying with the government's policies, relevant laws and regulations.
2. Promoting constitutional democracy.
3. Conducting business with accountability, supporting activities with the public sector and other organizations for social and community benefits.
4. Organizing events to generate incomes to support charitable organizations such as the Foundation of Elephant's Friends, the Foundation of Returning Elephants to Nature and etc.
5. Refrain from doing anything that may damage the community, the society and the country.

Responsibilities to the Communities, the Society and the Environment

1. Refrain from doing anything that will damage natural resources and the environment.
2. Regularly support activities initiated by both private and public sectors that will render social benefits.
3. Create awareness among staff of all levels in our responsibilities to the communities, the society and the environment.
4. Approve approximately 0.5 percent of our net profit annually to pursue the "The ERAWAN for the Society and the Environment" Project where money will be divided into two portions, the first of which will be spent for the benefit of the communities, society and environment located closed to our properties while the second portion will be dedicated to the society in general. Approval of each project will be at our discretion.

Compliance with Corporate Governance and the Business Code of Conduct

The Erawan Group considers that it's the responsibility of directors, executives and all employees to acknowledge and perform their duties diligently. It's the duty of the Nominating and Corporate Governance Committee to have directors, executives and employees at all levels comply with the corporate governance best practices and the Business Code of Conduct. The secretary will help coordinating, following up with results and reporting the practices so that information can be disclosed to shareholders through both internal and external channels.

Internal Control and Protection of Internal Information

In 2015, the Board of Directors convened five times at which the Audit Committee attended every time to give opinions about an adequacy and soundness of the internal control system. The Audit Committee summarized and reported internal audit activities to the Board of Directors on February 23, 2016 and the Board of Directors expressed the same opinions as the Audit Committee in this matter, which can be summarized as follows:

Internal Control System

The Audit Committee has direct responsibilities to supervise the company's internal control system in every aspect, whether it is finance and accounting, legal compliance and compliance to relevant rules and regulations. The Audit Committee formulates auditing mechanisms to ensure effective balance of power. There is also the Internal Audit Department to audit performances of all departments based on a risk-based auditing plan and to offer advice on how to set up a good internal control system.

The Audit Committee has duties to review auditing plans; to control and supervise the Internal Auditing Department's independence; to approve appointment, transfer and termination of the Internal Auditing Department's supervisor and to ensure that the Internal Auditing Department remains independent. The Committee must also make sure that the Department can perform its auditing functions and balance the existing power according to the prevailing standards. The Department is to directly report its auditing work to the Audit Committee at least once each quarter to ensure that the company's internal control and internal auditing work is conducted in a thorough manner and will not damage shareholders.

Protection of Internal Information

One of our priorities is focused at the use of our internal information and the prevention of our directors and executives from using internal information for their benefit or the so-called abusing self-dealing. This applies specifically to internal information not yet disclosed to the public or information that may affect our corporate strategy, business, trade negotiations and share prices, which, if abused, not only means that our shareholders are taken advantage of but it can damage shareholders in general. That's why we have set our Executives Ethic Standards as a practice with heavy penalties in case of violations or intended violation of the 10 practices stated in the Code of Conduct under the topic of **"Executives Ethical Standards"**

We also allow different levels of staff to get access to different types of internal information based mainly on their responsibilities and duties. Disciplinary actions are stated in our Work Regulations under the topic of "Disciplinary Actions and Penalties." For example, Clause 3.2 Re: **Disciplines with regard to confidentiality and corporate profits prohibits employees to "seek inappropriate benefit from the company or others relating to the company. Employees are prohibited to conduct personal business or to work for others in an identical or similar business as the company's although the work may be performed outside the company's office hours"**. With regard to disciplinary actions and punishment, the company will normally appoint a disciplinary action committee to conduct an investigation and to ensure fairness to accused staff.

Connected Transactions

The Erawan Group requires an approval from either the Audit Committee or the Board, as the case may be, when conducting a transaction that may cause a possible conflict of interest. In addition, details of transactions with possible conflict of interest during the past year and their values are disclosed while explanations and reasons for the transactions are clearly stated in the Annual Report. The Erawan Group requires its executive directors involving in the transaction to disclose the information and/or types of relationship not only of his own, but also of his spouse, closed relatives as well as personal relationship with any bidder for transparency purpose to the Office of the Corporate Governance. In addition, director shall abstain from voting and/or not be part of the decision-making process.

Connected transactions are shown in the Notes to Financial Statements and connected transactions table. All transactions were reasonable and were considered normal transactions. They were conducted for the company's ultimate benefit. Connected transaction had already been reviewed by the Audit Committee and/or the Board on an arm's length basis that they were in compliance with our requirements and rules and regulations of the SEC and the SET and that they were not against accounting standards

Re: Disclosure of information in relation to connected persons or transactions.

The Erawan Group has the other connected transaction in addition to the items mentioned above as follows. All transactions were reasonable and were normal transactions.

Unit : Baht

	2015	2014
1. Mitr Phol Sugar Group of Companies		
• Revenue from Hotel Operation	2,896,761.61	4,819,984.95
• Receivables at end of period	1,119,028.79	1,175,866.49
2. Banpu Plc. Group of Companies		
• Revenue from Hotel Operation	1,118,721.61	1,192,199.12
• Receivables at end of period	243,145.73	521,502.40
3. Hotel Beds (Thailand) Ltd.		
• Revenue from Hotel Operation	24,192,800.77	12,151,524.53
• Receivables at end of period	4,408,711.45	2,045,938.20
4. Kiatnakin Bank Public Company Limited		
• Revenue from Hotel Operation	791,121.22	1,244,887.60
• Receivables at end of period	-	5,350.00

Connected Transactions

Connected transactions between businesses with the following relationships were executed;

Person/entity with possible conflict of interest and nature of relationship	Description	Transaction value (Baht)	
Chai Talay Hotel Co., Ltd. : Hyatt Regency Hua Hin Hotel		2015	2014
Type of business: Hotels and resort hotels	Agreement to lease office space and the		
Nature of relationship:	service agreement with Erawan Hotel		
• Mrs. Panida Thepkanjana and Mr. Supol Wattanakin are closed relative to Mrs. Vansamorn Wannamethee, Authorized Director of Chai Talay Hotel Co., Ltd.	Public Company Limited		
• Wattanavekin Group holds 28.55 percent of the Company's shares.	- Rental and services income - Receivables at end of period - Deposit from Lessee	4,610,959.72 1,004,830.13 274,614.11	4,734,340.18 1,516,083.26 274,495.30
SUSHI ICHI (THAILAND) Co., Ltd.		2015	2014
Type of business: Restaurants activities	Agreement to lease office space and the		
Nature of relationship:	service agreement with The Erawan		
• Mr. Gavin Vongkusolkrit, Director and Authorized Director of Sushi Ichi (Thailand) Co., Ltd.	Group Public Company Limited		
• Vongkusolkrit Group holds 32.53 percent of the Company's shares.	- Rental and services income - Receivables at end of period - Deposit from Lessee	1,872,040.06 25,330.05 506,322.00	867,438.38 20,114.61 506,322.00
Kuppadeli Co., Ltd.		2015	2014
Type of business: Restaurants activities	Agreement to lease office space and		
Nature of relationship:	the service agreement with The Erawan		
• Mr. Gavin Vongkusolkrit, Director and Authorized Director of Kappadeli Co., Ltd.	Group Public Company Limited		
• Vongkusolkrit Group holds 32.53 percent of the Company's shares.	- Rental and services income - Receivables at end of period - Deposit from Lessee	2,789,161.52 842,978.04 1,230,840.00	-0- -0- -0-

Pricing policy and the Audit Committee's opinions

Price agreed was a market price compared to space in nearby areas and not lower than the price offered to other tenants or service users based on the business standards.

Necessity and Soundness of Connected Transactions

In case the Erawan Group signs an agreement or conducts a connected transaction with a subsidiary company, affiliate, related company and/or the third party, The Erawan Group will consider the necessity and soundness of such contract based mainly on the company interests.

Approval Measures or Procedures of Connected Transactions

If the Erawan Group is to execute a contract or if there is any connected transaction between itself and its subsidiary, affiliate, related company, the third party and/or anyone with possible conflicts of interest, the Board of Directors requires the company for the purpose of its benefits, to comply with the rules stated in the Stock Exchange of Thailand's (SET) Announcement Re: Information disclosure and practices of listed companies in connected transactions. Meanwhile, prices and other conditions shall be as if the transaction is at an arm's length where directors or staff having an interest in such transaction must not participate in any approval process.

Policy or Outlook for Future Connected Transactions

-None-

Corporate Contribution Activities

The Erawan Group Plc's corporate contribution activities are conducted on the principles that the activities must meet true demands of communities and the society for their best interest; that they can be continuously carried out and that their performance should be measurable. We also encourage employees and families to participate in these activities as a good citizen of the society. So far, we have set a clear policy and budget is allocated for social and environmental activities which can be separated in four major areas as follows.

1. Tourism promotion



Welcome Guide to Thailand Project

Project's objectives

The Welcome Guide to Thailand project aims to enhance foreign language communication skills to taxi drivers. The project's other goals are to promote domestic tourism, maintain Thailand's good image among foreign visitors and nurture an attitude of being a good host among taxi drivers to help them aware that they are a major force in driving the domestic tourism scene.

Project implementation

- Consistency Organizing English and Chinese classes for taxi drivers at Don Mueang International Airport and Suvarnabhumi International Airport. Started in 2008, the project has so far trained 25 classes comprising of 900 participants.

Overall result

- In 2015, 3 English classes were held which 93 participants and the overall satisfaction was 87.48%.
- The total budget spent for 2015 was 90,309 THB.

2. Community development



2.1 Creative Cabinet Project

Project's objectives

To support education of needy schools in the areas where HOP INN Hotels are located. "The Creative Cabinet" is a cabinet consists of quality books and skill promoting toys including teaching materials for teachers to promote learning by playing and to broaden children's imagination. In each province the company will contribute the Creative Cabinets to 5 primary schools, to date 75 Creative Cabinets were delivered.

Project implementation

- The target areas designated by the provinces which HOP INN hotels are in operations. The company coordinates with the Primary Educational Service Area Offices to survey and select criteria schools.
- Delivery Creative Cabinets to selected schools on the official opening date of HOP INN hotels.
- Monitoring and keep record of using library and teaching materials for project improvement.

Corporate Contribution Activities



Overall result

- In 2015, the company contributed 25 Creative Cabinets to selected schools in Pitsanulok, Nakhon Si Thammarat, Krabi, Trang and Surat Thani.
- The total budget spent for 2015 was 1,193,943 THB.

2.2 HOP Learning Center Project



Project's objectives

To build the contemporary buildings for student in needy schools. This is collaboration between The Erawan Group Plc., and Chulalongkorn University's International Program in Design and Architecture (INDA). While we provide financial support, students from the INDA program design and build the learning center. We aim to build the HOP Learning Center in every location where our HOP INN hotel is situated but just one building in each year. The HOP Learning Center project strives to;

- Support education of students in needy schools both at locations closed to our assets and other areas in general.
- Build an interesting learning area for children to help open up their imagination and creativity.
- Support fieldwork study of INDA students.

Project implementation

- Co working with INDA team to survey and select criteria schools.
- Join discussion on design and giving advice on construction cost before INDA students access on site to work with school and local labor.
- Hand over the building including books and other teaching material to school.

Overall result

- On 9th October, 2016 the company handed over the 3rd HOP Learning Center to Ban Wang Nam Mog school in Sri Chiang Mai district, Nongkai province.
- The total budget for the building was 552,449 THB.

3. Energy and environment conservation



Waste for Egg Project

Project's objectives

- This activity aims to reduce waste and promote maximum use of resources.
- We encourage customers, suppliers and the public in the Ploenchit Center and nearby buildings to separate their waste for exchange of our eggs. The Erawan Group together with Wongpanich Suvarnabhumi Recycling Station Co., Ltd. continuously organize the activity since 2008., to date the total weight of waste separated in the past 8 years was over 275 Tons.

Project implementation

- The exchange of Waste for Egg takes place on every 1st Thursday of the month.
- Regularly provided training on how to properly separate household waste to tenant, customers, suppliers and the public.

Overall result

- In 2015, the weight of separated waste exchanged for eggs was 45 Tons. Average 3,756.34 Kilograms per month.
- Only 480 THB was spent for 2015 activities.

4. Thai Elephant Conservation



Project's objectives

- The purpose of this activity is to conserve Thai elephant which is our national symbol from extinction and the company's logo.
- To build public engagement and to offer good deeds to society. The project was started in 2005 and the Erawan Group has organized an annual activity in various forms focusing at voluntary participation of our employees and their families as well as other stakeholders.

Project's implementation

- Selected target area to arrange Thai elephant conservation activities.
- Organize fund raising activities to support the project.

Overall result

- In 2014, we organized fund raising activities. The total fund of 300,000 Baht donated to Elephant Reintroduction Foundation to build Solar powered electric fence to protect wild elephants out of the habitat area at the Sub Langka wildlife sanctuary, Lopburi Province on the occasion that Her Royal Highness Princess Maha Chakri Sirindhorn proceeded to free the elephants and wildlife to nature on 15th October, 2014
- The total budget for the activity was 318,247 THB.

Social activities of affiliate hotels in 2015



Grand Hyatt Erawan Bangkok Hotel

Education

- Career Development Training for students from Janjawa school from Chiangrai province (5 month training).
- Hyatt Golf Open - Raised fund of THB 1 Million for Beaumont Ruampattana School Chaiphum Province.

Environment

- Building Mahout's House at Thai Elephant Research and Conservation Center Pakchong district, Nakhon Ratchasima Province.



JW Marriott Bangkok Hotel

Health

- Raised fund to support Operation Smiles project. This project is healed the children by repairing childhood facial deformities which will be a part of sustainable healthcare systems for children and their families. To help 6 children for the new smiles.
- Donated genuine care with linens donation to Ban Rajawadee, Nonthaburi Province.

Environment

- Participates in IUCN-Marriott Mangrove. Planting event at Bangkokjao, Samut Songkhram Province. Planted 2,000 mangroves saplings in Baan Kaeo with IUCN and local government to increase oxygen.

Social activities of affiliate hotels



Courtyard by Marriott Bangkok

Community

- Giving gifts 120 children at Disabled Babies-Bann Fuengfah.
- Donate linens discarded from Housekeeping department, which will be used in Hospital room and nurse dormitory to Queen Sirikit National institute of Child Health.
- Courtyard by Marriott Bangkok donated necessary consumer goods to female prisoner at Thanyaburi Female Prison.



Renaissance Koh Samui Resort & Spa Hotel

Community

- Raised a fund for gift for 16 children with challenges such as physical and mental disabilities and some cash donation to the school in the Thai National Children Day.

The Naka Island, a Luxury Collection Resort and Spa, Phuket

Community

- Charity Run-fund raising to donate to 3 Foundations: Punfunpunyim Foundation, Lunch for children project by HRH. Princess Maha Chakri Sirindhon and Koh Sirae School Phuket.
- Used Linen Donation at Paklok Nursing Home for Elderly, Phuket.

Environment

- Beach Cleaning activities.



Holiday Inn Pattaya

- Arranged charity run. The hotel received 1,705 US\$ contributes to IHG Shelter in a Storm disaster relief programme.
- Organized activities to support Anti Human Trafficking and Child Abuse Center.
- Hosted lunch and arranged activity as well as cash support to Ban Bunchoo Autistic home.



Mercure Bangkok Siam Mercure Pattaya Ocean Resort Community

- Arranged recreational activities to give the opportunity to the orphans of "Take Care Kids Thailand Foundation", to have fun with our mini-Water Park and host them a lunch at Molten.

Environment

- To support our Planet and environment by doing the Mangrove Planting at BaanKlongKone, Samutsongkram Province.
- Big cleaning day, covering streets surrounding the 2 properties at North Pattaya beach area.

ibis Hotel

Community

- ibis I Give - CSR program supporting the community and schools in hotel area.
- To raise the fund to support for Thailand Business Coalition on AIDS Mini Marathon Charity.

Environment

- Arranged Reduce Reuse Recycle activities, made household utensils from wastes.
- Replant the mangrove at SumuSongkram province.
- Release the fish for conservation and reproduction of fish at Kaeng Krachan National Park.



THE
ERAWAN
GROUP

SUCCESS WITH INTEGRITY

FINANCIAL INFORMATION AND CORPORATE INFORMATION

CORE VALUE ERAWAN's SPICE:

SYSTEM

Systematic management approach to enhance efficiency as well as to lessen reliance on individuals

PEOPLE

Competent workforce with dedication to future learning and continual improvement

INFORMATION

Accurate, adequate and up-to-date database for the purpose of the management and decision-making

CULTURE

Sound corporate culture to support sustainable growth

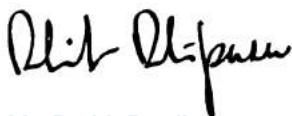
ENVIRONMENT

Being a good, responsible corporate citizen by taking care of all stakeholders including community and environmental

Report of the Board's Responsibility in the Financial Statement

The main priority of the Board of Directors is to supervise the Company's operation, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and also reported its opinions in report of the Audit Committee to Shareholder as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31st December 2015 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.



Mr. Prakit Pradipasen
Chairman of The Board of Directors



Mrs. Kamonwan Wipulakorn
President



JW Marriott Hotel Bangkok

Management Discussion and Analysis (MD&A)

Group Performance

2015 was another good year for Thailand tourism industry. Number of tourist arrivals recorded at 29.9 million in 2015, a 20 percent increase from 2014 and 12 percent increase from 2013, and recorded a five years CAGR at 14 percent which reaffirmed the strong fundamental of Thailand tourism industry.

The growth of Thailand tourism industry benefited our performance. We recorded total operating income at THB 5,255 million, a 24 percent increase from 2014. Revenue from hotel operations grew 25 percent and rental and service income grew 7 percent from the same period last year. We generated an EBITDA at THB 1,528 million, a 57 percent increase from 2014 and EBITDA margin increased from 23 percent in 2014 to 29 percent in 2015. We recorded net profit at THB 198 million in 2015, a significant growth compared to net loss at THB 112 million in 2014.

Consolidated Profit & Loss Statement (period ending 31st December)

Unit: THB Millions

	2014	2015	% Ch.
Hotels' Operating Income	4,052	5,049	+25%
Rental and Service Income	193	206	+7%
Total Operating Income	4,245	5,255	+24%
Other Income	31	46	+45%
Total Income	4,277	5,301	+24%
Operating Expenses	(3,303)	(3,773)	+14%
EBITDA	973	1,528	+57%
Share of Profit from Investment	21	19	-7%
Rental Payment to Property Fund	(112)	(112)	-
Depreciation & Amortization	(672)	(717)	+7%
Operating Profit	211	718	+241%
Finance Costs	(360)	(387)	+7%
Pre-tax Profit / (Loss)	(149)	331	N.M.
Taxes	(19)	(99)	+420%
Minority Interest	(1)	(35)	+3,011%
Normalized Net Profit / (Loss)	(169)	198	N.M.
Non Recurring Items	58	-	N.M.
Net Profit / (Loss)	(112)	198	N.M.
E.P.S.	(0.0451)	0.0797	N.M.

Management Discussion and Analysis (MD&A)

Performance by Business Unit

• Hotel

We continued to develop more hotels under our own brand “HOP INN” in 2015. We opened 5 HOP INN hotels at Phitsanulok, Nakhon Si Thammarat, Surat Thani, Trang and Krabi this year. As such, at the end of 2015 we have 15 HOP INN hotels in our portfolio. In total, we have 33 hotels with 5,676 rooms in operation, increasing from 28 hotels with 5,289 rooms as of 2014 which cover all segments from luxury to budget segment across Thailand's key destinations.

Our hotels performance posted a strong growth in 2015. We recorded income from hotel operations at THB 5,049 million, a 25 percent increase from 2014. Growth were seen from both 16 existing hotels and new hotels opened in 2014 which recorded 18 percent and 543 percent increase respectively from the same period last year. Income from Bangkok hotels grew 23 percent and non-Bangkok hotels grew 27 percent from 2014. Our hotels in Pattaya generated the highest revenue growth in this year due to additional income from new hotels opened in 2014. Room revenue and F&B revenue recorded a 30 percent and 16 percent increase respectively from the same period last year.

Statistics for hotel room operations for the 2015 periods are as follows:

	Dec-14	Dec-15	+/-
No. of rooms	5,289	5,676	+387
12-month period	Dec-14	Dec-15	+/-
Occupancy	65%	73%	+8.8%
ARR	2,467	2,282	-7.5%
RevPAR	1,593	1,675	+5.1%

Note : ARR = Average Room Rate (Bt/night) and RevPAR = Revenue per available room (Bt/night)
Exclude budget segment, occupancy increased 10% and ARR decreased 1% in 2015

Details of each segment are as follows:

1. Luxury Hotels Bangkok

- The Luxury Bangkok segment (comprised of Grand Hyatt Erawan Bangkok and JW Marriott Bangkok) recorded the average occupancy at 79 percent in 2015 compared to 61 percent in 2014 as such the average RevPAR increased 28 percent from the same period last year. Room revenue recorded a 28 percent increase from 2014. F&B revenue recorded a 13 percent increase from 2014 due to the growth in occupancy rate and the support from domestic customer. The Luxury Bangkok segment generated total income at THB 2,369 million and EBITDA at THB 704 million, representing a 20 percent and 50 percent increase from the same period last year.

2. Luxury Resorts

- The Luxury Resort segment (comprised of Renaissance Koh Samui Resort and Spa and The Naka Island, a Luxury Collection Resort and Spa, Phuket) recorded a 6 percent increase in average occupancy as such the average RevPAR increased 9 percent from the same period last year. The two hotels generated total operating income at THB 401 million and EBITDA at THB 34 million, representing an 8 percent and a 232 percent increase respectively from 2014.

3. Midscale Hotels

- The Midscale segment comprised of 2 hotels in Bangkok; Courtyard by Marriott Bangkok and Mercure Bangkok Siam, and 2 hotels in Pattaya; Holiday Inn Pattaya and Mercure Pattaya Ocean Resort. The average occupancy recorded a 13 percent increase from 2014 while average room rate recorded a 4 percent decrease from 2014 due to average room rate of new hotels was lower than other hotels in the segments. As such, the average RevPAR increased 15 percent from 2014. The Midscale segment generated total operating income at THB 1,255 million and EBITDA at THB 460 million, representing a 48 percent and 80 percent increase respectively from the same period last year.

4. Economy Hotels

- We now have ten ibis hotels in six major tourist destinations in Thailand (Bangkok, Pattaya, Phuket, Samui, Hua Hin and Krabi). The average occupancy of this segment increased 5 percent from 2014 while the average room rate decreased 4 percent from 2014 mainly from the lower performance of hotels in Phuket due to the slowdown of Russia tourists. However the impact was minimal as our RevPAR still grew 3 percent from the same period last year. The Economy hotels generated operating income at THB 940 million and EBITDA at THB 327 million, representing an 11 percent and 15 percent increase respectively from the same period last year.

5. Budget Hotels

- We opened additional 5 hotels under our own brand "HOP INN" in Phitsanulok, Nakhonsrithammarat, Suratthani, Trang and Krabi in this year. As such, we now have 15 hotels in this segment located in Nongkhai, Mukdahan, Kanchanuburi, Udonthani, Nakhon Ratchasima, Ubon Ratchathani, Maesot, Sakaeo, Lampang, Khonkaen,

Note: EBITDA by segment is calculated without taking non-property-specific expenses into account

Phitsanulok, Nakhonsrithammarat, Suratthani, Trang and Krabi. The Budget hotels generated operating income at THB 86 million and EBITDA at THB 41 million.

• Rental Properties

Income from rental and service recorded at THB 206 million in 2015, a 7 percent increase from 2014 mainly from the average rental rate increased 9 percent from the same period last year. We currently own and operate Erawan Bangkok, a luxury retail property adjacent to Grand Hyatt Erawan Hotel, and manage Ploenchit Center as a property manager.

Other Items in P&L

- **Asset Monetization Program:** We sold and transferred ibis Phuket Patong and ibis Pattaya to ERWPF at the price at THB 1,828 million in 2Q13. The sale included a guarantee of the minimum rental income to ERWPF over a period of 4 years and rental payment as set out in the lease agreement with ERWPF. As such, we recorded income and expenses related to this transaction as summarized below
 - We recorded share of profit from 20 percent investment in ERWPF at THB 19 million in 2015 and THB 21 million 2014.
 - We recorded rental payment as set out in the lease agreement with ERWPF at THB 112 million in 2015 and 2014.
- **Non-Recurring Items:** We recorded non-recurring items at THB 58 million as below details
 - We recorded gain from sale of shop house in Mukdahan at THB 20 million.
 - We recognized retention of the contractor as the revenue at THB 38 million after the Company won the dispute with the contractor. (see note 38 in Financial Statements)

Management Discussion and Analysis (MD&A)

- **Depreciation & Amortization:** This non-cash item increased THB 45 million from 2014 to THB 717 million in 2015. The increase came mainly from the additional depreciation of new hotel opened in 2014.
- **Finance Costs:** We recorded finance costs at THB 387 million, a THB 27 million increase from last year mainly from the recognition of finance cost in profit and loss statement of new hotels.
- **Corporate Income Tax:** We recorded corporate income tax at THB 99 million for 2015, a THB 80 million increase from the same period last year due to better performance in this year.

Financial Status

We generated THB 1,305 million of operating cash flow in 2015, representing a 41 percent increase from 2014 mainly from strong performance in this year. As such, our cash in hand was recorded at THB 1,011 million at the end of this year. We utilized the cash flow generated, together with bank loans to fund the development of new hotels.

At the end of 2015, we recorded total assets at THB 14,820 million compare to THB 14,517 million at the end of 2014, mainly due to the increase of cash and cash equivalent from better performance.

Our total liabilities increased from THB 9,783 million at the end of 2014 to THB 9,903 million at the end of 2015, mainly due to the increase of interest bearing debt to fund the development the new hotels which increased from THB 8,444 million in the end of 2014 to THB 8,607 million at the end of 2015.

Shareholder's equity recorded at THB 4,917 million at the end of 2015 increased from THB 4,734 million at the end of 2014, mainly due to better performance in this year resulting to our interest bearing debt-to-equity ratio recorded at 1.8 times at the end of this year in line with at the end of 2014.

Independent Auditor's Report

To the Shareholders of The Erawan Group Public Company Limited

I have audited the accompanying consolidated and separate financial statements of The Erawan Group Public Company Limited and its subsidiaries (the "Group") and of The Erawan Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Patamavan Vadhanakul)

Certified Public Accountant

Registration No. 9832

KPMG Phoomchai Audit Ltd.

Bangkok

23 February 2016

Audit Fee

Audit Fee

In 2015, the audit fee paid to the external auditor of KPMG Phoomchai Audit Limited was Baht 4,687,200.00 (The Erawan Group Plc. Baht 2,607,200.00 (excluding transportation out of Bangkok and relevant miscellaneous expenses). The audit fee will be Baht 192,200.00 or 7.96 percent (7.96 %) higher than the previous year. The Company did not pay any non audit fee to the auditor, the auditor's office, and person or company related to the auditor and the auditor's office.

KPMG has also been considered as the auditor of the Company's subsidiaries for the year 2015 with the audit fee totaling Baht 2,080,000.00.

Statement of financial position

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

		Consolidated financial statements 31 December		Separate financial statements 31 December	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	5	1,011,252,871	675,985,988	175,702,985	239,907,975
Trade accounts receivable	4, 6	202,082,101	212,147,072	107,896,283	113,101,419
Inventories	7	61,518,126	55,340,892	11,981,236	9,193,952
Value added tax refundable		43,875,399	26,885,810	-	-
Other current assets	4, 8	89,889,758	76,336,928	32,464,247	30,793,293
Total current assets		1,408,618,255	1,046,696,690	328,044,751	392,996,639
Non-current assets					
Investments in associates	9	161,638,159	161,724,413	366,626,271	366,626,271
Investments in subsidiaries	10	-	-	4,415,159,686	4,415,159,686
Other long-term investments	11	1,331,067	1,245,437	1,046,826	983,937
Long-term loans to related parties	4	-	-	907,327,895	501,026,775
Property, plant and equipment	13	11,632,324,352	11,603,423,554	6,651,465,034	6,837,937,694
Land held for development	14	104,236,832	104,236,832	-	-
Leasehold rights for land and buildings	15	1,343,154,194	1,411,627,557	661,307,465	700,077,622
Intangible assets	16	36,758,341	45,616,148	26,367,596	32,330,000
Deposits for lease of land, building and equipment		116,964,881	130,205,168	99,712,516	116,938,116
Deferred tax assets	17	10,694,579	7,446,691	8,294,026	5,532,800
Other non-current assets	18	4,326,149	4,394,037	-	-
Total non-current assets		13,411,428,554	13,469,919,837	13,137,307,315	12,976,612,901
Total assets		14,820,046,809	14,516,616,527	13,465,352,066	13,369,609,540

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

Statement of financial position (Continued)

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

		Consolidated financial statements 31 December		Separate financial statements 31 December	
	Note	2015	2014	2015	2014
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	19	1,337,000,000	689,000,000	1,337,000,000	689,000,000
Trade accounts payable	4, 20	261,406,639	253,949,161	130,268,952	113,249,812
Current portion of long-term loans					
from financial institutions	19	1,279,672,500	1,031,000,000	916,500,000	772,250,000
Current portion of finance lease liabilities	19	1,504,067	1,455,222	1,504,067	1,455,222
Income tax payable		40,120,851	6,233,956	26,374,262	5,626,139
Other current liabilities	4, 21	638,609,601	734,597,370	312,907,446	435,887,279
Total current liabilities		3,558,313,658	2,716,235,709	2,724,554,727	2,017,468,452
Non-current liabilities					
Long-term loans from related parties	4, 19	-	-	88,526,143	82,726,105
Long-term loans from financial institutions	19	5,985,491,982	6,720,848,036	3,195,450,000	4,024,330,100
Finance lease liabilities	19	3,002,518	1,318,700	3,002,518	1,318,700
Accounts payable for land leasehold rights		180,000,000	180,000,000	180,000,000	180,000,000
Deposits from lessees		41,419,837	47,106,608	36,056,588	44,107,265
Deferred income	22	16,361,446	18,385,542	16,361,446	18,385,542
Deferred tax liabilities	17	41,045,458	38,581,742	-	-
Employee benefit obligations	23	77,680,459	60,194,147	40,233,540	26,854,780
Total non-current liabilities		6,345,001,700	7,066,434,775	3,559,630,235	4,377,722,492
Total liabilities		9,903,315,358	9,782,670,484	6,284,184,962	6,395,190,944

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

Statement of financial position (Continued)

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

		Consolidated financial statements 31 December		Separate financial statements 31 December	
	Note	2015	2014	2015	2014
Liabilities and equity					
Equity					
Share capital	24				
Authorised share capital		2,505,000,000	2,505,000,000	2,505,000,000	2,505,000,000
Issued and paid-up share capital		2,498,173,275	2,478,777,775	2,498,173,275	2,478,777,775
Premium on ordinary shares	24	836,499,588	786,541,004	836,499,588	786,541,004
Employee stock options	24	-	8,433,719	-	8,433,719
Retained earnings					
Appropriated					
Legal reserve	25	206,508,000	193,808,000	206,508,000	193,808,000
Unappropriated		1,168,138,030	1,092,494,565	3,640,248,426	3,507,207,234
Other components of equity		(6,747,417)	(5,903,357)	(262,185)	(349,136)
Equity attributable to owners					
of the Company		4,702,571,476	4,554,151,706	7,181,167,104	6,974,418,596
Non-controlling interests	12	214,159,975	179,794,337	-	-
Total equity		4,916,731,451	4,733,946,043	7,181,167,104	6,974,418,596
Total liabilities and equity		14,820,046,809	14,516,616,527	13,465,352,066	13,369,609,540

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

Statement of comprehensive income

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

		Consolidated financial statements 31 December		Separate financial statements 31 December	
	Note	2015	2014	2015	2014
Income					
Revenues from hotel operations		5,048,996,696	4,052,482,109	2,628,784,325	2,044,862,184
Rental of units in buildings and service income	4	205,920,924	192,719,528	143,858,275	132,925,638
Revenue from sale of properties		-	39,311,000	-	-
Dividend income	4	-	508,468	19,518,924	62,785,483
Interest income	4	5,335,929	1,733,469	35,346,114	32,351,413
Other income	4, 27, 38	40,420,376	67,334,244	22,942,200	16,832,996
Total income		5,300,673,925	4,354,088,818	2,850,449,838	2,289,757,714
Expenses					
Cost of hotel operations	4	2,420,174,763	2,124,189,667	1,145,326,323	934,224,330
Cost of rental of units in buildings and services	4	90,298,015	85,484,640	49,163,546	45,216,452
Cost of sale of properties		-	19,843,181	-	-
Depreciation and amortisation		717,480,080	671,671,532	375,141,603	341,497,555
Selling expenses	4, 28	330,847,652	270,121,481	161,169,457	136,538,174
Administrative expenses	4, 29	1,042,984,421	935,236,239	559,253,421	495,137,461
Finance costs	4, 32	386,831,736	359,865,405	248,020,313	213,833,687
Total expenses		4,988,616,667	4,466,412,145	2,538,074,663	2,166,447,659
Share of profit of investments in associates	9	19,432,670	20,861,574	-	-
Profit (loss) before income tax expense		331,489,928	(91,461,753)	312,375,175	123,310,055
Income tax expense	33	(98,782,799)	(18,997,634)	(59,526,371)	(14,625,652)
Profit (loss) for the year		232,707,129	(110,459,387)	252,848,804	108,684,403

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

Statement of comprehensive income (Continued)

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

		Consolidated financial statements 31 December		Separate financial statements 31 December	
	Note	2015	2014	2015	2014
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial losses	23	(13,405,822)	-	(9,792,805)	-
Income tax on other comprehensive income	17, 33	2,681,164	-	1,958,561	-
		(10,724,658)	-	(7,834,244)	-
Items that are or may be reclassified to profit or loss					
Currency translation difference		(961,751)	(5,548,976)	-	-
Net change in fair value of available-for-sale investments		117,691	(1,049,054)	86,951	(786,978)
		(844,060)	(6,598,030)	86,951	(786,978)
Other comprehensive income (loss) for the year, net of income tax		(11,568,718)	(6,598,030)	(7,747,293)	(786,978)
Total comprehensive income (loss) for the year		221,138,411	(117,057,417)	245,101,511	107,897,425
Profit (loss) attributable to:					
Owners of the Company		197,866,192	(111,579,401)	252,848,804	108,684,403
Non-controlling interests	12	34,840,937	1,120,014	-	-
Profit (loss) for the year		232,707,129	(110,459,387)	252,848,804	108,684,403
Total comprehensive income (loss) attributable to:					
Owners of the Company		186,772,773	(118,177,431)	245,101,511	107,897,425
Non-controlling interests	12	34,365,638	1,120,014	-	-
Total comprehensive income (loss) for the year		221,138,411	(117,057,417)	245,101,511	107,897,425
Earnings (loss) per share (in Baht)	34				
Basic earnings (loss) per share		0.0797	(0.0451)	0.1018	0.0439
Diluted earnings (loss) per share		0.0796	(0.0450)	0.1017	0.0438

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

Statement of changes in equity

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

Consolidated financial statements										
Note	Issued and paid-up share capital	Share premium	Employee stock options	Retained earnings				Other components of equity		
				Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests
Year ended 31 December 2014										
Balance at 1 January 2014	2,474,634,775	776,095,953	11,065,695	188,358,000	1,584,463,193	-	694,673	694,673	5,035,312,189	193,584,329
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Employee stock options	24	10,445,151	(2,631,976)	-	-	-	-	-	11,956,175	-
Dividends to owners of the Company	35	-	-	-	(374,939,227)	-	-	-	(374,939,227)	(14,910,006)
Total contributions by and distributions to owners of the Company	4,143,000	10,445,151	(2,631,976)	-	(374,939,227)	-	-	-	(362,983,052)	(14,910,006)
Comprehensive income (loss) for the year										
Profit (loss)	-	-	-	-	(111,579,401)	-	-	-	(111,579,401)	1,120,014
Other comprehensive loss	-	-	-	-	-	(5,548,976)	(1,049,054)	(6,598,030)	(6,598,030)	-
Total comprehensive income (loss) for the year	-	-	-	-	(111,579,401)	(5,548,976)	(1,049,054)	(6,598,030)	(118,177,431)	1,120,014
Transfer to legal reserve	-	-	-	5,450,000	(5,450,000)	-	-	-	-	-
Balance at 31 December 2014	2,478,777,775	786,541,004	8,433,719	193,808,000	1,082,494,565	(5,548,976)	(354,381)	(5,903,357)	4,554,151,706	179,794,337
Year ended 31 December 2015										
Balance at 1 January 2015	2,478,777,775	786,541,004	8,433,719	193,808,000	1,082,494,565	(5,548,976)	(354,381)	(5,903,357)	4,554,151,706	179,794,337
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Employee stock options	24	49,958,584	(8,433,719)	-	-	-	-	-	60,920,365	-
Dividends to owners of the Company	35	-	-	-	(99,273,368)	-	-	-	(99,273,368)	-
Total contributions by and distributions to owners of the Company	19,395,500	49,958,584	(8,433,719)	-	(99,273,368)	-	-	-	(38,353,003)	-
Comprehensive income (loss) for the year										
Profit	-	-	-	-	197,866,192	-	-	-	197,866,192	34,840,937
Other comprehensive income (loss)	-	-	-	-	(10,249,359)	(961,751)	117,691	(844,060)	(11,093,419)	(475,299)
Total comprehensive income (loss) for the year	-	-	-	-	187,616,833	(961,751)	117,691	(844,060)	186,772,773	34,365,638
Transfer to legal reserve	-	-	-	12,700,000	(12,700,000)	-	-	-	-	-
Balance at 31 December 2015	2,498,173,275	836,499,588	-	206,508,000	1,168,138,030	(6,510,727)	(236,690)	(6,747,417)	4,702,571,476	214,159,975
										4,916,731,451

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

Statement of changes in equity (Continued)

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Employee stock options	Retained earnings		Other component of equity
					Legal reserve	Unappropriated	Fair value changes in available-for-sale investments
Year ended 31 December 2014							
Balance at 1 January 2014		2,474,634,775	776,095,853	11,065,695	188,358,000	3,778,912,058	437,842
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Employee stock options	24	4,143,000	10,445,151	(2,631,976)	-	-	-
Dividends to owners of the Company	35	-	-	-	-	(374,939,227)	-
Total contributions by and distributions to owners of the Company		4,143,000	10,445,151	(2,631,976)	-	(374,939,227)	-
Comprehensive income (loss) for the year							
Profit		-	-	-	-	108,684,403	-
Other comprehensive loss		-	-	-	-	-	(786,978)
Total comprehensive income (loss) for the year		-	-	-	-	108,684,403	(786,978)
Transfer to legal reserve	25	-	-	-	5,450,000	(5,450,000)	-
Balance at 31 December 2014		2,478,777,775	786,541,004	8,433,719	193,808,000	3,507,207,234	(349,136)
Year ended 31 December 2015							
Balance at 1 January 2015		2,478,777,775	786,541,004	8,433,719	193,808,000	3,507,207,234	(349,136)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Employee stock options	24	19,395,500	49,958,584	(8,433,719)	-	-	-
Dividend to owners of the Company	35	-	-	-	-	(99,273,368)	-
Total contributions by and distributions to owners of the Company		19,395,500	49,958,584	(8,433,719)	-	(99,273,368)	-
Comprehensive income (loss) for the year							
Profit		-	-	-	-	252,848,804	-
Other comprehensive income (loss)		-	-	-	-	(7,834,244)	86,951
Total comprehensive income for the year		-	-	-	-	245,014,560	86,951
Transfer to legal reserve	25	-	-	-	12,700,000	(12,700,000)	-
Balance at 31 December 2015		2,498,173,275	836,499,588	-	206,508,000	3,640,248,426	(262,185)
							7,181,167,104

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

Statement of cash flows

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

	Consolidated financial statements 31 December		Separate financial statements 31 December	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) for the year	232,707,129	(110,459,387)	252,848,804	108,684,403
<i>Adjustments for</i>				
Depreciation and amortisation	717,480,080	671,671,532	375,141,603	341,497,555
Doubtful debts expenses (reversal)	824,081	(32,743)	427,374	3,171
Currency translation differences	(961,751)	(5,548,976)	-	-
Employee benefit obligations	9,955,160	9,030,593	5,247,255	4,639,094
Employee stock options	(67,565)	(752,475)	(67,565)	(752,475)
Loss on non-refundable withholding tax deducted at source	561,325	179,097	-	-
Disposal of property, plant and equipment	-	-	-	391,514
Recognised rental deposits and deferred income to income	(2,151,553)	(2,162,414)	(2,067,189)	(2,114,050)
Dividend income	-	(508,468)	(19,518,924)	(62,785,483)
Interest income	(5,335,929)	(1,733,469)	(35,346,114)	(32,351,413)
Gain on disposal of property, plant and equipment and intangible assets	(3,655,695)	(742,079)	(318,165)	(958,736)
Finance costs	386,831,736	359,865,405	248,020,313	213,833,687
Share of profit of investments in associates, net of income tax	(19,432,670)	(20,861,574)	-	-
Income tax expense	98,782,799	18,997,634	59,526,371	14,625,652
	1,415,537,147	916,942,676	883,893,763	584,712,919

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

Statement of cash flows (Continued)

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

	Consolidated financial statements 31 December		Separate financial statements 31 December	
	2015	2014	2015	2014
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	9,240,890	(3,599,222)	4,777,762	(8,724,450)
Inventories	(6,177,234)	(3,734,422)	(2,787,284)	(954,432)
Value added tax refundable	(16,989,589)	(16,232,730)	-	-
Other current assets	(13,483,228)	52,470,423	(1,670,954)	57,416,300
Deposits for lease of property, plant and equipment	13,240,287	(4,989,268)	17,225,600	2,742,039
Trade accounts payable	7,457,478	10,426,270	17,019,140	15,147,685
Employee benefit paid	(5,874,670)	(8,824,831)	(1,661,300)	(4,716,459)
Other current liabilities	(35,102,216)	13,320,166	(49,512,652)	48,193,587
Deposits from lessees	564,973	7,262,378	(6,673,464)	1,318,738
Cash generated from operating activities	1,368,413,838	963,041,440	860,610,611	695,135,927
Income tax paid	(63,492,349)	(37,088,808)	(39,376,443)	(20,404,173)
Net cash from operating activities	1,304,921,489	925,952,632	821,234,168	674,731,754
<i>Cash flows from investing activities</i>				
Investments in subsidiaries	-	-	-	(538,999,875)
Other long-terms investments	32,062	215,020	24,062	156,337
Long-term loans to related parties	-	-	(718,147,705)	(698,188,015)
Proceeds from long-term loans to related parties	-	-	311,846,585	873,145,937
Acquisition of property, plant and equipment	(736,368,462)	(1,749,816,394)	(212,369,216)	(1,254,565,559)
Acquisition of leasehold rights for land and buildings	(2,128,647)	(3,350,000)	-	-
Acquisition of intangible assets	(4,685,079)	(18,895,775)	(2,635,131)	(10,667,375)
Proceeds from sales of property, plant and equipment and intangible assets	11,480,407	1,913,756	1,533,211	1,641,825
Dividend received	19,518,924	21,851,788	19,518,924	62,785,483
Interest received	5,266,327	1,732,873	35,346,114	32,351,413
Net cash used in investing activities	(706,884,468)	(1,746,348,732)	(564,883,156)	(1,532,339,829)

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

Statement of cash flows (Continued)

The Erawan Group Public Company Limited and its Subsidiaries

Unit : Baht

	Consolidated financial statements 31 December		Separate financial statements 31 December	
	2015	2014	2558	2014
Cash flows from financing activities				
Finance costs paid	(382,422,809)	(361,779,480)	(248,062,165)	(214,625,097)
Proceeds from short-term loans from financial institutions	648,000,000	689,000,000	648,000,000	689,000,000
Proceeds from short-term loans from a related party	-	-	1,019,476,688	141,526,956
Repayment of short-term loans from a related party	-	-	(1,019,476,688)	(141,526,956)
Proceeds from long-term loans from related parties	-	-	79,556,646	40,020,875
Repayment of long-term loans from a related party	-	-	(73,756,608)	(65,126,892)
Proceeds from long-term loans from financial institutions	771,416,446	1,536,380,985	314,719,900	1,165,180,100
Repayment of long-term loans from financial institutions	(1,258,100,000)	(814,500,000)	(999,350,000)	(717,000,000)
Finance lease payments	(3,378,337)	(3,024,163)	(3,378,337)	(3,024,163)
Dividend paid	(99,273,368)	(374,939,227)	(99,273,368)	(374,939,227)
Dividend paid to non-controlling interests	-	(14,910,006)	-	-
Proceeds from issue of ordinary shares	60,987,930	12,708,650	60,987,930	12,708,650
Net cash from (used in) financing activities	(262,770,138)	668,936,759	(320,556,002)	532,194,246
Net increase (decrease) in cash and cash equivalents	335,266,883	(151,459,341)	(64,204,990)	(325,413,829)
Cash and cash equivalents at 1 January	675,985,988	827,445,329	239,907,975	565,321,804
Cash and cash equivalents at 31 December	1,011,252,871	675,985,988	175,702,985	239,907,975
Non-cash transactions				
Vehicles purchased under finance lease agreement	5,111,000	1,401,000	5,111,000	1,401,000
Acquisition of property, plant and equipment, intangible assets and leasehold rights for land and buildings for which payment had not yet been made	52,030,977	123,449,742	29,422,523	104,386,441

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

Notes to the financial Statements

The Erawan Group Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2016.

1 General information

The Erawan Group Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 2 Sukhumvit Road, Klong Toey Subdistrict, Klong Toey District, Bangkok. The Company has 13 branches in Bangkok, Chonburi, Phuket, Surat Thani, Prachuap Khiri Khan and Krabi.

The Company was listed on the Stock Exchange of Thailand in June 1994.

The principal businesses of the Company are engaged as a holding company with investments in various companies, engaged in hotel business, and in building rental business. Details of the Company's subsidiaries and associates as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
Direct subsidiaries				
Erawan Hotel Public Company Limited	Hotel	Thailand	72.59	72.59
Erawan Chaophraya Company Limited	Hotel	Thailand	95.77	95.77
Erawan Rajdamri Company Limited	Hotel	Thailand	99.99	99.99
Erawan Phuket Company Limited	Hotel	Thailand	99.99	99.99
Erawan Samui Company Limited	Hotel	Thailand	99.99	99.99
Erawan Naka Company Limited	Land owner	Thailand	99.99	99.99
The Reserve Company Limited	Property development	Thailand	99.99	99.99
Erawan Commercial Management Company Limited	Management service	Thailand	99.99	99.99
Erawan Hop Inn Company Limited	Hotel	Thailand	99.99	99.99
Erawan Growth Management Company Limited	Hotel	Thailand	99.99	99.99
Indirect subsidiaries				
Erawan Hotel Public Company Limited	Hotel	Thailand	1.05	1.05
Erawan Chaophraya Company Limited	Hotel	Thailand	4.22	4.22
Erawan Mauritius Limited	Holding company	Mauritius	100.00	100.00
Erawan Singapore Pte. Ltd.	Holding company	Singapore	100.00	100.00
Erawan Philippines, INC.	Holding company	Philippines	99.99	99.99

Notes to the financial Statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
Erawan Philippines (Ermita), INC.	Hotel	Philippines	99.99	99.99
Erawan Philippines (Makati), INC.	Hotel	Philippines	99.99	-
Erawan Philippines (Aseana), INC.	Hotel	Philippines	99.99	-
PT. Erawan Indonesia Jakarta	Hotel	Indonesia	99.96	99.96
Associates				
Rajprasong Development Co., Ltd.	Service	Thailand	48.00	48.00
Erawan Hotel Growth Property Fund	Provider Investment in properties	Thailand	20.00	20.00

Erawan Mauritius Limited

On 20 February 2015, Erawan Mauritius Limited, an indirect subsidiary, registered the increase of the authorised share capital by issuing 2,235,000 ordinary shares at a par value of USD 1, totaling USD 2,235,000, which have been wholly acquired and partially paid by Erawan Hop Inn Company Limited of USD 1,235,000 on the same date. The rest of share capital of USD 1,000,000 has been paid on 29 July 2015.

On 29 July 2015, Erawan Mauritius Limited registered the increase of the authorised share capital by issuing 1,060,000 ordinary shares at a par value of USD 1, totaling USD 1,060,000, which have been wholly acquired and fully paid by Erawan Hop Inn Company Limited on the same date.

As at 31 December 2015, Erawan Mauritius Limited has authorised share capital of 7,730,000 ordinary shares at a par value of USD 1, totaling USD 7,730,000 which have been wholly acquired and fully paid of USD 7,730,000 by Erawan Hop Inn Company Limited.

On 18 February 2014, Erawan Hop Inn Company Limited, a direct subsidiary, invested in 100% of Erawan Mauritius Limited, which had authorised share capital of USD 10,000 divided into 10,000 ordinary shares at a par value of USD 1. Erawan Hop Inn Company Limited fully paid for share capital on the same date.

On 11 April 2014, Erawan Mauritius Limited registered the increase of the authorised share capital by issuing 1,100,000 ordinary shares at a par value of USD 1, totaling USD 1,100,000, which have been wholly acquired and partially paid by Erawan Hop Inn Company Limited of USD 800,000 on the same date. The rest of share capital of USD 300,000 has been paid on 16 July 2014.

On 16 July 2014, Erawan Mauritius Limited registered the increase of the authorised share capital by issuing 1,025,000 ordinary shares at a par value of USD 1, totaling USD 1,025,000, which have been wholly acquired and partially paid by Erawan Hop Inn Company Limited of USD 725,000 on the same date. The rest of share capital of USD 300,000 has been paid on 25 September 2014.

On 25 September 2014, Erawan Mauritius Limited registered the increase of the authorised share capital by issuing 2,300,000 ordinary shares at a par value of USD 1, totaling USD 2,300,000, which have been wholly acquired and partially paid by Erawan Hop Inn Company Limited of USD 1,000,000 on the same date. The rest of share capital of USD 1,300,000 has been paid on 20 February 2015.

Erawan Singapore Pte. Ltd.

On 26 February 2015, Erawan Singapore Pte. Ltd., an indirect subsidiary, registered the increase of the authorised share capital by issuing 2,225,000 ordinary shares at a par value of USD 1, totaling USD 2,225,000, which have been wholly acquired and partially paid by Erawan Mauritius Limited of USD 1,225,000 on the same date. The rest of share capital of USD 1,000,000 has been paid on 3 August 2015.

On 3 August 2015, Erawan Singapore Pte. Ltd. registered the increase of the authorised share capital by issuing 1,055,000 ordinary shares at a par value of USD 1, totaling USD 1,055,000, which have been wholly acquired and fully paid by Erawan Mauritius Limited on the same date.

As at 31 December 2015, Erawan Singapore Pte. Ltd. has authorised share capital of 7,690,000 ordinary shares at a par value of USD 1, totaling USD 7,690,000 which have been wholly acquired and fully paid of USD 7,690,000 by Erawan Mauritius Limited.

On 26 February 2014, Erawan Mauritius Limited, an indirect subsidiary, invested in 100% of Erawan Singapore Pte. Ltd., which had authorised share capital of USD 1 divided into 1 ordinary shares at a par value of USD 1. Erawan Mauritius Limited fully paid for share capital on the same date.

On 14 April 2014, Erawan Singapore Pte. Ltd. registered the increase of the authorised share capital by issuing 1,094,999 ordinary shares at a par value of USD 1, totaling USD 1,094,999, which have been wholly acquired and partially paid by Erawan Mauritius Limited of USD 794,999 on the same date. The rest of share capital of USD 300,000 has been paid on 24 July 2014.

On 24 July 2014, Erawan Singapore Pte. Ltd. registered the increase of the authorised share capital by issuing 1,015,000 ordinary shares at a par value of USD 1, totaling USD 1,015,000, which have been wholly acquired and partially paid by Erawan Mauritius Limited of USD 715,000 on the same date. The rest of share capital of USD 300,000 has been paid on 29 September 2014.

On 29 September 2014, Erawan Singapore Pte. Ltd. registered the increase of the authorised share capital by issuing 2,300,000 ordinary shares at a par value of USD 1, totaling USD 2,300,000, which have been wholly acquired and partially paid by Erawan Mauritius Limited of USD 1,000,000 on the same date. The rest of share capital of USD 1,300,000 has been paid on 26 February 2015.

Erawan Philippines, INC.

On 7 September 2015, Erawan Philippines INC., an indirect subsidiary, registered the increase of the authorised share capital by issuing 151,800,000 ordinary shares at a par value of PHP 1, totaling PHP 151,800,000, which have been wholly acquired and partially paid by Erawan Singapore Pte. Ltd. of PHP 95,619,800 on the same date.

Notes to the financial Statements

As at 31 December 2015, Erawan Philippines, INC. has authorised share capital 200,000,000 ordinary shares at a par value of PHP 1, totaling PHP 200,000,000, and paid-up share capital PHP 143,819,800 which is 99.99% holding and fully paid by Erawan Singapore Pte. Ltd. of PHP 143,819,794.

On 19 May 2014, Erawan Singapore Pte. Ltd., an indirect subsidiary, invested in 99.99% of Erawan Philippines INC., which had authorised share capital of PHP 48,200,000 divided into 48,200,000 ordinary shares at a par value of PHP 1 and partially paid by Erawan Singapore Pte. Ltd. of PHP 34,115,494 on the same date. The rest of share capital of PHP 14,084,500 has been paid on 7 September 2015.

Erawan Philippines (Ermita), INC.

On 8 September 2015, Erawan Philippines (Ermita), INC., an indirect subsidiary, registered the increase of the authorised share capital by issuing 53,000,000 ordinary shares at a par value of PHP 1, totaling PHP 53,000,000, which have been wholly acquired and partially paid by Erawan Philippines INC. of PHP 49,780,000 on the same date.

As at 31 December 2015, Erawan Philippines (Ermita), INC. had authorised share capital 100,000,000 ordinary shares at a par value of PHP 1, totaling PHP 100,000,000, and paid-up share capital PHP 96,780,000 which is 99.99% holding and fully paid by Erawan Philippines, INC. of PHP 96,779,994.

On 27 June 2014, Erawan Philippines INC., an indirect subsidiary, invested in 99.99% of Erawan Philippines (Ermita), INC., which had authorised capital of PHP 47,000,000 divided into 47,000,000 ordinary shares at a par value of PHP 1 and partially paid by Erawan Philippines INC. of PHP 33,455,194 on the same date. The rest of share capital of PHP 13,544,800 has been paid on 8 September 2015.

PT. Erawan Indonesia Jakarta

On 4 July 2014, Erawan Singapore Pte. Ltd., an indirect subsidiary, invested in 99.96% of PT. Erawan Indonesia Jakarta, which had authorised share capital of USD 4,000,000 divided into 4,000 ordinary shares at a par value of USD 1,000 and partially paid by Erawan Singapore Pte. Ltd. of USD 1,000,000 on the same date and additionally paid up of USD 1,300,000 on 3 December 2014.

Erawan Philippines (Makati), INC.

On 14 April 2015, Erawan Philippines INC., an indirect subsidiary, invested in 99.99% of Erawan Philippines (Makati), INC., which had authorised capital of PHP 85,000,000 divided into 85,000,000 ordinary shares at a par value of PHP 1 and partially paid by Erawan Philippines INC. of PHP 27,770,000 on the same date and additionally paid up of PHP 20,530,000 on 5 August 2015.

Erawan Philippines (Aseana), INC.

On 9 September 2015, Erawan Philippines INC., an indirect subsidiary, invested in 99.99% of Erawan Philippines (Aseana), INC., which had authorised capital of PHP 115,000,000 divided into 115,000,000 ordinary shares at a par value of PHP 1 and partially paid by Erawan Philippines INC. of PHP 35,000,000 on the same date.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on this financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 40.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Share-based payment	Fair value
Available-for-sale financial assets	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (m)

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand/ million unless otherwise stated.

Notes to the financial Statements

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 9	Classification of investments in associates
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(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 10	Key assumptions used in discounted cash flow projections
Note 3 (s) and 17	Current and deferred taxation
Note 23	Measurement of defined benefit obligations
Note 24	Measurement of share-based payments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 24	Measurement of share-based payments
Note 36	Financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the financial Statements

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at transaction dates.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method.

Investments in associates in the consolidated financial statements is accounted for using the equity method.

Investments in equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Property, plant and equipment and land held for development

Recognition and measurement

Owned assets

Lands are stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Land held for development is stated at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Notes to the financial Statements

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment and land held for development are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and land held for development, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment and vehicles acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Building and improvements	5 - 40	years
Furniture, fixtures and equipment	5 - 10	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction and land held for development.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Hotel operating equipment consists of linen, crockery, glass, silver and kitchen utensils purchased to meet the normal requirements of the hotel operations have been regarded as a base stock and subsequent purchases are expended when incurred.

(h) Leasehold rights

Leasehold rights comprise leasehold rights for land and buildings are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Leasehold rights are amortised on a straight-line basis over the terms of the leases.

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	5 - 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to the financial Statements

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue from hotel operations

Hotel revenues from room, food and beverages and other services are recognised when the rooms are occupied, food and beverages are sold and the services are rendered.

Rental income

Rental income from units in office buildings and shopping center are recognised in profit or loss on a straight-line basis over the terms of leases.

Services income

Services income from units rental in office buildings and shopping center are recognised in profit or loss on an accrual basis.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

Notes to the financial Statements

(p) Deferred income

The Company recognises deferred rental income as income on a straight-line basis over the term of the lease.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets and impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a systematic basis over the term of the lease and on a straight-line basis for leases begin on or after 1 January 2008. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the

following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings (loss) per share

The Group presents basic and diluted earnings (loss) per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all potential dilutive ordinary shares, which comprise share options granted to employees.

(u) Segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets of the Company's headquarters, head office's expenses, and tax assets and liabilities.

Notes to the financial Statements

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Erawan Hotel Public Company Limited	Thailand	Subsidiary, 72.59% direct shareholding and 1.05% indirect shareholding
Erawan Chaophraya Company Limited	Thailand	Subsidiary, 95.77% direct shareholding and 4.22% indirect shareholding
Erawan Rajdamri Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Phuket Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Samui Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Naka Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
The Reserve Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Commercial Management Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Hop Inn Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Growth Management Company Limited	Thailand	Subsidiary, 99.99% direct shareholding
Erawan Mauritius Limited	Mauritius	Subsidiary, 100.00% indirect shareholding
Erawan Singapore Pte. Ltd.	Singapore	Subsidiary, 100.00% indirect shareholding
Erawan Philippines, INC.	Philippines	Subsidiary, 99.99% indirect shareholding
Erawan Philippines (Ermita), INC.	Philippines	Subsidiary, 99.99% indirect shareholding
Erawan Philippines (Makati), INC.	Philippines	Subsidiary, 99.99% indirect shareholding
Erawan Philippines (Aseana), INC.	Philippines	Subsidiary, 99.99% indirect shareholding
PT. Erawan Indonesia Jakarta	Indonesia	Subsidiary, 99.96% indirect shareholding
Rajprasong Development Co., Ltd.	Thailand	Associate, 48.00% direct shareholding, some common directors
Erawan Hotel Growth Property Fund	Thailand	Associate, 20.00% direct shareholding
Rajprasong Square Co., Ltd.	Thailand	Related company, 23.29% direct shareholding

Name of entities	Country of incorporation/ nationality	Nature of relationships
Chai Talay Hotel Co., Ltd.	Thailand	Related company, director is closed relative to a Company's director
Mitr Phol Sugar Co., Ltd.	Thailand	Related company, some common directors
Banpu Public Company Limited	Thailand	Related company, some common directors
The Syndicate of Thai Hotels & Tourists Enterprises Ltd.	Thailand	Related company, some common directors
Kiatnakin Bank Public Company Limited	Thailand	Related company, some common directors
Hotel beds (Thailand) Co., Ltd.	Thailand	Related company, some common directors
Sushi Ichi (Thailand) Co., Ltd.	Thailand	Related company, some common directors
Kuppadeli Co., Ltd	Thailand	Related company, some common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Subsidiaries	
Dividend income	According to the shareholders' approval
Interest income and interest expenses	At the rate of 4.51% - 6.00 % per annum (2014: at the rate of 4.95% - 6.00% per annum)
Utilities income	Contractually agreed prices
Space rental and service expenses	Contractually agreed prices
Associates	
Dividend income	According to the shareholders' approval
Land and building rental expenses	Contractually agreed prices
Management fee	At cost - allocated in proportion to shareholding
Other related parties	
Rental of units in buildings and services income	Contractually agreed prices
Utilities income	Contractually agreed prices
Other service income	Fair price under the best conditions
Land rental expense	Contractually agreed prices

Notes to the financial Statements

Significant transactions for the years ended 31 December with related parties were as follows:

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2015	2014	2015	2014
Subsidiaries				
Dividend income	-	-	-	41,062
Interest income	-	-	35,085	32,137
Utilities income	-	-	3,089	2,908
Space rental and service expenses	-	-	16,447	16,364
Interest expenses	-	-	15,290	5,107
Associates				
Dividend income	-	-	19,519	21,343
Land and building rental expenses	111,500	111,500	-	-
Management fee	735	731	735	731
Other related parties				
Rental of units in buildings and services income	8,728	5,554	4,117	819
Utilities income	1,315	691	1,315	691
Other service income	30,517	19,877	13,437	7,638
Land rental expense	14,120	14,120	-	-
Key management personnel compensation				
Short-term employee benefit	30,235	40,010	27,775	37,650
Post-employment benefits	1,220	1,140	1,220	1,140
Total key management personnel compensation	31,445	41,150	28,995	38,790

Balances as at 31 December with related parties were as follows:

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable - related parties				
Subsidiaries	-	-	1,483	1,409
Other related parties	7,644	5,297	5,527	3,314
Total	7,644	5,297	7,010	4,723
Other receivable - related party				
Subsidiary	-	-	2,210	2,480
Prepaid expenses - related party				
Other related party	7,060	7,060	-	-

Unit : thousand Baht

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
Loans to related parties						
Long-term loans						
Subsidiaries						
Erawan Samui Company Limited	4.51	4.95	-	-	140,674	148,417
Erawan Naka Company Limited	-	4.95	-	-	-	922
Erawan Phuket Company Limited	4.51	4.95	-	-	230,392	101,876
Erawan Chaophraya Company Limited	4.51	4.95	-	-	83,628	98,802
Erawan Commercial Management Company Limited	4.51	4.95	-	-	4,241	1,314
The Reserve Company Limited	4.51	4.95	-	-	3,130	2,989
Erawan Hop Inn Company Limited	4.51	4.95	-	-	382,931	119,260
Erawan Growth Management Company Limited	4.51	4.95	-	-	62,332	27,447
Total			-	-	907,328	501,027

Notes to the financial Statements

Movements during the years ended 31 December of loans to related parties were as follows:

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Loans to related parties				
Long-term loans				
Subsidiaries				
At 1 January	-	-	501,027	675,985
Increase	-	-	718,148	698,188
Decrease	-	-	(311,847)	(873,146)
At 31 December	-	-	907,328	501,027

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payables - related parties				
Subsidiaries	-	-	387	335
Other payables to related parties				
Subsidiaries	-	-	3,270	376
Accrued expenses - related party				
Associate	47,144	40,464	-	-

Unit : thousand Baht

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
Loans from related parties						
Long-term loans						
Subsidiary						
Erawan Rajdamri Company Limited	5.78	6.00	-	-	88,526	82,726
Total			-	-	88,526	82,726

Movements during the years ended 31 December of loans from related parties were as follows:

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Loans from related parties				
Short-term loans				
Subsidiary				
At 1 January	-	-	-	-
Increase	-	-	1,019,477	141,527
Decrease	-	-	(1,019,477)	(141,527)
At 31 December	-	-	-	-
Long-term loans				
Subsidiary				
At 1 January	-	-	82,726	107,832
Increase	-	-	79,557	40,021
Decrease	-	-	(73,757)	(65,127)
At 31 December	-	-	88,526	82,726

5 Cash and cash equivalents

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	11,811	15,238	3,626	5,516
Cash at banks	933,009	580,516	172,077	234,392
Highly liquid short-term investments	66,433	80,232	-	-
Total	1,011,253	675,986	175,703	239,908

Cash and cash equivalents of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Notes to the financial Statements

6 Trade accounts receivable

Unit : thousand Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Related parties	4	7,644	5,297	7,010	4,723
Other parties		197,082	208,670	102,123	109,188
Total		204,726	213,967	109,133	113,911
Less allowance for doubtful accounts		(2,644)	(1,820)	(1,237)	(810)
Net		202,082	212,147	107,896	113,101
Doubtful debts expense (reversal) for the year		824	(33)	427	3

Aging analyses for trade accounts receivable were as follows:

Unit : thousand Baht

		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties					
Outstanding:					
Less than 3 months		7,642	5,297	7,008	4,723
3 - 6 months		2	-	2	-
		7,644	5,297	7,010	4,723
Other parties					
Outstanding:					
Less than 3 months		192,747	206,692	100,672	108,018
3 - 6 months		3,484	1,102	1,193	886
6 - 12 months		851	876	258	284
		197,082	208,670	102,123	109,188
Less allowance for doubtful accounts		(2,644)	(1,820)	(1,237)	(810)
		194,438	206,850	100,886	108,378
Net		202,082	212,147	107,896	113,101

Trade accounts receivable of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

7 Inventories

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Food and beverage	43,492	37,860	10,037	7,081
Operating supplies	8,973	7,863	1,402	1,527
Others	9,053	9,618	542	586
Total	61,518	55,341	11,981	9,194

8 Other current assets

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Advances	5,466	2,877	678	942
Prepaid expenses	41,426	35,362	16,675	9,947
Other receivables	12,169	8,730	2,835	2,701
Others	30,829	29,368	12,276	17,203
Total	89,890	76,337	32,464	30,793

9 Investments in associates

Unit : thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
At 1 January	161,724	162,206	366,626	366,626
Share of net profits of associates	19,433	20,861	-	-
Dividend income	(19,519)	(21,343)	-	-
At 31 December	161,638	161,724	366,626	366,626

Notes to the financial Statements

Investments in associates as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements										
Type of business	Country of incorporation	Ownership interest (%)	Paid-up capital (in million Baht)	Cost	Equity (in thousand Baht)	Fair value of listed security	Dividend income	2015	2014	2014
Associates										
Rajprasong Development Co., Ltd.	Thailand	48.00	1.00	338	338	-	-	-	-	-
Erawan Hotel Growth Investment Property Fund	Thailand	20.00	1,831.44	366,288	161,300	345,156	338,112	19,519	21,343	21,343
Total				366,626	161,638			19,519		21,343

Separate financial statements										
Ownership interest (%)	Paid-up capital (in million Baht)	Cost	Impairment	At cost - net (in thousand Baht)	Fair value of listed security	Dividend income	2015	2014	2014	2014
Associates										
Rajprasong Development Co., Ltd.	48.00	1.00	338	-	338	-	-	-	-	-
Erawan Hotel Growth Investment Property Fund	20.00	1,831.44	366,288	-	366,288	345,156	338,112	19,519	21,343	21,343
Total			366,626	-	366,626			19,519		21,343

Fair value of investments in associates has been disclosed by using closing price of listed security. The fair value measurement is determined to be level 2 of the fair value hierarchy identified in TFRS 13 Fair Value Measurement.

Associate

The following table summarises the financial information of the associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

Unit: thousand Baht

	Property Fund Erawan Hotel Growth	
	2015	2014
Income	111,624	111,709
Expenses	(6,783)	(7,411)
Net investments income	104,841	104,298
Net loss from investments	(17,613)	(1,680)
Net increase in net assets from operations	87,228	102,618
Attributable to Group	17,446	20,524
Assets	1,887,217	1,897,556
Liabilities	(621)	(594)
Net assets	1,886,596	1,896,962
Group's interest in net assets of investee at 1 January before adjustments	379,392	380,212
Elimination and other adjustments	(218,006)	(218,344)
Group's interest in net assets of investee at 1 January after adjustments	161,386	161,868
Net increase in net assets from operations attribute to the Group	17,446	20,524
Adjustments of net increase in net assets from operations attribute to the Group	1,987	337
Dividends received during the year	(19,519)	(21,343)
Carrying amount of interest in investee at 31 December	161,300	161,386

Notes to the financial Statements

10 Investments in subsidiaries

Unit: thousand Baht

	Separate financial statements	
	2015	2014
At 1 January	4,415,160	3,876,160
Acquisitions	-	539,000
At 31 December	4,415,160	4,415,160

During the second quarter of 2014, the Company paid an additional 25% of the authorised share capital of Erawan Naka Company Limited.

On 30 July 2014, three subsidiaries were resolved to increase the share capital as follows;

Erawan Naka Company Limited registered the increase of the authorised share capital by issuing 165,000 ordinary shares at a par value of Baht 100, totaling Baht 16.5 million which have been acquired and fully paid by the Company.

The Reserve Company Limited registered the increase of the authorised share capital by issuing 18,400,000 ordinary shares at a par value of Baht 10, totaling Baht 184 million, which have been acquired and fully paid by the Company.

Erawan Hop Inn Company Limited registered the increase of the authorised share capital by issuing 33,600,000 ordinary shares at a par value of Baht 10, totaling Baht 336 million, which have been acquired and fully paid by the Company.

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements											
Type of business	Ownership Interest (%)	Paid-up capital (in million Baht)		Cost		Impairment (in thousand Baht)		At cost – net		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Subsidiaries											
Direct Subsidiaries											
Erawan Hotel Public Company Limited	73.64	119.50	819,710	819,710	-	-	819,710	819,710	-	41,062	-
Erawan Chaophraya Company Limited	99.99	71.00	68,000	68,000	-	-	68,000	68,000	-	-	-
Erawan Rajdamri Company Limited	99.99	450.00	451,291	451,291	-	-	451,291	451,291	-	-	-
Erawan Phuket Company Limited	99.99	1,750.00	1,782,001	1,782,001	-	-	1,782,001	1,782,001	-	-	-
Erawan Samui Company Limited	99.99	330.00	376,858	376,858	-	-	376,858	376,858	-	-	-
Erawan Naka Company Limited	99.99	26.50	19,300	19,300	-	-	19,300	19,300	-	-	-
The Reserve Company Limited	99.99	185.00	185,000	185,000	-	-	185,000	185,000	-	-	-
Property development											
Management	99.99	2.00	2,000	2,000	-	-	2,000	2,000	-	-	-
Company Limited											
Erawan Hop Inn Company Limited	99.99	696.00	696,000	696,000	-	-	696,000	696,000	-	-	-
Erawan Growth Management	99.99	15.00	15,000	15,000	-	-	15,000	15,000	-	-	-
Company Limited											
Total			4,415,160	4,415,160	-	-	4,415,160	4,415,160	-	41,062	-

All direct subsidiaries were incorporated in Thailand.

Notes to the financial Statements

Separate financial statements													
Type of business	Country of incorporation	Ownership Interest (%)	Paid-up capital (in million Baht)		Cost		Impairment (in thousand Baht)		At cost - net		Dividend income		
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
Indirect subsidiaries													
Erawan Mauritius Limited	Holding company	100.00	100.00	256.00	101.32	-	-	-	-	-	-	-	
Erawan Singapore Pte. Ltd.	Holding company	100.00	100.00	252.99	99.72	-	-	-	-	-	-	-	
Erawan Philippines, INC.	Holding company	99.99	99.99	115.06	24.93	-	-	-	-	-	-	-	
Erawan Philippines (Ermita), INC.	Hotel	99.99	99.99	71.77	24.38	-	-	-	-	-	-	-	
Erawan Philippines (Makati), INC.	Hotel	99.99	-	35.39	-	-	-	-	-	-	-	-	
Erawan Philippines (Aseana), INC.	Hotel	99.99	-	26.41	-	-	-	-	-	-	-	-	
PT. Erawan Indonesia Jakarta	Hotel	99.96	99.96	74.05	74.05	-	-	-	-	-	-	-	
						-	-	-	-	-	-	-	

Management reviewed and tested impairment of investments in certain subsidiaries by determining recoverable amount of investments from the value in use of the hotel which is cash-generating unit. The discounted cash flow projections (“DCF”) have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 10% discount rate.

The recoverable amounts of cash-generating unit was greater than carrying amounts of investments. Thus, no impairment loss has been recognised.

11 Other long-term investments

Unit: thousand Baht

	Equity interest (%)		Consolidated financial statements	
	2015	2014	2015	2014
Related companies				
Rajprasong Square Co., Ltd.	23.29	23.29	206	206
The Asia Recovery 2 Fund	0.17	0.17	1,125	1,039
Total			1,331	1,245

Unit: thousand Baht

	Equity interest (%)		Separate financial statements	
	2015	2014	2015	2014
Related companies				
Rajprasong Square Co., Ltd.	23.29	23.29	206	206
The Asia Recovery 2 Fund	0.13	0.13	841	778
Total			1,047	984

12 Non-controlling interests

The following table summarises the information relating to the Group’s subsidiary that has a material non-controlling interest.

Unit: thousand Baht

31 December 2015			
	Erawan Hotel Public Company Limited	Intra-group eliminations	Total
Non-controlling interest percentage	26.36%		
Current assets	624,593		
Non-current assets	1,540,087		
Current liabilities	(375,548)		
Non-current liabilities	(999,857)		
Net assets	789,275		
Carrying amount of non-controlling interest	208,053	-	208,053

Notes to the financial Statements

Unit: thousand Baht

31 December 2015			
	Erawan Hotel Public Company Limited	Intra-group eliminations	Total
Revenue	1,332,728		
Profit	132,173		
Other comprehensive income	(1,803)		
Total comprehensive income	130,370		
Profit allocated to non-controlling interest	34,841	-	34,841
Other comprehensive income allocated to non-controlling interest	(475)	-	(475)
Cash flows from operating activities	347,055		
Cash flows from investing activities	(39,749)		
Cash flows from financing activities (dividends to non-controlling interest: nil)	4,836		
Net increase in cash and cash equivalents	312,142		

Unit: thousand Baht

31 December 2014			
	Erawan Hotel Public Company Limited	Intra-group eliminations	Total
Non-controlling interest percentage	26.36%		
Current assets	314,216		
Non-current assets	1,666,481		
Current liabilities	(322,266)		
Non-current liabilities	(999,961)		
Net assets	658,470		
Carrying amount of non-controlling interest	173,573	-	173,573
Revenue	1,113,573		
Profit	4,249		
Other comprehensive income	-		
Total comprehensive income	4,249		
Profit allocated to non-controlling interest	1,120	-	1,120
Other comprehensive income allocated to non-controlling interest	-	-	-
Cash flows from operating activities			
Cash flows from investing activities	195,353		
Cash flows from financing activities (dividends to non-controlling interest: nil)	(103,453) (18,011)		
Net increase in cash and cash equivalents	73,889		

13 Property, plant and equipment

Unit: thousand Baht

Consolidated financial statements							
	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Total
Cost							
At 1 January 2014	1,794,694	9,657,354	2,274,213	47,695	246,139	972,360	14,992,455
Additions	60,033	83,135	397,840	6,202	37,454	1,047,982	1,632,646
Transfers	-	1,982,338	-	-	-	(1,982,338)	-
Disposals	-	(3,738)	(39,159)	(170)	-	-	(43,067)
At 31 December 2014 and 1 January 2015	1,854,727	11,719,089	2,632,894	53,727	283,593	38,004	16,582,034
Additions	35,901	35,561	54,389	5,316	113	538,720	670,000
Transfers	-	169,322	41,467	-	4,825	(215,614)	-
Disposals	(5,945)	(1,878)	(39,669)	(3,470)	-	-	(50,962)
At 31 December 2015	1,884,683	11,922,094	2,689,081	55,573	288,531	361,110	17,201,072
Depreciation							
At 1 January 2015	-	2,912,456	1,799,817	32,024	-	-	4,744,297
Depreciation charge for the year	-	368,498	197,425	5,934	-	-	571,857
Adjust	-	(641)	-	-	-	-	(641)
Disposals	-	(3,700)	(38,092)	(103)	-	-	(41,895)
At 31 December 2014 and 1 January 2015	-	3,276,613	1,959,150	37,855	-	-	5,273,618
Depreciation charge for the year	-	412,157	200,168	6,449	-	-	618,774
Disposals	-	(1,875)	(38,537)	(2,725)	-	-	(43,137)
At 31 December 2015	-	3,686,895	2,120,781	41,579	-	-	5,849,255
Net book value							
At 1 January 2014	1,794,694	6,744,898	474,396	9,182	246,139	972,360	10,241,669
Owned assets	-	-	-	6,489	-	-	6,489
Assets under finance leases	1,794,694	6,744,898	474,396	15,671	246,139	972,360	10,248,158
Transactions eliminated on consolidation							309,509
							10,557,667

Notes to the financial Statements

Unit: thousand Baht

Consolidated financial statements							
Note	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Total
At 31 December 2014 and 1 January 2015							
Owned assets	1,854,727	8,442,476	673,744	10,549	283,593	38,004	11,303,093
Assets under finance leases	-	-	-	5,323	-	-	5,323
Transactions eliminated on consolidation							
	1,854,727	8,442,476	673,744	15,872	283,593	38,004	11,308,416
							295,008
							11,603,424
At 31 December 2015							
Owned assets	1,884,683	8,235,199	568,300	7,605	288,531	361,110	11,345,428
Assets under finance leases	-	-	-	6,389	-	-	6,389
Transactions eliminated on consolidation							
	1,884,683	8,235,199	568,300	13,994	288,531	361,110	11,351,817
							280,507
							11,632,324
Depreciation for the year							
2014							
Eliminated							571,857
							14,501
							586,358
2015							618,774
Eliminated							14,501
							633,275
Finance costs capitalised							
Finance costs capitalised during 2014	32	-	-	-	-	25,013	25,013
Rates of interest capitalised during 2014 (MLR - 2.00 % per annum)							
Finance costs capitalised during 2015	32	-	-	-	-	898	898
Rates of interest capitalised during 2015 (MLR - 2.00 % and RRP+2.25% per annum)							

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 2,078.9 million (2014: Baht 1,903.7 million).

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Notes to the financial Statements

Unit: thousand Baht

Separate financial statements							
	Note	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction
Net book value							
At 1 January 2014							
Owned assets		1,006,544	3,709,602	238,026	1,964	123,554	848,825
Assets under finance leases		-	-	-	6,489	-	-
		1,006,544	3,709,602	238,026	8,453	123,554	848,825
At 31 December 2014							
Owned assets		1,006,544	5,248,648	411,288	5,151	154,469	6,832,615
Assets under finance leases		-	-	-	5,323	-	-
		1,006,544	5,248,648	411,288	10,474	154,469	6,837,938
At 31 December 2015							
Owned assets		1,006,544	5,067,286	329,692	3,920	156,362	81,272
Assets under finance leases		-	-	-	6,389	-	-
		1,006,544	5,067,286	329,692	10,309	156,362	81,272
Finance costs capitalised							
Finance costs capitalised during 2014	32	-	-	-	-	-	23,502
Rates of interest capitalised during 2014 (MLR - 2.00 % per annum)							
Finance costs capitalised during 2015	32	-	-	-	-	-	-
Rates of interest capitalised during 2015 (MLR - 2.00 % per annum)							

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 1,033.1 million (2014: Baht 990.7 million).

The Group and the Company have mortgaged their property, plant and equipment, with net book values as at 31 December 2015 of Baht 9,995.7 million and Baht 6,050 million, respectively (31 December 2014: the Group and the Company of Baht 10,029.3 million and Baht 6,235.1 million, respectively), as collateral against credit facilities received from financial institutions and transferred the related beneficiary rights under insurance policies to the bank to secure the loans. The insurance benefits on the leased building of Erawan Rajdamri Company Limited are assigned to the lessor. In addition, the ownership of buildings and building improvements on the leased land for some contracts will be transferred to the lessors upon the termination of the agreements (see note 19 to the financial statements).

14 Land held for development

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land cost	95,382	95,382	-	-
Development expenses	8,855	8,855	-	-
Total	104,237	104,237	-	-

15 Leasehold rights for land and buildings

Unit: thousand Baht

Consolidated financial statements			
	Leasehold rights for land	Leasehold rights for buildings	Total
Cost			
At 1 January 2014	991,037	1,218,416	2,209,453
Additions	-	3,350	3,350
At 31 December 2014 and 1 January 2015	991,037	1,221,766	2,212,803
Additions	-	2,128	2,128
At 31 December 2015	991,037	1,223,894	2,214,931
Amortisation			
At 1 January 2014	321,556	405,464	727,020
Amortisation for the year	22,679	48,736	71,415
At 31 December 2014 and 1 January 2015	344,235	454,200	798,435
Amortisation for the year	22,679	48,373	71,052
At 31 December 2015	366,914	502,573	869,487
Net book value			
At 1 January 2014	669,481	812,952	1,482,433
Eliminated			(3,191)
			1,479,242
At 31 December 2014 and 1 January 2015	646,802	767,566	1,414,368
Eliminated			(2,740)
			1,411,628
At 31 December 2015	624,123	721,321	1,345,444
Eliminated			(2,290)
			1,343,154

Notes to the financial Statements

Separate financial statements			
	Leasehold rights for land	Leasehold rights for buildings	Total
Cost			
At 1 January 2014	809,664	278,481	1,088,145
At 31 December 2014 and 1 January 2015	809,664	278,481	1,088,145
31 December 2015	809,664	278,481	1,088,145
Amortisation			
At 1 January 2014	211,480	137,818	349,298
Amortisation for the year	18,404	20,366	38,770
At 31 December 2014 and 1 January 2015	229,884	158,184	388,068
Amortisation for the year	18,404	20,366	38,770
31 December 2015	248,288	178,550	426,838
Net book value			
At 1 January 2014	598,184	140,663	738,847
At 31 December 2014 and 1 January 2015	579,780	120,297	700,077
At 31 December 2015	561,376	99,931	661,307

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Amortisation for the year	71,052	71,415	38,770	38,770
Eliminated	(450)	(450)	-	-
Amortisation included in profit or loss for the year	70,602	70,965	38,770	38,770

16 Intangible assets

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Software licenses				
Cost				
At 1 January	196,778	177,882	130,853	120,193
Additions	4,745	18,896	2,695	10,660
Disposals	(1,030)	-	-	-
At 31 December	200,493	196,778	133,548	130,853
Amortisation				
At 1 January	151,162	136,813	98,523	88,924
Amortisation charge for the year	13,603	14,349	8,657	9,599
Disposals	(1,030)	-	-	-
At 31 December	163,735	151,162	107,180	98,523
Net book value				
At 1 January	45,616	41,069	32,330	31,269
At 31 December	36,758	45,616	26,368	32,330

17 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	10,694	7,447	8,294	5,533
Deferred tax liabilities	(41,045)	(38,582)	-	-
Net	(30,351)	(31,135)	8,294	5,533

Notes to the financial Statements

Movements in total deferred tax assets and liabilities during the years were as follows:

Unit: thousand Baht

Consolidated financial statements								
	At 1 January 2014	(Charged) / Credited to: Profit or loss	Other comprehensive income	At 31 December 2014	At 1 January 2015	(Charged) / Credited to: Profit or loss	Other comprehensive income	At 31 December 2015
Deferred tax assets								
Accounts receivable (doubtful accounts)	367	(3)	-	364	364	165	-	529
Employee benefits obligation	11,998	24	-	12,022	12,022	833	2,681	15,536
Total	12,365	21	-	12,386	12,386	998	2,681	16,065
Deferred tax liabilities								
Property, plant and equipment	(40,636)	(2,885)	-	(43,521)	(43,521)	(2,895)	-	(46,416)
Total	(40,636)	(2,885)	-	(43,521)	(43,521)	(2,895)	-	(46,416)
Net	(28,271)	(2,864)	-	(31,135)	(31,135)	(1,897)	2,681	(30,351)

Unit: thousand Baht

Separate financial statements								
	At 1 January 2014	(Charged) / Credited to: Profit or loss	Other comprehensive income	At 31 December 2014	At 1 January 2015	(Charged) / Credited to: Profit or loss	Other comprehensive income	At 31 December 2015
Deferred tax assets								
Accounts receivable (doubtful accounts)	161	1	-	162	162	85	-	247
Employee benefits obligation	5,387	(16)	-	5,371	5,371	717	1,959	8,047
Total	5,548	(15)	-	5,533	5,533	802	1,959	8,294

Certain subsidiaries have not recognised deferred tax assets arising from the tax loss carry forward of Baht 1,328.44 million which will be expired in 2016-2020 due to the fact that, it is not probable that future taxable profit will be available against which such subsidiaries can utilise the benefits therefrom.

18 Other non-current asset

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Withholding tax deducted at source	4,326	4,394	-	-
Total	4,326	4,394	-	-

19 Interest-bearing liabilities

Unit: thousand Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Current					
Short-term loans from financial institutions secured		1,337,000	689,000	1,337,000	689,000
Current portion of long-term loans from financial institutions secured		1,279,673	1,031,000	916,500	772,250
Current portion of finance lease liabilities		1,504	1,455	1,504	1,455
Total current interest-bearing liabilities		2,618,177	1,721,455	2,255,004	1,462,705
Non-current					
Long-term loans from related parties unsecured	4	-	-	88,526	82,726
Long-term loans from financial institutions secured		5,985,492	6,720,848	3,195,450	4,024,330
Finance lease liabilities		3,003	1,319	3,003	1,319
Total non-current interest-bearing liabilities		5,988,495	6,722,167	3,286,979	4,108,375
Total		8,606,672	8,443,622	5,541,983	5,571,080

Notes to the financial Statements

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities as at 31 December were as follows:

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Within one year	2,616,673	1,720,000	2,253,500	1,461,250
After one year but within five years	3,796,020	4,132,620	2,038,400	2,732,626
After five years	2,189,472	2,588,228	1,245,576	1,374,430
Total	8,602,165	8,440,848	5,537,476	5,568,306

As at 31 December 2015, the Group had short-term and long-term borrowing agreements with certain local and foreign financial institution. Details are as follows:

Borrowing agreement	Type of secured borrowing	Approved credit facilities	Interest rate (% p.a.)	Term of payment
1	Secured	Short-term Baht 600 million	MMR	As stated in promissory notes
2	Unsecured	Short-term Baht 300 million	MMR	As stated in promissory notes
3	Secured	Long-term Baht 250 million	MLR - fixed rate p.a.	Every 3 months commencing from February 2010
4	Secured	Long-term Baht 1,200 million	MLR - fixed rate p.a.	Every 3 months commencing from January 2011
5	Secured	Long-term Baht 800 million	MLR - fixed rate p.a.	Every 3 months commencing from January 2016
6	Secured	Long-term Baht 400 million	MLR - fixed rate p.a.	Every 3 months commencing from February 2011
7	Secured	Long-term Baht 250 million	MLR - fixed rate p.a.	Every 3 months commencing from January 2011
8	Secured	Long-term Baht 350 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2011
9	Secured	Long-term Baht 250 million	MLR - fixed rate p.a.	Every 3 months commencing from July 2015
10	Secured	Long-term Baht 650 million	MLR - fixed rate p.a.	Every 6 months commencing from June 2015
	Secured	Short-term Baht 100 million	MMR	As stated in promissory notes
11	Secured	Long-term Baht 2,000 million	MLR - fixed rate p.a. and 6 months fixed deposit + fixed rate p.a.	Every 6 months commencing from March 2010
	Secured	Short-term Baht 500 million	MMR	As stated in promissory notes
12	Secured	Long-term Baht 480 million	MLR - fixed rate p.a.	Every 3 months commencing from July 2016
13	Secured	Long-term Baht 280 million	MLR - fixed rate p.a.	Every 3 months commencing from June 2016
14	Secured	Long-term Baht 1,000 million	MLR - fixed rate p.a.	Every 6 months commencing from June 2007
	Secured	Short-term Baht 500 million	MMR	As stated in promissory notes
15	Secured	Long-term Baht 600 million	MLR - fixed rate p.a.	Every 6 months commencing from June 2015

Borrowing agreement	Type of secured borrowing	Approved credit facilities	Interest rate (% p.a.)	Term of payment
16	Secured	Long-term Baht 700 million	MLR - fixed rate p.a.	Every 3 months commencing from December 2008
	Secured	Short-term Baht 39 million	MMR	As stated in promissory notes
17	Secured	Long-term Baht 450 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2006
18	Secured	Long-term Baht 800 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2012
19	Secured	Long-term Baht 300 million	MLR - fixed rate p.a.	Every 3 months commencing from June 2012
20	Secured	Long-term Baht 36.22 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
21	Secured	Long-term Baht 32.67 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
22	Secured	Long-term Baht 34.56 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
23	Secured	Long-term Baht 39 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
24	Secured	Long-term Baht 39 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
25	Secured	Long-term Baht 34.06 million	MLR - fixed rate p.a.	Every 3 months commencing from May 2016
26	Secured	Long-term Baht 38.50 million	MLR - fixed rate p.a.	Every 3 months commencing from May 2016
27	Secured	Long-term Baht 29.18 million	MLR - fixed rate p.a.	Every 3 months commencing from May 2016
28	Secured	Long-term Baht 39 million	MLR - fixed rate p.a.	Every 3 months commencing from October 2016
29	Secured	Long-term Baht 37.02 million	MLR - fixed rate p.a.	Every 3 months commencing from December 2016
30	Secured	Long-term Baht 37.70 million	MLR - fixed rate p.a.	Every 3 months commencing from June 2017
31	Secured	Long-term Baht 37.17 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
32	Secured	Long-term Baht 33.02 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
33	Secured	Long-term Baht 35.59 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
34	Secured	Long-term Baht 37.50 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
35	Secured	Long-term Baht 38.53 million	MLR - fixed rate p.a.	Every 3 months commencing from September 2017
36	Secured	Long-term Peso 181 million	RRP + fixed rate p.a.	Every months commencing from July 2017

Under the loan agreements, the Group has to comply with certain covenants and restrictions e.g. the percentage of shareholding of the major shareholders, changes in directors, guarantees to loans of aval to promissory notes of any persons or any companies, dividend payments, merger or consolidation with any companies, and maintenance of certain financial ratios. However, in December 2015, the Group received the letters to revoke the restriction of maintenance of certain financial ratios for the year 2015 from all financial institutions.

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Property, plant and equipment - net	9,995,687	10,029,296	6,050,030	6,235,129
Leasehold rights for land - net	607,680	629,081	557,937	576,214
Total	10,603,367	10,658,377	6,607,967	6,811,343

Notes to the financial Statements

In addition, the Group assigned the rights and benefits under insurance policies to the lenders to secure the loan. Certain loans are also secured by a guarantee provided by the Company and pledging of all shares of Erawan Rajdamri Company Limited.

As at 31 December 2015, the Group and the Company had unutilised credit facilities of totaling Baht 75.5 million and Baht 18.0 million, respectively (2014: Baht million 335.8 and Baht 154.8 million, respectively).

20 Trade accounts payable

Unit: thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties	4	-	-	387	335
Other parties		261,407	253,949	129,882	112,915
Total		261,407	253,949	130,269	113,250

Trade accounts payable of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

21 Other current liabilities

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued expenses	212,167	199,966	99,238	95,128
Advances from customers and deposit received	165,924	147,577	73,313	76,764
Account payable - construction	55,673	132,091	31,482	111,693
Management, royalty, marketing and other fees payable	34,570	33,363	16,985	16,370
Retention	47,474	85,560	26,662	76,036
Value added tax payable	26,721	25,719	14,172	13,200
Others	96,081	110,321	51,055	46,696
Total	638,610	734,597	312,907	435,887

22 Deferred income

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Leasehold rights - building, service and equipment	28,000	28,000	28,000	28,000
Less accumulated amortisation	(9,614)	(7,590)	(9,614)	(7,590)
Net book value	18,386	20,410	18,386	20,410
Amortisation included in statements of income for the year	2,024	2,024	2,024	2,024
Current portion of leasehold rights - building service and equipment	2,024	2,024	2,024	2,024
Leasehold rights - building service and equipment	16,362	18,386	16,362	18,386
Total	18,386	20,410	18,386	20,410

23 Employee benefit obligations

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Statement of financial position obligations for: Retirement benefits	77,680	60,194	40,234	26,855
Year ended 31 December Statement of comprehensive income: Recognised in profit or loss: Retirement benefits	9,955	9,030	5,247	4,506
Recognised in other comprehensive income: Actuarial losses recognised in the year	13,406	-	9,793	-

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Notes to the financial Statements

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations:

Unit: thousand Baht

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Defined benefit obligations					
at 1 January		60,194	59,988	26,855	26,932
Include in profit or loss:	30				
Current service cost		7,618	6,859	4,192	3,572
Interest on obligation		2,337	2,171	1,055	934
		9,955	9,030	5,247	4,506
Included in other comprehensive income					
Actuarial losses		13,406	-	9,793	-
		13,406	-	9,793	-
Other					
Benefit paid		(5,875)	(8,824)	(1,661)	(4,716)
Transfer from subsidiaries		-	-	-	133
		(5,875)	(8,824)	(1,661)	(4,583)
Defined benefit obligations					
at 31 December		77,680	60,194	40,234	26,855

Actuarial gains and losses recognised in other comprehensive income arising from:

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Demographic assumptions	(657)	-	(147)	-
Financial assumptions	5,480	-	2,913	-
Experience adjustment	8,583	-	7,027	-
Total	13,406	-	9,793	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Unit: %

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.9	3.7	2.9	3.7
Future salary growth	4.0 - 7.0	3.0 - 7.0	4.0 - 7.0	3.0 - 7.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 13 years (2014: 14 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation at 31 December 2015				
Discount rate (1% movement)	(6,918)	6,065	(3,280)	2,885
Future salary growth (1% movement)	5,987	(6,680)	2,825	(3,139)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the financial Statements

24 Share capital

Unit: thousand shares / thousand Baht

		2015		2014	
Par value per share (in Baht)		Number	Amount	Number	Amount
Authorised					
At 1 January					
Ordinary shares	1	2,505,000	2,505,000	2,505,000	2,505,000
At 31 December					
ordinary shares	1	2,505,000	2,505,000	2,505,000	2,505,000
Issued and paid-up					
At 1 January					
Ordinary shares	1	2,478,778	2,478,778	2,474,635	2,474,635
Issue under ESOP	1	19,395	19,395	4,143	4,143
At 31 December					
ordinary shares	1	2,498,173	2,498,173	2,478,778	2,478,778

Employee Stock Option Plan (ESOP)

During the year 2011, the Company issued stock option plan of 32,093,099 share options for the Group's employees. In 2012, the Company issued additional stock option so the total stock options issued were 35,743,099 shares. The period of the plan shall not exceed 5 years from grant date on 10 June 2011. The offering shall be completed within 30 December 2015.

The Company has recorded the approximate fair value of the rights granted through the plan based on the binomial model. The fair value was separately calculated into 4 vesting periods as follows:

No.	Exercise period	Number of exercised share	Exercise price
1	1 January 2012 - 30 December 2015	10% of total allocated share	2.90
2	1 January 2013 - 30 December 2015	20% of total allocated share	3.00
3	1 January 2014 - 30 December 2015	30% of total allocated share	3.10
4	1 January 2015 - 30 December 2015	40% of total allocated share	3.20

Based on the assumptions, the share price of Baht 2.44 at grant date, volatility rate of 24.7%, 5 year term of plan and risk free interest rate of 3.75%, the average fair value of the stock options among the 4 periods was from Baht 0.42 to Baht 0.51 per unit.

The Company recorded the fair value of Baht 1.7 million over the period that the employees become entitled to the options in the statements of comprehensive income for the year ended 31 December 2014 and in equity as at 31 December 2014.

Movements in the number of outstanding options under ESOP during the year ended 31 December 2015 and 2014 were as follows:

Unit: thousand Baht

	2015	2014
At 1 January	19,483	29,257
Exercised	(19,395)	(4,143)
Not exercised	(88)	(5,631)
At 31 December	-	19,483

The exercise of ESOP complied with the terms and conditions of the issuance of ESOP which were approved by the Company's shareholders.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

25 Reserve

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value change in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

26 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services, are managed separately and different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Hotel business
Segment 2	Rental and management building business

Other operations. None of these segments meets the quantitative thresholds for determining reportable segments in 2015 or 2014.

Inter-segment pricing is determined on mutually agreed terms.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before interest and tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the financial Statements

Information about reportable segments

Unit: million Baht

	Hotel business		Rental and management building business		Other business		Unallocated assets		Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
External revenue	5,049	4,052	206	193	-	39	46	70	-	-	5,301	4,354
Inter-segment revenue	-	1	22	21	-	-	-	-	(22)	(22)	-	-
Total segment revenue	5,049	4,053	228	214	-	39	46	70	(22)	(22)	5,301	4,354
Share of profit of investments in associates	-	-	-	-	-	-	19	21	-	-	19	21
Depreciation and amortisation	(679)	(635)	(25)	(24)	-	-	(6)	(6)	(7)	(7)	(717)	(672)
Segment profit (loss) before interest and income tax	693	209	97	89	-	19	(58)	(35)	(14)	(14)	718	268
Capital expenditure	644	1,620	5	6	19	8	7	4	-	-	675	1,638
Investments in associates	-	-	-	-	-	-	162	162	-	-	162	162
Reportable segment assets as at 31 December	12,625	12,652	121	142	22	1	1,811	1,474	241	248	14,820	14,517
Reportable segment liabilities as at 31 December	8,345	8,628	4	1	-	-	2,550	1,738	(996)	(584)	9,903	9,783

Reconciliation of reportable segment profit or loss, assets and liabilities and other material items

Unit: million Baht

	2015	2014
Revenues		
Total revenue from reportable segments	5,277	4,306
Other revenue	46	70
Elimination of inter-segment revenue	(22)	(22)
Consolidated revenue	5,301	4,354
Profit or loss		
Total profit (loss) for reportable segments before interest income tax and elimination of inter-segment	790	317
Elimination of inter-segment	(14)	(14)
Unallocated corporate expenses	(77)	(56)
Share of profit of investments in associates	19	21
Consolidated profit (loss) before interest and income tax	718	268
Assets		
Total assets for reportable segments	12,768	12,795
Other assets	1,621	1,285
Investments in associates	162	162
Elimination of inter-segment	241	248
Unallocated amounts	28	27
Consolidated total assets	14,820	14,517
Liabilities		
Total liabilities for reportable segments	8,349	8,629
Other liabilities	1,121	1,162
Elimination of inter-segment	(996)	(584)
Unallocated amounts	1,429	576
Consolidated total liabilities	9,903	9,783

Unit: million Baht

	Reportable segment totals	Adjustments	Consolidated totals
Other material items			
2015			
Capital expenditure	12,811	269	13,080
Depreciation and amortisation	(704)	(13)	(717)
2014			
Capital expenditure	12,844	275	13,119
Depreciation and amortisation	(659)	(13)	(672)

Notes to the financial Statements

Geographical segments

The Group has no material revenues derived from, or assets located in, foreign countries.

27 Other income

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Income from property tax	1,824	1,884	1,580	1,634
Gain on disposal of property, plant and equipment and intangible assets	3,656	743	318	400
Net foreign exchange gain	3,371	3,570	1,609	1,995
Others	31,569	61,137	19,435	12,804
Total	40,420	67,334	22,942	16,833

28 Selling expenses

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Marketing expenses	232,186	187,130	111,040	97,130
Employee benefit expenses	98,662	82,991	50,129	39,408
Total	330,848	270,121	161,169	136,538

29 Administrative expenses

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Employee benefit expenses	460,245	362,260	250,733	217,945
Management and other fee	214,498	202,332	122,617	109,155
Repair and maintenance expenses	102,418	98,471	47,393	44,477
Others	265,823	272,173	138,510	123,560
Total	1,042,984	935,236	559,253	495,137

30 Employee benefit expenses

Unit: thousand Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Salaries and other benefits		1,281,294	1,267,310	634,749	612,502
Retirement benefits	23	9,955	9,030	5,247	4,506
Total		1,291,249	1,276,340	639,996	617,008

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3 % to 10 % of their basic salaries and by the Group at rates ranging from 3 % to 10 % of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Managers.

31 Expenses by nature

The financial statement includes an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

Unit: thousand Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Employee benefit expenses	1,291,249	1,276,340	639,996	617,008
Costs of food and beverage	703,905	646,305	320,838	268,194
Rental expenses	177,270	167,636	37,874	28,120

32 Finance costs

Unit: thousand Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Interest expense:					
Related parties	4	-	-	15,290	5,107
Financial institutions		387,730	384,878	232,730	232,229
Less: amounts included in the cost of qualifying assets:		387,730	384,878	248,020	237,336
- Capitalised as cost of assets under construction	13	(898)	(25,013)	-	(23,502)
Net		386,832	359,865	248,020	213,834

33 Income tax expense

Income tax recognised in profit or loss

Unit: thousand Baht

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Current tax expense					
Current year		96,886	16,134	60,328	14,611
Deferred tax expense					
Movements in temporary differences	17	1,897	2,864	(802)	15
Income tax expense		98,783	18,998	59,526	14,626

Notes to the financial Statements

Income tax recognised in other comprehensive income

Unit: thousand Baht

Consolidated financial statements						
	2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	(13,406)	2,681	(10,725)	-	-	-
Total	(13,406)	2,681	(10,725)	-	-	-

Unit: thousand Baht

Separate financial statements						
	2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	(9,793)	1,959	(7,834)	-	-	-
Total	(9,793)	1,959	(7,834)	-	-	-

Reconciliation of effective tax rate

Consolidated financial statements				
	2015		2014	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit (loss) before income tax expense		331,490		(91,462)
Income tax using the Thai corporation tax rate	20.0	66,298	20.0	(18,292)
Tax difference on expense (revenue)		(366)		1,410
Recognition of previously unrecognised tax losses		(7,582)		(1,802)
Current year losses for which no deferred tax asset was recognised		40,433		37,682
Total	(29.8)	98,783	(20.8)	18,998

Separate financial statements				
	2015		2014	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit before income tax expense		312,375		123,310
Income tax using the Thai corporation tax rate	20.0	62,475	20.0	24,662
Tax difference on expense (revenue)		(2,949)		(10,036)
Total	19.1	59,526	11.9	14,626

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

34 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

Unit : thousand Baht / thousand shares

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to ordinary shareholders of the Company (basic)	197,866	(111,579)	252,849	108,168
Number of ordinary shares outstanding at 1 January	2,478,778	2,474,635	2,478,778	2,474,635
Effect of shares options exercised	4,050	1,076	4,050	1,076
Weighted average number of ordinary shares outstanding (basic)	2,482,828	2,475,711	2,482,828	2,475,711
Earnings (loss) per share (basic) (in Baht)	0.0797	(0.0451)	0.1018	0.0439

Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

Unit : thousand Baht / thousand shares

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) attributable to ordinary shareholders of the Company (basic)	197,866	(111,579)	252,849	108,684
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	197,866	(111,579)	252,849	108,684

Notes to the financial Statements

Unit : thousand Baht / thousand shares

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Weighted average number of ordinary shares outstanding (basic)	2,482,828	2,475,711	2,482,828	2,475,711
Effect of share options granted	4,143	5,605	4,143	5,605
Weighted average number of ordinary shares outstanding (diluted)	2,486,971	2,481,316	2,486,971	2,481,316
Earnings (loss) per share (diluted) (in Baht)	0.0796	(0.0450)	0.1017	0.0438

35 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the appropriation of dividends of Baht 0.04 per share, amounting to Baht 99.27 million. The dividend was paid to shareholders on 27 May 2015.

At the annual general meeting of the shareholders of the Company held on 29 April 2014, the shareholders approved the appropriation of dividends of Baht 0.1515 per share, amounting to Baht 374.94 million. The dividend was paid to shareholders on 28 May 2014.

At the annual general meeting of the shareholders of a subsidiary held on 3 April 2014, the shareholders approved the appropriation of dividends of Baht 0.71 per share, amounting to Baht 56.56 million. The dividend was paid to shareholders on 2 May 2014.

36 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating. The Group is primarily exposed to interest rate risk from its borrowings (Note 19). The Group mitigates this risk by ensuring that the majority of its borrowings are close to the market rate.

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature or re-price were as follows:

Unit: thousand Baht

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Loans receivable - related parties	4.51	-	907,328	-	907,328
2014					
Loans receivable - related parties	4.95	-	501,027	-	501,027

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Unit: thousand Baht

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Loans payable - financial institutions	MMR, MLR - 1.00, MLR - 1.50, MLR - 2.00, RRP + 2.25, 6-month fixed deposit rate + 2.00	2,616,673	3,796,020	2,189,472	8,602,165
2014					
Loans payable - financial institutions	MMR MLR - 1.00, MLR - 1.50, MLR - 2.00, 6-month fixed deposit rate + 2.00	1,720,000	4,132,620	2,588,228	8,440,848

Notes to the financial Statements

Unit: thousand Baht

Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Loans payable - related party	5.78	-	88,526	-	88,526
Loans payable - financial institutions	MLR - 1.00, MLR - 1.50, MLR - 2.00, 6-month fixed deposit rate + 2.00	2,253,500	1,949,874	1,245,576	5,448,950
Total		2,253,500	2,038,400	1,245,576	5,537,476
2014					
Loans payable - related party	6.00	-	82,726	-	82,726
Loans payable - financial institutions	MLR - 1.00, MLR - 1.50, MLR - 2.00, 6-month fixed deposit rate + 2.00	1,461,250	2,649,900	1,374,430	5,485,580
Total		1,461,250	2,732,626	1,374,430	5,568,306

During the year 2013, the Company entered into interest rate swap contracts with a local financial institution for long-term loans in Baht with principal amounts of totaling Baht 1,997 million, which will swap interest at float interest rates to fixed interest rates as stipulated in the contracts. The terms of each contract are approximately 4 years, expiring on 30 December 2014.

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of finance costs over the period of the contract.

Foreign currency risk

The Group operates mainly in Baht currency. Accordingly, the Company does not have material foreign currency risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

Unit: thousand Baht

Consolidated financial statements					
Fair value					
	Carrying amount	Level 1	Level 2	Level 3	Total
31 December 2015					
Current					
Loan from financial institutions	2,617	-	2,617	-	2,617
Non-current					
Equity securities available for sale	1	-	1	-	1
Loans from financial institutions	5,985	-	5,985	-	5,985
31 December 2014					
Current					
Loan from financial institutions	1,720	-	1,720	-	1,720
Non-current					
Equity securities available for sale	1	-	1	-	1
Loans from financial institutions	6,721	-	6,721	-	6,721

Unit: thousand Baht

Separate financial statements					
Fair value					
	Carrying amount	Level 1	Level 2	Level 3	Total
31 December 2015					
Current					
Loans from financial institutions	2,554	-	2,554	-	2,554
Non-current					
Equity securities available for sale	1	-	1	-	1
Loans to related parties	907	-	907	-	907
Loans from related party	89	-	89	-	89
Loans from financial institutions	3,195	-	3,195	-	3,195
31 December 2014					
Current					
Loans from financial institutions	1,461	-	1,461	-	1,461
Non-current					
Equity securities available for sale	1	-	1	-	1
Loans to related parties	501	-	501	-	501
Loans from related party	83	-	83	-	83
Loans from financial institutions	4,024	-	4,024	-	4,024

Notes to the financial Statements

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for equity securities available for sale using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

The fair value of accounts receivable and accounts payable - trade and others is taken to approximate the carrying value.

The fair value of loans to and loans from related parties is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

37 Commitments with non-related parties

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Capital commitments				
Contracted but not provided	217.2	90.4	21.2	15.6
Non-cancellable operating lease commitments				
Within one year	189.9	177.4	42.8	35.9
After one year but within five years	276.8	328.7	137.6	108.3
After five years	2,658.7	1,877.8	1,880.8	1,516.6
Total	3,125.4	2,383.9	2,061.2	1,660.8
Commitments under service agreements				
Within one year	59.9	72.8	43.4	47.3
After one year but within five years	19.1	8.8	10.2	8.1
Total	79.0	81.6	53.6	55.4

Unit: million Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Other commitments				
Guarantee for bank credit facilities	750.0	750.0	750.0	750.0
Bank guarantees	31.3	29.2	16.1	16.1
Total	781.3	779.2	766.1	766.1

Long-term agreements

The Company and its subsidiaries have entered into several long-term asset lease agreements and several service agreements with third parties, local companies, overseas companies, and Government organizations as follows:

Long-term asset lease agreements

Erawan Rajdamri Company Limited, a subsidiary, entered into a building lease agreement with a Government organisation covering a term of 30 years, commencing 1 July 1987, whereby the subsidiary shall pay monthly rental at the rate for each year as specified in the agreement. However, on 9 January 2006, the subsidiary entered into the Building Renovation and Land and Renovated Building Lease Agreement. Under the term of this agreement, the subsidiary shall pay remuneration of Baht 70.0 million, which had already been paid. In addition, the subsidiary shall pay monthly rental at the rate stipulated for each year, for a term of 30 years commencing 1 January 2008.

Erawan Hotel Public Company Limited, a subsidiary, entered into an agreement with a related company to lease land for a term of 30 years up to the year 2021. At the maturity date, the subsidiary has a right to renew the term of the agreement for another 20 years. The subsidiary shall pay land rental of Baht 14.1 million per annum, and the land rental shall be adjusted every ten years. Upon the termination of the agreement, the ownership of buildings and building improvements on the leased land, including equipment, furniture and tools necessary for hotel operations, shall be transferred to the lessor.

The Company has lease agreement for the land on which its hotel building is situated from the lessor. Ownership of all structures constructed on the leased land, including that of equipment, furniture and tools which are vital to the project's operation, shall be transferred to the lessor upon the termination of the agreements. The Company shall pay land rental charges of Baht 11.2 million (for the year 2005 - 2014) per annum and the land rental shall be adjusted every ten years. The term of the lease is a period of 30 years up to the year 2025.

Under the terms of the lease agreements, the Company shall pay the following lease payment and deposits for rental as follows,

1. Leasehold rights amounting to Baht 180.0 million shall be paid within the 30th year of the lease and is recorded as part of "Accounts payable for land leasehold rights" in the statement of financial position.
2. Deposits for rental amounting to Baht 90.0 million. The Company has paid the full amount of the deposits, which shall be refunded in the 30th year and is presented as part of "Deposits for lease of land, building and equipment" in the statement of financial position.

Notes to the financial Statements

In addition, the Company has an agreement to lease the land on which the hotel building is located for extend the period of agreement which the previous agreement allowed the lessee to extend the term of the lease as mutually agreed. The Company agreed to lease land for 20 years from 24 January 2025 to 23 January 2045. The Company shall pay rental of Baht 216.1 million, which had already been paid.

In addition to the above mentioned rental, the Company also has a commitment to pay the following rental:

Rental from 2025 to 2034 at the greater of Baht 44.7 million per annum or an amount determined based on an average of the consumer price index of Thailand.

Rental from 2035 to 2045 at the greater of Baht 89.4 million per annum or an amount determined based on an average of the consumer price index of Thailand.

The Company has lease agreement for the land on which its office building is situated from the lessor. According to the agreements, ownership of all structures constructed on the leased land, including that of equipment, furniture and tools which are vital to the project's operation, shall be transferred to the lessor upon the termination of the agreements. The Company shall pay land rental of Baht 13.1 million (for the year 2005 - 2014) per annum and the land rental shall be adjusted every ten years. The terms of the leases is a period of 30 years up to the year 2025.

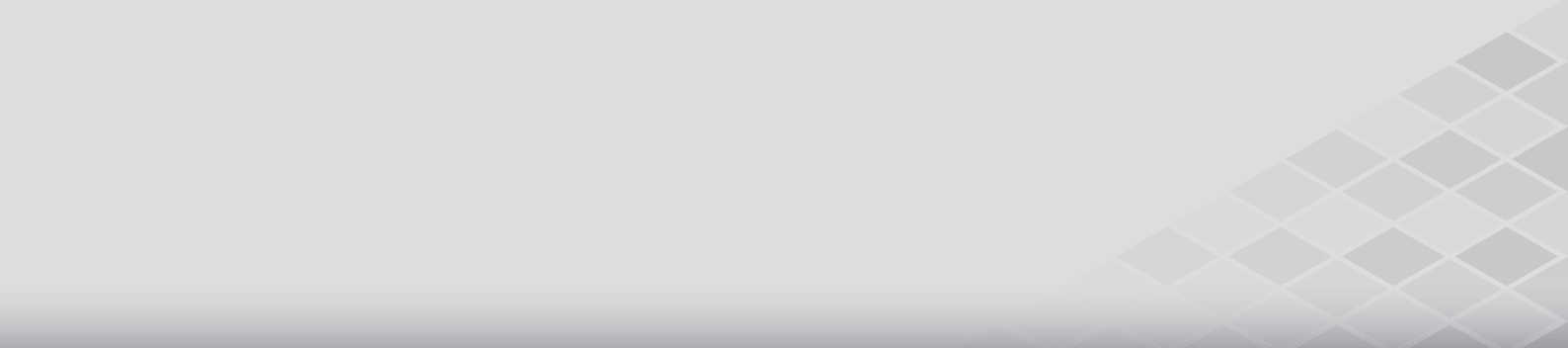
The Company has a land lease agreement for additional land on which its office building is situated with third party for the periods of 22 years and 10 months up to the year 2025. Under the terms of the agreement, the Company agrees to pay rental totalling Baht 32.8 million, in three instalments. The Company had already paid the first and second installments of Baht 23.2 million and the remaining Baht 9.6 million shall be paid in 2025. In addition, the Company shall pay a land rental of Baht 0.8 million per annum for the first three years, and such rental shall be adjusted every ten years. Upon the termination of the agreement, the ownership of all structures erected on the leased land, together with equipment, furniture and tools which are vital to the operation, are to be transferred to the lessor.

On 1 April 2011, the Company transferred leasehold rights land and sold its office building, Ploenchit Center Building, under two lease agreements to Prime Office Leasehold Property Fund.

Erawan Chaophraya Company Limited entered into an agreement to lease land from a foundation for the purpose of land development and building construction. Under the terms of the agreement, the subsidiary shall pay rental of Baht 100,000 per month commencing from 1 November 2004 onward, and the rental charge shall be adjusted every 10 years. The term of the lease is a period of 30 years up to the year 2034. The agreement is renewable upon its termination. In this regard, the subsidiary shall to give notice of its intention in writing to the lessor at least one year but not more than two years in advance. Ownership of buildings and all structures constructed on the leased land shall be transferred to the lessor upon the termination of the agreement.

On 9 June 2006, the Company entered into a land lease agreement with a third party for a period of 30 years up to the year 2038. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 25.0 million. The Company had already paid this remuneration. In addition, the Company shall pay a land rental of Baht 1.2 million per annum for the first three years, and such rental shall adjusted every three years. Upon the termination of the agreement, the ownership of all constructures erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 29 March 2007, the Company entered into a land lease agreement with a third party for a period of 30 years up to the year 2039. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 53.0 million. The Company had already paid this remuneration. In addition, the Company shall pay a land rental of Baht 0.4 million per annum for the first three years, and such rental shall be adjusted every three years. Upon the termination of the agreement, the ownership of all constructures erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.



On 19 March 2010, the Company entered into a land lease agreement with two local companies for a period of 30 years up to the year 2043. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 150.0 million. The Company had already paid this remuneration. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 19 January 2011, The Company entered into land lease agreement with a third party for a period of 30 years up to the year 2043, to be extended for further period, subject to certain conditions in the agreement. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 3.0 million. The Company has already paid this remuneration. In addition, the Company shall pay a land rental of Baht 0.3 million per annum for the first three years, and such rental shall be adjusted every three years. Upon the termination of the agreement, the Company shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 27 March 2013, Erawan Growth Management Company Limited, a subsidiary, entered into a lease agreement with the Fund to lease the land, buildings, infrastructures, furniture, equipment and facilities of IBIS Hotels at Patong and Pattaya, for a period of three years. The counter parties have a right to extend the agreements for five times by notice in advance at least 60 days before expiration. The lease agreements can be extended for further periods of three years each time for the first to the fourth extension and can be extended not more than four months for the fifth time with a fixed rental fee and variable rental fee in accordance with the conditions stipulated in the agreement. Furthermore, the said subsidiary agreed to guarantee the minimum rental income that the Fund shall be received from the subsidiary over the period of 4 years from the lease agreement date. The guaranteed income is Baht 111.5 million per year, totaling Baht 446 million. If the subsidiary cannot pay any shortfall in the guaranteed income, the Company shall provide financial support to the subsidiary to the extent of such shortfall. Lessee does not have an option to repurchase the leased assets under the agreement.

On 13 November 2014, Erawan Philippines (Ermita), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 25 years ending in 2039, to be extended for a further period of 5 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year, according to the agreement. Upon the termination of the agreement; the indirect subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor. Then, on 5 October 2015, the indirect subsidiary entered into a supplemental agreement to extend the term of the lease to 27 years ending in 2041. The indirect subsidiary has the right to renew for another 5 years whereas other conditions in the agreement remains the same.

On 13 March 2015, Erawan Hop Inn Company Limited entered into land lease agreement with a third party for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 2.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental of Baht 1.1 million per annum for the first three years, and such rental shall be adjusted every three years. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 2 July 2015, Erawan Hop Inn Company Limited entered into land lease agreement with a third party for a period of 30 years up to the year 2046, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 5.3 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

Notes to the financial Statements

On 2 July 2015, The Company entered into land lease agreement with a third party for a period of 30 years up to the year 2048, to be extended for further period, subject to certain conditions in the agreement. The Company shall pay lease remuneration of Baht 53.5 million. The Company has already paid this remuneration. In addition, the Company shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 2 July 2015, Erawan Philippines (Makati), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 30 years ending in 2045, to be extended for a further period of 20 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 9 July 2015, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a foundation for a period of 30 years up to the year 2046, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 4.7 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 7 August 2015, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 13.6 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in the agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

Hotel management agreements

On 24 February 1988, Erawan Hotel Public Company Limited, a subsidiary, entered into agreements with various companies in the Hyatt International Corporation Limited Group (HYATT) whereby HYATT will provide necessary hotel construction and management services to the subsidiary. Under the terms of the agreements, the subsidiary is committed to pay a management fee, license fee, and a share of marketing and promotion expenses to HYATT, at the rates indicated in the agreements. The terms of the management agreement is for 20 years, counting from commencement of hotel operations, to be extended for at least 10 years, dependent upon certain conditions as specified in the agreement.

On 29 October 2010, Erawan Hotel Public Company Limited entered into amendment agreement with Hyatt to amend certain conditions in the agreement. The subsidiary agreed to extend the terms of the management agreement for another 9.5 years and extended for at least 10 years, dependent upon certain conditions as specified in the agreement.

On 3 February 1994, Erawan Ploenchit Company Limited entered into an agreement with Marriott Worldwide Corporation Group ('Marriott') to appoint the Marriott as management of the subsidiary's hotel. The subsidiary also made agreements with Marriott relating to the hotel operations. Under the terms of the agreements, the subsidiary is committed to pay remuneration to Marriott at the rates, terms and basis specified in the agreements. The hotel management agreement will be terminated on 31 December 2032. On 1 January 2008, the subsidiary transferred all commitments under these agreements to the Company.

On 4 July 2005, Erawan Rajdamri Company Limited and Erawan Samui Company Limited entered into management agreements with Marriott Group ("Marriott"), to appoint the Marriott to manage the subsidiaries' hotel as a standardised Courtyard by Marriott and Renaissance hotel. Under the terms of the agreements, the subsidiaries are committed to pay remuneration to Marriott in accordance with the rates, terms and basis specified in the agreements. The terms of the hotel management agreements are for 30 years from commencement of hotel operations, and are extendible for a further period of at least 10 years, depend on the fulfillment of certain conditions specified in the agreements.

In December 2005, the Company entered into agreements with InterContinental Hotels Group to manage a hotel located at Pattaya under the brand Holiday Inn. Under the terms of the agreements, the Company is committed to pay remuneration in accordance with the rates, terms and basis specified in the agreements. The terms of the hotel management agreements are 15 years from commencement of hotel operations, and are extendible for a further period of at least five years, dependent upon the fulfillment of certain conditions specified in the agreements.

On 18 February 2013, the Company entered into amendment agreement with InterContinental Hotel Group. Under the term of the agreements, the Company is committed to pay remuneration in accordance with the rates, terms and basis specifies in the new amendment agreements. The term of the hotel management agreement is for 15 years from commencement of the additional building operations under the brand Holiday Inn, extendible for a further period of at least five years two times, dependent upon the fulfillment of certain conditions specified in the agreements.

During June 2006 to December 2012, the Company and Erawan Chaopraya Company Limited, a subsidiary, entered into agreements with Accor Group to manage 12 hotels located in Thailand of the Company and a subsidiary under the brand Ibis and Mercure. Under the terms of the agreements, the Company and a subsidiary are committed to pay remuneration in accordance with the rates, terms and basis specified in the agreements. The terms of the hotel management agreements are 15 years from commencement of hotel operations, extendible for a further period of at least 5 years, dependent upon the fulfillment of certain conditions specified in the agreements. On 1 July 2009, the contract was extended from 15 to 20 years.

Erawan Phuket Company Limited, a subsidiary, agreed with the Six Senses Company Group for the termination of their management services agreements in July 2011 and entered into management services agreements with the Starwood Group to that will provide resort management services to the subsidiary under the terms of the agreements. The subsidiary is committed to pay management fees at the rates indicated in the agreements. The agreements will expire in December 2032 with an option to extend for further period, dependent upon certain as conditions specified in the agreements.

On 1 July 2013, the Company and its subsidiaries agreed with the Accor Group to terminate the hotel management agreements for 12 hotels and enter into franchise agreements with the Accor Group under the Ibis and Mercure brand to replace the hotel management agreements. Under the terms of these agreements, the Company and its subsidiaries are committed to pay fees to Accor Group at the rates, terms and basis specified in the agreements. The periods of the franchise agreements are the same as the previous hotel management agreements.

On 30 December 2015, the Company entered into franchise agreements with the Accor Group to operate hotels under the Ibis Styles and Novotel brands. Under the terms of these agreements, the Company is committed to pay fees to Accor Group at the rates, terms and basis specified in the agreements. The term of the franchise agreement is for 20 years from commencement of hotel operations.

Notes to the financial Statements

38 Contingent liability

Litigations and dispute

In 2009, a subsidiary submitted a statement of claim to the Alternative Dispute Resolution Office, Arbitration Institute to consider the dispute with a contractor to pay for compensation arising from alleged breach of a construction contract. The contractor submitted a statement of defense and counterclaim to the Arbitration Institute as well. On 8 May 2014, the litigation judgement was finalised by Arbitration Institute that the contractor breached the construction contract and paid the compensation for income and delay of construction by net offsetting retention of Baht 38.13 million. The subsidiary recognised the said transaction as other income in its statement of comprehensive income for year ended 31 December 2014.

39 Event after the reporting period

At the Company's board of directors' meeting held on 23 February 2016, the board of directors agreed to propose the payment of a dividend of Baht 0.04 per share, totalling Baht 99.9 million to the 2016 annual general meeting of the shareholders of the Company. The right to receive the aforesaid dividend is subject to the approval of the annual general meeting of the shareholders.

40 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
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 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures

TFRS	Topic
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
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 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 21	Levies

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Corporate Information

**The Erawan Group Public
Company Limited**
Registration No :
0107537001943

Branch 4

ibis Pattaya
463/79 Pattaya Sai 2 Road,
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20150 Thailand
Telephone : 66 (0) 3841 8188
Fax : 66 (0) 3841 8189

Branch 9

ibis Kata
88/8 Kata Road, Karon,
Mueang Phuket, Phuket 83100
Thailand
Telephone : 66 (0) 7636 3488
Fax : 66 (0) 7636 3489

Head Office

Ploenchit Center
6th Floor 2 Sukhumvit Road,
Kwang Klongtoey, Khet Klongtoey,
Bangkok 10110 Thailand
Telephone : 66 (0) 2257 4588
Fax : 66 (0) 2257 4577

Branch 5

ibis Samui
197 Rob Koh Road, Bophut,
Koh Samui, Surat Thani 84320
Thailand
Telephone : 66 (0) 7791 4888
Fax : 66 (0) 7791 4889

Branch 10

ibis Hua Hin
73/15 Soi Moobaan Nongkae,
Nongkae, Hua-Hin, Prachuapkhirikhan
77110 Thailand
Telephone : 66 (0) 3261 0388
Fax : 66 (0) 3261 0389

Branch 1

Erawan Bangkok
494 Ploenchit Road, Kwang Lumpini,
Khet Pathumwan, Bangkok 10330
Thailand
Telephone : 66 (0) 2250 7777
Fax : 66 (0) 2250 7788

Branch 6

ibis Sathorn
29/9 Soi Ngam Duphli, Rama IV Road,
Kwang Thung Mahamek, Khet Sathorn,
Bangkok 10120 Thailand
Telephone : 66 (0) 2610 5188
Fax : 66 (0) 2610 5189

Branch 11

Mercure ibis Bangkok Siam
927 Rama 1 Road, Kwang Wangmai,
Khet Pathumwan, Bangkok 10330
Thailand
Telephone : 66 (0) 2874 7222
Fax : 66 (0) 2874 7229

Branch 2

JW Marriott Bangkok
4 Sukhumvit Road, Kwang Klongtoey,
Khet Klongtoey, Bangkok 10110
Thailand
Telephone : 66 (0) 2656 7700
Fax : 66 (0) 2656 9831

Branch 7

ibis Nana
41 Soi Sukhumvit 4, Sukhumvit Road,
Kwang Klong Toey, Khet KlongToey,
Bangkok 10110 Thailand
Telephone : 66 (0) 2667 5888
Fax : 66 (0) 2667 5889

Branch 12

ibis Styles Krabi Ao Nang
725 Moo 2, Ao Nang, Mueang Krabi,
Krabi 81000 Thailand
Telephone : 66 (0) 7562 6388
Fax : 66 (0) 7562 6389

Branch 3

ibis Patong Phuket
10 Chalermphrakiat Road,
Patong, Kathu, Phuket 83150 Thailand
Telephone : 66 (0) 7630 3888
Fax : 66 (0) 7630 3889

Branch 8

**Holiday Inn Pattaya and
Holiday Inn Executive Pattaya**
463/68, 463/99 Pattaya Sai 1 Road,
Nongprue, Bang Lamung,
Chonburi 20150 Thailand
Telephone : 66 (0) 3872 5555
Fax : 66 (0) 3872 5556

Branch 13

Mercure Pattaya Ocean Resort
463/100 Moo 9, Nongprue,
Bang Lamung, Chonburi 20150
Thailand
Telephone : 66 (0) 3876 9688
Fax : 66 (0) 3876 9689

Home page

www.TheErawan.com

Type of Business

Invest and develop hotel properties strategically located to match travelers' different demand including property management and retail shops.

Company's Capital as
at 31st December 2015

Registered Capital

2,505,000,000 Baht : 2,505,000,000 ordinary shares at par value 1 Baht/share.

Paid-Up Capital

2,494,864,025 Baht : 2,494,864,025 ordinary shares at par value 1 Baht/share.

Other References

Registrar of Ordinary Shares

Thailand Securities Depository Co., Ltd.
No. 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Thailand
Telephone : 66 (0) 2229 2800
Fax : 66 (0) 2359 1259

Auditor

Ms. Somboon Supasiripinyo
Certificate Public Accountant (Thailand) No.3731
Mr. Charoen Phosamritlert
Certificate Public Accountant (Thailand) No.4068
Ms. Vipavan Pattavanvivek
Certificate Public Accountant (Thailand) No.4795
Ms. Patamavan Vadhanakul
Certificate Public Accountant (Thailand) No.9832
Mr. Veerachai Ratanajaratkul
Certificate Public Accountant (Thailand) No.4323

KPMG Phoomchai Audit Ltd.
48th Floor, Empire Tower
195 South Sathorn Road, Bangkok 10120, Thailand

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Fax: 66 (0) 2677 2222

Corporate Information

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Fax : 66 (0) 2257 4577

www.TheErawan.com

HOTEL BUSINESS

Grand Hyatt Erawan Bangkok Hotel

494 Ploenchit Road, Patumwan, Bangkok, 10330 Thailand

Telephone : 66 (0) 2254 1234

Fax : 66 (0) 2254 6267

www.bangkok.grand.hyatt.com

Holiday Inn Pattaya and Holiday Inn Executive Pattaya

463/68, 463/99 Pattaya Sai 1 Road, Nongprue, Bang Lamung Chonburi 20150 Thailand

Telephone : 66 (0) 3872 5555

Fax : 66 (0) 3872 5556

www.holidayinn.com/pattaya

ibis Bangkok Sathorn

29/9 Soi Ngam Duphli, Rama IV Road, Kwang Thung Mahamek, Khet Sathorn, Bangkok 10120 Thailand

Telephone : 66 (0) 2610 5188

Fax : 66 (0) 2610 5189

www.ibishotel.com

JW Marriott Bangkok

4 Sukhumvit Soi 2, Sukhumvit Road, Klongtoey, Bangkok, 10110 Thailand

Telephone : 66 (0) 2656 7700

Fax : 66 (0) 2656 7711

www.marriott.com/bkkdt

Mercure Pattaya Ocean Resort

463/100 Moo 9, Nongprue, Bang Lamung, Chonburi 20150 Thailand

Telephone : 66 (0) 3876 9688

Fax : 66 (0) 3876 9689

www.mercure.com

ibis Phuket Kata

88/8 Kata Road, Karon, Mueang Phuket, Phuket 83100 Thailand

Telephone : 66 (0) 7636 3488

Fax : 66 (0) 7636 3489

www.ibishotel.com

Renaissance Koh Samui Resort and Spa

208/1 Moo 4, T. Maret, Lamai Beach, Koh Samui, Surat Thani 84310 Thailand

Telephone : 66 (0) 7742 9300

Fax : 66 (0) 7742 9333

www.marriott.com/usmbr

ibis Phuket Patong

10 Chalermphrakiat Road, Patong, Kathu, Phuket 83150 Thailand

Telephone : 66 (0) 7630 3888

Fax : 66 (0) 7630 3889

www.ibishotel.com

ibis Bangkok Riverside

27, Soi Charoennakorn 17, Charoennakorn Road, Kwang Banglamphulung, Khet Klongsan, Bangkok 10600 Thailand

Telephone : 66 (0) 2805 9888

Fax : 66 (0) 2805 9889

www.ibishotel.com

The Naka Island, a Luxury Collection Resort & Spa, Phuket

32 Moo 5, Paklok, Thalung, Phuket 83110 Thailand

Telephone : 66 (0) 7637 1400

Fax : 66 (0) 7637 1401

www.nakaislandphuket.com

ibis Pattaya

463/79 Pattaya Sai 2 Road, Nongprue, Bang Lamung, Chonburi 20150 Thailand

Telephone : 66 (0) 3841 8188

Fax : 66 (0) 3841 8189

www.ibishotel.com

ibis Hua Hin

73/15 Soi Moobaan Nongkae, Nongkae, Hua-Hin, Prachuapkhirikhan 77110 Thailand

Telephone : 66 (0) 3261 0388

Fax : 66 (0) 3261 0389

www.ibishotel.com

Courtyard by Marriott Bangkok

155/1 Soi Mahadlekluang 1, Rajdamri Road, Bangkok, 10330 Thailand

Telephone : 66 (0) 2690 1888

Fax : 66 (0) 2690 1899

www.courtyard.com/bkkcy

ibis Samui Bophut

197 Rob Koh Road, Bophut, Koh Samui, Surat Thani 84320 Thailand

Telephone : 66 (0) 7791 4888

Fax : 66 (0) 7791 4889

www.ibishotel.com

ibis Bangkok Siam

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Fax : 66 (0) 2874 7229

www.ibishotel.com

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725 Moo 2, Ao Nang, Mueang Krabi,
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Fax : 66 (0) 7562 6389
www.ibishotel.com

HOP INN Ubon Ratchathani

263 Moo1, Chaeramae,
Mueang Ubon Ratchathani,
Ubon Ratchathani 34000 Thailand
Telephone : 66 (0) 4535 5199
Fax : 66 (0) 4531 1533
www.hopinnhotel.com

HOP INN Nakhon Si Thammarat

59 Pattanakarn-Khukwang Road,
Tha Wang, Mueang Nakhon Si Thammarat,
Nakhon Si Thammarat 80000 Thailand
Telephone : 66 (0) 7580 8199
Fax : 66 (0) 7580 8133
www.hopinnhotel.com

HOP INN Mukdahan

18 Chayangkul Kor Road,
Mukdahan, Mueang Mukdahan,
Mukdahan 49000 Thailand
Telephone : 66 (0) 4263 0399
Fax : 66 (0) 4263 0833
www.hopinnhotel.com

HOP INN Mae Sot

81/9 Asian Highway, Mae Sot,
Mae Sot, Tak 63110 Thailand
Telephone : 66 (0) 5553 6399
Fax : 66 (0) 5553 5833
www.hopinnhotel.com

HOP INN Trang

251/35 Moo 4 Phetkasem Road,
Ban Pho, Mueang Trang
Trang 92000 Thailand
Telephone : 66 (0) 7521 6899
Fax : 66 (0) 7521 2033
www.hopinnhotel.com

HOP INN Nong Khai

889 Moo 3, Nai Mueang,
Mueang Nong Khai, Nong Khai
43000 Thailand
Telephone : 66 (0) 4241 3599
Fax : 66 (0) 4241 3833
www.hopinnhotel.com

HOP INN Sa Kaeo

1/10 Thesaban 18 Road, Sa Kaeo,
Mueang Sa Kaeo, Sa Kaeo 27000
Thailand
Telephone : 66 (0) 3742 1299
Fax : 66 (0) 3742 1133
www.hopinnhotel.com

HOP INN Krabi

19 Ruamjit Road, Pak Nam,
Mueang Krabi, Krabi 81000 Thailand
Telephone : 66 (0) 7562 0889
Fax : 66 (0) 7562 0133
www.hopinnhotel.com

HOP INN Kanchanaburi

360/39 U Thong Road, Pak Phraek,
Mueang Kanchanaburi, Kanchanaburi
71000 Thailand
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Fax : 66 (0) 3451 4533
www.hopinnhotel.com

HOP INN Lampang

79/31 Phaholyothin Road, Suan Dok,
Mueang Lampang, Lampang 52100
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Fax : 66 (0) 5422 8333
www.hopinnhotel.com

HOP INN Khon kaen

90/609 Moo 4, Nai Mueang,
Mueang Khon Kaen, Khon Kaen
40000 Thailand
Telephone : 66 (0) 4322 3899
Fax : 66 (0) 4322 3033
www.hopinnhotel.com

HOP INN Udon Thani

30/2 Moo 7, Soi Ban Nonpiboon,
Piboon Road, Mak Khaeng, Mueang
Udon Thani, Udon Thani 41000 Thailand
Telephone : 66 (0) 4232 4299
Fax : 66 (0) 4232 4423
www.hopinnhotel.com

HOP INN Phitsanulok

66/6 Moo 10, Siharat Decho Chai Road,
Wat Chan, Mueang Phitsanulok,
Phitsanulok 65000 Thailand
Telephone : 66 (0) 5533 4699
Fax : 66 (0) 5533 4522
www.hopinnhotel.com

Erawan Bangkok

494 Ploenchit Road, Lumpini,
Pathumwan, Bangkok 10330
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Telephone : 66 (0) 2250 7777
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www.erawanbangkok.com

HOP INN Nakhon Ratchasima

624 Suebsiri Road, Nai Mueang,
Mueang Nakhon Ratchasima,
Nakhon Ratchasima 30000 Thailand
Telephone : 66 (0) 4435 5039
Fax : 66 (0) 4435 4033
www.hopinnhotel.com

HOP INN Surat Thani

5/135 Moo 3, Liang Mueang Road,
Makham Tia, Mueang Surat Thani,
Surat Thani 84000 Thailand
Telephone : 66 (0) 7743-7099
Fax : 66 (0) 7743-7255
www.hopinnhotel.com

RENTAL PROPERTY

CG Statement

Principle/Recommendation	Reference
Vision Mission and Core Values	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com Code of Conduct
Corporate Culture	www.TheErawan.com Code of Conduct
Our Business Strategy	Annual Report (56-2)
Operation Structure	Annual Information form (56-1)
Shareholder and Management Structure	
- Major Shareholders - Directors' Name/Position/Education - Roles and Responsibilities of the Board of Directors and Management - Independent Directors - The Company's Executives	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com
- Duties and Authorities of President - Duties and Responsibilities of Company Secretary	Annual Report (56-2) Annual Information form (56-1)
Shareholding of the Board of Directors and Management	Annual Report (56-2) Annual Information form (56-1) Report of securities holding (59-1) Report of change in securities holding (59-2)
Risk Factors	Annual Report (56-2) Annual Information form (56-1)
Anti-Money Laundering and Combating the Financing of Terrorism	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com
Anti-Corruption Policy	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com
Corporate Governance Policy	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com

Principle/Recommendation	Reference
CSR Activities	Annual Report (56-2) www.TheErawan.com
Code of Conduct	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com Code of Conduct
Qualification of Directors	
- Chairman Qualification - Independent Qualification - Rules and Responsibility of The Board of Directors and the Management	Annual Report (56-2) Annual Information form (56-1) www.TheErawan.com
- Board of Directors' Meeting - Evaluation of the Board's Performances - Nomination of Directors and Executives - Remunerations of the Board of Directors and Management - Corporate Social Responsibility - Internal Control - Connected Transactions	Annual Report (56-2) Annual Information form (56-1)
Shareholder's meeting	
- Meeting Agendas – Submitted in advance - Announcement of the AGM Notice - Meeting's place - Announce date of meeting and agendas in advance - Notification of the AGM's resolutions - Minutes of the AGM	SET Notice www.TheErawan.com
Financial Information	
45 days for Quarterly Financial Statement Report and 60 days for Financial Statement for the year ended - Quarterly Management Discussion and Analysis / Full Year Management discussion and analysis	SET Notice www.TheErawan.com

CG Statement

Principle/Recommendation	Reference
• 2 days after the meeting to announce a Quarterly Meeting Presentation • Quarterly Investor Factsheet	IR quarterly meeting www.TheErawan.com
Other Information Disclosure	
• Set up New company / New branch • Change of Top Management • Acquisition of Disposition of Assets • Report on the result of the exercise Employee Stock Option Program (ESOP)	SET Notice www.TheErawan.com
Receiving Complaints regarding Corporate Governance and the Code of Conduct	
• Suppliers and Creditors	Bidding Survey External Survey GCG@theerawan.com
• Employees	Internal Survey GCG@theerawan.com
• Customer / Tenant / Guest	External Survey GCG@theerawan.com
• Investor / Analyst	Investor Relation Survey ir@theerawan.com GCG@theerawan.com
• Shareholder / Others	GCG@theerawan.com CompanySecretary@theerawan.com



Creative Cabinet project is one of the Corporate Social activities that The Erawan Group emphasizes as we value the quality in youth: who is a major force in nation developing. We aim to support education of needy schools in the areas where HOP INN hotels are located and to be part of community development.



List of schools received "Creative Cabinet" Year 2014-2015 are as follows:

Krabi

Ban Khlong Raet School
Ban Bok Kao Hong School
Ban Nong Num Daeng School
Ban Thungka School
Ban Ao Nang School

Kanchanaburi

Wat Kao Noi School
Ban Nong Kae School
Ban Rang Kham School
Ban Wong Dong School
Ban Chong Krating School

Khonkaen

Ban Nongweang Nongjik Nontoon School
Ban Nafai Napo School
Ban Nongben School
Ban Nhornghai Khampia School
Sammone Nontun School

Trang

Ban Klong Lam Pring School
Ban Na Yai Mom School
Thung Rong Thong School
Ban Koh Khiam School
Ban Khlong Muan School

Tak

Ban Yang Ong Nok School
Ban Tha Mai Daeng School
Ban Tam Pha Dor School school
Ban Huay Mai Paan School
Ban Mae Ku Nuan School

Nakhon Ratchasima

Ban Noon Phet School
Ban Khokphet Sae Manora School
Ban Don Krating Srisa Chang School
Ban Nong Ma School
Ban Noon Man Thed School

Nakhon Si Thammarat

Ban Bang Luang School
Ban Pak Nam Pak Paya School
Wat Sai Ngam School
Ban Na Ta Yam School
Wat Quan Chum School

Phitsanulok

Ban Klong Noglek School
Ban Pu Kradon School
Wat Phai Khom School
Ban Tor Roea School
Ban Wang Yang School

Mukdahan

Ban Maung Baa School
Ban Mad School
Ban Noan Sawang School
Ban Pa Mai pattana School
Ban Khok Nam Sang School

Lampang

Ban Kai Hin School
Ban Aor Wittaya School
Ban Mak Hua Wang School
Ban Laow School
Ban Mae Teep School

Sakaeo

Ban Kaow Din School
Ban Tha Ta Si School
Ban Tha Ra Pa School
Anuban Sriwattana School
Anuban Thamsiri Wittayakan School

Surat Thani

Wat Krang Mai School
Ban Bang Yai School
Ban Suchon School
Wat Amparam School
Wat Photharam School

Nong Khai

Ban Don Khanon Pattana school
Ban Nong School
Ban Nong Phue Witthayakhom School
Ban Nadee School
Chumchon Ban Paksuai School

Udon Thani

Ban Dong MaKrood SaiThong School
Ban Mad Wittaya Khom School
Ban Na See Nuan School
Ban Don Jun Pho Sawan School
Ban Hua Nong School

Ubon Ratchathani

Ban Nong Kae School
Ban Ka Kom School
Khemmaraj School
Pracha Samakkee School
Ban Na Tan Tai School





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