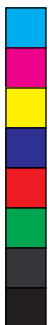




STANDING STRONG

ANNUAL REPORT 2015 / AQ ESTATE PUBLIC COMPANY LIMITED

A Q E S T A T E





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“We believe in the power of design that designs can empower your imagination. We are committed to use this power combined with balancing thoughts in creating a blueprint to living a lifestyle and investing in a worthy future fitting the company's philosophy; AQ ESTATE Blue printing your Future”

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5 Stars luxury residence, 18 units, 3 storeys + 1 extra basement, 449 Sqm. private elevator,
พืชมหัศจรรย์แห่งอาณาจักรใหม่ของคุณ ใจกลางพระรามเก้า กับบ้านโมเดิร์นหรู 3 ชั้น, พร้อมชั้นใต้ดินและลิฟท์, ที่จอดรถ 3 คัน
ราคาเริ่มต้น 28 ล้านบาท



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คอนโดใจกลางเมือง
 รายล้อมด้วยต้นไม้ร่มรื่น
 พร้อมพิตานอส, สระว่ายน้ำน้ำ, ร้านสะดวกซื้อ
 ตกแต่งพร้อมอยู่ แคมเครื่องใช้ไฟฟ้า
 ราคาเริ่มต้น 1.5 ล้าน

ที่สุขในชลบุรี สุดยอดแห่ง club house
 สุดยอดแห่งความหรูหรา
 สุดยอดแห่งความปลอดภัย
 3 ห้องนอน 2 ห้องน้ำ
 ขนาด 145 ตร.ม. ราคาเริ่มต้น 3.69 ล้านบาท

บ้านเดี่ยวสามชั้น สวยหรูระดับพรีเมียม
ภายใต้แนวคิด Living Harmony
22 นาทีถึงเอกมัย 4 ห้องนอน 4 ห้องน้ำ
ขนาด 280 ตร.ม. ราคาเริ่มต้น 6.9 ล้านบาท

บ้านสโตนโบเคอร์ส ติดถนนใหญ่
พหลโยธิน - รังสิต รายล้อมไปด้วย
ต้นไม้ใหญ่ และสิ่งอำนวยความสะดวก
3 ห้องนอน 2 ห้องน้ำ ขนาด 145 ตร.ม.
ราคาเริ่มต้น 4.45 ล้านบาท

กฤษฎาแกรนด์พาร์ค
 อัครสถานบ้านพร้อมอยู่
 ติดถนนใหญ่ พหลโยธิน-รังสิต
 ขนาดที่ดิน 70 - 200 ตร.ว.
 เริ่มต้น 6.99 ล้านบาท

โฮมออฟฟิศ สุดสวย 3 ชั้น
3 ห้องนอน 3 ห้องน้ำ
พร้อมที่จอดรถ 2 คัน
ขนาด 170 ตร.ม.
ราคาเริ่มต้น 4.9 ล้านบาท

☎1636

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Shasa Resort and Residence แหลมเสียด เกาะสมุย รีสอร์ทสุดหรู Luxury 5 ดาว ตั้งอยู่บนเนินเขา วิวด้านโนรามาสุดสวยประทับใจ สระว่ายน้ำ 3 สระ พร้อมห้องนอนขนาดใหญ่ หลายขนาด รองรับสูงสุด ถึง 3 ห้องนอนสำหรับครอบครัวใหญ่ พร้อมครัวอุปกรณ์มาตรฐานสูง ภายในห้อง และการตกแต่งภายในที่งามประณีตเป็นเอกลักษณ์ จองด่วนในราคาที่คาดไม่ถึง
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KOH SAMUI
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โรงแรมสุดChic พร้อม Italian RestaurantสุดCool ติดทะเล ใกล้ท่าอากาศยาน จุดที่ตั้งอยู่ท่ามกลางความคึกคัก และแสงสีของแหล่งท่องเที่ยว "walking street หาดแดง" ไม่ไกลจาก Dance Club ชั้นแนวหน้า แต่บรรยากาศในโรงแรม กลับเต็มไปด้วยความร่มรื่น ความเป็นส่วนตัว รายล้อมด้วยต้นไม้ใหญ่อายุเกือบศตวรรษ ที่สำคัญอยู่ห่างจากเซ็นทรัลสมุย เพียง 2 นาที จอง Malibu เกาะสมุย Resort & Beach Club ด่วนในราคาสุดพิเศษ วันนี้
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FLORA CREEK
CHIANG MAI

การกลับมาอย่างยิ่งใหญ่ ของตำนานรีสอร์ทชื่อดัง พร้อมสวนดอกไม้ทั้งดงามที่สดในภาคเหนือ "กฤษดาตอย เชียงใหม่" พร้อมโรงแรมในสไตล์โมเดิร์น Flora Creek พบกับประสบการณ์ สุดประทับใจ กับหมู่บ้านดอกไม้, สายธารและบ้านหมอกท่ามกลางอ้อมกอดของขุนเขาได้แล้ววันนี้
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AQ estate PCL
WWW.AQESTATE.COM

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Vision

AQ Estate aim not only develop projects or build buildings, we plan your future. We believe in a philosophy of timeless yet functional design since, our goal is to create things that will stand the test of time, to provide our clients, their great investment returns. Moreover, all goals will be achieved rightfully while our stakeholders will be treated with nothing but honesty.

Mission

1. To develop finest real estate projects to serve the current needs of market and those of the future
2. To be amongst Thailand's leading real estate public listed companies.
3. To provide exceptional management services to clients as in a service provider and also as in a business partner.

Message from Board of Directors

AQ Estate board of directors approved a plan strategy to develop projects that are able to recognize revenues and transfer more quickly with clearly targets and emphasizes on its unique designs. The management is determined to move ahead to complete the quality and ready to move in project along with transference of land and property commitments.

“We believe in the power of design that designs can empower your imagination. We are committed to use this power combined with balancing thoughts in creating a blueprint to living a lifestyle and investing in a worthy future fitting the company's philosophy; AQ ESTATE Blue printing your Future”

Board of Directors

1. Mr. Somchai Kuvijitsuwan	Position	Committee Chairman
2. Mr. Suthisak Vageepiyanantanon	Position	Authorized Signatory Director and Executive Director
3. Mr. Pop Petsuwan	Position	Authorized Signatory Director and Chief Executive Officer
4. Dr. Suthad Chankingthong	Position	Authorized Signatory Director
5. Dr. Ranchana Rajatanavin	Position	Authorized Signatory Director
6. Mr. Chaiwat Atsawintarangkun	Position	Independent Director and Chairman of Audit Committee
7. Prof. Dr. Pakdee Manahirunvet	Position	Independent Director and Audit Committee
8. Miss Papasorn Mongkholmafai	Position	Independent Director and Audit Committee



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DETAILS OF BOARD OF DIRECTORS

1.Mr. Somchai Kuvijitsuwan

Position Chairman of the Board
 Age 65 years. No shares holding.
 (Appointment in March 2016)
 No Attendance of Board of Director Meeting in 2015
 No Attendance of Ordinary Meeting in 2015

Education and Affiliations

- o Master Degree of Public Administration
National Institute of Development Administration
- o Bachelor of Laws
Ramkhamhaeng University
- o The Thai Bar (Class 27) at Institute of Legal Education
- o The Thai Bar Associate
- o Provincial Chief Public Prosecutor (Class 9/2530)
- o Director Certification Program (DCP) (Class 76)
- o Course of Senior Executive at Capital Market Academy (Class 9)
- o Training for the Role of the Chairman Program
- o Training for the Role of the Nomination and Governance Committee
- o Course for Senior Executive at Thailand Energy Academy

Work Experiences

Period	Position	Comp any Name
14 Mar.16 - Present	Committee Chairman	AQ Estate PCL
2008 - Present	Qualified Committee	The Office of Securities and Exchange Commission
2008 - Present	Chairman of Audit Committee	The Office of Securities and Exchange Commission
2008 - Present	Qualified Committee	Trial Appeal Committee Customs Department
2011 - Present	Director and Chairman of Audit Committee	PTT Global Chemical PCL
2015 - Present	Director	Thonburi Hospital
Jan.16 - Present	Director	Primamarin Co.,Ltd.
2013 - Present	Director General	Department of Economic Crime Litigation
2001 - 2013	Director General	Department of Public Prosecutor Commission



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2.Mr.Suthisak Vageepiyanantanon

Position Executive Director

Age 46 years. No shares holding.

12/12 Attendance of Board Director Meeting in 2015

1 Attendance of Ordinary Meeting in 2015 (hold a meeting on 20 April 2015)

Education

- o Master Degree of Business Administration (MBA)

Colorado State University, USA

- o Bachelor of Accounting

Kasetsart University

Company

Affiliations

- o Professional Registration (Financial Consultant)
- o Investment Banking of Association of Thai Securities

Work Experiences

Period	Position	Company Name
May 12 - Present	Executive Director	AQ Estate PCL
2012 - Present	Director	A Plus Planner Co., Ltd.
2013 – Present	Director	AQ Village Co.,Ltd.
2013 – Present	Director	Vitoonthanakorn Co.,Ltd.
2013 – Present	Director	Baanchidtara Co., Ltd.
2013 – Present	Director	Aquarius Estate Co., Ltd.
2013 – Present	Director	Aquarius Hotel & Resort
Oct.14 – Present	Director	Villa Nakarin Co.,Ltd.
2008 – 2011	Managing Director	Capital Alliance Co., Ltd.



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3.Mr. Pop Petsuwan

Position Executive Director and Acting Chief Executive Officer

Age 49 years. No shares holding.

12/12 Attendance of Board Director Meeting in 2015

1 Attendance of Ordinary Meeting in 2015

Education

- o Master Degree of Business Administration (MBA)
Chulalongkorn University
- o Bachelor Degree of Architecture
Chulalongkorn University

Affiliations

- o Professional License of Thai Institute of Directors (IOD)

Work Experiences

Period	Position	Company Name
May12 – Present	Executive Director	AQ Estate PCL
Oct.15 – Present	Acting Chief Executive Officer	AQ Estate PCL
2015 – Present	Director	Aquarius Estate Co., Ltd.
2015 – Present	Director	Aquarius Hotel & Resort
2013 – Present	Director	AQ Village Co., Ltd.
2013 – Present	Director	Vitoonthanakorn Co.,Ltd.
2013 – Present	Director	Baanchidtara Co.,Ltd.
2013 – Present	Director	AQ Property Co., Ltd.
2013 – Present	Director	AQ Marketing Co.,Ltd
2013 - 14 May 15	Director	Thanont Co., Ltd.



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4. Dr. Suthad Chankingthong

Position Authorized Signatory Director

Age 45 years. (No shares holding.)

(Appointment on 9 October 2015)

3 Attendance of Board of Director Meeting in 2015

No Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

Education

- o Master Degree of Business Administration (MBA)
Western University
- o Master Degree of Business Administration
Suan Dusit Rajabhat University
- o Bachelor Degree of Business Administration
Suan Dusit Rajabhat University

Work Experiences

Period	Position	Company Name
9 Oct.15 – Present	Authorized Signatory Director	AQ Estate PCL
Present	Managing Director	SJ Capital Auto List Co., Ltd.
Present	Advisor for Gen.Ongat Pongsak	Aquarius Estate Co., Ltd.
Present	Secretary	Aquarius Hotel & Resort



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5. Dr. Ranchana Rajatanavin

Position Authorized Signatory Director

Age 45 years. (No shares holding.)

(Appointment on 9 October 2015)

3 Attendance of Board of Director Meeting in 2015

No Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

Education

- o Doctor of Philosophy (International Business)
Concentration Finance and Marketing Asian Institute of Technology 2004
- o Master Degree of Business Administration
Salem State College, Massachusetts, U.S.A., 1996
- o Bachelor Degree of Business Administration (Finance and Banking)
Ramkhamhaeng University

Affiliations

- o Director Accreditation Program (DAP) in 2007

Work Experiences

Period	Position	Company Name
9 Oct.15 – Present	Authorized Signatory Director	AQ Estate PCL
2013 - Present	Director	Business Plan Committee for ABI Project of Thai-BISPA
2012 - Present	Director	Simat Technology PCL
2008 - Present	Chairman of Audit Committee	Simat Technology PCL



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6. Mr. Chaiwat Atsawintarakun

Position Independent Director and Chairman of Audit Committee

Age 63 years. (No shares holding.)

11/12 Attendance of Board of Director Meeting in 2015

4/4 Attendance of Audit Committee in 2015

1/1 Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

Education

- o Master of Education (Curriculum and Teaching Methodology)
Beijing Languages and Cultural University
- o Master Degree of Business Administration (MBA)
Thammasat University
- o Thai Barrister-at-law
- o Bachelor of Arts in Chinese Language (Trade & Economics)
Beijing Languages and Cultural University
- o Bachelor of Faculty of Law
Ramkhamhaeng University
- o Bachelor Degree of Business Administration
Ramkhamhaeng University

Affiliations

- o Director Accreditation Program (DAP)
Thai Institute of Directors
- o Director Certification Program (DCP)
Thai Institute of Directors
- o Audit Committee Program (ACP)
Thai Institute of Directors



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Work Experiences

Period	Position	Company name
2015 - Present	Chairman of Audit Committee	AQ Estate PCL
2013 - Present	Independent Director/Audit Committee	AQ Estate PCL
Present	Independent Director/Chairman of Audit Committee	U City PCL
2013 - Present	Chairman of Audit Committee	Merchant Partner Asset Management
2013 - Present	Chairman of Audit Committee	Eastern Polymer Group PCL
2012 – Present	Chairman of Audit Committee	General Engineering PCL
2007 – Present	Chairman of Audit Committee	Merchant Partner Asset Management
2005 - Present	Chairman of Audit Committee	Natural Park PCL
2005 – Present	Audit Committee	Eastern Printing PCL
2005 – Present	Committee	Boat House Co., Ltd.
2004 – Present	Chairman of Audit Committee	Krung Thai Car Rent and Lease Co., Ltd.
2004 – Present	Committee	Andaman Long Beach Resort Co., Ltd.
2003 – Present	Committee	Krabi Southern Beach Co., Ltd.
2003 – Present	Committee	Chiangmai Hot Spring Co., Ltd.
2003 – Present	Chairman of Audit Committee	Chintech Construction Co., Ltd.
1997 – Present	Committee	Prospect Consulting Co., Ltd.



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7. Prof. Dr. Pakdee Manahirunvet

Position Independent Director

Age 52 years. (No shares holding.)

(Appointment by the resolution of Board of Directors No.1/2015 on 27 February,2015)

11/12 Attendance of Board of Director Meeting in 2015

1/1 Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

Education

- o D.Eng. Industrial Engineering
Kasetsart University
- o Ph.D. (International Business Management)
America University, U.S.A.
- o Master Degree of Business Administration
University of Liverpool, UK.
- o Master Degree of Business Administration
Thammasat University
- o B.Eng.(Civil Engineering)
Chulalongkorn University

Affiliations

- o The Real Estate Executive (RE-CU) Class 43
Association of Chulalongkorn University
- o SCB IEP (Intelligent Entrepreneur Program Class 6
Chulalongkorn University and Siam Commercial Bank
- o Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives
(Class 17) from King Prajadhipok's Institute
- o Advance Security Management Program (ASMP) Class 3
The Association National Defence College of Thailand
- o Diploma, National Defence College, The Joint State – Private Sector Course Class 22
National Defence College of Thailand
- o Director Certification Program
Thai Institute of Directors



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Work Experiences

Period	Position	Company name
Oct.15 – Present	Audit Committee	AQ Estate PCL
27 Feb.15 – Present	Independent Director	AQ Estate PCL
2009 – Present	Assistant Professor	Stamford International University
14 Mar.16 – Present	Audit Committee	AQ Estate PCL
Present	Chairman of Audit Committee	Wig & Huksan PCL
2012 – 2014	Managing Director (Group of Indonesia Business)	Pruksa Real Estate PCL
2004 – 2012	Executive Vice President	Bangkok Aviation Fuel Services
2004 – 2012	Director	Intoplane Services Co.,Ltd.
2004 – 2012	Director	Fuel Pipeline Transportation
2004 - 2012	Managing Director	JP-ONE Asset Co.,Ltd.



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8. Miss Papasorn Mongkholmafai

Position Independent Director and Audit Committee

Age 29 years. (No shares holding.)

(Appointment on 9 October 2015)

3/12 Attendance of Board of Director Meeting in 2015

1/4 Attendance of Audit Committee Meeting in 2015

No Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

Education

- o Master of Business Administration in Management
Ramkhamhaeng University
- o Bachelor Degree of Accounting
Loei Rajabhat University

Work Experiences

Period	Position	Company name
9 Oct.15 – Present	Independent Director and Audit Committee	AQ Estate PCL
2009 – Present	Freelance Accountant	Smart Tax Communication Co., Ltd
2009 – Present	Freelance Accountant	G-Track Co., Ltd.
2009 – Present	Freelance Accountant	Work Communication Co., Ltd.
2009 – Present	Freelance Accountant	Accounting Office and International Taxation
2009 – Present	Freelance Accountant	STD Caliper Brake Co., Ltd.



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Real Estate Economic Outlook and level of Competition in 2015

Bank of Thailand received a report on Thailand's economy expanding its GDP from 0.9 in 2014 to 2.8 in 2015 supported by the domestic influences such as capital injection from the Government (stimulating business), growth in private investment and export sector. Tourism has the tendency to recover faster as the political situation improves. However, the level of household debt remains high and revenue generated from agriculture dropped due to low productivity issues. There are external factors (macro) supporting and recovering Thailand's economy as well. The US economy improved due to more stable economic foundation. The slow recovery of the European economy has also helped Thailand's economy in the import and export segment. Import prices fell as the price of oil, thus making imported consumer products more affordable, creating a better competitive environment with Thailand's rivalry, China. There's an economic slowdown in China and Asia (excluding Japan), resulting in a slow recovery, effecting on the level of investment in some sectors. The high level of volatility in the financial sector was affected to change the monetary policy from the major industrialized countries.

The overall economic situation in the real estate sector in 2015, improved from 2014, as economic conditions improved from the restoration of political instability. Government policy stimulating the economy resulted an improve confidence level regarding to investments. Therefore, the supply and demand for Thailand's real estate have increased in 2015, which includes single detached houses, twin houses, condominium, townhouse or even commercial buildings. However, in view of the consumers, only the middle and lower market segment are facing an obstacle of higher household indebtedness. Financial institutions are a lot tighter in granting loans, which directly affect the slowdown in trading liquidity in the middle to low real estate market. In view of the suppliers or developers, the initial costs of raw materials are getting higher, from expensive land cost to construction materials and labor costs. The shortage of labor is affecting the quality and speed of the construction, increasing the construction cost as well as the opportunity cost also.

AQ Estate PCL is a developer company that develops different property sectors, i.e. housing, condominium and hospitality since this plan could diversify a business risk. This is because AQ Estate's cash flow has been acquired by a bulk of purchasing housing and condominium while it earns recurring income



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through hospitality projects; namely, hotels, resorts and service apartment. From this solution, it has been seen that the AQ business could develop continually by cash and earn good profits for stakeholders.

Positive factors and policies that help support the recovery of the housing market in 2015 are as follows.

- ☐ The government spending of the public sector, particularly an increase in investment and the policy to encourage spending in the private sector, which will result support the economy in a better direction, including measures to accelerate financial commitment, which can enhance the disbursement in 2015 outside investment budget faster than due date. Thus, continuous of government expenditure would reassure the stability in business as well as an investment by the private sector. Liquidity of the cash flow for business will have a positive impact of the property market direct and indirect to the developer and consumer.
- ☐ Easing on the Monetary policy is still needed to support the economic recovery of Thailand through a steady interest rate of 1.5% percent per year by the Monetary Policy Committee in order to create stability financial conditions and exchange rate are also contributing to the economic recovery and maintain financial stability during the financial policies from the industrialized countries, thus making the global financial markets more volatile. Therefore, the interest rate policy will affect the real estate market positively due to the costs of lending for those households at lower rates, resulting in a decision to buy housing easier.
- ☐ Housing loans from commercial banks by 2015 decreased compared to the previous years. The real estate market is directly affected as stated from the flow.
- ☐ Crude oil prices fell from the previous year right after the Petroleum Exporting Countries (OPEC) did not set a production Target in December 2015 which caused by lower demand for crude oil from the global economic slowdown. The drop in oil price would have a positive impact on the domestic economy and real estate market in the cost of operation, reduce cost of home buyers and increase liquidity of the trading real estate.
- ☐ Ministry of finance has agreed to reduce corporate tax rate down to 20% as a permanent measure to reassure confidence in the business sector and enhance the level of completion with foreigners as well as a resolution to support tax incentives in order to support business investment (Venture Capital), with the exception of the current corporate tax rate of 20% and keep the dividend tax for industries for 10 years in order to foster joint more investments. This policy also created a positive



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- ☐ impact on the real estate businesses from reducing costs that incurred by taxation. It will also help increase the number of customers who are interested to invest property for residential or invest and foreigners that are interested to invest in Thailand.
- ☐ ASEAN Economic Community (AEC) was officially launched on 31th December 2015, which has affected the real estate economy in Thailand and its neighboring countries to help create liquidity in foreign investment. The housing demand in Thailand has increased due to the open opportunity for foreigners to invest into Thailand.
- ☐ Bank of Thailand's new policy for the real estate market is to reduce the transfer fee from 2 percent of the appraised capital to 0.01 percent of the appraised capital and mortgage rates of 1 percent down to 0.01 percent, which will be effective 28th April 2016 in order to supporting the real estate transactions

Negative effects on the real estate market in 2015 are as follows.

- ☐ The real estate prices continued to rise in housing, townhouses and condominiums, which directly impact on the liquidity of the transaction (buy/sell) in real estate sector. This was due to higher construction costs, which include increased in land price, increase in prices of construction materials, increase in minimum wage across the country and inflation.
- ☐ Bank of Thailand has continued to enforce a law on lending against asset value for the real estate market (Loan to value: LTV) more vigorously through the establishment of a maximum loan ceiling and the duration of the project. It is yet another obstacle in the liquidity of real estate.

The housing market assessment year, from using the data of unit transferred, registration, launch new projects and amount of lending, there will be restoration of the property market.

- ☐ Data from the Real Estate Information Centre in 2015 found that the transfer of ownership of residents in Bangkok Metropolitan is approximately 196,100 units, increased by 13 percent from 2014. The amount of transfer of ownership in 2014 were 174,100 units in total, which is broken down to 71,800



- ☐ units (36 percent of the transfer of all types of condominium combined), followed by 68,300 units of townhouses (35 percent), 33,400 units of houses (17 percent), 15,100 units of commercial buildings (8 percent) and 7,500 units semi-detached house of approximately.
- ☐ There are 121,500 units of newly registered housing in Bangkok 2015 from the Real Estate Information Government housing bank, down by 9% from 2014. The newly registered residential in a form of condominium 53%, single detached houses of 27%, townhouses at 15%, commercial buildings at 3% and detached house at 2%. The statistics shows that the market for condominium is the most popular for consumers and investors when compared with the housing sector, which is more for consumers not investors.
- ☐ From a survey by Agency Fort Riel Estate Affairs Co. found that there are 444 new projects launched in 2015 in Thailand's real estate market, totaling 118,975 units, down by 11% from 2014. The total project value is worth 394,400 million baht, an increase of 5% from 2014. The average price per unit increased from 3.04 million baht to 4.07 million baht in this year, an increase by 33% for the condominium sector which launched 61,975 units. 52 projects launched for single detached houses totaling at 32,800 units and 18,100 units launched for Townhouses, followed by commercial buildings and detached houses at 3,600 and 2,500 units respectively. The number of units launched by the new projects dropped, but the total project value increased. Therefore, it can be seen that the real estate market in 2015, has improved since the political situation eased up and also with government support in the economy. The interest rate policy has gained confidence for both investors and consumers in the property market.
- ☐ According to Commercial Bank, there is outstanding real estate loans from Bank of Thailand has a total of 2,463 billion baht outstanding real estate loans, 9.6 percent increase from the previous year. This is separated by credit loan to enterprise 617 billion (8.6 percent increase) and housing loan 1,846

billion baht (9.3 percent increase). The liquidity of the property trading market has improved causing individual housing loans to increase in 2015. But the ratio between credit loans to enterprise is lower than personal loan as banks have a policy which control lending to enterprise in order to protect influx of supply and credit crisis.



Thailand's economic outlook on real estate market in 2016

In fiscal year of 2016, the Bank of Thailand expects the economy improved slightly by 0.7% due to the positive and negative factors both within and outside Thailand. Thai government intends to boost the economy by controlling interest rate for large investment projects in order to distribute income to the public. Government policy supporting the investment are the establishment of a special economic zone 10 provinces, 12 districts, investment, infrastructure development, transportation infrastructure investment to drive the country's development projects such as air transportation, railway system (sky train and subway), road transportation and development of water transportation. This will help promotes both directly in terms of distribution of income to the community and contribute indirectly by creating confidence for investors, both domestic and international. However, the low level of inflation rate has become a drawback to the real estate market in 2016. The agricultural sector faces drought, which affected the level of productivity and income dramatically. As a knock on effect this will also pushed commodity price higher and lower quality causing the household debt accumulation to increase thus raising interest rates in the future.

According to the Bank of Thailand, found in developed economies and emerging market economies with different cycle as follow. US economic outlook continues to recover through positive economic development for example low level of employment and improved financial position in the private sector. European economy is recovering slowly due to the low oil price. But the positive economic turnaround has helped Thailand's economy by improving its liquidity in the stock market. The Exchange rates, commodity prices, market bonds, exports and tourism have improved.



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However, the economy in China and Asia (excluding Japan) has continued to slow down due to declining level of manufacturing in China. Ineffective capital allocation, investment and unnecessary Infrastructure investment has caused over production. Labor issues with higher wages and restrictions on labor mobility weaken economic stability. This has a direct economic impact on Thailand's stock market and fluctuation of exchange rate, commodity prices and export volumes contracted and decreased number of visitors from within the region.

It is predicted that the real estate market will recover in 2016 by 0-5% because of the following reasons. New government policy to stimulate the real estate sector, both housing and condominium in Bangkok and metropolitan areas, especially along the new railways systems. This policy should help consumers make the decision to buy a property faster. With the low level interest rate also helps to ease off the burden on the loan. In contrast, real estate developers will have a burden from increased cost of raw materials, higher land cost along train and subway stations, and higher labor costs due to labor shortages. Financial institution has tightened loan policy for developers. The level completion amongst high to mid-size developer is very intense. Therefore, from the assessment it is expected that there will be a slowdown in new constructions but in return demand for second hand condominium will increase because the new building will cost 10-50% higher. Whereas the price for housing market is not expected to increase as much as condominium

In conclusion, the property market in 2016 is expected to recover from the economic and political instability. Basic infrastructure is ready to support new developments on new undeveloped areas. Asian Economic Community (AEC) will create more demand by expanding customer base as well as becoming more attractive and higher confidence for foreign investment Thailand property market.

From recent economic situation, AQ Estate PCL has been inclined in positive outcomes as client base was expanded. Also foreign investors have been interested in AQ Estate PCL in order to invest in AQ property sectors. However, an increase of material costs could effect on developer's investment structure and earnings. These issues could impact on AQ Estate PCL in order to critically take into account of investment and profits meanwhile it has been required good capacity, experience, and specialization in developing estates, constructing buildings, and providing a good service for customers. In order to reach great profitability and sustainability, brand awareness in the property sector has been addressed also.

Report from Chairman of Audit Committee

The structure of Audit Committee includes the expert independent director who is fully qualification according to the notification of SET. At present, the company has three Audit Committees, which Mr. Chaiwat Atsawintarangkun is the Chairman of Audit Committee and the members are Prof. Dr. Pakdee Manahirunvet and Miss Papasorn Mongkholmafai.

In 2015, the Audit Committee had arranged 6 meeting in order to perform its duties as assigned by the Board of Directors. However, they work independently and no restrictions on receiving data including obtain the best cooperation from the company which is in accord with the requirements of SET. Each of the meeting has invited the Managers to discuss the matters concerned as well as discuss with the management, internal auditor and external auditor accordingly. However, this meeting is independent from the Board of Directors.

The Audit Committee give support to the Board of Directors to enable their responsibility successfully along with follow up and support to encourage good governance. The overall operation of the Audit Committee is summarized below.

1. Control Environment

The company had enforced the good environment of internal control by considering the organizational structure, chain of command appropriately and obviously including business goal setting and key performance indicators (KPI) which is getting started in 2015 in order to evaluate the efficiency of operations in accordance with the organization goals. Moreover, the company was determined the regulation, flow chart and written manual user in every system to serve as a guideline in operations which obtain the satisfactory effectiveness. Furthermore, the company also cultivates the management and all of employees to realize a good governance by setting a policy, business ethics such as running business on honesty, given the fact on quality of product, keep the promise or agreement that had already negotiated with the client, produce high quality product by considering the customer impact, set a fair price and not to pollute the environment that caused wastewater, air pollution including increase green areas surrounding the project by planting trees to build cool and pleasant for the residents, provide a club, fitness center, swimming pool and

others in order that residents have good leisure, make healthy and happy with their lives. The company also has a responsibility to community and social project by supporting the community activities.

However, the Board of Directors, Managements and all of employee still have ethic to shareholders by performing duties on honesty, use your skills fully expertise, not manage any property devalue or loss, no exploitation or someone else on duties, report actual situation and operating result completely as well as they also have the ethic to customers by provide with the clarification about the specifications and conditions of products and services including advertising product with the correct information. Furthermore, the company



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encourage all of employee by training on product knowledge and principle of good services in order that customer satisfaction including the process of construction.

2. Risk Assessment

The company lay emphasis on risk management, which is the important mechanism as a management tool to achieve the objectives and goals by setting risk management policy and focus on developing a risk management system in accordance with the principles of good corporate governance. The company has considered a problem and other risks of low-rise and high-rise contractors including find out the way to solve a problem in order to control and reduce risks by bidding from many contractors in each type of construction. Moreover, the company assigned the Purchasing Committee to be in charge for consideration, which comprised of management in each department including the internal audit department. However, the contractors who become eligible which should have an experience, skill, good quality of previous construction, full capacity of manpower and the lowest prices on budget.

3. Control Activity

The management set a policy, measurement and the methods to be applied in practice. After is audited the operation in various departments, the employees are at work complied in accordance with the regulations both internal and external organization such as law, regulation, standard, policy, planning and the method that company was defined. Mostly, each department has the working procedures with efficiency that have the process of approval, delegation, reconcile and reviewing the operation. Occasionally, the operation may be occurred an error that caused on human errors. After auditing, the employees will conduct improvement and fix them immediately. In case of there is a serious matter, the employee will have heavy punishment according to the company measurement and regulation.

4. Information and Communication

The company put emphasis on information technology and communication, encourage and support constantly being improved in order that is accurate and update information. At present, each department implemented the Oracle System which assists the employees to control their responsible job. These system have split the function to work that are able to check accuracy both same department and between department. Therefore, it is unable to work by oneself which reduces the risk on operation such as payment system unable to repeat payment including all of check, payable by specifying the receipt with A/C Payee only. In addition, the company also use the Oracle System to control annual budget setting that makes

each department unable spending more than them. In case of some department need to spending more than budget setting, they have to ask for approved and explain the reason to be used. Additionally, the information Technology Department also implemented the Alfresco Documenting for use as a channel of communication within organization in order to publish policy, regulation and manual user as well as news across the organization and most of all reducing paper use that affect to organization and overall social.



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5. Monitoring

The company can afford the internal control system covering all of sides such as accounting finance and operation, legal/disciplinary action and trustee. The internal audit department follow up the operating result of each department whether achieves goals after that report to Board of Directors knowledge it. The external audit department attended in the meeting with audit committee every quarter and reports the audit result of Financial Statement according to generally accepted accounting standard and the principle of Securities and Exchange Commission as well as Stock Exchange of Thailand.

6. To consider the External Auditor for the year 2015

In 2015, the company is being delayed in submitting third-quarter 2015 and yearly 2015 financial statement due to Supreme Court sentenced the company to help pay back Baht 10,004 million to Krung Thai Bank that will affect the support investment of financial institute. In case of no supporting investment, how the company will have to use limited funds available each of project. Some project may be postponed the construction that caused to evaluate the impact on company property. For these reason as mention above, it makes the company to postpone the submitting of financial statement as stated and have effect on selection new auditor for company and its subsidiaries because they will have to consider the annual financial statement in 2015. Therefore, the Audit Committee may consider the selection of appointment an auditor for the year 2016 as well as determining the compensation and proposes to the Board of Directors. In the past year, the audit committee satisfied with the audit results of auditor which had been working with the expert and knowledge professionally including give the recommendation on the internal control system and various risks as well as there is the independent on their jobs. In consideration of the audit have audited after completing their five-year-term so that the company will have to select new auditor for auditing annual financial statement in 2016.

In conclusion, the Audit Committee is fulfilled their duties as assigned by the Board of Directors with fully expert and knowledge, independent duties, obtain unlimited information from both Committee, and Director including employee and whom it may concern.

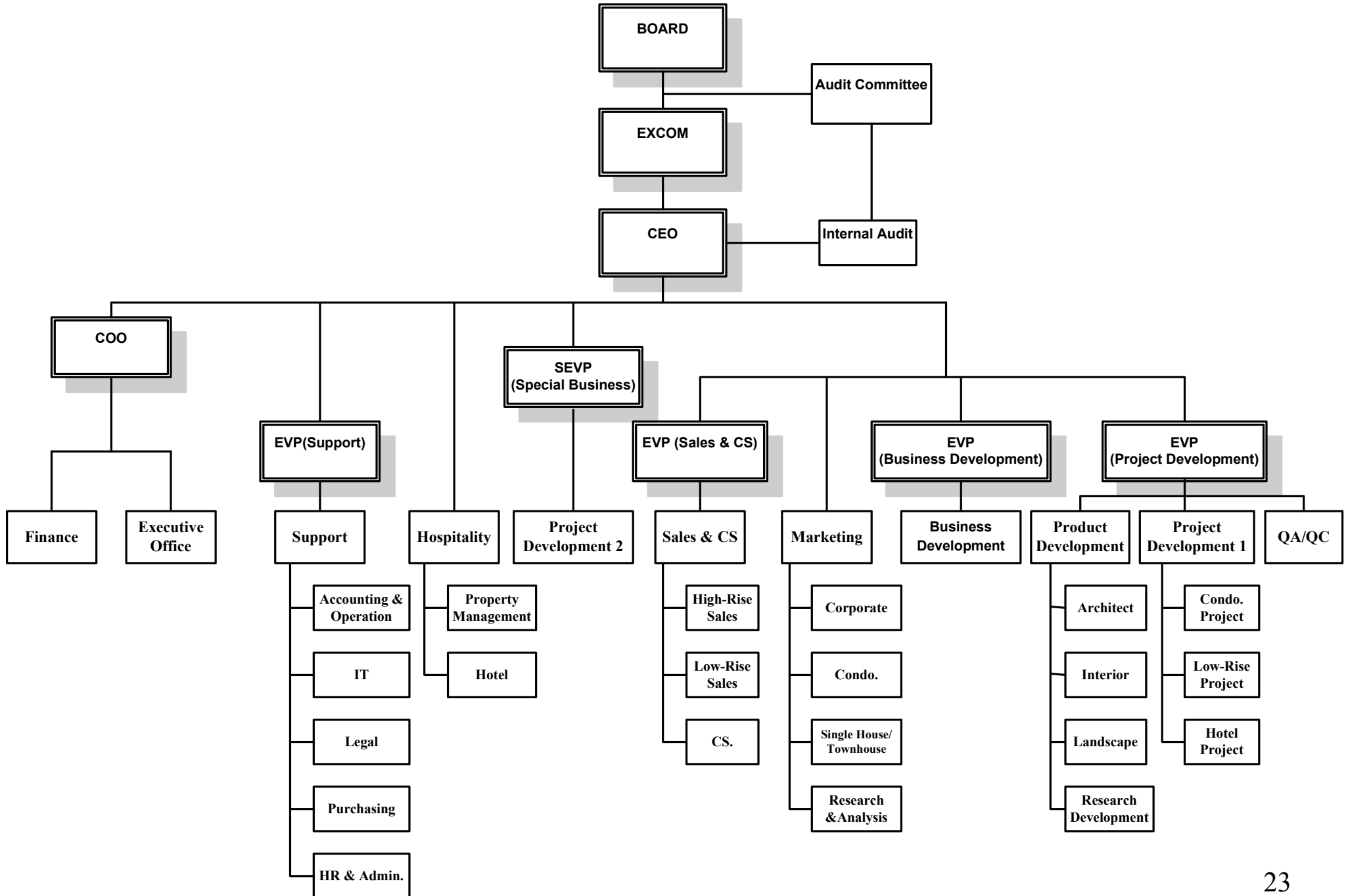
The Audit Committee believes that the company is committed to improve the operation system continuously which would have driven the organization for better management adheres to good corporate governance, transparency in their duties, auditing and maintain the benefit of all parties involved.

Mr. Chaiwat Atsawintarangkura

Chairman of Audit Committee

Organization Chart

Krisdamahanakorn Public Company Limited





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Report and Analysis Operating result

The company and its subsidiaries reported the operating results for the year 2015, 2014 and 2013 as follows.

Revenues from sale of property

For the year 2015, the company and its subsidiaries recorded the revenue from sales of property of Baht 1,343.484 million or 92.80 % of revenue principle which was the single house by 30.45%, at Baht 409.079 million. The average selling price of single house was Baht 3.50 million to Baht 22.00 million comprising the Krisada Grand Park-Rangsit, Krisada Lagoon Rama 5 – Nakhon-In, Krisada Prestige Lake-Phutthamonthon Sai 3 and 15 Gates. The revenue from sale condominium was by 69.55 % to Baht 934.405 million and the average price per unit was Baht 1.50 million to Baht 5.00 million under the brand name of “The Kris” Ratchadaphisek Soi 17 near MRT and “The Kris Garden” Rama 9 Road.

In 2014, revenue from sales of property at company and its subsidiaries amounted to Baht 1,478.610 million or 91.05 % of revenue principle which was the single house by 33.62%, at Baht 497.05 million. The average selling price of single house was Baht 3.50 million to Baht 22.00 million comprising the Krisada Grand Park-Rangsit, Krisada Lagoon Rama 5 – Nakhon-In, Krisada Prestige Lake-Phutthamonthon Sai 3 and 15 Gates. The revenue from large plots of land was by 31.11 % to Baht 460.00 million as well as the revenue from sale condominium was by 35.27% to Baht 521.56 million and the average price per unit was Baht 1.50 million to Baht 5.00 million under the brand name of “The Kris”, Ratchadaphisek Soi 17 near MRT and “The Kris Garden” Rama 9 Road.

The company and its subsidiaries recorded the revenue from sales of property for the year 2013 of Baht 828.215 million or 89.12 % of revenue principle which was the land by 14.47%, at Baht 118.387 million and the single house by 31.51%, at Baht 260.926 million. The average selling price of single house was Baht 3.20 million to Baht 25.00 million comprising the Krisada Grand Park-Rangsit, Krisada Lagoon Rama 5 – Nakhon-In, Krisada Prestige Lake-Phutthamonthon Sai 3 and 15 Gates. The revenue from large plots of land was by 31.11 % to Baht 460.00 million well as the revenue from sale condominium was by 54.02% to Baht 448.902 million baht and the average price per unit was Baht 1.50 million to Baht 5.00 million under the brand name of “The Kris” Ratchadaphisek Soi 17 near MRT.

Revenue from Hotel Business

The company and its subsidiaries recorded the revenue from hotel business for the year 2015 and 2014 of Baht 74.852 million or 5.17 % of revenue principle and Baht 61.161 million or 3.77% of revenue principle respectively which was the 5-star hotel with beautiful sea and large swimming pool under the brand name of “Shasa Resort & Residence” at Koh Samui.

The company and its subsidiaries recorded the revenue from hotel business for the year 2013 of Baht 36.777 million or 3.96% which was increased from the acquisition of Aquarius Estate Company Limited for 99.97% by Krisadamahanakorn PLC. The Aquarius Estate manage the 5-star hotel with beautiful sea and large swimming pool under the brand name of “Shasa Resort & Residence” at Koh Samui and the semi villa resort surrounded by flower gardens, waterfalls, mountains under the band of “Krisada Doi” at Chiangmai.



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Revenue from Property Rental

Revenue from property rental at subsidiaries for the year 2015 amounted to Baht 13.649 million, a decrease of 29.31% from previous year. In reference to the export has entered a recession causing the renter of warehouse that located on Bangna-Trad road terminated contract. Therefore, the revenue of company was reduced.

For the year 2014, revenue from property rental at subsidiaries was Baht 19.308 million, a decrease from 2013 due to improvement warehouse that located on Bangna-Trad road in 2014. Thus, revenue at company was not full amount.

The subsidiaries recorded the revenue from property rental for the year 2013 of Bhat 23.630 million that increased from previous year because of the revenue for the year 2012 was not full amount.

Revenues from Consult and Sales Management

Revenue from consult and sales management for the year 2015 amounted to Baht 15.730 million at 1.09%, a decrease of Baht 19.091 million from previous year due to Supreme Court sentenced the company to help pay back Baht 10,004 million to Krung Thai Bank and the resignation of CEO was the cause of terminate management contract as a result of breach of contract.

For the year 2014, the company recorded revenue from consult and sales management of Baht 64.821 million, an 3.99% increase from the year 2013 due to the subsidiaries have been hired as consultant of large condominium project.

AQ Estate PLC. has acquired the investment of Aquarius Estate Company Limited to 99.97% that consult and sale management was by 4.38% at Baht 40.721 million.

Cost of Sales and Selling and Administrative Expenses

For the year 2015, cost of property sold was by 88.602% to Baht 1,058.471 million, cost of hotel business amounted to Baht 98.984 million, representing 8.286%, cost of property rental was Baht 36.70 million, an 3.073% including consultant and sales management was by 0.04%, at Baht 0.473 million, a decrease of Baht 3.641 million from previous year due to termination contract of project management.

Cost of property sold for the year 2014 amounted to Baht 1,414.834 million, at 89.17%, cost of hotel business was by 6.67%, at Baht 105.899 million, cost of property rental was Baht 62.22 million, representing 3.92%, consultant and sales management was by 0.23% at Baht 3,681 million, increase over the year earlier due to revenue from consultant had risen.

In 2013, cost of property sold was by 92.77% to Baht 608.098 million, cost of hotel business amounted to Baht 34.79 million baht, representing 5.31%, cost of property rental was Baht 11.479 million, an 1.75% including consultant and sales management was by 0.17%, at Baht 1.098 million, increase over the year earlier because of increase in sale.



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Selling and Administrative Expenses and Other Income

For the year 2015, selling and administrative expenses and other income totaled Baht 2,568.294 million. These expenses, including selling expenses were by 6.694%, at Baht 171.915 million, administrative expenses were by 15.285% to Baht 392.554 million, doubtful debt was by 0.534%, at Baht 13.710 million, impairment loss of goodwill (Aquarius Estate) was by 7.903% to Baht 202.981 million, impairment loss of leasehold rights (Baanchidtara Company Limited) were by 5.596% to Baht 143.730 million, loss reserve for litigation claim (The criminal case of political positions in amount of Baht 1,630.50 million) was by 63.534% to Baht 1,631.743 million, finance cost was by 0.454 to Baht 11.661 million. Selling expenses for the year 2014 increased of Baht 39.749 million due to the company recorded advertising expenses promptly launch many project in accordance with accounting standards. For the year 2015, administrative expenses increased Baht 37.180 million over the year 2014 as a result of increased project, causing expenses to raise which is the cost of project and unable to recognize revenue.

Selling and administrative expenses for the year 2014 totaled Baht 493.538 million. These expenses, including selling expenses were by 26.78%, at Baht 132.166 million, administrative expenses were by 72.01% to Baht 355.374 million, doubtful debt was by 0.18% to Baht 0.862 million, provision for litigation was by 0.003% to Baht 0.016 million. Selling and administrative expenses for the year 2015 increased to Baht 39.826 million over the year earlier due to the subsidiaries recorded advertising expenses promptly launch 475 unit of new condominium project which already sold 80% in accordance with accounting standards.

For the year 2013, selling and administrative expenses totaled Baht 419.844 million. These expenses, including selling expenses were by 21.99%, at Baht 92.340 million, administrative expenses were by 63.89% to Baht 269.226 million, doubtful debt was by 0.22% to Baht 0.935 million, provision for litigation was by 2.66% to Baht 11.175 million, loss on transferring property for repayment was by 0.38% to Baht 1.614 million and book value lower than investment on subsidiaries amounted Baht 1.831 million, representing 0.44% at the date of investment, finance cost was by 10.18%, at Baht 42.7523 million.

Other Income

In 2015, the company and its subsidiaries recorded other comprehensive income of Baht 98.902 million which included management fee income by 12.256% to Baht 12.122 million, interest income was by 8.612%, at Baht 8.517 million and other income was by 79.132% to Baht 78.263.

For the year 2014 (Revise), the company and its subsidiaries recorded other comprehensive income of Baht 82.880 million, a decrease to Baht 61.477 million as part of the profits from a negotiated acquisition of investment of Villa Nakarin) which included management fee income by 15.461%, at Baht 12.814 million, interest income was by 1.571% to Baht 1.302 million as well as other income was by 82.968%, at 68.764 million.

For the year 2014 (before revised financial statement), other comprehensive income at company and its subsidiaries totaled Bhat Baht 144.357 million which included management fee income by 8.87% to Baht 12.814 million, interest income was by 9.90%, at Baht 1.302 million, profits from a negotiated acquisition of investment of Villa Nakarin were by 42.59% to Baht 61.477 million and other income was by 21.47% to Baht 68.764 million.



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The company and its subsidiaries recorded other comprehensive income for the year 2013 of Baht 306.051 million which included management fee income by 2.07% to Baht 6.320 million, interest income was by 0.84%, at Baht 2.559 million, reversal of allowance for impairment was by 25.14, at Baht 76.943 million, profit (loss) from sale of investments were by 7.32%, at Baht 22.408 million, fair value higher than investment in an indirect subsidiary was by 28.61% to 87.569 million at the date of investment, gain from debt restructuring was by 23.13%, at Baht 70.802 million and other income was by 12.90% to Baht 39.450 million.

Net Profit (Loss)

In 2015, the revenues at company and its subsidiaries amounted Baht 1,447.716 million, costs of sales and services were Baht 1,194.628 million. The company recorded gross profit of Baht 253.088 million and add up other income of Baht 98.902 million, deduction from selling expenses and administrative of Baht 564.469 million, impairment loss of investment and goodwill of Baht 346.711 million, cost of finance of Baht 11.661 million and loss reserve for litigation claim (the criminal case of political positions) of Baht 1,631.743 million, totaling Baht 2,568.294 million. When taken gross profit deducting selling expenses and administrative, other expenses and cost of finance, the company and subsidiaries would have loss of Baht 2,216.304 million. After deduct from income tax income (expense) of Baht 0.510 million, comprehensive losses at company and subsidiaries totaled Baht 2,216.814 million, compared to Baht 351.006 million the previous year due to the extraordinary items in 2015 at company and its subsidiaries of 1,978.454 million, including loss reserve for litigation claim to Baht 1,631.743 million, impairment loss of goodwill to Baht 202.981 million and impairment loss of leasehold rights to Baht 143.730 million.

For the year 2014 (Revise), the company had revised the financial statement by record on acquisition of investment in Villa Nakarin, profit decreased to Baht 61.477 million. Net loss for the year 2014 increased to Baht 349.045 million.

For the year 2014, the company and its subsidiaries recorded the revenues Baht 1,623.900 million, costs of sales and services were Baht 1,586.641 million. Gross profit at company of Baht 37.259 million and add up other income of Baht 144.357 million, deduction from selling expenses and administrative of Baht 484.496 million. When taken gross profit deduction selling expenses and administrative, the company and subsidiaries would have loss before deduction interest expense of Baht 302.880 million. After deduct from interest expense of Baht 5.120 million, loss before deduction income tax at company and subsidiaries totaled Baht 308.000 million after that deduct from income tax of Baht 22.393 million, causing net losses at company and its subsidiaries of Baht 285.607 million and add up the employee benefit of Baht 1.961 million, causing loss at company and its subsidiaries of Baht 285.568 million, compare to Baht 155.096 in 2013 that became to net profit due to the extraordinary items in 2013 at company and its subsidiaries of Baht 257.72 million, including reversal of impairment was Baht 76.943 million, gain on sales-investment was Baht 22.408 million, fair value higher than investment in an indirect subsidiary was Baht 87.569 million, gain from debt restructuring was Baht 70.802 million and the company would have high cost of property in 2014 because of the company need to clear the remaining stock of old house due to flooding situation. Therefore, the ratio of gross profit will have decrease as well as the company and its subsidiaries had to speed development vacant land by construction modern house. However, the house had unfinished construction so that they were waiting for recognize revenues in 2015 continually.



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The company and its subsidiaries record the revenues for the year 2013 of Baht 122.462 million, costs of sales and services were Baht 655.458 million, selling expenses and administrative were Baht 378.691 million. When taken revenues deduct from both expenses, losses before deduction interest expense at company and subsidiaries totaled Baht 193.313 million after that deduct from interest expense of Baht 43.460 million, causing net losses before deduction income tax at company and its subsidiaries of Baht 149.853 million. After deduct from tax of Baht 5.243 million, net loss at company and its subsidiaries totaled of Baht 155.096 million, compare to Baht 104.497 in 2012 that became to net profit. Therefore, loss at company and its subsidiaries in 2013 moved up over the previous year to Baht 260.593 million, whereas the revenue from core business in 2013 was Baht 567.704 million over the year earlier and the extraordinary items was Baht 250.531 million.

Analysis of Financial Report

Assets

Assets at company and its subsidiaries for the year ended 31 December, 2015, totaled Baht 6,219.674 million, compared with the Baht 6,948.319 million a year earlier, a decrease of 10.487% to Baht 728.645 million. The main feature was the impairment of property appraisal at company and its subsidiaries, amounted to Baht 429 million including transfer of ownership from sales of property.

The structure of assets at company and its subsidiaries included current assets by 69.806% to 4,341.693 million, land held for development by 7.860%, at Baht 465.604 million, property investment by 2.499% to Baht 155.400 million, property, plant and equipment-net by 14.619% to 909.250 million, leasehold rights of by 1.875%, at Baht 116.645 million and other non-current assets by 3.715% to Baht 231.082 million.

In 2015, the company had revised financial statement for the year 2014, it caused the company assets to decrease of Baht 61.477 million and make change the total of inventories from Baht 3.387.813 million to Baht 3,326.336 million.

For the year ended 31 December, 2014, assets at company and its subsidiaries totaled Baht 7,009.796 million and Baht 5,324.175 million in 2013, an increase by 24.05% to Baht 1,685.621 million for the year 2013. The reason for this was the company had increase in stock capital and bring to deposit bank and investment. In addition, the company had acquired of investment in Villa Nakarin, representing 99.94% of holding share. Therefore, it should have combined these assets. However, sales at company and its subsidiaries has increased due to the additional investment in construction for product ready to sale.

The structure of assets at company and its subsidiaries included current assets by 77.70% to Baht 5,446.403 million, Property, plant and equipment - net by 8.65%, at Baht 606.736 million, leasehold rights by 4.83% to Baht 338.849 million and non-current assets by 8.82% to Baht 617.81 million.

For the year ended 31 December, 2013, assets at company and its subsidiaries totaled Baht 5,323.189 million and Baht 3,073.943 million in 2012, an increase by 34.95% to Baht 2,249.246 million for the year 2012. The reason for this was the company had increase in stock capital and bring to deposit bank and investment. In addition, the company had acquired of investment in Aquarius Estate Company limited representing 99.99% of holding share. Therefore, it should have combined these assets. However, sales at company and its subsidiaries has increased due to the additional investment in construction for product ready to sale.

The structure of assets at company and its subsidiaries included current assets by 57.217% to Baht 3,045.290 million, Property, plant and equipment - net by 9.54%, at Baht 507.807 million, Land held for



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development – net by 17.14% to Baht 912.230 million and non-current assets by 37.66% to Baht 857.862 million.

Liabilities

Liabilities at company and its subsidiaries for the year ended 31 December, 2015 totaled Baht 2,280.444 million, compared to Baht 792.284 million a year earlier, an increase of 187.832% to Baht 1,488.160 million. The main feature was the provision for debt with Krung Thai PLC. amounting to Baht 1.630.50 million.

In 2015, the structure of liabilities at company and its subsidiaries included current liabilities to Baht 2,223.050 million, representing 35.742% of liabilities and equity including long-term liabilities was Baht 57.394 million, representing 0.92% of liabilities and equity

For the year ended December 31, 2014, liabilities at company and its subsidiaries totaled Baht 792.284 million and Baht 811.068 million in 2013, a decrease by 2.31% to Baht 18.784 million. The reason for this was company and its subsidiaries transfer ownership of property to customer, causing reversal of down payment to revenues.

The structure of liabilities at company and its subsidiaries for the year 2014 included current liabilities to Baht 416.234 million, representing 5.94% of current liabilities and equity including long-term liabilities was Baht 376.050 million, representing 5.36% of liabilities and equity.

Liabilities at company and its subsidiaries for the year ended 31 December, 2013 totaled Baht 811.068 million, compared to Baht 862.432 million a year earlier, a decrease by Baht 5.96% to Baht 51.364 million. The cause was debt restructuring with financial institute at company and its subsidiaries including settle obligations the debt restructuring completely as well as company sold products and repayment of short-term debt.

In 2013, the structure of liabilities at company and its subsidiaries included current liabilities to Baht 728.551 million, representing 13.69% of current liabilities, non-current liabilities were Baht 61.258 million, representing 1.15% of liabilities and equity.

Equity

Equity at company and its subsidiaries for the year ended 31 December, 2015 totaled Baht 3,939.230 million, a decrease of 36.01% to Baht 2,216.805 million in 2014. The main feature was the company recorded the reserve for litigation claim from criminal case of political positions and allowance on impairment of assets and inventories.

For the year ended December 31, 2014, equity at company and its subsidiaries totaled Baht 6,156.035 million, an increase by 39.909 to Baht 1,659.594 million from previous year. The reason for this was the company had increased authorized 4,300 million shares capital to private placement, at average price Baht 0.331 per share, amounting Baht 1,423.30 and sale of 2,038.66 million shares that increase the share capital to general public at average price Baht 0.32 per share, variance with increase in investment proportion of Aquarius Estate Company Limited amounting to Baht 47,939 million and net loss of Baht 1,562.539 million.

For the year ended December 31, 2013, equity at company and its subsidiaries totaled Baht 4,496.441 million, an increase by 103.33% to Baht 2,284.930 million. The reason for this was the company had increased in authorized 4,223.53 million shares capital to Baht 2,111.76 million and increase of Baht 10 par value to Baht 20 par value, a decrease of 2,111.53 shares. After combination such equity with the operating results in 2013, the profit was Baht 155.096 million and deficit was Baht 1,431.878 million in 2012 which caused the capital fund of Baht 4,480.049 million including the minority shareholders of 33.058 million and equity of Baht 4,513.107 million.



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The revenue table of AQ Estate Public Company Limited and Subsidiaries as of December 31, 2015 2014 2013

Detail	year			Percentage			Change	
	2015	2014	2013	2015	2014	2013	Increase/(Decrease)	
	Unit: Thousand Baht						2015-2014	2014-2013
Revenues from Sales and Service								
Revenues from Sales Property	1,343,484.00	1,478,610.00	828,215.00	92.80	91.05	89.12	(135,126.00)	650,395.00
Revenues from Hotel Business and Service	74,852	61,161	36,777	5.17	3.77	3.96	13,691.00	24,384.00
Revenues from Property Rental Operation and Related Service	13,649	19,308	23,630	0.94	1.19	2.54	(5,659.00)	(4,322.00)
Revenues from Consult and Sales Management	15,731	64,821	40,721	1.09	3.99	4.38	(49,090.00)	24,100.00
Total Revenues	1,447,716	1,623,900	929,343	100.00	100.00	100.00	(176,184.00)	694,557.00
Others Income								
Management Free Income	12,122.00	12,814.00	6,323.00	12.26	15.46	2.12	(692.00)	6,494.00
Interest Income	8,517.00	1,302.00	2,559.00	8.61	1.57	0.86	7,215.00	(1,257.00)
Reversal of Impairment Losses	0.00	0.00	76,943.00			25.81		(76,943.00)
Gain on Debt restructuring	0.00	0.00	70,802.00			23.75		(70,802.00)
Gain on Sale of Investment Subsidiaries	0.00	0.00	22408.00			7.52		(22,408.00)
Gain on Negotiating the Purchase	0.00	0.00	0.00					
The Fair Value is Higher than the Indirect Investment	0.00	0.00	87,569.00			29.37		(87,569.00)
Others Income	78,263.00	68,764.00	31,518.00	79.13	82.97	10.57	9,499.00	37,246.00
Total Others Income	98,902.00	82,880.00	298,119.00	100.00	100.00	100.00	16,022.00	(215,239.00)
Total Revenue	1,546,618.00	1,706,780.00	1,227,462.00				(160,162.00)	479,318.00

- ☐ * Operated by AQ Estate Public Company Limited , Thonon Property Co.,Ltd, Allied Technology Co., Ltd, Vitoonthanakorn Co., Ltd, Aquarius Estate Co. Ltd
- ☐ ** Operated by AQ Village Co.,Ltd, Allied Technology Co., Ltd, Vitoonthanakorn Co., Ltd, Aquarius Estate Co., Ltd
- ☐ *** Operated by Free Zone Assets Co.,Ltd
- ☐ ****Operated by Aquarius Estate Co.,Ltd



AQ ESTATE

Performance Table of AQ Estate Public Company Limited and Subsidiaries

As of December 31, 2015, 2014 and 2013

Detail	year			Change	Percentage	Change	Percentage
				increase/(decrease)		increase/(decrease)	
	2016	2014	2013	2015-2014	2015-2014	2015-2014	2014-2013
Profit & Loss(Thousand Baht)	(2,216,814.00)	(349,045.00)	155,096.00	(1,867,769.00)	535.11	(504,141.00)	(325.05)
EPS(Baht)	(0.17)	(0.03)	0.03	(0.15)	0.00	(0.06)	0.00
Return on Equity (%)	(0.56)	(0.06)	0.03	(0.51)	0.00	(0.09)	0.00
Return on Assets (%)	(0.36)	(0.44)	0.03	0.08	0.00	(0.47)	0.00
Book value	0.31	0.49	0.71	(0.17)	0.00	(0.22)	0.00
Equity(Thousand)	3,939,230.00	6,156,035.00	4,513,107.00	(2,216,805.00)	635.11	1,642,928.00	1,059.30



AQ ESTATE

The Cost table of AQ Estate Public Company Limited and Subsidiaries as of December 31, 2015, 2014, 2013

Detail	year			Percentage			Change	
	2015	2014	2013	2015	2014	2013	Increase/(Decrease)	
	Unit: Thousand Baht						2015-2014	2014-2013
Cost of Sales and Service								
Cost of Sales and Service*	1,058,471	995,288	540,309	88.60	62.73	82.43	63,183	454,979
Cost of Land Held for Development	0	419,546	67,781	0.00	26.44	10.34	(419,546)	351,765
Cost of Hotel Business and Service**	98,984	105,899	34,791	8.29	6.67	5.31	(6,915)	71,108
Cost of Property Rental Operations and Related Service***	36,700	62,227	11,479	3.07	3.92	1.75	(25,527)	50,748
Cost of Consult and Sale Agent****	473	3,681	1,098	0.04	0.23	0.17	(3,208)	2,583
Total Cost of Sales and Service	1,194,628	1,586,641	655,458	100.00	100.00	100.00	(392,013)	931,183

- ☐ * Operated by AQ Estate Public Company Limited , Thonon Property Co., Ltd, Allied Technology Co., Ltd, Vitoonthanakorn Co., Ltd, Aquarius Estate Co. Ltd
- ☐ ** Operated by AQ Village Co.,Ltd, Allied Technology Co., Ltd, Vitoonthanakorn Co., Ltd, Aquarius Estate Co., Ltd
- ☐ *** Operated by Free Zone Assets Co.,Ltd
- ☐ ****Operated by Aquarius Estate Co.,Ltd



AQ ESTATE

The Selling and Admiration Expenses table of AQ Public Company Limited as of December 31,2015 2014 2013

Detail	year			Percentage			Change	
	2015	2014	2013	2015	2014	2013	Increase/(Decrease)	
	Unit: Thousand Baht						2015-2014	2014-2013
Expenses								
Selling Expenses	171,915	132,166	92,340	6.69	26.89	21.87	36,749	39,826
Admiration Expenses	392,554	355,374	269,819	15.28	71.29	63.92	37,180	85,555
Doubtful Debts	13,710	862	935	0.53	0.17	0.22	12,848	(73)
Loss Reverse for Litigation Claim	1,631,743	16	11,175	63.53		2.65	1,631,727	(11,159)
Benefit Employee Amortized		(1,961)	977		0.40	0.23	1,961	984
Loss on transfer asset to debt			1,614			0.38		(1,614)
Impairment Loss of Goodwill	202,981			7.90			202,981	
Impairment Loss of Leasehold Right	143,730			5.60			143,730	
Book Value Less than Investment of Subsidiaries			1,831			0.43		(1,831)
Financial Cost	11,661	5,120	43,460	0.45	1.04	10.29	6,541	(38,340)
Total Expenses	2,568,294	491,577	422,151	100.00	100.00	100.00	2,076,717	70,019



AQ ESTATE

Financial table of AQ Estate Public Company Limited and Subsidiaries

As of December 31, 2015 214 2013

Detail	year			Percentage			Change	
	2015	2014	2013	2015	2014	2013	Increase/(Decrease)	
	Unit: Thousand Baht						2015-2014	2014-2013
Assets								
Current Assets	4,341,693	5,446,403	3,036,029	69.81	77.70	57.02	(1,104,710)	2,410,374
Non-Current Assets	1,877,98	1,563,393	2,288,146	30.19	22.30	42.98	314,588	(724,753)
Total Assets	6,219,674	7,009,796	5,324,175	100.00	100.00	100.00	(790,122)	1,685,621
Liabilities and Equity								
Current Liabilities	2,223,050	416,234	729,614	35.74	5.94	13.7	1,806,816	(313,380)
Non-Current Liabilities	57,394	376,050	81,454	0.92	5.36	1.53	(318,656)	294,596
Total Liabilities	2,280,444	792,284	811,068	36.67	11.30	15.23	1,488,160	(18,784)
The Minority Shareholders of Subsidiaries			33,058			0.62		(33,058)
The Majority Shareholder	3,939,230	6,217,512	4,480,049	63.33	88.70	84.15	(2,278,282)	1,737,463
Total Liabilities and Equity	6,219,674	7,009,796	5,324,175	100.00	100.00	100.00	(790,122)	(1,685,621)



AQ ESTATE

Ratio Analysis Report

As of December 31, 2015 2014 2013

AQ Estate Public Company Limited and Subsidiaries		2015	2014	2013
Liquidity Ratio				
Current Ratio	Times	1.95	12.85	4.17
Quick Liquidity Ratio	Times	0.24	5.96	0.58
Cash Flow Ratio	Times	(0.44)	(0.75)	0.03
Account Receivable Turnover	Times	85.90	47.69	19.25
Average collection Period for debt	Day	4.25	7.65	18.7
Inventory Turnover	Item	0.32	0.50	0.30
Average Collection Period for Sale	Day	1,141	730	1,200
Payment Turnover	Times	11.78	1.21	11.89
Payment Period	Day	30.98	297.52	30.28
Profitability Ratio				
Gross Profit Margin	%	0.17	0.02	0.31
Net Profit Margin	%	(1.43)	(0.18)	0.19
Return on equity	%	(0.56)	(0.05)	0.05
Efficiency Ratio				
Return on Asset	%	(0.36)	(0.04)	0.04
Return on fixed Asset	%	(2.86)	(0.47)	0.40
Total Asset Turnover	เท่า	0.23	1.52	0.22
Financial Policy Ratio				
Debt/Equity Ratio	เท่า	0.58	0.13	0.17
Liabilities into interest / Equity Ratio	เท่า	0.05	0.14	2.94
Interest Coverage	เท่า	(0.97)	(61.54)	0.03
Per Shares Data				
Book value	บาท	0.31	0.49	0.71
Earnings (loss) per shares	บาท	(0.17)	(0.04)	0.033
Growth Rate				
Total Asset	%	(0.49)	31.66	73.17
Total Liabilities	%	187.83	(2.32)	(8.42)
Revenue from Sale and service	%	(10.83)	74.74	156.98
Operating Cost	%	15.78	28.46	94.92
Profit(loss)	%	(535.11)	(285.41)	264.47



AQ ESTATE

Attachment

The Formula for calculation of financial ratios

Liquidity Ratios		
Current Ratios	times	Current Asset/current Liabilities
Quick Liquidity Ratios	times	(Cash and Deposit +Short-Term Investment Account Receivable)/Current Liabilities
Cash Flow Ratio	times	Cash flow from operating activities/Average Current liabilities
Account Receivable Turnover	times	Sale/average Account Receivable
Average Collation Period For Debt	Day	365/Account Receivable Turnover
Inventory Turnover	Times	Cost of Gross / Average Inventory
Average Collation Period for Sale	Day	365/Inventory Turnover
Payment Turnover	Times	Cost Of Gross / Average Account Payable
Payment Period	Day	365/Payment Turnover
PROFITABILITIES RATIO		
Gross Profit Margin	%	Gross Profit/Sale – Net
Net Profit Margin	%	Net Profit / Total Income
Return on Equity	%	Net Profit / Average Equity
EFFICIENCY RATIO		
Return on Asset	%	Net Profit / Equity
Return on Fixed Asset	%	(Net Profit+ Depreciation and Amortizes) / Average Asset
Total Asset Turnover	times	Total Income / Average Asset
FINANCIAL POLICY RATIO		
Debt/Equity Ratio	Times	Total Liabilities / Paid-up Shareholders
Liabilities into interest / Equity Ratio	Times	Interest-bearing Liabilities only / Equity
Interest Coverage	Times	Profit(Loss) / Equity
PER SHARES DATA		
Book value	Bah	Equity / Paid-up Shareholders
Earnings (loss) per Shares	Bath	Profit(Loss) / Equity
GROWTH RATE		
Total Asset	%	Asset Increase or Decrease / Asset Last year
Total Liability	%	Liabilities Increase or Decrease / Liabilities Last year
Revenues from Sale and Service	%	Revenues Increase or Decrease / Revenues Last year
Operating Cost	%	Expenses Increase or Decrease / Expenses Last year
Profit	%	Net Profit Increase or Decrease / Profit Last year



AQ ESTATE

2015 2014 and 2013 Core Operating Income Structure of AQ estate Public Company Limited and Its Subsidiaries,
Classified by Project

Unit: Thousand

Name of Project	Revenue from Sales of Property		
	Year		
	2015	2014	2013
1. Thanont Golf View Project 25		1,525	
2.Krisada City and Park Project 30		18,600	31,700
3. Krisada Lagoon Project 41	72,430	138,909	64,690
4. Krisada Grand Park Project 42 Phase 1	185,129	108,020	85,250
5.Krisada Prestige Lake and Park Project 43		5,200	36,450
6. The Kris Building 3 Project 45		3,221	9,800
7. The Kris Building 4 Project 45		5,500	83,032
8. The Kris Building 5 Project 45	1,921	75,232	298,203
9.The Kris Building 6 Project 45	391,692		
10.The Kris Building 7 Project 45	420,633		
11.Krisada Wong-Whan Onnuch Project48B			6,012
12.Krisada Prestige Project 49	15,340	7,700	4,378
13.Rangsit BIZ Park Project 50	58,180	24,331	29,680
14.The Kris Garden Pharma 9 Project 53	117,159	445,372	37,591
15.Aquarius resident Sukhumvit 49			23,040
16.Land Blank on Jaturatis Road		461,000	
17.Project 15 Gate	81,000	184,000	
18.Sale Land Blank Location Srakaew Province			118.387
	1,343,484	1,478,610	828,213



Risk Factors

1. The risk of land acquisition

Acquiring land plots to develop single detached houses, twin house, townhouses townhomes and condominiums. Companies chose to acquire land with high potential for development projects at the most reasonable price. The choices with least risks are land plots within city center or the ones along BTS or MRT stations both active stations and future stations including other established residential areas. The company is focusing mainly in Bangkok and Greater Bangkok to develop single detached houses, twin house, townhouses and condominiums with decent accessibility to mass transportation and community center. Hence the company is experiencing difficulties in land acquisition, company must remain good relationships with land agents, which considered a risk. The company always puts efforts on land acquisition, it can be seen by company's non-complicated accessibility for sellers or agents to directly contact the company through our hotline number 1636 or company website; www.aqestate.com as well as the sector to analyses and research, which resulted in valuable information to the company in market analysis.

2. The risk from starting construction in advance of selling

The Company and its subsidiaries are engaged in property development by starting construction in advance of selling, as a result, the company needs capital upfront to construct because the company does not receive any payment to be used as the capital to construct projects including the factors that may influence the decision to purchase future projects 1.) Increasing property price as a consequence of increasing costs of materials, construction costs and land prices rising 2.) Regressing economy that affect the real estate market as consumers are obliged to reserve cash for necessities. 3.) Higher competition due to the competitor with the high capital into the real estate market quite a lot and the company is facing the risk in unsellable properties that would lead to high volume in company's inventories, which will create affect in company's liquidity and the ability to profit. However, the company expects to sell built properties without impacts on the cost.

3. The risk associates with production cost

Construction Materials Price Index has risen since 2014 due to significant growth in neighboring countries therefore, materials like cement, steel, construction machines are in great demands from Thailand's neighboring countries to serve their governments attempt to expand infrastructure ; mass rapid transit system, flood protection system which require massive amount of construction materials therefore material prices have increased, hence materials are essential to the development of real estate projects therefore, an increase in material prices and price volatility affect directly to the cost of project development. The company is aware of such risks and measures to strictly control and reduce the risks arising from fluctuations in the prices of construction materials. Due to the procurement of construction materials, company will purchase directly from the manufacturers to compare prices, quality of materials



and logistic cost in advance to reduce the risk from increasing material price. Including seeking more business partners to support company's expansion. The company will organize construction materials into categories to obtain bargaining power with traders. Moreover, the company puts product quality in top priority, the company establish the criteria to trade mainly with trustworthy major manufacturers and suppliers evaluated by comparing the capacity and potential to supply raw materials at reasonable prices to ensure that traders are able to supply materials that meet the standards in both quality and quantity aspects. The company will set up a team to control quality and to pursue company's high standard.

4. The risk from contractor's inability to timely and properly deliver

The Company is to pay the contractor in terms of construction periods, basing on success criteria of the work delivered specified in construction contract. After being accepted and approved for product quality control from company's inspectors, the company will pay the installment by deducting retentions in each period at 5% of the value of work delivered. The preferred contractors would be experienced medium or large construction firms unless the case of shortages in labors due to growing demands for labors in the other parts of the region. The company is trying to replace the original construction system by an alternative such as precast construction to replace skilled workers. The company will start constructing by precast system from compact houses.

5. The risk from financial factors

Under the economic slowdown, Financial Institutions have more careful in approving loans both property developers and consumers. In addition, there are also other factors such as unbalanced between supply and demand in many areas, slowdown of demand for housing and household debt sector is still high. However, it still has the supportive factors with expansionary monetary policy of Monetary Policy Committee for Bank of Thailand, causing the interest rates remained low together with the property developer delay investment to reduce the risk of oversupply. By the way, the company is able to manage financial risk. From researching and development of products with supporting information, it makes the product to meet the requirement of purchaser. The company has been supported by both financial institutions and investors as well

6. The risk of projects being rejected by the Office of Environmental Impact Assessment

Development projects of the company and its subsidiaries are required to apply for Environmental Impact Assessment or EIA for an approval from Ministry of Environment and Natural Resources. In the drafting of such environmental analysis, the company has hired a consulting firm, which are registered with the Ministry of National Resources and Environment Minister Spencer to conduct the environmental impact assessment report, to have the report prepared in accordance with the Environmental Quality Act 1992. The report is only needed for condominiums with over 80 units, the single detached houses and townhouses starting with over 500 units. For condominium projects, the company strictly follows every condition stated, the concerns have been informed to contractors to avoid any possible difficulties and negative consequences in the future.



7. Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. From the current situation, as described in Note 1 indicates that the AQ Estate Group may suffer from liquidity problems.

8. Foreign Currency Risk

The AQ Estate Group do not have commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

9. Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate 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 consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

10. Interest Rate Risk

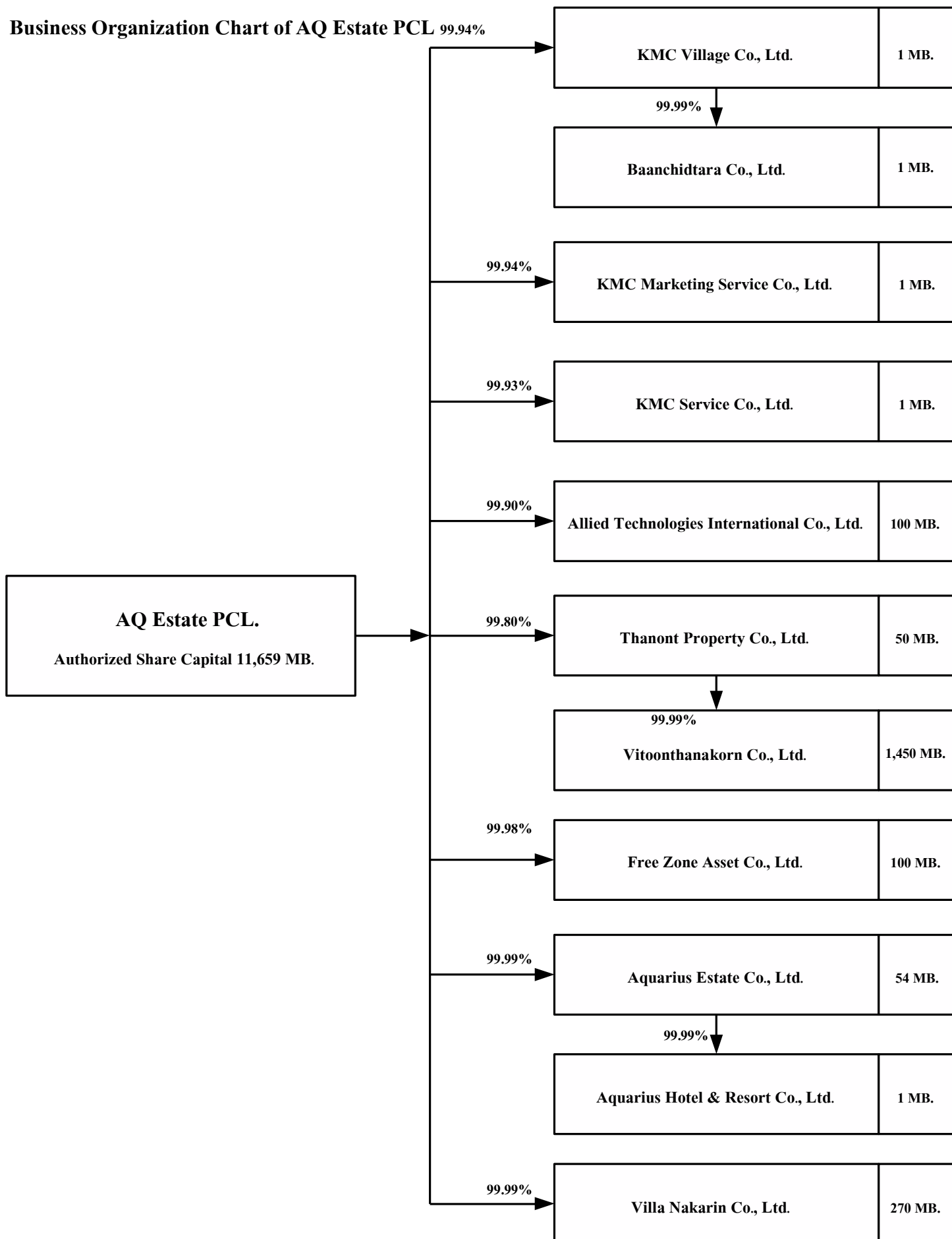
Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the AQ Estate Group. The AQ Estate Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, restricted deposits with banks, loans to subsidiaries and interest receivable, loan to other, long - term liabilities under debt restructuring agreements, loans considered as default, loans from financial institutions, and liabilities under finance lease contracts, which bear interest. However, since most of the AQ Estate Group's financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the AQ Estate Group has no hedging agreement to protect against such risk.



AQ ESTATE

8Business Organization Chart

Business Organization Chart of AQ Estate PCL 99.94%



**Shareholding**

Item	Company	Business Type	Category	Shareholding
1	AQ Estate Public Company Limited	Real Estate Business and Property Management	Head	
2	Thanont Property Co.,Ltd	Real Estate Business	Subsidiaries	99.80
3	Allied Technology International Co.,Ltd	Real Estate Business	Subsidiaries	99.90
4	AQ Marketing Service Co.,Ltd	Sale Management	Subsidiaries	99.94
5	AQ Property Management CO.Ltd	Project Management	Subsidiaries	99.93
6	AQ Village Co.,Ltd	Hotel Business	Subsidiaries	99.94
7	Free Zone Asset Co.,Ltd	Property rental operations	Subsidiaries	99.98
8	Aquarius Estate Co.,Ltd	Real Estate Business Consult and Sale management Hotel Business	Subsidiaries	99.99
9	Vitoonthanakorn Co.,Ltd	Real Estate Business	Subsidiaries Indirect Thanont Property Co.,Ltd	99.99
10	Baanchidtara Co.,Ltd	Hotel Business	Subsidiaries Indirect AQ Village Co.,Ltd	99.99
11	Aquarius Hotel and Resort Co.,Ltd	Hotel Business	Subsidiaries Indirect Aquarius Hotel and Resort Co.,Ltd	99.99
12	Villa Nakarin Co.,Ltd	Real Estate Business	Subsidiaries	99.99



AQ ESTATE

Investment

Direct Holding

Company	Business Type	Capital paid	Shareholding %	Cost of Investment (Thousand)
AQ Village Co.,Ltd	Hotel Business	1	99.94	1
AQ Marketing Service Co.,Ltd	Sale Management	1	99.94	1
AQ Property Management CO.Ltd	Project Management	1	99.93	1
Allied Technology International Co.,Ltd	Real Estate Business	100	99.99	100.315
Thanont Property Co.,Ltd	Real Estate Business	25	99.80	23.612
Free Zone Asset Co.,Ltd	Property rental operations	100	99.98	42.105
Aquarius Estate Co.,Ltd	Real Estate Business Consult and Sale management Hotel Business	54	99.99	480.998
Villa Nakarin Co.,Ltd	Real Estate Business	270	99.99	170.232
Less Provision for Devaluation investment				(339,696)
Investment Net				480,566

Indirect Investment

Company Name	Business Type	Paid-up Capital	Shareholding %	Cost of Investment (Thousand)
Vitoonthanakorn Co.,Ltd	Real Estate Business	1,450	99.99	396.68
Baanchidtara Co.,Ltd	Hotel Business and Resort	50	99.99	49.94
Aquarius Hotel and resort Co.,Ltd	Hotel Business	1	99.99	1



1. **AQ Marketing Service Co., Ltd**
2. **AQ Property Management Co., Ltd**
3. **Thonont Property Co., Ltd**
4. **Allied Technology International Co., Ltd**
5. **AQ Village Co., Ltd**
6. **Vitoonthanakorn Co., Ltd**
7. **Baanchid tara Co., Ltd**
8. **Aquarius Hotel and Resort Co., Ltd**
9. **Villa Nakarin Co., Ltd**
10. **Free Zone Asset Co., Ltd**
11. **Aquarius Estate Co., Ltd**

1. The contractor shall be provided the staff with suitable skills to perform work under the contract with the employer
2. The contractor, contractor agent or employee of contractor must not be disclosed the confidential information of employer which they have known during the performance under the contract to a third party. This will cause damage to the employer.
3. The contractor promise that will not take the entire or some part of work in this contract to other subcontractor unless it has been received the written permission from employer. However, the contractor is still responsible this subcontractor work in every respect. Details of the contract are as follow.

Term of Contract: 1 year (January 1, 2015 to December 31, 2015)



AQ ESTATE

Compensation

Amount	Income Free	Amount (Baht)
1	AQ Viallge Co.,Ltd	4,800,000.00
2	Vioonthanakorn Co.,Ltd	7,200,000.00
3	Baanchidtara Co.,Ltd	3,300,000.00
4	AQ Property Management Co.,Ltd	2,400,000.00
5	AQ Marketing Co.,Ltd	2,400,000.00
6	Thanont Property Co.,Ltd	8,700,000.00
7	Allied Technology International Co.,Ltd	8,400,000.00
8	Aquarius Estate Co.,Ltd	3,600,000.00
9	Villa Nakarin Co.,Ltd	4,800,000.00
Total		45,600,000.00



AQ ESTATE

Director and Authorized Signatory of AQ Estate PCL and Subsidiaries as of December 31, 2015

1. Mr. Suthisak Vageepiyanantanon takes a position of Board of AQ Estate Public Company Limited as well as the Director in subsidiaries as follow:

Item	Company	Position	% Shareholder	Connection between Company
AQ Estate Public Company Limited Shareholders Directly				
1	Aquarius Estate Co.,Ltd	Authorized Director Signatory	-	AQ Estate PCL. hold shares by 99.99%
2	Villa Nakarin Co.,Ltd	Authorized Director Signatory	-	AQ Estate PCL. hold shares by 99.99%
3	AQ Village Co.,Ltd	Authorized Director Signatory	-	AQ Estate PCL. hold shares by 99.94%
AQ Estate Public company Limited Shareholder Indirectly				
1	Vitoonthanakom Co.,Ltd	Authorized Director Signatory	-	Thanont Co.,Ltd hold shares by 99.99%
2	Baanchidtara Co.Ltd	Authorized Director Signatory	-	AQ Village Co.,Ltd hold shares by 99.99%
3	Aquarius Hotel & Resort Co.,Ltd	Authorized Director Signatory	-	Aquarius Estate Co.,Ltd hold shares by 99.99%



AQ ESTATE

2.Mr.Pop Petsuwan takes a position of Board of AQ Estate Public Company Limited, Acting Chief Executive officer as well as the Director in subsidiaries as follow:

Item	Company	Position	% shareholder	Connection between company
AQ Estate Public company Limited Shareholders directly				
1	AQ Property Management Co.Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.93%
2	AQ Village Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.94%
3	Aquarius Estate Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.99%
4	AQ Marketing Service Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.94%
AQ Estate Public company Limited Shareholder Indirectly				
1	Vitoonthanakorn Co.,Ltd	Authorized director signatory	-	Thanont Co.,Ltd hold shares by 99.99%
2	Baanchidtara Co.Ltd	Authorized director signatory	-	AQ Village Co.,Ltd hold shares by 99.99%
3	Aquarius Hotel & Resort Co.,Ltd	Authorized director signatory	-	Aquarius Estate Co.,Ltd hold shares by 99.99%



AQ ESTATE

3.Mr. Wirat Aiew-aksorn takes a position of Chief operating officer as well as the Director in Subsidiaries as follow:

Item	Company	Position	% shareholder	Connection between company
AQ Estate Public company Limited Shareholders directly				
1	Aquarius Estate Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.99%
2	Thanont Property Co.Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.80%
3	AQ Property Management Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.93%
4	AQ Village Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.94%
5	Free Zone Asset Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.98%
6	Villa Nakharin Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.99%
7	AQ Marketing Co.,Ltd	Authorized director signatory	-	AQ Estate PCL. hold shares by 99.94%
AQ Estate Public company Limited Shareholder Indirectly				
1	Baanchidtara Co.,Ltd	Authorized director signatory	-	AQ Village Co.,Ltd hold shares by 99.99%
2	Aquarius Hotel & Resort Co.,Ltd	Authorized director signatory	-	Aquarius Estate Co.,Ltd hold shares by 99.99%



AQ ESTATE

Shareholders

The first 10 shareholders in the past three years summarized as follows:

Sequence	List of Shareholders	Mar.,16	%	Dec., 14	%	Dec.,13	%
1.	Ms. Sumalee Ongjit	600,000,000	4.734				
2.	UOB KAY HIAN PRIVATE LIMITED	500,000,000	3.945				
3.	Mr.Siriwat Wongjarukorn	500,000,000	3.945				
4.	Mr. Thanaphon Wirathepsuporn	250,000,000	1.973				
5.	Ms. Monthira Phadurat	215,000,000	1.696				
6.	Mr. Suvit Phiphatwilaikul	200,000,000	1.578				
7.	Mr. Chong Rangsibrahmanakul	199,000,000	1.570				
8.	Thai NVDR Company Limited	187,647,440	1.481				
9.	Mr. Thawip Reaungraai	165,000,000	1.302				
10.	Ms. Chawanluk leowsiwikul	144,000,000	1.136				
	Mr.Somyos Poompanmoung			2,500,000	19.725	-	-
	THAILAND SECURITIES DEPOSITORY			14,732,672	0.116	15,849,961	0.25
	Ms. Noppharat Boonnag			2,959,582	0.023	2,959,582	0.047
	Mr. Sakhon Kitwiya			2,571,384	0.02	-	-
	Ms. Ananya Yaowanasiri			1,800,000	0.014	-	-
	Mr. Seksan Sitthikornsawat			1,400,000	0.011	2,000,000	0.032
	Ms. Wirawan Setphatthachai			1,050,000	0.008	500,000	0.017
	KMC Holding Company Limited			367,800	0.003	367,908	0.003
	Mr. Diab Sriwarakiet			315,054	0.002	244,468	0.004
	Mr. Phi Chatkanphai			285,075	0.002	-	-
	Mr. Athithan Tirawaninthorn					2,250,000	0.036
	Mr. Pornchai Rungrudeeprisan					432,128	0.007
	Mr. Khajonwutthi Yaowannasiri					400,000	0.006
	VCN Product Company Limited					241,500	0.004



AQ ESTATE

Management

Organizational Structure

The Structure of Appointment the Board of Directors

Appointment of Directors	Directors are elected by shareholders. One share is entitled to one vote.
Termination of Positions	For the annual general meeting, the director who take the longest position have to resign after completing his one-third term which may be elected to take a new position or shareholders at meeting may pass the resolution to any director that resigned before reaching his term by voting not less than three fourths of attendance shareholders and the number of shares not less than a half of shareholders voting at the meeting.
Number of Directors	The company have at least 5 but not more than 11 directors and not less than half of directors have a hometown in the Kingdom

The Structure of Board of Directors as at 31 March, 2016

1. Mr. Somchai Kuvijitsuwan	Committee Chairman
2. Mr. Suthisak Vageepiyanantanon	Authorized Signatory Director and Executive Director
3. Mr. Pop Petsuwan	Authorized Signatory Director and Chief Executive Officer
4. Dr. Suthad Chankingthong	Authorized Signatory Director
5. Dr. Ranchana Rajatanavin	Authorized Signatory Director
6. Mr. Chaiwat Atsawintarangkun	Independent Director and Chairman of Audit Committee
7. Prof. Dr. Pakdee Manahirunvet	Independent Director and Audit Committee
8. Miss Papisorn Mongkholmafai	Independent Director and Audit Committee
Secretary of Company	Mr. Apirath Intrachoo



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5. Dr. Ranchana Rajatanavin

Position: Authorized Signatory Director

No shares holding

3/12 Attendance of Board of Director Meeting in 2015

No Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)
(Appointment by the Board of Directors on 9 October, 2016)

6. Mr. Chaiwat Atsawintarangkun

Position: Independent Director and Chairman of
Audit Committee

No shares holding

11/12 Attendance of Board of Director Meeting in 2015

4/4 Attendance of Audit Committee in 2015

1/1 Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

7. Prof. Dr. Pakdee Manahirunvet

Position: Independent Director and Audit Committee

No shares holding

(Appointment by the resolution of Board of Directors No.1/2015 on 27 February, 2015)

(Appointment as Audit Committee by the resolution of Board of Directors No.3/2015 on 14
February, 2015)

11/12 Attendance of Board of Director Meeting in 2015

1/1 Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April, 2015)

8. Miss Papasorn Mongkholmafai

Position: Independent Director and Audit Committee

No shares holding

3/12 Attendance of Board of Director Meeting in 2015

1/4 Attendance of Audit Committee in 2015

No Attendance of Ordinary Meeting in 2015 (Hold a meeting on 20 April 2015)

(Appointment by the Board of Directors on 9 October, 2016)

Audit Committee

The Audit Committees have a term of 2 years.

1. Mr. Chaiwat Atsawintarangkun

Chairman of Audit Committee

2. Prof. Dr. Pakdee Manahirunvet

Audit Committee

3. Miss Papasorn Mongkholmafai

Audit Committee

The secretary of the Audit Committee is Mrs. Pranee Hiranbanthow

Remark: The Audit Committee has not been received any remuneration as audit anyhow.



Organization and qualification of Audit Committees

- At least three directors (one director should be knowledgeable in accounting and finance).
- Selection by Nomination Committee and proposed to the shareholders' meeting for approval.
- Non-executive directors, employee or consultant or receive a regular salary from the company.
- No benefit or interest either financial or management company.
- Holding shares not excess 5% and including shares held by related persons

(These criteria concentrated more than the Stock Exchange and SEC).

Scope of the Audit Committee Authority

1. To monitor and review the financial reports to ensure that the Company's accounting system complies with general standard of accountancy as provided by the governing laws and reflects the transparency and accuracy based on the principles of good governance.
2. To monitor and review to ensure that the company has the internal control and audit.
3. To review the system of corporate risk management.
4. To review the company's compliance with the law that is the security, Stock Exchange of Thailand and other legislation related to company business.
5. To review a probable case of corruption and hence specify internal protective measures.
6. To consider the disclosure of the company's information in case of any related transaction or transactions that may have a conflict of interest to be correct and complete.
7. To monitor, review and comment on the performance of Internal Audit Office and coordination With auditors.
1. To prepare the corporate governance reports of Audit Committee by disclosed in the annual report of company which report must be signed by the Audit Committee Chairman.
9. To select consideration and propose the audit appointment as well as their remuneration.
10. To monitor the evaluation of the performance audit in accordance with the international standards office.
11. To perform any duties as required by law or the Board of Directors assigned the director to perform as a scope of authority and the audit committees will have the power to invite, command the management, supervisor or employee concerned to comment in conference or send the documents as may be related and necessary.

Remuneration of Audit Committee

The company does not pay the remuneration as audit committee anyway.

Nomination Committee and Remuneration Consideration

1. Mr. Chaiwat Atsawintarakun
2. Prof. Dr. Pakdee Manahirunvet
3. Mr. Pop Petsuwan

Risk Management Committee

1. Prof. Dr. Pakdee Manahirunvet
2. Mr. Chaiwat Atsawintarakun
3. Mr. Suthisak Vageepiyanantanon



Selection of Directors and Executives

At present, the nomination committee and remuneration consideration have to consider the qualification of directors as required by law which will select from knowledge, capacity and experiences including the possibility to participate in a meeting with the Company's Board on a regular basis. However, the directors are appointed by the majority of the shareholders in an annual general meeting. One share is equal to one vote. It is possible to select the directors one by one or many directors at one time or as a group of directors which the shareholders may deem appropriate. A person or a group of persons who receive the highest scores respectively will be elected as Director equal to the number of those Directors. In case of a person who has been elected in descending order and there is an equality of votes exceeded those numbers of directors, the chairman of the meeting is the additional one vote be able to final judge.

Balance of Non-Executive Directors

The Board of Directors is composed of 8 members. They are 4 executive directors and the remaining 4 non-executive directors. There are 3 audit members. Therefore, the company has the Audit Committee, representing more than 25%.

The Board of Directors

1. Mr. Suthisak Vageepiyanantanon
2. Mr. Pop Petsuwan
3. Dr. Suthad Chankingthong
4. Dr. Ranchana Rajatanavin

The secretary of the Audit Committee is Mrs. Pranee Hiranbanthow

Scope of Authority and Duty of Executive Board

1. Control and Management the Company business and provide the following duties.
 - The Executive Board approved to get permission, registration and other requisitions need to operate general business, and then report to the Board of Directors every quarterly.
 - Consideration for approval an annual plan and propose to the Board of Directors for Consideration.
 - Consider for approval other investments, loans, guarantee and propose to the Board of Directors except loans between the company and its subsidiaries. After the Executive Board had already approved them, the Executive Board was able to approve then, report to the Board of Directors.
 - Lay down the personal management regulation including defined regulations concerning work of employee accordance with the Law of Labor Protection.
 - Lay down the financial and accounting regulations.
 - Lay down the material and purchasing regulations.



- Resolve the problem or Conflicts that affects the organization and maintain efficient communication to concerned persons.
 - Operate any tasks assigned by the Board of Directors.
- 2. In business operation, The Managing Director is responsible for the following.
 - Manage company business to be legitimate as policy including plan of resolution of the Board of Director and shareholders meeting.
 - Control Staffs, personnel management, budget management, and material management, financial and accounting management according to Executive Board Regulation Determination.
 - Consideration the annual plan preparation to propose the Executive Director and Board of Directors. After receiving the approval from the Board of Directors, they are able to be Enforceable.
 - Other duties as the Board of Directors or the Executive Boards assigned including control expenses and investment budget according to the scope that the Board of Directors approved the annual plan. After receiving the approval from the Board of Directors, they are able to be enforceable.
- 3. Purchasing Committees have the authority to approve the purchasing. The Purchasing Committee classified as below.
 - 3.1 The approval of financial amount less than or equal to 10 million consist of the Purchasing Committee as below.

Chairman	Chief Operating Officer
Committee	Executive Vice President – Project Development
	Executive Vice President – Business Development
	Purchasing

The approval must be reported to Chief Executive Officer acknowledge
 - 3.2 The approval of financial amount more than 10 million consists of the Purchasing Committee as below.

Chairman	Chief Executive Officer
Committee	Executive Vice President - Project Development
	Executive Vice President - Business Development
	Project
	Purchasing

The approval must be reported to Executive Board acknowledge.
 - 3.3 The approval of financial amount more than 20 million consists of the Purchasing Committee as below.

Chairman	Chief Executive Officer
Committee	Executive Boards
	Chief Operating Officer

Senior Executive Vice President - Special Business
 Executive Vice President - Project Development
 Executive Vice President - Business Development
 Project
 Purchasing

The approval must be reported to Board of Director acknowledge

In case of off-budget purchasing, there are the workflows as the business operating regulations of AQ Estate Public Company Limited B.E. 2013 item. 5 as follow:

- 1.TheChief Operating Officer is able to authorize the financial amount not more than 10 million Baht
- 2.TheChief Executive Officer is able to authorize the financial amount more than 10 million Baht but not more than20 million Baht.
- 3.The Executive Boards is able to authorize the financial amount more than 20 million but not more than 50 million Baht.
4. The Board of Directors is able to authorize more than 50 million Baht.

The approval must be reported to Board of Director acknowledge.

4. The Managing Director authorizes sale of land or property and other operations including regular business of the company.
5. The Executive Boards or Managing Director authorizes the business operation which is not defined and proposes to the Board of Directors for consideration and approval in individual cases.

Integration and Separation of the Positions

Committee Chairman is the Independent Director which is the Non-Executive Director.

Board of Directors Meeting

The committees have the normal regularly meeting and the additional special meeting as necessary that will propose agenda in advance and clearly as well as the agenda for follow up the operating results regularly. The company has prepared the letter of invitation meeting including agenda at least three days before the meeting.

In2014, the company has the total of 12 Board of Directors meetings. The quorum was full in every meeting. A minute of each meeting was made in writing including sound recording. The reports were verified by committee concerned, and then certified report by the Board of Directors.



Remuneration of Directors

The company paid the attendance fee to directors in 2014 and 2015 totaling Baht 1.5 million and Baht 1.11 million respectively and there are eight directors each year. The director who is the executive receives remuneration for salary. The details of attendance fee are as follows.

List of Name	Year	
	2014	2015
1. Mr. Suthisak Vageepiyanantanon*		
2. Mr. Pop Petsuwan*		
3. Mr. Chaiwat Atsawintarangkun	384,000	492,000.00
4. Prof. Dr. Pakdee Manahirunvet	-	272,000.00
5. Dr. Ranchana Rajatanavin	-	138,333.33
6. Dr. Suthad Chankingthong	-	138,333.33
7. Miss Papasorn Mongkolmafai	-	73,000.33
8. Mr. Somchai Kuvijitsuwan	-	-

The eighth director was appointed on 14 March, 2016.

In 2015, the company had approved the remuneration from shareholders on 28 April, 2016, not exceed Baht 3.2 million comprising regular remuneration, attendance fee.

*The first and second director receive remuneration for salary which included in executive salary and receive attendance fee.

Director Resignation

- | | |
|---------------------------------|--|
| 1. Mr. Yongyutt Chaipromprasith | Executive Director effective on 6 October, 2015. |
| 2. Mr. Wirat Aiew-Aksorn | Executive Director effective on 6 October, 2015. |
| 3. Mr. Chavivat Peechapol | Audit Committee effective on 6 October, 2015. |
| 4. Mr. Jaturaphon Pumivassana | Audit Committee effective on 9 March, 2015. |



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Remuneration of Director

Both 8 Director in 2015 and 2014 received the remuneration for salary and bonus amounting to Baht 52.42 million and Baht 37.42 million in 2014 and 2015 respectively. However, the company did not pay an attendance fee for its management in any way.

Personnel

Company and its subsidiaries had 308 employees for the ended 31 December, 2015, divided into 8 Directors, 308 full time employees and expenses related to employees in 2015 totaled Baht 77.08 million. (CEO resigned in October, 2015).

The company had the personnel development policy by supporting their knowledge training such as training programs for sales and marketing by inviting an expert training at office as well as attend outside training,



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Details of Top Management

1. Mr. Wirat Aiew-Akson

Position Executive Director and Chief Executive Officer

Age 61 years. No shares holding.

1 Attendance of Board of Director Meeting in 2015 (Hold meeting on 20 April, 2015)

Education

Master Degree of Business Administration (MBA)

Kasetsart University

Faculty of Law

Ramkhamhaeng University

Bachelor of Science (Agricultural Economics)

Kasetsart University

Affiliations

Director Accreditation Program (DAP) 2006

Thai Institute of Directors (IOD)

Work Experiences

Period	Position	Company Name
Oct, 2013 – present	Chief Operating officer	AQ Estate Public Company Limited
2013 – present	Director	AQ Village Company Limited
2013 – present	Director	Bannchid tara Company Limited
2013 – present	Director	Aquarius Estate Company Limited
2013 – present	Director	Aquarius Hotel & Resort Company Limited
May 2011 – Present	Director	AQ Property Management Company Limited
May 2011 – Present	Director	AQ Marketing Service Company Limited
May 2011 – Present	Director	Thanont Property Company Limited
May 2011 – Present	Director	Free Zone Asset Company Limited
Oct 2014 – Present	Director	Villa Nakarin Company Limited
May 2011 – 9 Oct, 2015	Executive Director	AQ Estate Public Company Limited
2013 – Oct, 2015	Director	Vitoonthanakorn Company Limited
May 2011 – Oct, 2013	Director and Managing Director	AQ Estate Public Company Limited
May 2011 – June, 2012	Acting MD and Director	AQ Estate Public Company Limited
May 2011 – June, 2012	Director	Allied Technology International Company Limited



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2. Mr. Suthisak Vageepiyanantanon

Position Executive Director

Age 46 years. No shares holding.

1 Attendance of Board of Director Meeting in 2015 (Hold meeting on 20 April, 2015)

Education

Master Degree of Business Administration (MBA)

Colorado State University, USA

Bachelor of Accounting

Kasetsart University

Professional Registration (Financial Consultant)

Investment Banking of Association of Thai Securities **Comapny**

Work Experiences

Period	Position	Company Name
May 2012 – Present	Executive Director	AQ Estate Public Company Limited
2012 – Present	Director	A Plus Planner Company Limited
2013 – Present	Director	AQ Village Company Limited
2013 – Present	Director	Vitoonthanakorn Company Limited
2013 – Present	Director	Bannchid tara Company Limited
2013 – Present	Director	Aquarius Estate Company Limited
2013 – Present	Director	Aquarius Hotel & Resort Company Limited
Oct 2014 – Present	Director	Villa Nakarin Company Limited
2008 – 2011	Managing Director	Capital Alliance Company Limited



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3. Mr. Pop Petsuwan

Position Executive Director

Age 50 years. No shares holding.

1 Attendance of Board of Director Meeting in 2015 (Hold meeting on 20 April, 2015)

Education

Master Degree of Business Administration (MBA)

Chulalongkorn University

Bachelor of Architecture

Chulalongkorn University

Affiliations

Thai Institute of Directors (IOD)

(Management, Finance and Marketing for Executive Training Program)

Work Experiences

Period	Position	Company Name
May, 2011 - Present	Executive Director	AQ Estate Public Company Limited
2013 - Present	Senior Executive Vice President-Business	AQ Estate Public Company Limited
Oct, 2015 - Present	Acting Chief Executive Officer	AQ Estate Public Company Limited
Oct, 2015 - Present	Director	Aquarius Estate Company Limited
Oct, 2015 - Present	Director	Aquarius Hotel & Resort Company Limited
2013 - Present	Director	AQ Village Company Limited
2013 - Present	Director	Vitoonthanakorn Company Limited
2013 - Present	Director	Bannchid tara Company Limited
2013 - Present	Managing Director	AQ Property Management Company Limited
2013 - Present	Director	AQ Marketing Service Company Limited
2013 - Present	Director	Thanont Property Company Limited



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4. Mrs. Pranee Hirunbanthow

Position Executive Vice President (Operation) Director and Financial Controller

Age 59 years. Holding 25,000 shares.

1 Attendance of Board of Director Meeting in 2015 (Hold meeting on 20 April, 2015)

Education

Master Degree of Business Administration (MBA)

Ramkhamhaeng University

Bachelor of Business Administration (Accounting)

Ramkhamhaeng University

Work Experiences

Period	Position	Company Name
2006 - Present	Executive Vice President - Operation	AQ Estate Public Company Limited
2013 - Present	Executive Vice President Finance and Accounting	AQ Estate Public Company Limited

Governance Policies

AQ Estate Public Company Limited determined a corporate governance of company's Board of Directors. The audit committee and executive are responsible for the good corporate governance which is the fundamental of sustainable growth and as important key leading to success including building confidence to our shareholders, investor and all parties concerned. The company has a good corporate governance system, international standard, meet the requirement of law and relevant regulations, business ethics as well as adequate disclosure to all parties concerned. The company established the structure of audit committee comprising professional individuals which is independent from company management. The audit committee will hold a meeting every quarter in order to monitor the business operations constantly. However, this is based on the principle of transparency, honesty, independence, accountability, fairness and social responsibility.

Regarding the progress in implementation of good corporate governance principles, the company has closely followed to perform duties in accordance with the policy strictly and covering 3 principles as the guidelines prescribed by the Stock Exchange of Thailand as follow.

1. Shareholder Rights

The company encourages the shareholders to fully exercise their rights, especially basic rights of shareholders both as investors in the securities and as owners of the company, the adequate access to information through the means that are universally acceptable and reliable such as buy and sell or transfer shares, profit shares of the company, open opportunity for shareholders to express opinions freely in meetings, shareholders' participation in consideration and decision making in significant matters for example; election commission or remove members of the Board, appointment auditor, allocate the dividend, modification of regulation and memorandum of association including approval significant transaction and affecting the directions of our business, hence, votes of shareholders will be calculated by numbers of shares held. Each share is entitled to one vote and no share shall benefit extra privilege differently from others. The rights are inclusive of followings;

○ Profit Sharing Rights

The company has a policy to pay the dividend to shareholders not less than 50 % of net profit and no deficit at company.

○ The right in receiving news of the company completely, accurately, adequately and reliable, abstain from any action to limit the shareholders in study of information of technology. In 2014, the company had provided the information regarding shareholders' meeting by sending the notice of meeting, related information and opinion of the Board and Audit Committee before meeting not less than 14 days and not less than 7 days for special resolution. In case of consideration and approval general resolution as General Meeting Agenda of shareholder, the shareholders have to study the detail completely before decision to vote in company meeting day and the company published the information of meeting in newspaper and attached supporting documents to shareholders in advance



adequately and timely as well as the online accessibility for information on company's website (www.aqestates.com) and also informed the Stock Exchange of Thailand for the of publicized information by website. The information that found on this website is the same as distributing to shareholders in other channel both individual shareholder and institutional investors including such notice of meeting which will provide the adequate details comprising date, time, venue and agendas as well as important information for consideration and decision alongside with the board opinions on each agenda, include a proxy of shareholders, etc.

○ In 2014, the company held its annual meeting of shareholders on 24 April, 2014 which 8 directors attended in the meeting. The company deemed appropriate to hold shareholder meeting at Golden Tulip Hotel. However, the company has facilitated the shareholders to attend and ask questions as well as giving opinions at the same meeting causing the meeting proceeded smoothly and efficiently. Furthermore, the company also had given the information about business to shareholder acknowledge.

○ The day of shareholder meeting, the company had given other company held meeting by using bar code system especially for the preparation of these forms for voting. Such forms are shown the name of shareholders and this way will be able to help shareholders at their convenience in the meeting as well as making rapidly in the registration process. For exercise their voting rights for each agenda, the company will collect a ballot of all shareholders as for abstention and disagree. After the end of meeting, the shareholders are able to verify the details and the company also has requested the cooperation from shareholders as a witness in counting of vote at each agenda.

○ The Chairman has allocated sufficient and suitable time and conducted the meeting according to the agendas setting. During the meeting, the chairman encouraged shareholders to openly express their opinions and ask any questions relating to the meeting with the company.

○ The Chairman and the Chairman of Audit Committee including all directors (unless the case of unavoidable necessity) attended and answered questions raised by shareholders.

2. Stakeholder Rights

The company has always realized that success and sustainable of company depending on stakeholder parties. Therefore, the company has determined the policy to encourage the promotion process for involvement with stakeholders by protection and preserve the rights of stakeholders groups fairly that entitled by the relevant law or agreement with the company. However, the company will not take any action the infringement of stakeholders and give the importance on the rights of every shareholders group such as employees, executives of the company including its subsidiaries as well as third parties; such as suppliers, governments, society, communities and the environment to ensure basic rights of these stakeholders are protected and taken care within the requirements of law including the framework for ethical conducts and professional ethics in the business; to prevent any violations of stakeholder rights, which is considered a key cornerstone in establishing the long-term success of the company. Details are as follows:



○ **Human Rights:** The company respects human rights and the policy that treat employees fairly. Moreover, the company realizes that human resources are a key factor to create value-added products including improve the environment, working conditions for employees to have a good quality and the opportunity to show their potential as well as get a chance in training their skills on their job. In addition, the company encourages the employees to understand the principle of the

international human right to perform properly. In the past, the company does not have any action the infringement of human rights.

○ **Employees:** The company believe that employees are an important component and the company committees to make employees pride and confidence towards company. In the previous year, the company included employees from a subsidiary that company holds 99.99% share, move to a new headquarter, renovation and modernization of building and modern facilitated such as a swimming pool, greatly equipped fitness center to create a great working environment, as the company sees relaxation within workplace would lead to increasing productivity as well as reasonable rewards and benefits; welfare for the medical insurance, annual health check activities, monthly icebreaking activity, annual company outing trip. Moreover, the company supports the development of skills and the ability to work consistently with various training courses as well as the activity for working with concentration by mindfulness in organization to optimize and enjoyable working.

○ **Customers:** The company is keen to develop quality products and services under the quality that serve the requirement of customers in a professional manner as well as establish a unit to contact and receive their suggestions or comments from customers. Furthermore, the company established online media like company website for customers to complain, thus, improvement that complaint, making the customers to have the confidence and satisfaction as well as consumer must be protected individual rights, personal information and others which must not be used without consent.

○ **Business partners:** The company operates within the framework of competition with honesty by adhering to the compliance agreements, codes of conduct and strictly committed to company's partners and avoid dishonest methods to destroy competitors.

○ **Executives:** The company realizes the importance of management, which is an important factor in successful business; the benefit structure is properly managed as well as the welfare of their families.

○ **Competitors** The company competes fairly and ethically with great professionalism and transparency. To obey law and not to violate or attempt to access competitors' confidential information and to measure disciplinary policies and practices to competitors as stated in the Code of Ethics.

○ **Creditors** the Company is keen to conduct business with creditors and suppliers of all types in a fair and ethical manner by following the terms and conditions under the agreement and the law



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3. Social and environmental responsibility

The policies at company are managed business with socially responsibility through various businesses. The details are as follow.

- The company will consider a comfort design house with the correction wind direction to reduce pollution to use less air conditioning unit, global warming.
- The company must be constructed housing project with a green environment and provide customers with a fitness facility and fresh air that is the Garden Asoke condominium project, 8th floors, surrounding with big trees to be cool and pleasant. Therefore, the residence are able to exercise within the project as well as single project which has a planting trees approximately 30 % of sales areas to make a green project resulting in a neighboring community as a whole good weather.
- The company has opened a convenience store within the project to meet their requirement of residents and neighboring communities.

**AQ ESTATE PUBLIC COMPANY LIMITED
AND SUBSIDIARIES**

Financial Statements

For the Year Ended December 31, 2015

And Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AQ Estate Public Company Limited

I was engaged to audit the accompanying financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statement of financial position as at December 31, 2015, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and 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 the 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 financial statements based on conducting the audit in accordance with Thai Standards on Auditing. Because of significant matters as described in the Bases for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Bases for Disclaimer of Opinion

- 1) As discussed in Note 1 to the financial statements that:
 - (a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totalling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower (the 19th defendant) and the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million. On September 9, 2015, the Company received the order of enforceable action from the Supreme Court. Up to the present, no action has been taken on this matter.



- (b) On October 16, 2015, the Company, the 19th defendant and a major shareholder (68% shareholding) of the 19th defendant have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of the 19th defendant in order that the land was not confiscated, partial repayment of debts of the subsidiary of the 19th defendant and expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and the 19th defendant agreed to return to Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to the 19th defendant at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from the major shareholder of the 19th defendant before disposal of such land. Once the Company and the 19th defendant are free from any liabilities with such government bank, both parties agree to not claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, the major shareholder of the 19th defendant agrees to transfer shares and authorities of the directors of the 19th defendant to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to the major shareholder of the 19th defendant as the original status. The Company agrees to let its subsidiary to provide loan to relatives of a director of 19th defendant at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, the major shareholder of the 19th defendant has already transferred the shares of the 19th defendant to the Company and has authorized one director of the Company to be the director of the 19th defendant. However, the Company and the 19th defendant have not obtained a letter from the subsidiary of the 19th defendant to confirm that it will not claim for any liabilities for selling land to compensate the damage because the subsidiary of the 19th defendant was sentenced as bankruptcy.
- (c) According to the sentence of the Supreme Court, loans from financial institutions of the Company and its subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and its subsidiaries breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2015, such default loans amounting to Baht 30 million were presented as loans considered as default under current liabilities in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all financial institutions that previously provided credit facilities to the Company and its subsidiaries have temporarily suspended all credit facilities.
- (d) The management of the Company estimated the damage from this court case and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 amounting to Baht 1,630.50 million (net of the collateral asset value). As the actual damage will depend on the Company's ability to sell such collateral land at the estimated price and the subsidiary of the 19th defendant will not make a claim against the Company, I was unable to determine whether any adjustments were necessary to this matter at the present.
- (e) The Company's ability to continue its operation as a going concern will significantly depend on the ability to repay the damage as sentenced by the Supreme Court and the recruitment of the new Chief Executive Officer and executive directors to manage the Company's policies as planned. These factors indicated the existence of material uncertainties which may cast significant doubt about the Company's ability to continue its operation as a going concern. The consolidated and separate financial statements for the year ended December 31, 2015 have been prepared assuming that the Company will continue its operations as a going concern. Accordingly, they do not include any adjustments relating to the recoverability of the carrying value and classification of the assets or the amount and classification of liabilities that might be necessary should the Company be unable to continue its operation as a going concern.
- 2) As the Company's status as discussed in item (1) above, there was an indicator that the Company's inventory of real estate under development for sales, land held for development, investments in subsidiaries, investment property, property, plant and equipment, leasehold rights and goodwill with the net carrying amount in the consolidated and separate financial statements as at December 31, 2015 totalling Baht 5,020.8 million and Baht 2,398.0 million, respectively, would be impaired. Hence, the Company engaged the various independent appraiser firms and an independent financial advisor firm to revalue these assets. However, I was unable to perform other auditing procedures to satisfy myself as to the reports of such independent appraiser firms and the independent financial advisor firm because:



- (a) As discussed in Notes 14, 15 and 16 to the financial statements, in 2013, the Company obtained assets (Kritsadadoi Project) from ex-subsidary company to settle debts at total amount as transferred date of Baht 165 million, which consisted of leasehold right of Baht 109 million, building under construction of Baht 45 million and fixed assets (existing operated resort assets) of Baht 11 million. In September 2013, the Company engaged an independent appraiser to appraise its leasehold right value with the Income Approach based on the future income with the expected additional investments amounting to Baht 50 million, for the remaining period of 23.25 years and then discounted the estimated future income to present value to be Baht 110 million. The building under construction amounting to Baht 45 million as the same amount which the independent appraiser appraised by Cost Approach in July 2013, and fixed assets (existing operated resort assets) were valued by the management's appraisal amounting to Baht 11 million. The management informed that this is because the independent appraiser could not determine the market value of such leasehold right, building under construction and fixed assets on transferred date. Subsequently on July 1, 2015, the Company purchased land to have the ownership with purchase price totalling Baht 83.60 million. The Company has renovated this project which total investment is over than previously budgeted in September 2013. Then in June 2016, the Company has engaged an independent appraiser to appraise this project with the income approach method and then discounted to present value to be Baht 438 million. The management of the Company has expected that this project is worth for investment and has no any impairment indication. This project has already opened since July 2016. As at December 31, 2015, the separate financial statements presented investment property with net book value of Baht 278.2 million which has the net carrying amount of those transferred assets totaling Baht 129.39 million and recorded in the consolidated financial statements as land, building under construction and fixed assets. However, there are limitations by circumstances, I was unable to perform auditing procedures to satisfy myself as to the fair value of assets obtained at transferred date, the appropriateness of values of investment property presented in the separate financial statements, and land, building under construction and fixed assets presented in the consolidated financial statements as at December 31, 2015 because evidenced by the experiences of the ex-subsidary's operating losses from the using of such assets for operations without additional investment, currently the project has just operated, financial institutions have temporarily suspended all credit facilities and material uncertainty about ability of the Company to continue its operation as a going concern as discussed in Note 1 to the financial statements. These factor may have significant negative effects to this project, hence, there was material uncertainties of fair value measurement of these assets at the present.
- (b) As discussed in Note 16 to the financial statements, the Company engaged an independent appraiser to appraise such leasehold right in July 2013, using Income Approach, the discounted value of leasehold right is Baht 275 million. This method is calculated using the discounted cash flows of the revenues for the year of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On February 5, 2015, the indirect subsidiary company entered into a letter of intent with a foreign company for entering into a hotel management agreement. However, on March 24, 2016, such foreign company postponed to enter into a hotel management agreement until the Stock Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. In October 2015, the indirect subsidiary company has engaged an independent appraiser to re-appraised the leasehold right, using Income Approach on Profit Rent Method determined by renting such leasehold right at the market rental rate, discounted to present value to be Baht 80.70 million. Such appraisal was based on the assumption that the Company's the credit facilities were suspended from various financial institutions and there was material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1 to the financial statements. The market information of comparative land was not have the same area as the Company. There was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 24.81 years plus risk premium in investment in assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 143.7 million. However, there are limitations by circumstances, I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of rental rate to determine the fair value because such appraisal is under unusual assumption as discussed above which has significant uncertainty when such situation will be resolved. In addition, the indirect subsidiary has no rental rate actually occurred at the present and no market price of rental rate basing the same size of area to be compared with the rental rate on such leasehold right as the area is very huge, which these factors may have material effects to the assessment of fair value of such leasehold right.

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- (c) As discussed in Note 13 to the financial statements, in July 2016, the Company engaged an independent financial advisor firm to perform the impairment test of goodwill, fixed assets, inventory in real estate under development for sale and investment in a subsidiary company by using Income Approach method and discounted cash flow to the present value basing on the assumption that the Company shall settle the damages of such lawsuit as discussed in Note 1 to the financial statements within 2016 and the operation shall continue as the business plan. In this regard, the AQ Estate Group recognized impairment loss on goodwill, inventory of real estate under development for sale and fixed assets in the consolidated statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 202.98 million, Baht 0.62 million and Baht 78.70 million, respectively. The Company recognized an impairment loss on investment in subsidiary in the separate statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 282.30 million. However, there are limitations by circumstances, I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such assumption used because there is material uncertainty about the Company's ability to settle the damage of such lawsuit as planned, financial institutions have temporarily suspended all credit facilities and material uncertainty about ability of the Company to continue its operation as a going concern, which these factors may have material effects to the assumptions used to perform the impairment test of these assets.
- 3) As a consequence of the matters described in the Bases for Disclaimer of Opinion item (2)(b), the Company recognized impairment loss of loans to a subsidiary company in the separate statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 212 million. Hence, there are limitations by circumstances, I was unable to perform other auditing procedures to satisfy myself as to the appropriate of such impairment loss of loans to such subsidiary company.
- 4) As discussed in Note 13 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2015, amounting to Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern, resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances, I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.

Disclaimer of Opinion

Because of the significant matters described in the Bases for Disclaimer of Opinion paragraph could have material effects on the going concern of the Company and could have pervasive effects to its consolidated and separate financial statements as a whole, Accordingly, I do not express an opinion on the financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited for the year ended December 31, 2015.

Emphasis of Matter

As discussed in Note 2 to the financial statements, according to the resolution of the Company's Board of Directors' meeting held on May 13, 2016, the Company adjusted a correction of error in the consolidated financial statements for the year ended December 31, 2014 regarding the record of investments in common shares of Villa Nakarin Co., Ltd. which was previously recorded as business acquisition to be asset acquisition. I also audited the adjustment in the consolidated financial statements for the year ended December 31, 2014 (which are presented herein as comparative information). In my opinion, such adjustment is appropriate and has been properly applied. Accordingly, my disclaimer opinion is not modified from the matter emphasized.

(Ms. Wimolsri Jongudomsombut)
Certified Public Accountant, Registration No. 3899
Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Bangkok
August 1, 2016

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

ASSETS

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
	Notes	2015	"Restated"	2015	2014
CURRENT ASSETS					
Cash and cash equivalents	5	74,664	614,469	3,445	535,338
Short-term investments	6, 33	445,155	1,314,064	504	1,314,064
Trade and other account receivables and advances					
- Subsidiary companies - net	4	-	-	375,214	359,411
- Other companies - net	7, 19	14,516	16,736	542	39
Inventories - net	2, 4, 8, 11, 13, 20	3,373,879	3,326,336	1,549,323	1,464,324
Deposits for purchases of condominium units and land - net	9	-	19,076	-	19,076
Assets held for sale	10	30,000	30,000	-	-
Accrued interest income from subsidiaries - net	4	-	-	366,023	285,151
Advance payment to contractors		324,229	-	172,736	-
Other current assets		79,250	28,484	15,766	6,335
Total Current Assets		4,341,693	5,349,165	2,483,553	3,983,738
NON-CURRENT ASSETS					
Land held for development - net	8, 11	465,604	123,743	37,878	37,878
Restricted deposits with banks	12, 30	144,981	71,473	56,839	17,092
Investments in common shares of subsidiaries - net	8, 13	-	-	480,565	794,599
Long - term loans to subsidiary companies - net	4	-	-	2,839,750	1,915,130
Long - term loan to third party	1	30,085	-	-	-
Investment property - net	14, 33	155,400	188,000	278,172	152,979
Property, plant and equipment - net	15, 16, 20, 21	909,250	602,185	52,059	48,124
Leasehold rights - net	15, 16	116,645	338,849	-	-
Intangible assets - net	17	7,360	4,551	3,707	4,023
Goodwill	13	-	202,981	-	-
Deferred income tax assets	18	4,881	22,593	-	-
Other non - current assets		43,775	44,779	22,477	17,912
Total Non - Current Assets		1,877,981	1,599,154	3,771,447	2,987,737
TOTAL ASSETS		6,219,674	6,948,319	6,255,000	6,971,475

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

LIABILITIES AND EQUITY

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
	Notes	2015	"Restated"	2015	2014
CURRENT LIABILITIES					
Trade and other account payables					
- Subsidiary companies	4	-	-	199,486	251,802
- Other companies		103,053	76,675	23,923	23,837
Current portion of long - term liabilities					
under debt restructuring agreements	20	972	952	972	952
Loans considered as default	1, 20	30,021	-	30,021	-
Current portion of long-term loans	1, 8, 15, 20	171,880	30,735	-	9,435
Current portion of liabilities					
under finance lease contracts	15, 21	2,390	2,783	956	829
Customer down payments	4	120,532	119,104	61,935	29,044
Accrued interest expenses					
- Subsidiary companies	4	-	-	24,854	24,854
- Financial institutions and others		688	8,365	53	123
Accrued expenses		59,349	52,273	16,961	10,515
Retentions payable		69,001	37,811	28,465	13,149
Provision for litigation	1, 19	1,610,975	48,699	1,610,284	48,079
Other current liabilities		54,189	38,837	20,831	12,980
Total Current Liabilities		2,223,050	416,234	2,018,741	425,599
NON - CURRENT LIABILITIES					
Long - term loans - net	1, 8, 15, 20	-	299,570	-	3,664
Liabilities under finance lease contracts - net	15, 21	4,030	5,873	1,773	2,730
Deferred income tax liability	18	3,119	20,321	-	-
Estimate liabilities payable to former shareholders	13	46,168	46,168	46,168	46,168
Provision for employee retirement benefit	22	4,077	4,118	3,508	2,857
Total Non - Current Liabilities		57,394	376,050	51,449	55,419
Total Liabilities		2,280,444	792,284	2,070,190	481,018

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

LIABILITIES AND EQUITY (Continued)

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
	Notes	2015	"Restated"	2015	2014
EQUITY					
Share capital	23				
- Authorized share capital					
23,318.36 million common share, Baht 0.50 par value					
(2014: 16,320.44 million common shares, Baht 20 par value)		11,659,181	326,408,897	11,659,181	326,408,897
- Issued and paid - up share capital					
12,673.97 million common shares, Baht 0.50 per share					
(2014: 12,673.96 million common shares, Baht 20 per share)		6,336,985	253,479,266	6,336,985	253,479,266
Premium (Discount) on common shares		4	(245,651,276)	4	(245,651,276)
Premium on common shares from capital reduction		153,477	-	153,477	-
Discount from increase in shareholding in subsidiary		(47,939)	(47,939)	-	-
Deficit	2	(2,503,297)	(1,624,016)	(2,305,656)	(1,337,533)
Equity Attributable to Owners of the Parent - Net		3,939,230	6,156,035	4,184,810	6,490,457
Non - controlling interests		-	-	-	-
Equity - Net		3,939,230	6,156,035	4,184,810	6,490,457
TOTAL LIABILITIES AND EQUITY		6,219,674	6,948,319	6,255,000	6,971,475

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
	Notes	2015	"Restated"	2015	2014
REVENUES FROM SALES AND SERVICES	4				
Revenues from sales of property		1,343,484	1,018,610	488,074	601,003
Revenues from sale of land held for development		-	460,000	-	-
Revenues from construction service		-	-	64,538	7,766
Revenues from property rental operations and related services		13,649	19,308	-	-
Income from hotel business and services		90,583	125,982	-	-
Total revenues from sales and services		<u>1,447,716</u>	<u>1,623,900</u>	<u>552,612</u>	<u>608,769</u>
COSTS OF SALES AND SERVICES	4, 25				
Costs of property sold		(1,058,471)	(995,288)	(413,983)	(529,468)
Cost of land held for development		-	(419,546)	-	-
Cost of construction service		-	-	(64,538)	(7,766)
Cost of property rental operations and related services		(36,700)	(62,227)	-	-
Costs of hotel business and service		(99,457)	(109,580)	-	-
Total cost of sales and services		<u>(1,194,628)</u>	<u>(1,586,641)</u>	<u>(478,521)</u>	<u>(537,234)</u>
Gross profit		<u>253,088</u>	<u>37,259</u>	<u>74,091</u>	<u>71,535</u>
Management fee income	4	12,122	12,814	45,600	23,120
Interest income	4	8,517	1,309	100,381	114,069
Other income	4, 24	78,263	68,757	30,432	74,119
Profit before expenses		<u>351,990</u>	<u>120,139</u>	<u>250,504</u>	<u>282,843</u>
Selling expenses	4	(171,915)	(132,166)	(89,014)	(37,159)
Administrative expenses	4	(392,554)	(355,374)	(153,691)	(167,405)
Doubtful debts		(13,710)	(862)	(367,067)	(115,029)
Impairment loss of investments in subsidiaries	13	-	-	(314,034)	-
Impairment loss of goodwill	13	(202,981)	-	-	-
Impairment loss of leasehold rights	16	(143,730)	-	-	-
Loss reserve for litigation claim	1, 19	(1,631,743)	(16)	(1,631,672)	-
Finance cost		(11,661)	(5,120)	(682)	(110)
Total expenses		<u>(2,568,294)</u>	<u>(493,538)</u>	<u>(2,556,160)</u>	<u>(319,703)</u>
Loss before income tax		<u>(2,216,304)</u>	<u>(373,399)</u>	<u>(2,305,656)</u>	<u>(36,860)</u>
Income tax income (expense)	18	(510)	22,393	-	-
Loss for the year	2	<u>(2,216,814)</u>	<u>(351,006)</u>	<u>(2,305,656)</u>	<u>(36,860)</u>
Other Comprehensive Income					
Item that will not be reclassified subsequently to profit or loss:					
Actuarial gains (loss)		-	1,961	-	(468)
Total comprehensive loss for the year	2	<u>(2,216,814)</u>	<u>(349,045)</u>	<u>(2,305,656)</u>	<u>(37,328)</u>
Loss for the year attributable to:					
Owners of the Parent		(2,216,814)	(351,006)	(2,305,656)	(36,860)
Non - controlling interests		-	-	-	-
		<u>(2,216,814)</u>	<u>(351,006)</u>	<u>(2,305,656)</u>	<u>(36,860)</u>
Total comprehensive loss for the year attributable to:					
Owners of the Parent		(2,216,814)	(349,045)	(2,305,656)	(37,328)
Non - controlling interests		-	-	-	-
		<u>(2,216,814)</u>	<u>(349,045)</u>	<u>(2,305,656)</u>	<u>(37,328)</u>
Basic Loss per Share Attributable to					
Owners of the Parent (In Baht)					
(equivalent to par value of Baht 0.50 per share)		<u>(0.1749)</u>	<u>(0.0011)</u>	<u>(0.1819)</u>	<u>(0.0001)</u>
Weighted Average Number of Shares					
(In Thousand Shares)	27	<u>12,673,967</u>	<u>323,635,120</u>	<u>12,673,967</u>	<u>323,635,120</u>

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

Consolidated Financial Statements (In Thousand Baht)

Notes	Issued and Paid-up Share Capital	Premium (Discount) on Common Shares	Premium on Common Shares from Capital Reduction	Discount from Increase in Shareholding in Subsidiary	Deficit	Total Equity		Net
						Attributable to Owner of the Company	Non-Controlling Interests	
Balance as at January 1, 2014	126,706,096	(120,951,076)	-	-	(1,274,971)	4,480,049	33,058	4,513,107
Increase in common shares	126,773,170	(124,700,200)	-	-	-	2,072,970	-	2,072,970
Purchase investment in subsidiary company during the year	-	-	-	(47,939)	-	(47,939)	(33,058)	(80,997)
Total comprehensive loss for the year (Restated)	-	-	-	-	(349,045)	(349,045)	-	(349,045)
Balance as at December 31, 2014 - As restated	<u>253,479,266</u>	<u>(245,651,276)</u>	<u>-</u>	<u>(47,939)</u>	<u>(1,624,016)</u>	<u>6,156,035</u>	<u>-</u>	<u>6,156,035</u>
Balance as at January 1, 2015 - As previous reported	253,479,266	(245,651,276)	-	(47,939)	(1,562,539)	6,217,512	-	6,217,512
Retrospective adjustments for assets acquisition	-	-	-	-	(61,477)	(61,477)	-	(61,477)
Balance as at January 1, 2015 - As restated	<u>253,479,266</u>	<u>(245,651,276)</u>	<u>-</u>	<u>(47,939)</u>	<u>(1,624,016)</u>	<u>6,156,035</u>	<u>-</u>	<u>6,156,035</u>
Capital reduction	(247,142,285)	245,651,275	153,477	-	1,337,533	-	-	-
Increase in common shares	4	5	-	-	-	9	-	9
Total comprehensive loss for the year	-	-	-	-	(2,216,814)	(2,216,814)	-	(2,216,814)
Balance as at December 31, 2015	<u>6,336,985</u>	<u>4</u>	<u>153,477</u>	<u>(47,939)</u>	<u>(2,503,297)</u>	<u>3,939,230</u>	<u>-</u>	<u>3,939,230</u>

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

Separate Financial Statements (In Thousand Baht)					
	Note	Issued and Paid-up Share Capital	Premium (Discount) on Common Shares	Premium on Common Shares from Capital Reduction	Deficit
Balance as at January 1, 2014		126,706,096	(120,951,076)	-	(1,300,205)
Increase in common shares		126,773,170	(124,700,200)	-	-
Total comprehensive loss for the year		-	-	-	(37,328)
Balance as at December 31, 2014		253,479,266	(245,651,276)	-	6,490,457
Capital reduction	23	(247,142,285)	245,651,275	153,477	-
Increase in common shares	23	4	5	-	9
Total comprehensive loss for the year		-	-	-	(2,305,656)
Balance as at December 31, 2015		6,336,985	4	153,477	4,184,810

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014			
	2015	"Restated"	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Loss for the year	(2,216,814)	(351,006)	(2,305,656)	(36,860)
Adjustments to reconcile loss for the year to				
net cash provided by (used in) operating activities:				
Depreciation and amortization	53,172	54,416	10,798	10,106
Allowance for doubtful accounts	13,710	862	367,067	85,348
Impairment loss of investments in subsidiaries	-	-	314,034	-
(Reversal of) loss reserve for litigation claim	1,631,743	(919)	1,631,672	(935)
Gain on disposal of land held for development	-	(40,454)	-	(40,454)
Write-off investment property	-	-	-	25,855
(Gain) loss on disposal of fixed assets	(533)	38,807	(2)	6,161
(Reversal of) allowance on impairment of fixed assets	77,408	-	-	-
(Reversal of) allowance of diminution in value in inventories	(3,951)	89,680	6,014	(22,410)
Allowance on impairment of land held for development	4,079	5,091	-	5,091
Provision for compensation for housing estate juristic persons	241	266	-	-
(Reversal of) provisions for employee retirement benefit	(41)	1,300	651	679
Deferred revenue amortization	-	(1,132)	-	-
Other income	-	(685)	-	(165)
Revenue from written off liabilities	(8,139)	(125)	-	-
Unrealized gain on the changes in fair values of short - term investments	(2,224)	(9,029)	(7)	(9,029)
Gain on sales short-term investments	(20,953)	(9,480)	(18,518)	(9,480)
Loss on fair value adjustment on investment property	33,508	59,156	-	-
Gain on written off retention	-	(28,164)	-	(12,454)
Impairment loss of leasehold rights	143,730	-	-	-
Impairment loss of goodwill	202,981	-	-	-
Write-off withholding tax refundable	18,723	6,462	-	-
Interest expense	11,661	5,120	682	110
Interest income	(8,517)	(1,309)	(100,381)	(114,069)
Income tax expense (income)	510	(22,393)	-	-
Decrease (increase) in operating assets:				
Trade and other account receivables	2,220	29,669	(46,747)	63,082
Inventories	(71,824)	(135,032)	(88,668)	(538,193)
Deposits for purchases of condominium units and land	7,000	11,825	7,000	11,825
Advance payment to contractors	(324,229)	-	(172,736)	-
Other current assets	(52,635)	15,070	(9,653)	1,574
Restricted deposits with banks	(73,508)	(4,385)	(39,747)	(20)
Other non - current assets	2,674	12,534	1,938	5,090

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014			
	2015	"Restated"	2015	2014
Increase (decrease) in operating liabilities:				
Trade and other account payables	26,378	(49,276)	(52,230)	(16,542)
Customer down payments	1,428	40,230	32,891	7,755
Accrued expenses	7,076	9,749	6,376	1,342
Provision for litigation	(69,467)	(2,970)	(69,467)	(2,955)
Other current liabilities	46,301	(1,008)	22,641	3,032
Income tax paid	(20,393)	(19,966)	(6,503)	(5,779)
Net Cash Used in Operating Activities	(588,685)	(297,096)	(508,551)	(582,295)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash proceeds from interest income	8,667	1,291	6,749	828
Purchase of short - term investments	(1,745,000)	(3,505,220)	(560,000)	(3,505,220)
Proceeds on sales of short-term investment	2,637,086	2,220,964	1,892,085	2,242,400
Increase in long - term loans to subsidiaries	-	-	(3,179,920)	(13,677)
Decrease in long - term loans to subsidiaries	-	-	1,943,732	-
Increase in long - term loans to third party	(30,000)	-	-	-
Proceeds from disposal of assets held for development	-	260,000	-	260,000
Cash paid for purchases of investment property	(908)	(3,864)	(128,002)	(8,756)
Cash paid for investment in subsidiary	-	(89,694)	-	(119,786)
Proceeds from sales of fixed assets	2,781	3,076	2	540
Cash paid for purchases of fixed assets	(330,316)	(170,046)	(11,030)	(14,128)
Cash paid for purchases of intangible assets	(4,138)	(4,556)	(578)	(4,023)
Cash paid for purchases of leasehold rights	(28,890)	(9,353)	-	-
Cash paid for land held for development	(305,782)	-	-	-
Net Cash Provided by (Used in) Investing Activities	203,500	(1,297,402)	(36,962)	(1,161,822)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease in short - term loans from financial institutions	-	(540)	-	-
Increase in long - term loans	30,480	34,698	30,480	12,463
Decrease in long - term loans	(158,884)	(145,167)	(13,558)	(505)
Cash paid for liabilities under finance lease contracts	(3,120)	(3,980)	(966)	(311)
Cash received from increase in common shares	9	2,072,971	9	2,072,971
Cash paid for increase in shareholding in subsidiary	-	(80,998)	-	(80,998)
Interest paid	(23,105)	(17,456)	(2,345)	(884)
Net Cash Provided by (Used in) Financing Activities	(154,620)	1,859,528	13,620	2,002,736
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(539,805)	265,030	(531,893)	258,619
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	614,469	349,439	535,338	276,719
CASH AND CASH EQUIVALENTS AT END OF YEAR	74,664	614,469	3,445	535,338

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

In Thousand Baht

Consolidated Financial Statements		Separate Financial Statements	
2014			
2015	"Restated"	2015	2014
11,927	12,330	2,345	918
884	8,143	-	3,872
330,316	170,046	11,030	14,128
331,200	178,189	11,030	18,000

- 3) During this year 2015, long - term loans amounting to Baht 30 million have been reclassified to loans considered as default as discussed in Notes 1 and 20.
- 4) During the year 2015, a subsidiary has transferred land under the project development to be land held for development amounting to Baht 40 million (Notes 8 and 11).
- 5) During the year 2015, the Company transferred leasehold right of land to be land of Baht 94.21 million (Note 15).
- 6) During the year 2014, the Company has transferred land held for development to inventory of Baht 373.91 million because the Company has started developing the project (Notes 8 and 11).
- 7) On September 26, 2014, the Company acquired a business of Villa Nakarin Co., Ltd amount of Baht 170.23 million, The Company has paid for the shares at amount of Baht 119.79 million (Notes 2 and 13) as the following details:

	Million Baht
Fair value of net assets	170.23
Provision for Indemnity Guarantee	(4.28)
Estimate liability to former shareholder	(46.17)
Cash paid	119.78
Less cash and cash equivalents	(30.09)
Cash paid - net of cash acquired	89.69

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements
December 31, 2015

1. GENERAL

AQ Estate Public Company Limited (herein after called "the Company") was incorporated in Thailand and was registered as a public company in the year 1993. The Company undertakes its business in Thailand and is engaged mainly in property development and sales. The Company changes its registered office to be located at No.102, Rim Klong Bang Kapi Road, Bang Kapi Sub-District, Huay Kwang District, Bangkok, Thailand.

As at December 31, 2015, the Company's major shareholders are as follows :

No.	Name	Shares (Million shares)	%
1	Mrs. Sumalee Ongcharit	600	4.73
2	UOB Kay Hian Private Limited	500	3.95
3	Mr. Siriwat Wongjarukorn	500	3.95

Status of the Company

- a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Co., Ltd., ("Golden") (the 19th defendant) and K & V SRS Garden Home Company Limited ("Garden Home") the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million. On September 9, 2015, the Company received the order of enforceable action from the Supreme Court. Up to the present, no action has been taken on this matter.
- b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Co., Ltd. (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2015

- c) On October 16, 2015, the Company, "Golden" and Progress Property Management Co., Ltd. ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home was sentenced as bankruptcy.
- d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2015, such default loans amounting to Baht 30 million was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporarily suspended all credit facilities.

The management of the Company estimated the damage from this court case and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 as follows:

	<u>In Million Baht</u>
Compensation as per Court sentence	10,004.47
<u>Add</u> Necessary expenses for selling land as per a contract for the asset management and profit-sharing	55.98
Specific Business Tax (At forced sale value)	294.50
Withholding income tax (At forced sale value)	89.24
Transferring fee (At Land Department price)	110.61
<u>Less</u> Net realizable value (At forced sale value net of commission fee on sales as discussed in Note 31)	(8,924.30)
Estimated the damage – net	<u>1,630.50</u>

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company.

The Company's ability to continue its operation as a going concern will significantly depend on the ability to repay the damage as sentenced by the Supreme Court and the recruitment of the new Chief Executive Officer and executive director to manage the Company's policies as planned. These factors indicated the existence of material uncertainties about the Company's ability to continue its operation as a going concern. The financial statements for the year ended December 31, 2015 have been prepared assuming that the Company will continue its operations as a going concern. Accordingly, they do not include any adjustments relating to the recoverability of the carrying value and classification of the assets or the amount and classification of liabilities that might be necessary should the Company be unable to continue its operation as a going concern.

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2. BASIS FOR PREPARATION OF SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

- a) The Company and its subsidiaries are together referred to as "the AQ Estate Group". The consolidated and separate financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

Other than those specified in notes to financial statements, the consolidated and separate financial statements are prepared under the historical cost convention.

For the convenience of the readers, the AQ Estate Group prepared an English translation of the financial statements from the Thai language financial statements, which are issued for domestic financial reporting purposes.

- b) Business combinations, Subsidiaries and Loss of control

The AQ Estate Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the AQ Estate Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The AQ Estate Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the AQ Estate Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries are entities controlled by the AQ Estate Group. The AQ Estate 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.

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

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

c) Correction of error

In the fourth quarter of year 2014, the Company invested in common shares of Villa Nakarin Company Limited and recorded such investment as a business acquisition in the preparation of the consolidated financial statements for the year ended December 31, 2014. Subsequently to the meeting with the Office of the Securities and Exchange Commission, it was concluded that such acquisition of investment should be treated as an asset acquisition. According to the resolution of the Company's Board of Directors' meeting held on May 13, 2016, the Company adjusted a correction of error regarding to the record of such investment from the business acquisition to be an asset acquisition in the consolidated financial statements for the year ended December 31, 2014.

The effects from the correction of error are summarized below:

- The consolidated statement of financial position as at December 31, 2014:

	In Thousand Baht		
	As previously reported	Increase (Decrease)	As restated
Inventories	3,387,813	(61,477)	3,326,336
Deficit	(1,562,539)	61,477	(1,624,016)

- The consolidated statement of comprehensive income for the year ended December 31, 2014 :

	In Thousand Baht		
	As previously reported	Increase (Decrease)	As restated
Gain on bargaining purchase	61,477	(61,477)	-
Total comprehensive loss for the year	(287,568)	61,477	(349,045)
Basic loss per shares (Baht per share)	(0.0009)	0.0002	(0.0011)
(equivalent to par value of Baht 0.50 per share)			

- d) The consolidated financial statements for each of the years ended December 31, 2015 and 2014 include the financial statements of the AQ Estate Group as follows:

		Proportionate of Share (%)		
	Type of Business	Type of Holding	2015	2014
Subsidiaries				
AQ Village Co., Ltd.	Recreational services and provides hotel and resort	Direct	99.94	99.94
AQ Marketing Service Co., Ltd.	Sale management services	Direct	99.94	99.94
AQ Property Management Co., Ltd.	Management of commercial space	Direct	99.93	99.93
Allied Technologies International Co., Ltd.	Real estate trading	Direct	99.90	99.90
Thanont Property Co., Ltd.	Real estate trading	Direct	99.80	99.80
Free Zone Asset Co., Ltd.	Real estate for rent and service	Direct	99.98	99.98
Aquarius Estate Co., Ltd.	To sell, acquire, provide service and operate in real estate	Direct	99.99	99.99
Villa Nakarin Co.,Ltd.	Real estate trading	Direct	99.99	99.99
Vitoonthanakorn Co., Ltd.	Real estate trading	Indirect	99.99	99.99
(Subsidiary held through Thanont Property Co., Ltd.)				
Baan Chidthara Co.,Ltd.	Recreational services and provides hotel and resort	Indirect	99.99	99.99
(Subsidiary held through AQ Village Co., Ltd.)				
Aquarius Hotel & Resort Co.,Ltd.	To sell, acquire, provide service and operate in real estate	Indirect	99.99	99.99
(Subsidiary held through Aquarius Estate Co., Ltd.)				

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2015

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use purpose within the AQ Estate Group. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amount of cash that are subject to an insignificant risk of change in value.

Short-term Investments

Current investments consist of fixed deposit and open-ended fund temporary investments which are classified in the statement of financial positions as trading securities and carried at their fair values. The fair value of open-ended fund is calculated by net asset value of the fund as at the statement of financial position date.

Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair values are recognized in statements of comprehensive income.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts.

The AQ Estate Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Inventory Valuation

Inventories of real estate business are valued at the lower of cost by using specific method and net realizable value.

Inventories of service business are values at the lower of cost by using the moving average method and net realizable value.

Cost of inventory for real estate business comprises all cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.

Cost of service business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

The AQ Estate Group provides an allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Assets Held for Sale

Assets held for sale are stated at the lower of cost or net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

Land Held for Future Development

Land held for future development are stated at the lower of cost or net realisable value.

Land held for future development represents land for future development which includes cost of land, costs of land development and related interest as referred to above.

The AQ Estate Group recognize impairment loss if there are circumstances indicating that the recoverable amounts may be less than the net book values.

Investments in Shares

Investments in non-marketable equity securities, which The AQ Estate Group holds as other investments, are valued at cost net of allowance for impairment loss.

Investments in subsidiaries and associates in the separate financial statements of The AQ Estate Group are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

The cost of investments disposed of during the year is determined by the weighted average method (if any).

Investment Property

Investment property is property, including property held under an operating lease which would otherwise qualify as investment property, which is held to earn rental income, for capital appreciation or for both.

Investment property is measured initially at cost and subsequently measured at fair value. However, managements will review the fair value to reflect market conditions at the end of the reporting period. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted. Any change in fair value is recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of comprehensive income.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Depreciation

The AQ Estate Group depreciates their Buildings and equipment by the straight-line method over the following estimated useful lives:

	Years
Buildings and building improvements	3, 5 - 48
Sport club and others	5, 20
Furniture, fixtures and office equipment	3 - 5, 20
Vehicles	5

Leasehold Rights

Leasehold rights are stated at cost less accumulated amortization and allowance for loss on impairment of assets. Leasehold rights are amortized based on the following of lease term;

	Years
Leasehold right of land in KohLarn, Chonburi	27.33
Leasehold right of land in project Shasa Retreat Hotel	30
Leasehold right of land in project the Malibu Beach Resort – Koh Samui	7.56

Intangible Assets

Intangible assets that are acquired by the AQ Estate Group are stated at cost less accumulated amortization and allowance for loss on impairment of assets.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

	Years
Software licenses	5
Franchise contract	5

Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the AQ Estate Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The AQ Estate Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Impairment of Assets

The AQ Estate Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the AQ Estate Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Provision

A provision is recognized when the AQ Estate Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provision for Employee Retirement Benefit

The AQ Estate Group's employee retirement benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. The AQ Estate Group recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Consolidation: whether the AQ Estate Group has de facto control over an investee
- Lease classification

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Valuation of investment properties
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

Revenues and Expenses Recognition

The AQ Estate Group recognized revenue from sales of residential condominium units and land and buildings as revenue when the construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

Revenue from the sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the condition due, associated costs, the probable return of goods or the continuing management involvement with the goods.

Rental income is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease.

Service income is recognized as services are provided on an accrual basis.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income is recognized as income on an accrual basis.

Expenses are recorded based on an accrual basis.

Construction Contracts

The AQ Estate Group recognizes revenue from construction contracts by the percentage of completion method. The percentage of completion is computed based on the estimation of the project engineer together with the consideration of actual cost of work performed and the estimated total cost of the project. The estimated total cost is determined by The AQ Estate Group's project engineers or its responsible person, which is subject to change. The related actual costs are taken up as incurred on an accrual basis. Expected loss on each project is provided and charged as expense in the period when the estimated total costs of the project exceed its total contracted income.

Costs of Land and Houses Sold and Residential Condominium Units Sold

Costs of land and houses sold and residential condominium units sold consist of cost of land, land improvement, design fees, public utilities, constructions and direct related interest and other related cost.

In determining the costs of land and houses sold and residential condominium units sold, total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and residential condominium units sold on the basis of the salable price and area.

The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when the ownerships have been transferred.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Finance Lease

Leases in terms of which the AQ Estate Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases are capitalized 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 statement of comprehensive income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Finance Costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Income Taxes

The income tax charge is based on profit for the period and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the AQ Estate Group expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the AQ Estate Group re-assesses unrecognized deferred tax assets. The AQ Estate Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The AQ Estate Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets,

Loss per Share Attributable to Owners of the Parent

Loss per share attributable to owners of the parent is determined by dividing loss for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

4. TRANSACTIONS WITH RELATED PARTIES

A significant portions of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the consolidated financial statements are determined at the price as stipulated in the agreement or mutual negotiation (Some of the transactions are supported by contracts and some are not supported, some areas of businesses and advertising management services, which are the specific services, do not have referenced market price), which basis may be different from those determined for transactions with unrelated companies.

Key management personnel mean 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 AQ Estate Group.

The significant transactions between the AQ Estate Group and their related parties for each of the years ended December 31, 2015 and 2014 are as follows:

			In Thousand Baht			
			Consolidated		Separate	
	Relationship	Policy of Pricing	Financial Statements		Financial Statements	
			2015	2014	2015	2014
Management fee income	Direct and Indirect Subsidiaries	Baht 11.40 million and Baht 5.78 million per quarter	-	-	45,600	23,120
Land rental income	Direct subsidiary	Baht 0.39 million per quarter	-	-	1,560	1,560
Chattel rental income	Direct subsidiary	Baht 0.20 million per quarter	-	-	785	785
Interest income	Direct subsidiaries	MLR per annum and 2.5% per annum in 2015 and MLR per annum in 2014	-	-	93,855	113,205
Sales management services	Direct subsidiary	3% of sales	-	-	55,945	4,367
Utilities expenses	Direct subsidiary	Negotiated agreement	-	-	3,131	3,766
Rental expense	Direct and Indirect subsidiary	Negotiated agreement	-	-	2,251	-
Management project (included in the cost of project under development)	Direct subsidiary	Negotiated agreement	-	-	1,406	-
Cost of construction service	Direct subsidiary	Negotiated agreement	-	-	64,538	7,766
Revenue from construction service	Direct subsidiary	Negotiated agreement	-	-	64,538	7,766

During the year 2015, the Company cancelled management fee charged to a subsidiary company amount of Baht 1.2 million since January 1, 2015

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The outstanding balances with related parties As at December 31, 2015 and 2014 are as follows:

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Relationship	2015	2014	2015	2014
Trade account receivables					
- subsidiary companies					
Allied Technologies International Co., Ltd.	Direct subsidiary	-	-	185,489	185,489
Thanont Property Co., Ltd.	Direct subsidiary	-	-	66,038	66,038
Total		-	-	251,527	251,527
Customer down payment					
	Shareholders and top management				
Advance received from customer		3,828	1,715	854	-
Accrued interest income from					
- subsidiary companies - net					
AQ Marketing Service Co., Ltd.	Direct subsidiary	-	-	109,912	109,912
Thanont Property Co., Ltd.	Direct subsidiary	-	-	221,389	178,447
AQ Village Co., Ltd.	Direct subsidiary	-	-	21,537	21,537
Allied Technologies International Co., Ltd.	Direct subsidiary	-	-	51,516	51,516
AQ Property Management Co., Ltd.	Direct subsidiary	-	-	6,088	6,088
Free Zone Assets Co., Ltd.	Direct subsidiary	-	-	24,274	24,274
Aquarius Estate Co., Ltd.	Direct subsidiary	-	-	60,083	19,537
Villa Nakarin Co.,Ltd.	Direct subsidiary	-	-	11,584	1,218
Total		-	-	506,383	412,529
Less Allowance for doubtful accounts		-	-	(140,360)	(127,378)
Net		-	-	366,023	285,151

		Separate Financial Statements (In Thousand Baht)			
	Relationship	Balance as at December 31, 2014	Increase	Decrease	Balance as at December 31, 2015
Other account receivables and advances to subsidiary companies – net					
Allied Technologies International Co., Ltd.	Direct subsidiary	32,030	10,029	9,959	32,100
AQ Village Co., Ltd	Direct subsidiary	10,727	78,117	65,563	23,281
Thanont Property Co., Ltd.	Direct subsidiary	70,074	9,438	129	79,383
Free Zone Assets Co., Ltd.	Direct subsidiary	4,494	-	-	4,494
Aquarius Estate Co., Ltd.	Direct subsidiary	16	35,856	31,724	4,148
Vitoonthanakorn Co.,Ltd	Indirect subsidiary	51	8,418	2,370	6,099
Villa Nakarin Co.,Ltd.	Direct subsidiary	-	5,136	-	5,136
Baan Chidthara Co.,Ltd.	Indirect subsidiary	-	3,531	-	3,531
Aquarius Hotel & Resort Co.,Ltd.	Indirect subsidiary	-	3,852	-	3,852
AQ Marketing Service Co., Ltd.	Direct subsidiary	367	6,052	4,482	1,937
AQ Property Management Co., Ltd.	Direct subsidiary	612	2,675	2,633	654
Total		118,371	163,104	116,860	164,615
Less Allowance for doubtful accounts		(10,487)	(30,441)	-	(40,928)
Net		107,884	132,663	116,860	123,687

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

		Separate Financial Statements (In Thousand Baht)			
		Balance as at December 31, 2014	Increase	Decrease	Balance as at December 31, 2015
	Relationship				
Long – term loans to subsidiary companies - net					
AQ Marketing Service Co., Ltd.	Direct subsidiary	215,232	44,600	8,000	251,832
Thanont Property Co., Ltd.	Direct subsidiary	852,666	379,000	518,570	713,096
AQ Village Co., Ltd.	Direct subsidiary	290,533	177,925	41,084	427,374
Allied Technologies International Co., Ltd.	Direct subsidiary	302,739	1,070,611	963,578	409,772
AQ Property Management Co., Ltd.	Direct subsidiary	108,629	9,210	6,500	111,339
Free Zone Assets Co., Ltd.	Direct subsidiary	165,000	-	11,000	154,000
Aquarius Estate Co., Ltd.	Direct subsidiary	249,269	1,304,574	388,000	1,165,843
Villa Nakarin Co.,Ltd.	Direct subsidiary	76,549	194,000	7,000	263,549
Total		2,260,617	3,179,920	1,943,732	3,496,805
Less Allowance for doubtful accounts		(345,487)	(311,568)	-	(657,055)
Net		1,915,130	2,868,352	1,943,732	2,839,750

The Company presented loans to related companies as non-current assets in the separated statement of financial position as subsidiaries used for investments in non-current assets.

From the date sentence of the Supreme Court, the Company sold short-term investments totaling Baht 1,577.80 million and loans to its subsidiaries for the subsidiaries's working capital which bear interest at the rates 2.5% and MLR per annum.

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Relationship	2015	2014	2015	2014
Trade account payables					
- subsidiary company					
Allied Technologies International Co., Ltd.	Direct subsidiary	-	-	77,477	169,686
Other account payables					
- subsidiary companies					
AQ Marketing Service Co., Ltd.	Direct subsidiary	-	-	53,219	17,901
AQ Property Management Co., Ltd.	Direct subsidiary	-	-	23,465	23,510
Vitoonthanakorn Co.,Ltd	Indirect subsidiary	-	-	159	780
Allied Technologies International Co., Ltd.	Direct subsidiary	-	-	7,143	6,900
Thanont Property Co., Ltd.	Direct subsidiary	-	-	37,693	32,785
AQ Village Co., Ltd.	Direct subsidiary	-	-	330	240
Total		-	-	122,009	82,116
Accrued interest expense					
- subsidiary company					
Thanont Property Co., Ltd.	Direct subsidiary	-	-	24,854	24,854

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The aging analyses of trade account receivables, other account receivables and advance to subsidiaries companies, loans receivable and interest receivable from subsidiaries companies As at December 30, 2015 and 2014 are as follows:-

	Separate Financial Statements (In Thousand Baht)	
	2015	2014
Overdue not over 1 year	2,530,412	487,493
Overdue more than 1 year	1,888,918	2,555,551
Total	4,419,330	3,043,044
<u>Less</u> Allowance for doubtful accounts	(838,343)	(483,352)
Net	3,580,987	2,559,692

The Company provides allowance for doubtful accounts for such transactions by considering historical collection experience for each account receivable and will reverse the allowance to "Bad debt recoveries" upon collection.

The monetary management benefit expenses for each of the years ended December 31, 2015 and 2014 are as follows:

Description	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Salaries and other benefits	25,832	31,595	16,618	15,209
Meeting allowances	762	2,215	762	432
Bonus	300	80	300	80
Advisory	1,020	1,020	1,020	1,020
Total	27,914	34,910	18,700	16,741

5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Cash on hand	1,189	640	300	160
Cash at bank – current accounts	13,434	22,646	670	276
Cash at bank – savings accounts	60,041	572,454	2,475	524,726
Cheques on hand	-	18,729	-	10,176
Total	74,664	614,469	3,445	535,338

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

6. SHORT-TERM INVESTMENTS

	In Thousand Baht					
	Rate of interest (%)		Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014	2015	2014
Fixed deposit	2.50	2.35 - 3.10	50,000	320,000	-	320,000
Investment in Open ended Fund						
As at January 1,			994,064	32,781	994,064	32,734
Purchase during the year			1,745,000	3,185,220	560,000	3,185,220
Disposal during the year			(2,346,133)	(2,232,966)	(1,553,567)	(2,232,919)
Unrealized gain on revaluation of Investments			2,224	9,029	7	9,029
As at December 31,			395,155	994,064	504	994,064
Total			445,155	1,314,064	504	1,314,064

7. TRADE AND OTHER ACCOUNT RECEIVABLES - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Other company – net				
- Trade account receivables – net	12,241	16,286	-	-
- Other accounts receivable-net	2,275	450	542	39
Trade and other accounts receivable – net	14,516	16,736	542	39

The aging analyses of trade and other account receivables - other companies as at December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Trade account receivables – other company				
Trade account receivables within credit term	242	-	-	-
Overdue				
- Not over 3 months	3,940	6,457	-	-
- Over 3 months to 6 months	1,545	2,602	-	-
- Over 6 months to 12 months	2,218	2,770	-	-
- Over 12 months	4,350	4,511	-	-
Total trade account receivable	12,295	16,340	-	-
Less Allowance for doubtful accounts	(54)	(54)	-	-
Net	12,241	16,286	-	-
Other accounts receivable	2,275	450	542	39
Other receivables – claim for litigation cases	33,600	33,600	33,600	33,600
Total	35,875	34,050	34,142	33,639
Less Allowance for doubtful accounts	(33,600)	(33,600)	(33,600)	(33,600)
Net	2,275	450	542	39
Trade and other account receivable – net	14,516	16,736	542	39
Doubtful accounts in the year	-	862	-	862

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Other account receivable - other company

Due to the Company was prosecuted for the litigation claim as sale agent of the project as discussed in Note 19, the Company recorded account receivable for the former related company as it was the owners of the land and the houses. However, such company has already discontinued its operations, the Company provided allowance for doubtful accounts at full amount.

8. INVENTORIES - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Restated"	2015	2014
Inventories in real estate business				
Cost	3,552,510	3,509,052	1,625,863	1,534,850
Less: allowance of declining value	(179,878)	(183,829)	(76,540)	(70,526)
Net	3,372,632	3,325,223	1,549,323	1,464,324
Inventories in food and beverage business	1,151	1,017	-	-
Inventories in decoration	96	96	-	-
Total	3,373,879	3,326,336	1,549,323	1,464,324

During the year ended December 31, 2015, the AQ Estate Group have following movements in real estate under development.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2014	2,530,905	529,855
Recorded cost of construction and utility cost during the year	1,040,844	1,089,110
Borrowing costs capitalized during the year	12,330	918
Transferred from assets acquisition (Note 13)	362,523	-
Transferred from land held for development (Note 11)	373,909	373,909
Transferred to be cost of goods sold during the year	(905,608)	(551,878)
Write-down of merchandises recognized as a part of cost of sales during the year	(115,546)	-
Reversal of write-down inventories during the year	25,866	22,410
Balance as at December 31, 2014 – as restated	3,325,223	1,464,324
Recorded cost of construction and utility cost during the year	1,132,230	496,637
Borrowing costs capitalized during the year	11,927	2,345
Repurchased from customer	1,881	-
Transferred to be land held for development (Note 11)	(40,158)	-
Transferred to be cost of goods sold during the year	(1,062,422)	(407,969)
Write-down of merchandises recognized as a part of cost of sales during the year	(64,405)	(63,780)
Reversal of write-down inventories during the year	68,356	57,766
Balance as at December 31, 2015	3,372,632	1,549,323

The Company engaged the various independent appraiser firms to perform the appraisal valuation of Project under development and found that there are some project's appraisal value lower than the carrying amounts. The Company recognized loss from decline in value on inventories in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 amounting to Baht 64.1 million and Baht 63.8 million, respectively. The declining value amounting to Baht 41.2 million was based on the appraisal of the land under development in Rangsit in December 2015 by using the market comparative method by having the appraisal value of Baht 445.4 million which was lower than the appraisal value in February 2014 by another independent appraiser amounting to Baht 49.6 million because the 2015 assumption was changed from 2014 as the current situation of Company as discussed in Note 1 that there were material uncertainties about the Company's ability to continue its operation as a going concern. The current appraisal value was determined that such land shall be sold as the whole plot, while the former estimation was determined that such land shall be developed and partially sold on a piece by piece basis.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 20 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Restated"	2015	2014
Loans from financial institution (Note 20)	990,693	1,086,252	441,955	236,702
Pledged at Court for litigation	6,892	13,750	6,892	13,750
Total	997,585	1,100,002	448,847	250,452

In the year 2013, the Board approved to transfer the Company's land to non related persons and subsequently such non related persons also transferred their ownership back to the Company. The Company considered that it is not true sales, therefore the Company did not record these transactions. As at December 31, 2015 the outstanding amount of such land was Baht 34.7 million.

9. DEPOSITS FOR PURCHASES OF CONDOMINIUM UNITS AND LAND - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Deposits for purchases of condominium units	12,076	19,076	12,076	19,076
Less Allowance for doubtful account	(12,076)	-	(12,076)	-
Deposits for purchases of condominium units – net	-	19,076	-	19,076
Deposits for purchases of land	850,109	850,109	850,109	850,109
Less Allowance for doubtful account	(850,109)	(850,109)	(850,109)	(850,109)
Deposits for purchases of land – net	-	-	-	-
Total deposits for purchases of condominium units and land – net	-	19,076	-	19,076
Doubtful accounts in the year	12,076	-	12,076	-

During the year 2015, the Company received the return of deposits for purchases of condominium units amounting to Baht 7 million. The Company is in the legal process to claim for the remaining amount.

Up to present, the repayment of such deposit is not received. The management considered providing allowance for doubtful account on such deposit in the consolidated and separate statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 12.1 million.

10. ASSETS HELD FOR SALE

On September 22, 2014, a subsidiary company entered into the sales agreement of land at amount of Baht 30 million to a non related company and has already received in full which was presented as "Customer down payments" in the consolidated statement of financial position as at December 31, 2015. A subsidiary transferred such land to such buyer on January 19, 2016.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

11. LAND HELD FOR DEVELOPMENT - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Balance as at January 1,	244,433	1,037,888	158,568	952,023
Addition	305,782	-	-	-
Transferred from inventory (Note 8)	40,158	-	-	-
Transfer to be cost of goods sold	-	(419,546)	-	(419,546)
Transfer to be cost of inventory (Note 8)	-	(373,909)	-	(373,909)
Balance as at December 31,	590,373	244,433	158,568	158,568
Less: Allowance for declining value	(124,769)	(120,690)	(120,690)	(120,690)
Net	465,604	123,743	37,878	37,878
Write-down of merchandises recognized as a part of expense during the year	4,079	5,091	-	5,091

As at December 31, 2015 and 2014, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of nil are pledged at the Court for litigation.

12. RESTRICTED DEPOSITS WITH BANKS

As at December 31, 2015 and 2014, the AQ Estate Group had fixed deposits with certain banks that have been pledged as collaterals for letters of guarantee issued by the banks as presented in the consolidated financial statements amounting to Baht 144.98 million and Baht 71.47 million, respectively. (The separate financial statements amounting to Baht 56.84 million and Baht 17.09 million, respectively.)

13. INVESTMENTS IN SHARES OF SUBSIDIARIES - Net

Investments in subsidiaries as at December 31, 2015 and 2014 were as follows:

	Paid-up Share Capital (In Million Baht)	Percentage of Ownership (%)		Separate Financial Statements (In Thousand Baht)	
				Cost Method	
		2015	2014	2015	2014
Allied Technologies International Co., Ltd.	100	99.90	99.90	100,315	100,315
Thanont Property Co., Ltd.	25	99.80	99.80	23,612	23,612
AQ property management Co., Ltd.	1	99.93	99.93	1,000	1,000
AQ Marketing Services Co., Ltd.	1	99.94	99.94	1,000	1,000
AQ Village Co., Ltd.	1	99.94	99.94	999	999
Free Zone Asset Co., Ltd.	1	99.98	99.98	42,105	42,105
Aquarius Estate Co., Ltd.	54	99.99	99.99	480,998	480,998
Villa Nakarin Co., Ltd.	270	99.99	99.99	170,232	170,232
Total				820,261	820,261
Less Allowance for impairment of investments				(339,696)	(25,662)
Net				480,565	794,599

During the year 2015, the Company recognized impairment loss of investment in Free Zone Assets Co., Ltd. amounting to Baht 19.4 million, Allied Technologies International Co., Ltd. amounting to Baht 12.3 million and Aquarius Estate Co., Ltd. amounting to Baht 282.3 million.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

In November 2015, the Company engaged an independent financial advisor firm to perform the impairment test of goodwill, fixed assets, inventory of real estate under development for sale and investment in a subsidiary company by using Income Approach method and discounted cash flow to the present value totalling Baht 277.7 million. Subsequently in July 2016, the Company requested such independent advisor to revise the assumptions of estimated revenues and expenses. This assumption was expected that the Company shall settle the damages of the lawsuit as discussed in Note 1 within 2016 and the operation shall be continued as the business plan. The Company expected to develop 4 real estate projects during 2016 – 2020 consisted of 2 ongoing projects and 2 under consideration and planning projects. The revision present value amounting to Baht 198.30 million. The AQ Estate Group recognized impairment loss on goodwill, inventory of real estate under development for sale and fixed assets in the consolidated statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 202.98 million, Baht 0.62 million and Baht 78.70 million, respectively.

INVESTMENT IN SUBSIDIARY (AQUARIUS ESTATE CO., LTD.)

On July 12, 2013, the Company has acquired a business of Aquarius Estate Co., Ltd. which was unanimously approved by the Board of Directors' Meeting no. 7/2013 held on June 25, 2013, from former shareholder by 85 percent of the share capital of Aquarius Estate Co., Ltd. in value of Baht 400 million. The Company has paid the shares on July 11, 2013 at amount of Baht 54 million and the rest was paid on July 19, 2013 at amount of Baht 346 million. Aquarius Estate Co., Ltd. has invested in shares in Aquarius Hotel and Resort Co., Ltd. by 100 percent of the share capital in value of Baht 1 million. As at the acquisition date, net book value of assets net from liability of indirect subsidiary company is lower than investment amount of Baht 0.28 million.

On February 11, 2014 the Company obtained additional control of Aquarius Estate Co., Ltd. (Aquarius) a real estate trading company, by acquiring 15% of the shares and voting interests in the company at total amount of Baht 81.00 million. As a result, the Group's equity interest in Aquarius increased from 85% to 99.99%. The Company paid for the shares on February 12, 2014.

Taking control of Aquarius will enable the Group to have efficiency in management control.

INVESTMENT IN SUBSIDIARY (VILLA NAKARIN CO., LTD.)

The Board of Directors' meeting No. 9/2014 held on September 26, 2014, has approved the investment in Villa Nakarin Co., Ltd. amount of 2.70 million shares, with totaling approximately Baht 170 million or price per share of Baht 62.96, from its former shareholders representing 99.99% of the total paid-up shares. Costs consisted of first payment at Baht 124.06 million and the compensation from operation result afterwards which shall be determined when the project is completed and sold or not more than 30 months commencing from the agreement date. The Company agreed to pay the compensation to the seller at 80% of profit after deducting cost of goods sold, selling and administrative expenses as specified in the agreement. The management of the Company has estimated such compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014, the Company has already paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million and registered the transfer of shares with the Ministry of Commerce on October 6, 2014.

As discussion as Note 2, the Company recorded such investment as a business acquisition in the preparation of the consolidated financial statements for the year ended December 31, 2014. Subsequently to the meeting with the Office of the Securities and Exchange Commission, it was concluded that such acquisition of investment should be treated as an asset acquisition. The following summarizes the major classes of consideration transferred for such asset acquisition.

	In Thousand Baht
Cash paid	119,786
Provision for indemnity guarantee	4,278
Estimate liabilities payable to former shareholders	46,168
Total Consideration transferred	170,232

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The carrying amount of assets and liabilities that consideration transferred to the Company as at the assets acquisition date are as below;

	In Thousand Baht		
	Net carrying amount as at acquisition date	Adjust valuation of purchasing price	Book value as at acquisition date
Assets			
Cash and cash equivalents	30,092	-	30,092
Other account receivables	23,102	-	23,102
Inventories	424,000	(61,477)	362,523
Other current assets	695	-	695
Assets held for sale	30,000	-	30,000
Restricted deposit with bank	4,697	-	4,697
Equipment	13	-	13
Total assets	512,599	(61,477)	451,122
Liabilities			
Trade account payables	72,760	-	72,760
Advances received from customers	30,000	-	30,000
Other current liabilities	6,250	-	6,250
Loans from financial stitution	171,880	-	171,880
Total liabilities	280,890	-	280,890
Assets net	231,709	(61,477)	170,232

14. INVESTMENT PROPERTY - Net

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2015	2014	2015	2014
Land and building – Krisada Doi	-	-	278,172	152,979
Leasehold right on warehouse - Bangkok Free Trade Zone	155,400	188,000	-	-
Total	155,400	188,000	278,172	152,979

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The changes in net of carrying value of investment property, which presented as consolidated financial statement during the years 2015 and 2014 were as follows:

	Consolidated Financial Statements (In Thousand Baht)
Leasehold right in warehouse – Bangkok Free Trade Zone	
At Fair value	
As at January 1, 2014	259,050
Additions	3,864
As at December 31, 2014	262,914
Additions	908
As at December 31, 2015	263,822
Allowance for loss from fair value adjustment	
As at January 1, 2014	15,758
Loss from fair value adjustment for the year	59,156
As at December 31, 2014	74,914
Loss from fair value adjustment for the year	33,508
As at December 31, 2015	108,422
Net Book Value	
As at December 31, 2014	188,000
As at December 31, 2015	155,400

Investment property in the consolidated financial statements represented leasehold right on warehouse obtained from acquisition of Free Zone Asset Co.,Ltd., which has appraised value based on the report of an independent appraisal firm dated January 29, 2016 by using Income Approach method using discounted cash flow to be Baht 155.4 million by General Valuation and Consultants Co., Ltd. an independent appraiser firm. The leasehold right has remaining period of 21.4 years. The subsidiary company recognized loss from revaluation on such appraisal value in the consolidate statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 24.86 million.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The changes in net of carrying value of investment property, which presented as Separated financial statement during the years 2015 and 2014 were as follows:

	Separate Financial Statements (In Thousand Baht)				
	Leasehold right	Freehold land	Land improvement	Assets under installation	Total
Leasehold Right on Land in Project Krisada Doi					
At Fair value					
As at January 1, 2014	109,098	-	12,512	62,763	184,373
Additions	-	-	-	8,756	8,756
Write-off	-	-	(7,529)	(25,557)	(33,086)
As at December 31, 2014	109,098	-	4,983	45,962	160,043
Additions	-	84,479	-	43,523	128,002
Transfer in (out)	(109,098)	100,349	-	-	(8,749)
As at December 31, 2015	-	184,828	4,983	89,485	279,296
Accumulated Amortization					
As at January 1, 2014	1,834	-	310	-	2,144
Amortization charge for the year	4,610	-	989	-	5,599
Write-off	-	-	(679)	-	(679)
As at December 31, 2014	6,444	-	620	-	7,064
Amortization charge for the year	2,305	-	504	-	2,809
Transfer out	(8,749)	-	-	-	(8,749)
As at December 31, 2015	-	-	1,124	-	1,124
Allowance for Impairment Loss					
As at January 1, 2014	-	-	-	6,552	6,552
Write-off	-	-	-	(6,552)	(6,552)
As at December 31, 2014 and 2015	-	-	-	-	-
Net Book Value					
As at December 31, 2014	102,654	-	4,363	45,962	152,979
As at December 31, 2015	-	184,828	3,859	89,485	278,172

In 2013, the Company obtained assets (Krisadadoi Project) from ex-subsidiary company to settle debts at total amount as transferred of Baht 165 million, which consisted of leasehold right of Baht 109 million, building under construction of Baht 45 million and fixed assets (existing operated resort assets) of Baht 11 million. In September 2013, the Company engaged an independent appraiser to appraise its leasehold right value with the Income Approach based on the future income with the expected additional investments in assets in the near future amounting to Baht 50 million, for the remaining period of 23.25 years and then discounted, the estimated future income to present value to be Baht 110 million. The building under construction amounting to Baht 45 million as the same amount which the independent appraiser appraised by Cost Approach in July 2013, and fixed assets (existing operated resort assets) were valued by the management's appraisal amounting to Baht 11 million. The management informed that this is because the independent appraiser could not determine the market value of such leasehold right, building under construction and fixed assets on transferred date. As at December 31, 2015, the separate financial statements presented as investment property with net book value of Baht 278.2 million which has the net carrying amount of those transferred assets totaling Baht 129.39 million and recorded in the consolidated financial statements as land, building under construction and fixed assets which has the net carrying amount of Krisada Doi project totaling Baht 394.48 million.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2015

At the Board of Directors' meeting No. 1/2015 held on February 27, 2015, the Board approved the Company to purchase a parcel of land (Krisada Doi Project) area 21 Rais from a non-related company. On July 1, 2015, the Company purchased land to have the ownership with the purchase price totaling Baht 83.60 million. The Company has developed and renovated this project which total investment is over than previously budgeted in September 2013. Then in March 2016, the Company engaged an independent appraiser to re-appraise this project with the income approach method and then discounted to present value to be Baht 418 million.

Such appraisal was based on the following assumptions;

- Ability of property to generate income over the period of 10 years based on financial projection of investment period to discounted cash flow.
- Occupancy rate from 1st year to 11th year which determined at 40% - 60% based on the Tourism Industry.
- Discounted rate at 11% which refers from return on investment in government bond terms 10 years with risk premium in Hotel business.
- Terminal value at the year ended of 10th year at the return of 10% from net cash flow of 11th year.
- Other assumptions relevant to estimated revenues and expenses.

Subsequently in June 2016, the Company requested such independent appraiser to re-appraise the value of such project by using the same assumptions because the actual project investment was decrease. The revision appraisal value amounting Baht 438 million. The management of the Company has expected that this project is worth for investment and has no any impairment indication. This project has already been opened July 2016. The Company, however, did not recognize gain on adjustment of fair value in investment property because currently the project has just operated, financial institutions have temporarily suspended all credit facilities and material uncertainty about ability of the Company to continue its operation as a going concern as discussed in Note 1. These factor may have significant negative effects to this project, hence, there was material uncertainties of fair value measurement of these assets at the present.

15. PROPERTY, PLANT AND EQUIPMENT – Net

Consolidated Financial Statements (In Thousand Baht)						
	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Asset under installation	Total
Cost						
As at January 1, 2014	72,644	438,212	25,310	135,865	62,663	734,694
Additions	75,849	29,025	474	37,954	34,887	178,189
Addition from purchase subsidiary company	-	-	-	24	-	24
Transfer in (out)	-	25,602	-	642	(26,244)	-
Disposals	-	(31,665)	-	(33,842)	(19,005)	(84,512)
As at December 31, 2014	148,493	461,174	25,784	140,643	52,301	828,395
Additions	84,479	8,217	716	19,741	218,047	331,200
Transferred from leasehold right - Krisadadoi (Note 16)	94,210	-	-	-	-	94,210
Transfer in (out)	-	6,741	877	1,810	(9,428)	-
Disposals	-	-	-	(8,273)	-	(8,273)
As at December 31, 2015	327,182	476,132	27,377	153,921	260,920	1,245,532
Accumulated Depreciation						
As at January 1, 2014	-	104,882	11,523	104,097	-	220,502
Depreciation charge for the year	-	24,791	989	14,714	-	40,494
Addition from purchase subsidiary company	-	-	-	11	-	11
Disposals	-	(11,117)	-	(31,512)	-	(42,629)
As at December 31, 2014	-	118,556	12,512	87,310	-	218,378
Depreciation charge for the year	-	20,757	1,040	16,892	-	38,689
Disposals	-	-	-	(6,025)	-	(6,025)
As at December 31, 2015	-	139,313	13,552	98,177	-	251,042

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Consolidated Financial Statements (In Thousand Baht)

	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Asset under installation	Total
Allowance for Impairment						
As at January 1, 2014 and December 31, 2014	-	-	-	7,832	-	7,832
(Reversal of) impairment loss during the year	-	78,700	-	(1,292)	-	77,408
As at December 31, 2015	-	78,700	-	6,540	-	85,240
Net Book Value						
Owned assets	148,493	342,618	13,272	30,086	52,301	586,770
Assets under finance lease	-	-	-	15,415	-	15,415
As at December 31, 2014	148,493	342,618	13,272	45,501	52,301	602,185
Owned assets	327,182	258,119	13,825	37,598	260,920	897,644
Assets under finance lease	-	-	-	11,606	-	11,606
As at December 31, 2015	327,182	258,119	13,825	49,204	260,920	909,250

Separated Financial Statements (In Thousand Baht)

	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Asset under installation	Total
Cost						
As at January 1, 2014	6,754	78,130	25,310	43,773	-	153,967
Additions	-	659	153	13,427	3,761	18,000
Disposals	-	(13,718)	-	(2,322)	-	(16,040)
As at December 31, 2014	6,754	65,071	25,463	54,878	3,761	155,927
Additions	-	853	716	5,604	3,857	11,030
Transfer in (out)	-	6,741	877	-	(7,618)	-
Disposals	-	-	-	(29)	-	(29)
As at December 31, 2015	6,754	72,665	27,056	60,453	-	166,928
Accumulated Depreciation						
As at January 1, 2014	-	60,302	11,523	40,810	-	112,635
Depreciation charge for the year	-	1,551	930	2,026	-	4,507
Disposals	-	(7,176)	-	(2,163)	-	(9,339)
As at December 31, 2014	-	54,677	12,453	40,673	-	107,803
Depreciation charge for the year	-	2,255	975	3,865	-	7,095
Disposals	-	-	-	(29)	-	(29)
As at December 31, 2015	-	56,932	13,428	44,509	-	114,869
Net Book Value						
Owned assets	6,754	10,394	13,010	8,083	3,761	42,002
Assets under finance lease	-	-	-	6,122	-	6,122
As at December 31, 2014	6,754	10,394	13,010	14,205	3,761	48,124
Owned assets	6,754	15,733	13,628	11,112	-	47,227
Assets under finance lease	-	-	-	4,832	-	4,832
As at December 31, 2015	6,754	15,733	13,628	15,944	-	52,059

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2015

In year 2015, the Company transferred leasehold right of land to be land at amount of Baht 94.21 million. Formerly, the Company entered in to agreement for leasehold right of land in Chiangmai (Krisada Doi) with a company for resort business for 30 years. In third quarter of year 2013, the ex-subsidiary company reversed allowance for impairment amount of Baht 31.29 million. On August 8, 2013, the ex-subsidiary company transferred its leasehold right and related structures thereon (including building under construction and existing operated resort assets) totaling to Baht 165 million for debts settlement. The value of leasehold right as transferred price at the Land Department is at Baht 109 million. In April 2013, the ex-subsidiary company had engaged an independent appraiser to appraise its leasehold right using the Income Approach by using discounted cash flows of revenues generating by existing assets. Based on the appraisal report of independent appraiser, the discounted value of leasehold right for the remaining period of 23.67 years was approximately Baht 73 million. In September 2013 the Company engaged such independent appraiser to re-appraise its leasehold right value with the same Income Approach based on the future income of the remaining period of 23.25 years, from the use of the existing operating assets and the expected additional investments in assets in the near future amounting to Baht 50 million, then discounted the estimated future income to present value of Baht 110 million.

During the year 2013, the Company obtained building under construction value amount of Baht 45 million located on Leasehold right on land at Chiangmai from ex-subsidiary company to settle debts. This building under construction was appraised by an independent appraiser in July 2013 using Cost Approach. In year 2014, the Company has developed and renovated this project, therefore certain building under construction and existing resorts were written off as expenses at approximately Baht 25.86 million. The Company valued the assets after dismantling based on the appraisal report dated February 20, 2015 of S.L. Standard Appraisal Company Limited using Cost Approach, value amount of Baht 26 million.

As at December 31, 2015, the net carrying amount of Krisada Doi project in the consolidated statement of financial position amounted to totaling Baht 394.48 million and in the separate statement of financial position presented as investment property amounted to Baht 278.2 million.

In July 2016, the subsidiary company engaged an independent appraiser to appraise the Shara Retreat Hotel project, which started to be developed in 2015, using the income approach and residual method and noted that the appraisal value was higher than the carrying amount.

As at December 31, 2015 and 2014, certain building and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount to Baht 97.44 million and Baht 97.13 million respectively, (The AQ Estate Group: Baht 112.13 million and Baht 110.35 million, respectively).

As at December 31, 2014, in the consolidated financial statements, the subsidiaries have mortgaged certain land with structures thereon with a total net book value of Baht 106.31 million, to secure credit facilities granted by a financial institution as discussed in Note 20. The subsidiary had repaid long - term loans to a local financial institution in full amount and redeemed such collateral in 2015.

Certain vehicles of the AQ Estate Group are under finance lease contracts as discussed in Note 21.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

16. LEASEHOLD RIGHTS - Net

The change in net carrying value of leasehold rights for the each of years ended December 31, 2015 and 2014 were as follows:

	(In Thousand Baht) Consolidated Financial Statements
Cost	
As at January 1, 2014	352,423
Additions	9,353
As at December 31, 2014	361,776
Additions	28,890
Transferred to be cost of fixed assets – Krisada Doi (Note 15)	(102,424)
As at December 31, 2015	288,242
Accumulated Amortization	
As at January 1, 2014	9,111
Amortization charge for the year	13,816
As at December 31, 2014	22,927
Amortization charge for the year	13,154
Transferred to be cost of fixed assets – Krisada Doi (Note 15)	(8,214)
As at December 31, 2015	27,867
Allowance on Impairment	
As at January 1, 2014 and December 31, 2014	-
Impairment loss during the year	143,730
As at December 31, 2015	143,730
Net Book Value	
As at December 31, 2014	338,849
As at December 31, 2015	116,645

As at December 31, 2015 and 2014, leasehold rights consisted of:

	(In Thousand Baht) Consolidated Financial Statements	
	2015	2014
Leasehold rights of land		
A) Leasehold right of land in project Krisada Doi Chaing Mai	-	95,980
B) Leasehold right of land in Koh Larn, Chonburi	80,700	233,576
C) Leasehold right of land in project the Malibu Beach Resort – Koh Samui	26,964	-
D) Leasehold right of land in project Shasa Retreat Hotel (Note 15)	8,981	9,293
Total	116,645	338,849

The indirect subsidiary company holds leasehold right of land approximately 81 Rais in Koh Larn, Chonburi for resort business for the remaining period 27 years at book value of Baht 248 million. Based on the appraisal report of independent appraiser in July 2013, Brooke Real Estate Co., Ltd., the appraised value of leasehold right is Baht 275 million. The independent appraiser could not use Market Comparative Method. The independent appraiser therefore determined market value by using 2 methods, the first method, Cost Approach which determines market value and replacement cost of construction deducted depreciation. And the second method which is Income Approach. As the limitation of land cost information, the independent appraiser determined that Income Approach method is appropriate. This method is calculated basing on the discounted cash flow of the revenues for the period of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction).

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

On February 5, 2015 the indirect subsidiary company entered into Letter of intent with a foreign company for entering into a hotel management agreement. However on March 24, 2016, such foreign company postponed to enter into a hotel management agreement until the Stock of Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. In October 2015, the indirect subsidiary company has engaged an independent appraiser to re-appraised the leasehold right, using Income Approach on Profit Rent Method determined by renting such leasehold right at the market rental rate, discounted to present value to be Baht 80.70 million. Such appraisal was based on the assumptions that the Company's the credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1. The market information of comparative land was not have the same area as the Company and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 24.81 years plus risk premium in investment in assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income for the year ended December 31, 2015 amounting to Baht 143.7 million.

On July 3, 2015 a subsidiary company entered into transferring leasehold right on land and structure thereon with a non related person for hotel business for period of 7 years and 6 months at amount of Baht 28.9 million as discussed in Note 30.

17. INTANGIBLE ASSETS - Net

	Consolidated Financial Statements (In Thousand Baht)			
	Software licences	Franchise contract	Assets under installation	Total
Cost				
As at January 1, 2014	201	-	-	201
Additions	533	-	4,023	4,556
As at December 31, 2014	734	-	4,023	4,757
Additions	1,942	1,000	1,196	4,138
Transfer in (out)	4,601	-	(4,601)	-
As at December 31, 2015	7,277	1,000	618	8,895
Accumulated Amortization				
As at January 1, 2014	100	-	-	100
Amortization charge for the year	106	-	-	106
As at December 31, 2014	206	-	-	206
Amortization charge for the year	1,276	53	-	1,329
As at December 31, 2015	1,482	53	-	1,535
Net Book Value				
As at December 31, 2014	528	-	4,023	4,551
As at December 31, 2015	5,795	947	618	7,360

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

	Separate Financial Statements (In Thousand Baht)		
	Software licences	Assets under installation	Total
Cost			
As at January 1, 2014	-	-	-
Additions	-	4,023	4,023
As at December 31, 2014	-	4,023	4,023
Additions	-	578	578
Transfer in (Out)	4,601	(4,601)	-
As at December 31, 2015	4,601	-	4,601
Accumulated Amortization			
As at January 1, 2014 and December 31, 2014	-	-	-
Amortization charge for the year	894	-	894
As at December 31, 2015	894	-	894
Net Book Value			
As at December 31, 2014	-	4,023	4,023
As at December 31, 2015	3,707	-	3,707

On September 25, 2015, the subsidiary company has entered into development agreement with Pizza 31 Co., Ltd., which will grant the subsidiary company the exclusive development right and operating right to carry on the "Pepina" business in Koh-Samui, Surathani Province, Thailand. In consideration thereof, the Company will be charged the following:

- the development right in a sum of Baht 1 million plus value added tax. The Company already paid the development fee to Pizza 31 Co., Ltd. in 2015.
- the outlet opening right fee in a sum equivalent to Baht 600,000 per outlet and such outlet is available to opening only in Koh-Samui.
- the service fee for each monthly accounting period in a sum amount equivalent to 6% of the gross network revenue.

The term of development right shall be effective for 5 years starting on September 25, 2015. The term of operating right, in respect of each outlet, is for a period of 5 years from the date of such outlet is approved to operate by Pizza 31 Co., Ltd.

Such development and operating rights can be automatically extended for subsequent periods of 5 years each if the Company gives the written notice of such desire to Pizza 31 Co., Ltd. no less than 6 months prior to the expiry date.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

18. DEFERRED INCOME TAX ASSETS AND LIABILITY

Income tax income (expenses) for each of the years ended December 31, 2015 and 2014 consisted of:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2015	2014	2015	2014
Income tax expense - current tax	-	-	-	-
Tax effects from deferred income tax of temporary differences				
- Loss carry forward	(13,936)	10,213	-	-
- Unrealized gain on revaluation of short-term investment	(125)	-	-	-
- Inventory	(950)	707	-	-
- Estimate compensate for housing estate juristic	23	39	-	-
- Customer down payments	(1,002)	272	-	-
- Employee benefit retirement obligation	-	6	-	-
- Investment property	(1,722)	9,889	-	-
- Property, plant and equipment	17,202	1,267	-	-
Income tax income (expense)	(510)	22,393	-	-

Reconciliations between income tax income (expense) and accounting loss multiplied by the applicable tax rate for each of the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separated Financial Statements	
	2015	2014 "Restated"	2015	2014
Accounting loss before tax	(2,216,304)	(373,399)	(2,305,656)	(36,860)
Income tax rate at 20%	443,261	74,680	461,131	7,372
Add (less) :Tax effect of exempted income and non-deductible expenses	26,058	(29,115)	(37,129)	8,343
Unrecognition of deferred income tax assets	(469,829)	(21,905)	(424,002)	(15,715)
Assets of subsidiary at fair value	-	(1,267)	-	-
Income tax income (expense)	(510)	22,393	-	-

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The details of deferred income tax assets and liability as at December 31, 2015 and 2014 are as follows:

	Consolidated Financial Statements (In Thousand Baht)		
	(Charged) / Credited to		December 31, 2015
	December 31, 2014	Loss for the year	Other comprehensive income for the year
Deferred income tax assets			
- Loss carry forward	18,636	(13,936)	-
- Unrealized gain on revaluation of short-term investment	-	(125)	-
- Inventory	950	(950)	-
- Estimate compensate for housing estate juristic	277	23	-
- Customer down payments	1,002	(1,002)	-
- Employee benefit retirement obligation	6	-	-
- Investment property	1,722	(1,722)	-
Total	22,593	(17,712)	-
Deferred income tax liability			
- Property, plant and equipment	(20,321)	17,202	-
			(3,119)

Unrecognized Deferred Income Tax Assets

As at December 31, 2015 and 2014, the AQ Estate Group did not recognize deferred income tax assets from loss carry forward and certain temporary differences totaling Baht 1,079.2 million and Baht 593.6 million, respectively (for the separate amounting to Baht 914.2 million and Baht 490.2 million, respectively) since it is not probable that future taxable profit will be available against which the AQ Estate Group and the Company can utilize the benefit therefore.

19. PROVISION FOR LITIGATION

On December 17, 2009, the Court of First Instance passed a verdict ordering the Company to compensate for the claim amount together with interest of approximately as at December 31, 2015 and 2014 amounting to Baht 26.58 million and Baht 25.75 million, respectively for breaching of the sale and purchase land and land development contract and the house building contract. (Interest that calculated up to December 31, 2015 and 2014 was Baht 15.57 million and Baht 14.75 million, respectively). On March 1, 2012 the Appeal Court made a verdict as the Court of First Instance. The case is in process of considering by the Supreme Court.

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price.

Antti Vay
Peter

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

20. LOANS CONSIDERED AS DEFAULT, LIABILITIES UNDER DEBT RESTRUCTURING AND LONG – TERM LOANS – Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial statements	
	2015	2014	2015	2014
Liabilities under debt restructuring agreements	972	952	972	952
<u>Less</u> Current portion of liabilities under debt restructuring agreements	(972)	(952)	(972)	(952)
Long – term liabilities under debt restructuring agreements – net	-	-	-	-
Long – term loans	205,721	330,305	33,841	13,099
<u>Less</u> Amortization of deferred loan arrangement fee	(3,820)	-	(3,820)	-
	201,901	330,305	30,021	13,099
<u>Less</u> Loans considered as default	(30,021)	-	(30,021)	-
Current portion of long – term loans	(171,880)	(30,735)	-	(9,435)
Net	-	299,570	-	3,664

Movements in the loans considered as default, liabilities under debt restructuring and long – term loans for the year ended December 31, 2015 are summarized below:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2015	331,257	14,051
Increase	30,500	30,500
Decrease (Repayment)	(158,884)	(13,558)
Balance as at December 31, 2015	202,873	30,993

During the year 2015, the AQ Estate Group and the Company obtained an additional credit facilities from certain local financial institutions of Baht 1,694.70 million and Baht 1,644.70 million, respectively, which will be repayable between 2.5 to 5 years and certain loans shall be repayable when release mortgage. As at December 31, 2015, the Company drew down such loan of Baht 30 million.

As at December 31, 2015 and 2014, the AQ Estate Group's credit facilities bear interest at the rates ranging between MLR+0.25% to MLR+0.5% and MLR-1% to MLR-1.5% per annum, respectively.

As at December 31, 2015 such remaining of debt were guaranteed by inventories of the AQ Estate Group companies totalling Baht 990.7 million and guaranteed by the Company, direct subsidiaries and the related persons and a non-related person as discussed in Note 8. (2014: the remaining of debt were guaranteed by inventories and fixed assets (land and structures) of the AQ Estate Group companies total of Baht 1,192.6 million as discussed in Notes 8 and 15)

According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, Mr. Yongyutt Chaipromprasith, the Chief Executive Officer and Executive Director, resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2015, such default loans amounting to Baht 30 million was presented as loans considered as default under current liabilities in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporarily suspended all credit facilities.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

21. LIABILITIES UNDER FINANCE LEASE CONTRACTS - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial statements	
	2015	2014	2015	2014
Liabilities under finance lease contracts	6,858	9,394	2,895	3,860
<u>Less</u> Deferred interest	<u>(438)</u>	<u>(738)</u>	<u>(166)</u>	<u>(301)</u>
	6,420	8,656	2,729	3,559
<u>Less</u> Current portion of liabilities under finance lease	<u>(2,390)</u>	<u>(2,783)</u>	<u>(956)</u>	<u>(829)</u>
Net	<u>4,030</u>	<u>5,873</u>	<u>1,773</u>	<u>2,730</u>

The Company has entered into various finance lease contracts with two local companies for purchase of certain assets as discussed in Note 15. These contracts are repayable in 48 equal monthly installments.

22. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial statements	
	2015	2014	2015	2014
Provision for employee retirement benefit as at January 1,	4,118	4,779	2,857	1,710
Current service costs	558	1,157	510	551
Interest expense	162	143	141	128
Reversal of provision during the year	(761)	-	-	-
Actuarial (gain) loss	-	(1,961)	-	468
Provision for employee retirement benefit as at December 31,	<u>4,077</u>	<u>4,118</u>	<u>3,508</u>	<u>2,857</u>

Expenses recognized in the loss for each of the years ended December 31, 2015 and 2014 and as follows;

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial statements	
	2015	2014	2015	2014
Current service costs	558	1,157	510	551
Interest expense	162	143	141	128
Reversal of provision during the year	(761)	-	-	-
Provision for employee retirement benefit	<u>(41)</u>	<u>1,300</u>	<u>651</u>	<u>679</u>

Actuarial assumptions for each of the years ended December 31, 2015 and 2014 are as follows;

	Consolidated Financial Statements	Separate Financial Statements
Discount rate	4.17 – 4.24%	4.17%
Future salary increase	4.81%	4.81%
Employee turnover rate	23 – 30%	23 – 30%
Mortality rate	Thai Mortality Table Year 2008	Thai Mortality Table Year 2008

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23. SHARE CAPITAL, DISCOUNT ON COMMON SHARE AND STOCK WARRANTS

1. Authorized share capital, Issued and paid - up share capital

- 1.1 According to the resolution of General Meeting of shareholders for year 2014 of the Company on April 24, 2014 approved the decreased capital by reducing the par value of Baht 20 per share to Baht 0.50 per share to reduce the discount of share capital and the deficit and approve the amendment of the Memorandum of Association to comply with the decreasing of resisted capital and register with the Department of Business Development, Ministry of Commerce of March 3, 2015.
- 1.2 The Annual General Meeting of Shareholders for the year 2015 held on April 20, 2015, the meeting resolved the resolution to
- Decrease in authorized capital from Baht 8,160.22 million (16,320.44 million shares, at Baht 0.50 per share) to be Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share).
 - Increased authorized capital amount of Baht 3,549.63 million from Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share) to be Baht 11,659.18 million (23,318.36 million shares, at Baht 0.50 per share) by issuing new ordinary shares totaling 7,099.26 million shares, at Baht 0.50 per share.
 - To allocate newly issued ordinary shares as following:
 - General Mandate amount of 3,000 million shares, Baht 0.50 par value for offering to the existing shareholders in the proportion.
 - Total amount not exceed 99.26 million shares, Baht 0.50 par value for reserve to adjust the additional right as warrant that will purchase (AQ-W2 total 25.77 million shares and AQ-W3 total 73.48 million shares)
 - Total amount not exceed 4,000 million shares, Baht 0.50 par value both full amount or any part in the same time or different time to private placement investors and/or institutional investors of private placement in the offering price not less than 90 % of market price but the offering price not less than Baht 0.50 per share In addition, the Board of Directors or the person who is assigned by the Board of Directors are able to consider the allocation of newly issues common shares as mentioned above.
- 1.3 On July 15, 2015, the Company registered the change in paid-up capital to increase from the original amount of 8,614 shares, which made paid-up capital to be Baht 6,336,985,976.50, (divided into ordinary shares 12,673,971,953 shares at Baht 0.50 par value).

2. Warrants

- 2.1 Warrants of the Company 1,030,912,398 units, total number of warrants (AQ-W2) issued by the Company is 1,030,899,500 units on June 20, 2012. The warrants were registered as listed securities in the stock exchange of Thailand ("SET") on July 16, 2012. The warrants are in registered form and transferable. The terms of the warrants is equal to three years from the date of issuing the warrants No.2 (June 20, 2012) and warrants can be exercised by every three-month which will be on last working day of March, June, September and December of each year, the first exercise date will be September 28, 2012 and the last exercise date will be June 19, 2015.
- On September 16, 2014, the Company amend of the exercise price of warrant (AQ-W2). Because of the change in par value of common share Baht 10 to Baht 20.
- Old ratio: The warrant No. 2 (AQ-W2) 1 Unit has the right to purchase 1 common share (1:1:1) exercise price 1 Baht per 1 common share.
 - New Ratio: The warrant No. 2 (AQ-W2) 1 Unit has the right to purchase 0.918 common share (1:0.918:1) exercise price Baht 1.090 per 1 common share.
- 2.2 Warrant of the Company 2,624,626,283 units, total number of warrants (AQ-W3) issued by the Company is 2,624,546,758 units on May 20, 2013. The warrants were registered as listed securities in SET on June 24, 2013. The warrants are in registered form and transferable. The term of the warrants is equal to three years and warrants have no exercise price. The warrants can be exercised by every one year which will be on last working day of December of each year, the first exercise date will be December 30, 2013 and the last exercise date will be May 19, 2016.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Warrants of the Company 2,624,626,283 units, warrants shall be offered to the existing shareholders and existing shareholders who subscribe for as follows:

- The rights of existing shareholders in the ratio of 10 shares per 1 unit of warrant (AQ-W3) total 211,176,828 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- The right of existing shareholders who subscribe to newly issued shares in the ratio of 7 new shares to 4 warrants total of 2,413,449,455 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- New Ratio: 1 Unit has the right to purchase 1.028 common share (1:1.028:1) exercise price Baht 0.584 per 1 common share.

2.3 Warrants (AQ-W2) have number of warrant holder's application 1 person, number of exercised warrants 9,384 units, the remaining warrants not yet been exercised were 1,030,890,116 units, number of share derived from this exercise 8,614 shares, number of remaining share reserved for warrants 920,584,640 shares. The warrants (AQ-W2) that have not exercised in full amount as above will be terminated on June 20, 2015 from the registered securities.

2.4 As at December 31, 2015, the remaining warrants (AQ-W3) not yet been exercised were 2,624,546,758 units.

24. OTHER INCOME

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial statements	
	2015	2014	2015	2014
Reversal of allowance doubtful debt of subsidiary companies	-	-	-	29,681
Gain on sales of short-term investments for trading	20,953	9,480	18,518	9,480
Unrealized gain on the changes in fair values of short-term investments	2,224	9,029	7	9,029
Rental income	4,033	60	3,425	2,405
Revenue from cancellation contract	4,243	1,941	2,187	1,322
Revenue from sale of merchandises in convenient store	11,113	7,095	-	-
Gain on written off retention	-	13,961	-	13,961
Gain from reversal of allowance on land held for development	-	1,600	-	1,600
Reversal of liabilities which was compensated by former shareholder	-	15,710	-	-
Reversal of debt forgiveness	8,139	-	-	-
Others	27,558	9,881	6,295	6,641
Total	78,263	68,757	30,432	74,119

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25. EXPENSES BY NATURE

In Thousand Baht			
Consolidated Financial Statements		Separate Financial statements	
2015	2014	2015	2014
(47,409)	(794,318)	(85,000)	(934,469)
1,105,880	1,789,606	563,520	1,471,703
-	419,546	-	-
159,494	138,298	89,018	37,159
186,162	183,284	81,873	61,666
46,762	52,873	13,078	10,967
53,172	54,416	10,798	10,106
13,710	862	367,067	115,029
-	-	314,034	-
202,981	-	-	-
143,730	-	-	-
1,631,743	-	1,631,672	-
4,079	1,411	-	1,411
77,408	-	-	-
33,508	59,156	-	-
-	-	-	27,363
-	38,807	-	6,161
140,041	131,118	47,939	49,731
3,751,261	2,075,059	3,033,999	856,827

	Thousand shares			
	Consolidated Financial Statements		Separate Financial statements	
	2015	2014	2015	2014
Number of ordinary shares beginning of period	12,673,963	253,412,200	12,673,963	253,412,200
Effect of shares issued during period	4	70,222,920	4	70,222,920
Basic weighted average number of ordinary shares				
Outstanding (equivalent to Baht 0.50 par value)	12,673,967	323,635,120	12,673,967	323,635,120

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Diluted loss per share

The Company did not calculate diluted loss per share for each of the years ended December 31, 2015 and 2014 because the average fair value of an ordinary share is lower than the exercised price of warrant.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated statement of financial position include cash and cash equivalents, short-term investments, trade and other account receivables, restricted deposits with banks, loans to subsidiaries, long-term loan to other, interest receivables from subsidiaries, trade and other account payables, customer down payments, retention payables, current portion of long-term liabilities under debt restructuring agreements, loans considered as default, long-term loans from financial institutions, liabilities under finance lease contracts, and accrued interest. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. From the current situation, as described in Note 1 indicates that the AQ Estate Group may suffer from liquidity problems.

Foreign Currency Risk

The AQ Estate Group do not have commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate 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 consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the AQ Estate Group. The AQ Estate Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, restricted deposits with banks, loans to subsidiaries and interest receivable, loan to other, long - term liabilities under debt restructuring agreements, loans considered as default, loans from financial institutions, and liabilities under finance lease contracts, which bear interest. However, since most of the AQ Estate Group's financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the AQ Estate Group has no hedging agreement to protect against such risk.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

Significant financial assets and liabilities as at December 31, 2015 and 2014, classified by type of interest rates are summarized in the table below:

	2015 Consolidated Financial Statements (In Thousand Baht)						
	Fixed interest rates						Effective interest rates
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	60,041	14,623	74,664	0.10 – 0.50
Short-term investments	-	-	-	50,000	395,155	445,155	2.50
Trade and other account receivables and advances	-	-	-	-	14,516	14,516	-
Advance payment to contractors	-	-	-	-	324,229	324,229	-
Restricted deposits with banks	-	-	-	144,981	-	144,981	0.80 – 2.50
Loan to third party	-	30,085	-	-	-	30,085	2
Total	-	30,085	-	255,022	748,523	1,033,630	
Financial liabilities							
Trade and other account payables	-	-	-	-	103,053	103,053	-
Customer down payments	-	-	-	-	120,532	120,532	-
Retentions payable	-	-	-	-	69,001	69,001	-
Long - term liabilities under debt restructuring agreements	-	-	-	972	-	972	3
Loans considered as default	-	-	-	30,021	-	30,021	7.5 – 7.75
Liabilities under finance lease contracts	2,390	4,030	-	-	-	6,420	4.2 – 6.67
Long - term loans	-	-	-	171,880	-	171,880	7.5
Total	2,390	4,030	-	202,873	292,586	501,879	

2014 Consolidated Financial Statements (In Thousand Baht)							Effective interest rates (% p.a.)
Fixed interest rates							
Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total		
Financial assets							
Cash and cash equivalents	-	-	-	572,454	42,015	614,469	0.10 – 0.65
Short-term investments	-	-	-	320,000	994,064	1,314,064	2.35 – 3.10
Trade and other account receivables and advances	-	-	-	-	16,736	16,736	-
Deposit for purchases of condominium units and land - net	-	-	-	-	19,076	19,076	-
Restricted deposits with banks	-	-	-	71,473	-	71,473	1.10 – 3.30
Total	-	-	-	963,927	1,071,891	2,035,818	
Financial liabilities							
Trade and other account payables	-	-	-	-	76,675	76,675	-
Customer down payments	-	-	-	-	119,104	119,104	-
Retentions payable	-	-	-	-	37,811	37,811	-
Long - term liabilities under debt restructuring agreements	-	-	-	952	-	952	3
Liabilities under finance lease contracts	2,783	5,873	-	-	-	8,656	3.82 – 6.67
Long – term loans	-	-	-	330,305	-	330,305	6.125 – 8
Total	2,783	5,873	-	331,257	233,590	573,503	

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

	2015 Separate Financial statements (In Thousand Baht)						
	Fixed interest rates						Effective interest rates (% p.a.)
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	
Financial assets							
Cash and cash equivalents	-	-	-	2,475	970	3,445	0.375 – 0.50
Short-term investments	-	-	-	-	504	504	-
Trade and other account receivables and advances	-	-	-	-	375,756	375,756	-
Accrued interest income from subsidiaries - net	-	-	-	-	366,023	366,023	-
Advance payment to contractors	-	-	-	-	172,736	172,736	-
Restricted deposits with banks	-	-	-	56,839	-	56,839	1 – 2.50
Loan to subsidiary companies - net	-	-	-	2,839,750	-	2,839,750	6.75
Total	-	-	-	2,899,064	915,989	3,815,053	
Financial liabilities							
Trade and other account payables	-	-	-	-	223,409	223,409	-
Customer down payments	-	-	-	-	61,935	61,935	-
Retentions payable	-	-	-	-	28,465	28,465	-
Long - term liabilities under debt restructuring agreements	-	-	-	972	-	972	3
Loans considered as default	-	-	-	30,021	-	30,021	7.75
Liabilities under finance lease contracts	956	1,773	-	-	-	2,729	4.20
Total	956	1,773	-	30,993	313,809	347,531	

	2014 Separate Financial statements (In Thousand Baht)						
	Fixed interest rates						Effective interest rates
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	524,726	10,612	535,338	0.375 – 0.65
Short-term investments	-	-	-	320,000	994,064	1,314,064	2.35 – 3.10
Trade and other account receivables and advances	-	-	-	-	359,450	359,450	-
Accrued interest income from subsidiaries - net	-	-	-	-	285,151	285,151	-
Restricted deposits with banks	-	-	-	17,092	-	17,092	1.70 – 3.30
Loan to subsidiary companies - net	-	-	-	1,915,130	-	1,915,130	6.75
Total	-	-	-	2,776,948	1,649,277	4,426,225	
Financial liabilities							
Trade and other account payables	-	-	-	-	275,639	275,639	-
Customer down payments	-	-	-	-	29,044	29,044	-
Retentions payable	-	-	-	-	13,149	13,149	-
Long - term liabilities under debt restructuring agreements	-	-	-	952	-	952	3
Long - term loans	-	-	-	13,099	-	13,099	8
Liabilities under finance lease contracts	829	2,730	-	-	-	3,559	4.20
Total	829	2,730	-	14,051	317,832	335,442	

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments by AQ Estate Group.

The fair value of cash and cash equivalents, restricted deposits with banks - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates, which approximate market rates.

Trade and other account receivables, - the carrying value approximate their fair values due to the relatively short-term maturity of these financial assets.

Current portion of long-term liabilities under debt restructuring agreements, loans considered as default, - the carrying values approximate their fair values because these financial liabilities have floating interest rate, which approximate market rates.

Trade and other account payables, customer down payments, retention payables - the carrying value approximate their fair values due to the relatively short-term maturity of these financial liabilities.

Long-term loans financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rates, which approximate market rates.

Liabilities under finance lease contracts carrying interest at fixed rates - the fair value could not be calculated appropriately because the market floating rate could not be determined.

Loans to subsidiaries and third party and accrued interest income - fair value cannot be reliable estimated since the specific repayment term is not known.

29. OPERATING SEGMENTS

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

For management purposes, the AQ Estate Group is organized into business units based on their businesses and has 4 reportable segments as follows:

- 1) Property development low rise
- 2) Property development high rise
- 3) Services
- 4) Property rental and service

AQ Estate Group operates in Thailand only as a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

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

For the years 2015 and 2014, the AQ Estate Group has no major customer with revenue of 10 percent or more of revenues.

Inter-segment revenues and expenses are eliminated on consolidation.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2015:

	In Thousand Baht					Total
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	
Revenues from sales and services	563,618	934,405	71,467	32,765	(154,539)	1,447,716
Costs of sales and services	(554,059)	(676,538)	(92,723)	(37,173)	165,865	(1,194,628)
Gross profit (loss)	9,559	257,867	(21,256)	(4,408)	11,326	253,088
Management fee income						12,122
Interest income						8,517
Other income						78,263
Profit before expenses						351,990
Selling expenses						(171,915)
Administrative expenses						(392,554)
Doubtful accounts						(13,710)
Impairment loss on goodwill						(202,981)
Impairment loss on leasehold rights						(143,730)
Loss reserve from litigation claim						(1,631,743)
Finance cost						(11,661)
Loss before income tax						(2,216,304)
Income tax expense						(510)
Loss for the year						(2,216,814)

Note : The hotel business is included in services segment.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2014:

	In Thousand Baht					Total
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	
Revenues from sales and services	1,000,471	529,326	66,565	78,725	(51,187)	1,623,900
Costs of sales and services	(944,514)	(513,605)	(99,638)	(65,908)	37,024	(1,586,641)
Gross profit (loss)	55,957	15,721	(33,073)	12,817	(14,163)	37,259
Management fee income						12,814
Interest income						1,309
Other income						68,757
Profit before expenses						120,139
Selling expenses						(132,166)
Administrative expenses						(355,374)
Doubtful accounts						(862)
Loss reserve from litigation claim						(16)
Finance cost						(5,120)
Loss before income tax income						(373,399)
Income tax income						22,393
Loss for the year						(351,006)

Note : The hotel business is included in services segment.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2015

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2015.

	In Thousand Baht					Total
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Unallocated	
Assets	7,614,763	3,045,341	687,433	167,422	390,496	11,905,455
Elimination						(5,685,781)
Total						<u>6,219,674</u>
Liabilities	2,573,503	654,963	538,725	217,297	4,138,231	8,122,719
Elimination						(5,842,275)
Total						<u>2,280,444</u>
Depreciation and amortization	12,640	11,602	13,475	350	9,837	47,904
Adjustment for fair value						5,268
Total						<u>53,172</u>

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2014.

	In Thousand Baht					Total
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Unallocated	
Assets	7,635,681	1,659,987	399,563	200,008	1,319,842	11,215,081
Elimination						(4,266,762)
Total						<u>6,948,319</u>
Liabilities	1,005,439	2,223,684	361,666	213,847	831,601	4,636,237
Elimination						(3,843,953)
Total						<u>792,284</u>
Depreciation and amortization	11,667	10,747	14,375	-	11,476	48,265
Adjustment for fair value						6,151
Total						<u>54,416</u>

30. OTHERS

1) BANK GUARANTEES

As at December 31, 2015 and 2014, the AQ Estate Group had obligations under bank guarantees approximately Baht 86.81 million and Baht 29.83 million, respectively, (The Company: Baht 54.14 million and Baht 11.50 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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2) COMMITMENTS AND CONTINGENT LIABILITIES

2.1) As at December 31, 2015 and 2014, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work agreements and repayments retention for a total amount of Baht 35.56 million and Baht 47.16 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such litigation. As the ex-shareholder of indirect-subsiidiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.68 million.

2.2) Commitments

2.2.1) The AQ Estate Group had pledged fixed deposits with bank, most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.

2.2.2) Direct subsidiaries' credit facilities from financial institutions have been guaranteed by the Company.

2.2.3) As at December 31, 2015 and 2014, the AQ Estate Group had commitments under construction contracts amounting to Baht 2,120.6 million and Baht 359.56 million, respectively. (The Company : Baht 805.9 million and Baht 153.16 million, respectively), which were utilities and condominium units amounting to Baht 1,504.9 million and houses construction amounting to Baht 615.6 million (2014 : utilities and condominium units amounting to Baht 278.30 million and houses construction amounting to Baht 81.26 million) and of the Company, utilities and condominium units amounting to Baht 546.4 million and houses construction amounting to Baht 259.5 million (2014 : utilities and condominium units amounting to Baht 130.31 million and houses construction amounting to Baht 22.85 million). As at December 31, 2015 and 2014, total contract price amounted to Baht 3,186.1 million and Baht 807.56 million, respectively, and of the Company amounted to Baht 1,299.1 million and Baht 333.97 million, respectively.

2.2.4) As at December 31, 2015 and 2014, the AQ Estate Group has entered into several operating lease. The terms of the agreements are generally between 1 – 6 years. The future minimum payments required under these non-cancellable operating leases were as follows.

	In Thousand Baht	
	2015	2014
Payable with in less than 1 year	15,674	16,424
Payable with in 1- 5 years	56,590	68,267
Payable over 5 years	97,206	101,494
Total	169,470	186,185

2.2.5) As at December 31, 2015 and 2014, a subsidiary company had sub - lease commitment to pay for land rental for the period of 30 years at amount of Baht 16.42 million and Baht 16.86 million, respectively.

2.2.6) As at December 31, 2015 and 2014, the AQ Estate Group has unused facilities with financial institutions at Baht 1,700 million and Baht 893.05 million, respectively. (The Company : Baht 1,610.40 million and Baht 213.46 million, respectively). From the date sentenced by the Supreme Court up to the present, all the financial institutions of the Company and the subsidiaries have temporarily suspended all credit facilities.

2.2.7) As at December 31, 2015, a subsidiary company has commitment under the letter of intent with a foreign company, will pay technical service fee of U.S. Dollars 0.12 million.

2.2.8) As at December 31, 2015, a subsidiary company has commitment under sub-lease contract with a non - related person to pay for land rental for the period of 6 years and 11 months at Baht 14.41 million.

31. SUBSEQUENT EVENTS

a) From the current situation of the Company as discussed in Note 1 the Company's credit facilities were suspended from various financial institutions. Hence, in April 2016 the Company sold a project under development which had total cost of Baht 373 million to a non-related company amounting to Baht 586 million (Consisted of selling price was Baht 444 million and advance for construction net of advance received from customer and others totaling Baht 142 million) for using as working capital of the AQ Estate group. The Company has transferred ownership to the buyer in June 2016.

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AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
Notes to Financial Statements (Continued)
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- b) On April 28, 2016 and May 18, 2016, the Company entered into the Commission Fee Agreement and the Sole Agency Agreement with a local non - related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5% of the total agreed purchase price and the sole agent fee is 1.5% of the total agreed purchase price but not over than Baht 150 million. Such company will receive the payment of those fees only when successfully sale of such land.

However on June 16, 2016, this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis at Baht 1.5 million per month for 4 months during June -to September 2016, totalling Baht 6 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company.

32. CAPITAL MANAGEMENT

The primary objective of the AQ Estate Group's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2015 and 2014, the AQ Estate Group's debt-to-equity ratio was 0.58 and 0.13, respectively (and of the separate of financial statement's debt-to-equity ratio was 0.49 and 0.07, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during the years ended December 31, 2015 and 2014.

33. FAIR VALUE MEASUREMENT

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs, such as estimates of future cash flows

As at December 31, 2015, the AQ Estate Group had the following assets that were measured at fair value using different levels of inputs as follows:

Consolidated Financial Statements (In Thousand Baht)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investment				
- Open End fund	-	395,155	-	395,155
Investment property	-	-	155,400	155,400
Total	-	395,155	155,400	550,555
Separate Financial Statements (In Thousand Baht)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investment				
- Open End fund	-	504	-	504
Investment property	-	-	278,172	278,172
Total	-	504	278,172	278,676

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Valuation techniques and inputs to Level 2 and 3 valuations

The fair value of investments in unit trusts that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

Investment properties are presented at fair values, which are appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate or discounted rate based on the turnover rate of government bonds, occupancy rate, long-term vacancy rate and long-term growth rate in revenue.

During the current year, there was no transfer within the fair value hierarchy.

34. RECLASSIFICATION

Certain accounts in the statement of financial position as at December 31, 2014 have been reclassified to conform to the current year's classification.

	Consolidated Financial Statements (In Thousand Baht)		
	Before reclassified	Reclassified	After reclassified
Assets			
Cash and cash equivalents	955,951	(341,482)	614,469
Short-term investments	994,064	320,000	1,314,064
Trade and other account receivables – net	31,015	(14,279)	16,736
Restricted deposits with banks	35,712	35,761	71,473
	Separate Financial Statements (In Thousand Baht)		
	Before reclassified	Reclassified	After reclassified
Assets			
Cash and cash equivalents	849,612	(314,274)	535,338
Short-term investments	994,064	320,000	1,314,064
Trade and other account receivables – net	150,041	209,409	359,450
Investments in common shares of subsidiaries - net	817,262	(22,663)	794,599
Loans to subsidiary company – net	1,896,961	18,169	1,915,130
Liability			
Trade and other account payables – subsidiary companies	41,161	210,641	251,802

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35. NEW/REVISED THAI FINANCIAL REPORTING STANDARDS NOT YET ADOPTED

The AQ estate Group has not adopted new/revised Thai Financial Reporting Standards (TFRS) that have been issued but are not yet effective at the reporting date and relate to business of the AQ Estate group as follows:

TFRS	Topic	Effective date
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 5 (revised 2015)	Non-current Assets held for Sale and Discontinued Operations	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10(revised 2015)	Consolidated Financial Statements	2016
TFRS 11(revised 2015)	Joint Arrangements	2016
TFRS 12(revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13(revised 2015)	Fair Value Measurement	2016
TAS 1 (revised 2015)	Presentation of financial statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events after the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings per Share	2016
TAS 34 (revised 2015)	Interim Financial Reports	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14(revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016

*Per
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TFRS	Topic	Effective date
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TSIC 15 (revised 2015)	Operating Leases-Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs	2016

Management expects to adopt and apply these new and revised TFRSs in accordance with the FAP's announcement and is presently considering the potential impact on the AQ Estate Group's financial statements of these new and revised TFRSs.

36. APPROVAL OF FINANCIAL STATEMENTS

The Company's director has authorized these financial statements for issue on August 1, 2016.

Per [Signature]
Kulth Vay



AQ ESTATE

The Information of Securities Issuing Companies

Name	: AQ Estate Public Company Limited
Business type	: Commercial and Real Estate Development
Head office location	: 102 Rimkong Bangkapi Road, Huai Khwang, Bangkok 10310
Register company	: 0107536000471
Telephone	: 0-2648-5555
Fax	: 0-2648-5567
Homepage	: www.aqestate.com
Authorized share capital (as of June 6,2016)	: 11,659,181,574 Baht (Representing common shares 23,318,363,148 shares, 0.50 Baht par value) (Issued and paid-up share Capital 6,337,341,767.50 Baht) (Representing common shares 12,674,683,535 shares, 0.50 Baht par value)
Registrar Company	: Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 4 th floor : Telephone No. 002009-9378 www.TSD.CO.TH
Auditor of Company (Start to audit in January 2009)	: Miss Wimolsri Jongudomsombut Karin Co., Ltd. : 21/1 Floor, Sathorn Road City Tower 175 South Sathorn Road , Strhorn Bangkok 10120 T 0 2679-5400 Fax 0 2679-5500
Secretary of Company	Email: wwwbakertillythailand.com : Mr. Apirath Intrachoo Telephone no. 02-648-5530 Email : Apirath@aqestate.com

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