

รายงานประจำปี 2557
ANNUAL REPORT
2014

EASTERN STAR

บริษัท อีสเทอร์น สตาร์ เรียล เอสเตท จำกัด (มหาชน)
Eastern Star Real Estate Public Company Limited



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AMBER

ชีวิตเหนือระดับ ติดรถไฟฟ้า

คอนโดมิเนียมหรูดีไซน์ทันสมัย สิ่งคมดี มีระดับ
แค่เปิดประตูคอนโด... ก็ถึงรถไฟฟ้า



“AMBER by Eastern Star” (แอมเบอร์ บาย อีสเทอร์น สตาร์) คอนโดมิเนียมโครงการใหม่ โดยบริษัท อีสเทอร์น สตาร์ เรียล เอสเตท จำกัด(มหาชน) ผู้พัฒนาคอนโดหรู ดีไซน์ทันสมัย อาทิ โครงการ StarView 54 ชั้น, โครงการ Nara 9 สูง 40 ชั้น, โครงการ The Breeze 37 ชั้น, โครงการ Vantage 32 ชั้น มูลค่ารวมกว่า 10,000 ล้านบาท ซึ่งประสบความสำเร็จด้วยดี ทุกโครงการ และเป็นครั้งแรกที่อีสเทอร์น สตาร์ ปลูกตลาดคอนโดแนวรถไฟฟ้าสายสีม่วง

โครงการ AMBER เป็นอาคารพักอาศัยสูง 37 ชั้น ตั้งอยู่บนพื้นที่กว่า 2 ไร่ ถนนกรุงเทพฯ-นนท์ ติด MRT สถานีแยกติวานนท์ มีจำนวนห้องพักทั้งหมด 563 ยูนิต มีให้เลือก 2 แบบ คือ แบบ 1 ห้องนอน ขนาด 35 – 57 ตร.ม. จำนวน 421 ห้องและแบบ 2 ห้องนอน ขนาด 55–76 ตร.ม. จำนวน 142 ห้อง พร้อมที่จอดรถ 189 คัน **ราคาเริ่มต้นที่ 2.49 ล้านบาท**

โครงการออกแบบแนว Modern Contemporary Style ดีไซน์ มีระดับและมีเอกลักษณ์เฉพาะตัว ห้องชุดตัวอย่างของโครงการตกแต่งพร้อมเฟอร์นิเจอร์ ขนาด 56 ตร.ม.แบบ 2 ห้องนอน 2 ห้องน้ำ ออกแนวหรูหราของตกแต่งใช้เฟอร์นิเจอร์โทนสีเทา-เงิน ที่สะท้อนแสงมันวาว ให้ความรู้สึกโอ่อ่า สง่างาม มีการใช้กระจกเข้ามาเป็นส่วนหนึ่งของผนังห้องทำให้ดูกว้างและโล่ง

นอกจากนี้ ห้องนอนเล็กสามารถปรับเปลี่ยนเป็นห้องทำงาน หรือมุมพักผ่อนได้ สำหรับขนาด 35 ตร.ม. แบบ 1 ห้องนอน 1 ห้องน้ำ ออกแนวเรียบหรู ดูสดชื่น สบายตา การตกแต่งเน้นโทนขาวตัดด้วยสีเขียวของเฟอร์นิเจอร์และของตกแต่งโดดเด่นด้วยจุดนั่งชมวิว ที่เป็นผนังกระจก 2 ด้าน

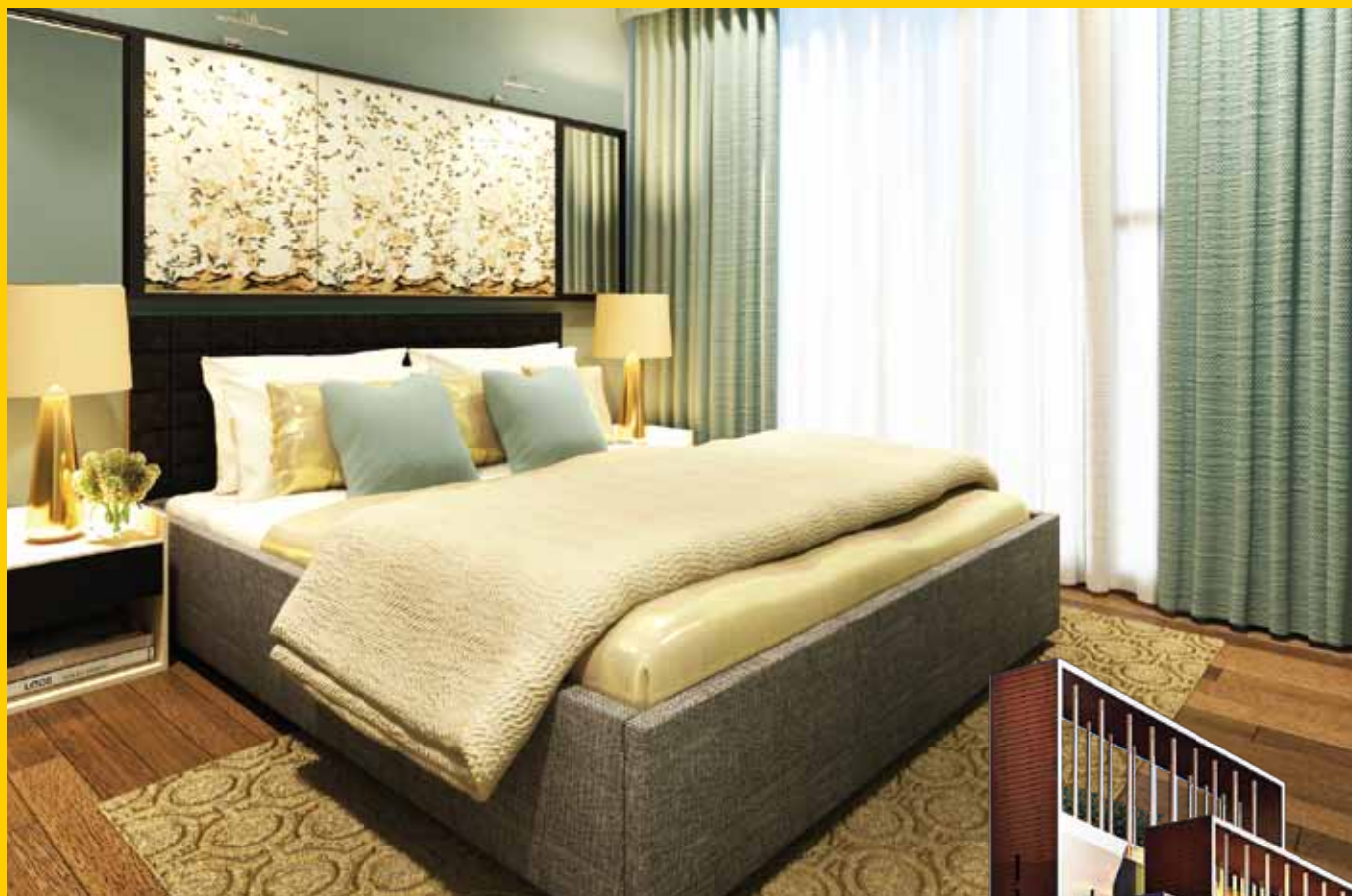
ผู้อาศัยสามารถพักผ่อนสายตาด้วยการชมวิวกับมุมมองทัศนียภาพแบบ Panorama 270 องศา และโปร่งสบายด้วยเพดานจรดพื้นที่สูงถึง 2.7 เมตร นอกจากนี้ยังมีสิ่งอำนวยความสะดวกครบครัน อาทิ สระว่ายน้ำระบบเกลือ, ฟิตเนส, สวนสวยที่ร่มรื่นเป็นส่วนตัว

Eastern Star เป็นบริษัทที่มีความมั่นคงสูง มีฐานะการเงินดี ด้วยทุนจดทะเบียนกว่า 5,000 ล้านบาท (ชำระเต็มมูลค่า) โดยมี **ท่านอานันท์ ปันยารชุน** อดีตนายกรัฐมนตรีกว่า 2 สมัยเป็นประธาน

ผู้สนใจสามารถเข้าชมห้องชุดตัวอย่างได้ที่สำนักงานขายโครงการ หรือสอบถามเพิ่มเติมได้ที่ **โทร. 0-2968-5225 / www.estarpcl.com**



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EASTERN STAR



Message from the Chairman of the Board

To Our Shareholders

In 2014, the real estate sector grew at a slower pace resulting from many negative factors such as prolonged political unrest in the country, rising household debts and sluggish economy in Thailand. Although the government was reestablished by the National Council for Peace and Order and announced a package of policies to stimulate the economic, but it will take times to improve the consumer confidence. In 2014, the company transferred the ownerships of condominiums in Bangkok such as Vantage and The Breeze as well as detached houses of The Star Estate @ Pattanakarn 69 together with projects in Banchang subdistrict, Rayong province and non-development small land sales resulting to the company earned the net profit of 284 million baht that is sufficient to clear all the accumulated deficit in addition to allocate the profit to distribute the dividends for the company's shareholders. Thank to the our executive team and employees for their considerably efforts.

In 2015-2016, if the situations in Thailand are more stable as well as the economic stimulus policies and plans including government's budget issues are on tracks then the environment and the consumer confidence will be improved along with the positive factors such as low interest rate and the continued falling oil prices that benefit to the overall economy and real estate sector because of the lower consumers' expenses, the more purchasing power they have.

The real estate sector in next 2-3 years trend to has severely competition continuously, although there will be rising housing demand. Moreover, the sector will face the risk factors of rising land prices especially in the downtown areas and the areas nearby sky train lines that lead to higher costs and rising workforce problems due to the government speed up its investment in fundamental public utilities constructions and launching new projects in private sector. To reduce these risks, the company will analyze the possibilities of our new projects more cautiously taking into considerations of worthy return on investment (ROI) and the acceptable risk. In addition to stressing the risk factors in operation of the businesses, the company also emphasize the development and preservation of potential personnel to leverage the advantage of competition. The company also give opportunities for new generation to be a part of leading the company's businesses for success and generate profit to the company consecutively.

The company still give its priorities to the community including advocating the activities for underprivileged people such as supporting in raising fund for the Special Olympics, promoting other activities and offer the scholarship for students etc.

Lastly, on behalf of the committee, I want to express recognition to our shareholders, partners and customers who always support and trust in our company. Thanks executives and all of our personnel for your intense strength and spirit efforts that lead to the pleasant performance. I wish everyone to perform your duties with all your strength to bring the progression to our company.



(Mr. Anand Panyarachun)

Chairman of the Board

28 March 2014

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Report From Audit Committee

Dear Shareholders of Eastern Star Real Estate Public Company Limited,

The Audit Committee was nominated at the Board of Director's assembly on March 28, 2013. In accordance with the policy stipulated by the Stock Exchange of Thailand. The Audit Committee is composed of three independent directors namely :

- | | | |
|----|------------------------|-----------------------------|
| 1. | Mr. Preecha Oonchitti | Chairman of Audit Committee |
| 2. | Mr. Somrit Srithongdee | Audit Committee |
| 3. | Mrs. Sunanta Tiasuwan | Audit Committee |

The Audit Committee has performed the duties and responsibilities according to regulations prescribed by the Stock Exchange of Thailand and as assigned by Board of Directors of the Company. In the year 2014, the Audit Committee had convened for 5 meetings with managing directors, accounting and finance director, accounting manager and certified public account (auditor). Attendance in the meeting of the Audit Committee is as follow:

- | | |
|------------------------|---------------------|
| Mr. Preecha Oonchitti | attended 5 meetings |
| Mr. Somrit Srithongdee | attended 5 meetings |
| Mrs. Sunanta Tiasuwan | attended 4 meetings |

Report of the Audit Committee can be summarized as follow :

1. The Audit Committee reviewed financial statements of the company and its subsidiaries, including financial disclosures to the shareholders, and in their opinion the company is in compliance with Financial Reporting Standard
2. The Audit Committee assessed the company's policy on reporting of connected transactions in order to ensure full disclosure and circumvent problems stemming from conflicts of interest.
3. The Audit Committee reviewed the report of internal auditors on the effectiveness and adequacy of the company's internal control system, in order to ensure conformity with guidelines provided by the Securities and Exchange Commission, and the Stock Exchange of Thailand. It is the Audit Committee's opinion that there is an adequate system of internal control within the company.

The Audit Committee's opinion is that during the period up to 31 December 2014, the company effectively provided proper financial statements in accordance with Financial Reporting Standard maintained sufficient disclosure policy, and has an adequate system of internal control.

The Audit Committee has made its recommendation to the Board of Directors to request the shareholder's approval at the next meeting to appoint Mrs. Gingkarn Atsawarangsalit, Certified Public Accountant Number 4496, or Mr.Sophon Permsirivallop, Certified Public Accountant No. 3182, or Mr. Chayapol Suppasdtanonthe Certified Public Accountant No. 3972 from EY Office Company Limited, as the company's auditor for the 2015 fiscal year with an audit fee in the amount of 880,000 Baht.

Mr. Preecha Oonchitti

Chairman of the Audit Committee

March 17, 2015

Company Profiles

Name , Type of business , Location ,Telephone Number, Fax , number and type of issued shares

Name	Eastern Star Real Estate Public Company Limited
Head Office	5 th Floor Ploenchit Tower, No.898 Ploenchit Road Lumpini Subdistrict, Pathumwan District, Bangkok 10330 Tel:0-2263-1010-5 Fax: 0-2263-1009
Branch Office:	65/14-15 Mu 3, Sukhumvit Road Bann Chang, Rayong Province 21130 Tel:0-3860-2500, 0-3860-2511 Fax: 0-3860-2754 Website: www.estarpcl.com E-mail: estar@estarpcl.com
Business Type	Real Estate Development
Registered No	Bor Mor Jhor 0107536000307
Registered Capital	5 ,022,246,185 Baht (1 Baht per share)
Paid-in Capital	5 ,022,246,185 Baht

Name, Type of Business, Location , Telephone Number, Fax , number and type of issued shares of Juristic Companies Eastern Star holds over 10% share of.

Eastern Star Resort Company Limited

The company operates golf courses, clubhouses, sport club, and seminar / banquet rooms on behalf of Eastern Star Country Club and Resort, Ban Chang District, Rayong Province.

Address	241/5 Mu 3, Pala Subdistrict, , Bann Chang District, Rayong Province 21130 Tel: 0-3863-0410-3 Fax: 0-3863-0418 Website: www.easternstargolfcourse.com
Business Type	Golf course
Registered No	0105532086493
Paid-in Capital	500,000,000 Baht (10 Baht per share)
Proportion of Investment	81.30 %

Seastar Properties Company Limited

The company operates apartment and detached houses leases in the same area of Eastern Star Country Club and Resort, Bann Chang District, Rayong Province.

Address	241/39 Mu 3, Pala Subdistrict, , Bann Chang district, Rayong Province 21130 Tel: 0-3860-3018 - 9 Fax: 0-3860-1901 Website : www.seastarproperty.com
Business Type	Real estate for rent
Registered No	0105539027956
Paid-in Capital	1 ,150,000,000 Baht (10 Baht per share)
Proportion of Investment	99.13 %

Eastern Star Lai Sun New World Company Limited

The company operate property development

Address	65 /14-15 Mu 3, Ban Chang Subdistrict,, Bann Chang district, Rayong Province 21130 Tel: 0-3860-2500 Fax: 0-3860-2754
Business Type	Real Estate Development (Non commercial operation)
Registered No	0105533137636
Paid-in Capital	160,000,000 Baht (10 Baht per share)
Proportion of Investment	60 %

Name Head Office Address, Type of Business, Phone Number and Fax of the References

Registrar	Thailand Securities Depository Company Limited
Address	62 Stock Exchange of Thailand Building, Ratchadaphisek Road Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Tel: 0-2229-2800 Fax: 0-2539-1259 Website: http://www.tsd.co.th Email: TSDCallCenter@set.or.th
Auditor	Mrs. Gingkarn Atsawarangsarit Certified Public Accountant Number 4496
Address	EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Silom, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Tel: 0-2264-0777 Fax: 0-2264-0789

Financial Highlights

Consolidated as of 31 December

Unit : Million Baht

	2014	2013	2012
Total Assets	6,794.11	5,910.06	5,021.26
Total Liabilities	2,124.91	1,519.43	778.68
Total Shareholders' Equity	4,669.20	4,390.63	4,242.58
Revenue from real estate sales and revenue from rental and services	1,252.88	1,624.87	403.71
Cost of real estate sold and cost of rental and services	(844.39)	(1,078.26)	(290.60)
Other Income	57.51	19.22	28.93
Selling and Administrative Expenses	(286.78)	(349.44)	(299.95)
Loss on diminution in value of assets	-	(12.25)	-
Reversal of loss on diminution in value of assets	171.31	14.80	12.95
Finance Cost	(9.34)	(27.79)	-
Income tax expenses	(62.61)	(43.11)	22.38
Difference on change in fair value of available-for-sale securities transfer to profit or loss	-	-	-
Total comprehensive income(loss) for the year	278.58	148.04	(122.58)
Dividend (Baht/Share)	-	-	-
Financial Ratio			
Current Ratio (Times)	2.02	3.42	3.85
Quick Ratio (Times)	0.11	0.19	0.36
Cash Flow from Operation (Times)	(0.23)	0.14	(0.37)
Receivable Turnover Ratio (Times)	151.51	188.67	32.30
Average Collection Period (Days)	2	2	11
Gross Profit Margin (%)	32.60	33.64	28.02
Net Profit Margin (%)	21.26	9.00	(28.33)
Return on Equity (%)	6.15	3.43	(2.85)
Return on Assets (%)	4.39	2.71	(2.51)
Debt to Equity Ratio (Times)	0.46	0.35	0.18
Fix Payment Coverage Ratio (Times)	(0.67)	0.06	(1.32)

Type of Business

Eastern Star Real Estate Public Company Limited and its subsidiaries operate the real estate development business for sales and leasing and golf course business. Since the company was established until 2003, the company focused on its operation in Ban Chang district, Rayong province in order to support the government's Eastern Seaboard development project. The company realized that Ban Chang district is a potential area as it is far from Map Ta Phut industrial estate only 10 km in the east. and 5 km from U-Tapao Airport in the west. Since the year 2004, the company implements policy to focus on expanding the project development in Bangkok and surrounding provinces, while continuing its project development in Ban Chang district, Rayong province. The types of development implemented by the company can be classified into such categories as follows:

1. Real estate development for sales

Project development for sales include land plots, land plots with homes, and condominium suites. For the company's projects in Bangkok, previously operated under the name of The Star Estate such as The Star Estate @ Rama III, The Star Estate @ Narathiwat, and The Star Estate @ Pattanakarn 69 then the names were changed to suite with the prominent points of the projects such as The Breeze, Vantage, StarView and NARA 9. For projects in Ban Chang district, the Company develops such projects under the name Country Home Project, The Sinthavee Garden Project, The Sinthavee Garden 2 Project, The Star Townhouse Center, The Star Townhouse Project, The Hamlet, The Hamlet 3 Project, The Vintage Home Village Project, The Vintage Home Village 2 Project, and The Vintage Home Village 3, etc.

2. Project development for lease

- 2.1 On August 23, 2007 the company signed a lease agreement of Eastern Star Plaza and parking area with Ek-Chai Distribution System Co. Ltd., for its Tesco Lotus department store project with a contract value of 97.26 million Baht, and a duration of 25 years, 5 months.
- 2.2 Detached houses and apartment suites for rent were operated by Seastar Properties Company Limited, a subsidiary company, such single homes and residential apartment is located in the same area as golf course of Eastern Star Country Club and Resort.

3. Golf course business:

Golf course business is operated under the name of "Eastern Star Country Club and Resort" by Eastern Star Resort Company Limited, a subsidiary of the Company. It is a 18-hole international standard golf course and designed by Robert Trent Jones, Jr. comprises with club house and restaurant as well as sport club and other activities such as tennis courts, swimming pool, fitness center, artificial sea, and seminar room with other facilities.

Projects of the company and subsidiaries (as of 31 December, 2014)

1) Projects For Sale

No	Projects name	Location	Type of Project	Project's Area (Rai)	Project's Value (Million baht)
1.	Country Home	T. Pala, A. Ban Chang, Rayong	Land Selling	20-2-42.70	98
2.	Sinthavee Garden II	T. Ban Chang, A. Ban-Chang, Rayong	Single House	70-1-67.15	661
3.	Vintage Home Village II	T. Pala, A. Ban Chang, Rayong	Single House	29-1-71	292
4.	Vintage Home Village III	T. Pala, A. Ban Chang, Rayong	Single House	15-0-45	183
5.	Hamlet III	T.Pala, A.Ban-Chang, Rayong	Single House	9-2-53	129
6.	The Star Estate @ Pattanakarn 69	Pattanakarn 69 Pravej, Bangkok	Single House	23-3-30	1,083
7.	The Breeze	ChongNonsri, Yannawa, Bangkok	Condominium	2-1-15.30	1,341
8.	Vantage	Latyao , Jatujak, Bangkok	Condominium	3-0-92	1,101
9.	Star View	Bang khlo , Bang Kho Laem , Bangkok	Condominium	7-0-25	3,816
10.	Nara 9	Sathorn , Bangrak , Bangkok	Condominium	3-0-45.5	2,425

2) Golf Club

No.	Project name	Location	Project 's Area (RAI)	Project's Value (Million baht)
1.	Eastern Star Country Club and Resort	T.Pala, A.Ban Chang, Rayong	409-0-93	500

3) Projects for Rent

No	Projects name	Location	Type of Project	Amount (Unit)	Project's Area (Rai)	Project's Value (Million baht)
1.	Seastar Project	T.Pala A.Ban chang Rayong	Single home Apartment	66 84	57-1-38.80	1,150

Market and Competition

The real estate market posted a slow pace from the end of 2013 to the middle of 2017, dragged down by many negative factors such as prolonged political unrest in the country, rising household debts and under-expected exports. Although the government was reestablished by the National Council for Peace and Order and announced a package of policies to stimulate the economic, but there was no any effect in a short-term and it will take times to improve the consumer confidence until the policies and budget allocation of the government for the fundamental public utilities are more concreted.

In 2015, the real estate sector is expected to better than that of 2014 as the result of improving political stability. In addition, the policies, economic stimulation plan and government budget issues for the fundamental public utilities projects according to the plan will also help improving the environment and consumer confidence. Beside these factors, the low interest rate that doesn't seem to be recover along with the oil price that continuing to plummet in world market are not only beneficial to the overall economic but also to the real estate sector because the consumers can lower their expenses so, they have more purchasing power.

There will be intense competition in the real estate businesses in Bangkok and the perimeters in 2015-2016 especially in the areas near sky train lines. Though there still be demand from consumers continuously but many entrepreneurs launch housing projects simultaneously in the same locations or nearby causing competitions in pricing and qualities. However it's good news for customers to have various choices.

Overall Revenue Structure of Company and Subsidiary companies (2012 - 2014)

Project	Manage by	% Share holding	2014		2013		2012	
			Revenues	%	Revenues	%	Revenues	%
Revenue from the sale of real estates	ESTAR		1,166.21	89.00	1,542.17	93.38	327.93	75.80
Golf course	ESR	81.30	51.45	3.93	49.40	3.00	45.74	10.57
Project for Rent	SEASTAR	99.13	35.22	2.69	33.30	2.03	30.04	6.94
Other revenues	ESTAR,ESR, SEASTAR		57.50	4.38	19.22	1.17	28.93	6.96
Grand Total			1,310.38	100.00	1,644.09	100.00	432.64	100.00

Note:

ESTAR = Eastern Star Real Estate Public Company Limited

ESR = Eastern Star Resort Company Limited

SEASTAR = Seastar Properties Company Limited

Risk Factors

Risk from the company's business policy

Before 2003 the company operates only a real estate business in Ban chang district Rayong province later in 2003 the company has new high potential shareholders and expanded the real estate business in Bangkok that has more potential and reduces real estate market dependence in Ban chang district Rayong province. As the company just started the business in Bangkok especially in condominium projects, the company set the policies to operate the business cautiously. Meanwhile the company wish to receives the acceptance from customers as well as building new customer base which focus on medium-high class customers who have purchasing power for the unit in downtown areas or the areas nearby public transport systems and sky train lines. In addition, the real estate development of each project will take times at least 3 years beginning from finding potential location, building that it's important to select a high quality contractor and delivering product to customer resulting in 2014 the company achieves all accumulated deficit settlement and began to pay dividend for the first time in 20 years. In 2015-2017, the company expects to receive the profits from projects that not yet recognize the revenues in a row and new projects. In 2015, the company expects that its real estate business will grow up more that in 2014 as the infrastructure investment of the government is getting more solid as well as the low interest rate and the coming Asean Economic Community at the end of 2015.

The risk factors in 2015-2017 features rising land prices especially in downtown areas and areas nearby sky train lines that causing higher costs. Moreover, the high household debts in national level will decrease the purchasing power of customers as well as intense workforce problems that result from the government speed up investments, launching more new projects from private companies and ongoing Thai economic slowdown due to the sluggish world economy.

To reduce the fluctuations and risks, the company will operates more carefully and concisely. The possibility analysis of any projects must have worthy return on investment and acceptable risks. In addition, the company has joint venture policy with other high potential companies. The company may buy some project with financial problem but high business potential and worth for investment to reduces the fluctuation in its real estate business and continue to seeks for business that can make revenue as well.

Risk from building house before selling

To receive consumer confidence, the company also set the policies for building house before selling instead of begin the construction just after customer paid deposit even the company have to pay its capital to construct the houses higher as it didn't receive any deposit from customer to turn into working capital during the construction. That's why the company gets risks from completing house construction project but can not sell it in time which would result in its ability to make a profit. Anyway, as the company doesn't has any liquidity problem, so the risk of its ability to make a profit is not a big deal.

However, to prevent losing opportunity to sell the houses that help the company reduce the burden of finished houses to acceptable level, the company will study and research consumer behaviors, demand trends for house, styles and facilities from customers who visit its projects as well as research the overall market to correct advantageous data for analyze the customer needs that will help the company create houses to meet the needs of targeted customers as well as sell and transfer ownership in time. It help the company able to manage the construction appropriate to market demands and sell the houses in time the project's completed or shortly afterwards.

Risks from Rising Construction Costs

The lack of construction workers at the present trends to be worsen in the future as accelerating the infrastructure construction of the government and expanding projects in private sector will lead to workforce scramble in the market that may rising the construction costs. However, the company had made contracts for its projects with the contractors including materials costs and labor costs in wages. These fixed wages contracts help the company controls the costs. Moreover, the company set the policies to partner with major contractor that has the potential to complete the construction projects in time, reducing the risk of fine from delaying deliver house and condominium to customer. The company will leverage its management and expenses controlling capabilities to meet its target.

Shareholders and Management

Shareholders Structure

1. The Company's Securities

Ordinary Shares

As of December 31, 2014, the company has a registered capital of 5,022,246,185.00 Baht, divided into 5,022,246,185.00 ordinary shares with par value of 1.00 Baht each. The registered paid capital is 5,022,246,185.00 Baht divided into 5,022,246,185 ordinary shares.

2. Major Shareholders

Following is the list of the top ten shareholders as of April 11, 2014. The total registered paid capital is 5,022,246,185.00 Baht divided into 5,022,246,185.00 ordinary shares at par value of 1.00 Baht.

No.	Name of Shareholders	No. of Shares	% of Total Share
1.	Bangkok Broadcasting & Television Co., Ltd.*	2,192,260,984	43.65
2.	BBTV Equity Co., Ltd.*	513,000,000	10.21
3.	Sunrise Equity Co., Ltd.*	279,212,609	5.56
4.	Mr.Krit Ratanarak *	131,058,500	2.61
5.	THE BANK OF NEWYORK (NOMINEE)LIMITED	68,200,000	1.36
6.	Mr.Thavee Harnkraivilai	66,100,000	1.32
7.	Thai NVDR Co., Ltd.	50,821,660	1.01
8.	Cyber Venture Co. Ltd	42,923,612	0.85
9.	Star Block Co.,LTD	42,000,000	0.84
10.	Mr.Wirunh Wong-aphisumpo	37,000,000	0.74
	Total	3,422,577,365	68.15

Note:

* Shareholders Sunrise Group consists of

-	Bangkok Broadcasting & Television Co. Ltd.	holds 2,192,260,984 shares or 43.65 percent
-	BBTV Equity Company Limited. (For Rent Property)	holds 513,000,000 shares or 10.21 percent
-	Sunrise Equity Co., Ltd.	holds 279,212,609 shares or 5.56 percent
-	GL Assets Co.,Ltd.	holds 5,746,876 shares or 0.11 percent
-	Mr.Krit Ratanarak	holds 131,058,500 shares or 2.61 percent
	Total	3,121,278,969 shares or 62.14 percent

3. Company and subsidiary company policy on Dividend Payment

The company and subsidiaries will not pay the dividend payments if the financial statements of companies still have deficits or in case of the dividend payments caused retained earnings to become deficits. However, company and subsidiaries implement a policy for dividend payments are as follows:

Company	Dividend payment policy
Eastern Star Real Estate Public Co., Ltd.	At the rate of 50% of annual net profit.
Eastern Star Resort Co., Ltd.	Depending on General Shareholders Meeting approval.
Seastar Properties Co., Ltd.	Depending on General Shareholders Meeting approval.
Eastern Star Lai Sun New World Co., Ltd.	Profit margin after reserve of the company's operation capital. According to the approval of the Board of Directors or in accordance with the law. The remaining amount will be distributed as dividend.

Management Structure

The company's management structure consists of 3 committees: the Board of Directors, Executive Committee, and Audit Committee. The details are as follows:

A) Board of Directors

- **Board of Directors as of December 31, 2014 consists of ten persons as follows:**

1.	Mr. Anand Panyarachun	Chairman and Independent Director
2.	Mr. Veraphan Teepsuwan	Vice Chairman
3.	Mr. Preecha Oonchitti	Independent Director and Chairman of Audit Committee
4.	Mr. Somrit Srithongdee	Independent Director and the Audit Committee
5.	Mrs. Sunanta Tiasuwan	Independent Director and the Audit Committee
6.	Mr. Thaveepol Kongseri ¹	Director and Advisor of the Executive Committee
7.	Mr. Chatchawin Charoen-Rajapark ¹	Chairman of the Executive Committee
8.	Mr. Paiboon Wongjongjaihar ¹	Executive Director
9.	Mr. Ratanachai Phatinavin ¹	Chief Executive Officer
10.	Mr. Titiwut Soukpornchaikul ¹	Executive Director

Note: ¹Authorized directors who can sign to bind the company

- **Scope of Duties of Board of Directors:**

1. To manage the company in compliance with the law, the company's objectives, the Articles of the Association, and the resolutions of the shareholders.
2. To set the company's direction and policies, and monitor the company performance through the appointed Management Committee.
3. To inform the company immediately of a conflict of interest in making any agreements with the company, or acquiring more or less shares or debentures of the company and its affiliate companies.
4. To set up the Board of Directors Meeting at least once every three months and call the meeting by the Chairman. If the Chairman cannot take this role the Vice Chairman will be the caller. If necessary two or more directors may request that the Chairman or authorized person nominated by the Chairman set up a meeting within 14 days from the date of request.
5. To hold the right to collect remuneration from the company in the form of gratuity, attendance fee, pension bonus, or other benefits as stipulated in the Articles of the Association; or the right for consideration by the shareholders who fix the amount and set the criterion periodically as to be effective until changed. Moreover, allowance and welfare as per the company regulations are allowed as well. The above statement is not to alter the rights of the company staff or employee who is appointed as a director to receive the remuneration and benefit when performing the role of company staff or employee.
6. The Board of Directors holds the authority to organize the Executive Committee and to delegate the authority of the Executive Committee and the Managing Director, in order to manage in compliance with the company's policies and objectives.

Management and Authorities Control as of December 31, 2014

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
1	Mr.Anand Panyarachun Chairman and Independent Director	83	Trinity College, (Legal) University of Cambridge B.A. (Honors)	-	none	1992 - present	Chairman	Eastern Star Real Estate PCL.
2	Mr.Veraphan Teepsuwan Vice Chairman Passed training course of Role of the Chairman Program (RCP)	73	M.B.A., Northeastern University, U.S.A. Bachelor of Economics, Boston University, U.S.A.	0.02	none	2003 - present 1999 - present November 2006- present January 2007- present 1983 - present	Vice Chairman Chairman Chairman Chairman Director	Eastern Star Real Estate PCL. Ayudhya Insurance PCL. Siam City Cement PCL. Bank of Ayudhya PCL. Bangkok Broadcasting & T.V. Co., Ltd
3.	Mr.Preecha Oonchitti Independent Director and Chairman of the Audit Committee Passed training course of Director Certification Program (DCP) and Director Accreditation Program (DAP)	69	Bachelor of Economics Thammasat University	-	none	2003 - present 2003 - present	Independent Director and Chairman of the Audit Committee Chairman	Eastern Star Real Estate PCL. Eastern Star Resort Company Limited

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
4	Mr.Somrit Srithongdee Independent Director and Audit Committee Passed training course of Director Certification Program (DCP) Financial Statements for Director (FSD) Role of the Compensation Committee (RCC) Executive Development Program Finance Executive Program - Finex	65	Master Degree in Public Administration, Chulalongkorn University Bachelor Degree in Sociology and Anthropology, Chiangmai University Mini MBA, Thammasat University	-	none	January-March 2010	Senior Consultant Labour Relations	Bank of Ayudhya PCL.
						2010 - present	Director	Matching Maximize Solution PCL.
						August 2010 - September 2012	Chairman	ITBC Business Consultant Group Company Limited
						January 2010 - June 2012	Consultant on Human Resource	Bangkok Broadcasting & Television Company Limited (The Royal Thai Army Television Channel 7)
						2010 - 2014	Chief Executive Officer and Managing Director	HR Professional Consulting and Services Co.,Ltd.
						2014 - present	Chairman	HR Professional Consulting and Services Co.,Ltd.
						February 2015 - present	Chairman and Chairman of the Executive Committee	HR Professional Consulting and Services Co.,Ltd.
						2009 - present	Independent Director and Audit Committee	Eastern Star Real Estate PCL.

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
5	Mrs.Sunanta Tiasuwan Independent Director and Audit Committee Passed training course of Director Certification Program (DCP) and Training from Capital Market Academy Class 11	64	Ordinary National Diploma in Business Studies and Administration University of Westminster (U.K.)	0.03	none	2005 - present	Independent Director and Audit Committee	Eastern Star Real Estate PCL.
6	Mr.Thaveepol Kongseri Chairman of the Executive Committee Passed training course of Director Certification Program (DCP)	73	Bachelor degree in Mechanical Engineering Shizuoka University, Japan	-	none	2007- 2012 2015-present 2003-present 2003-2005/present 1999-present 1999-2006/present 1998-2007/present	Director Director and Advisor of the Executive Committee Director Director/ Chairman Director Director/ Chairman Director /Chairman of the Executive Committee	Siam City Cement PCL. Eastern Star Real Estate PCL. Eastern Star Resort Co., Ltd. Seastar Properties Co., Ltd. Super Assets Co., Ltd. Siam Purimongkol Co., Ltd. Khao Kaew Country Club Co., Ltd.

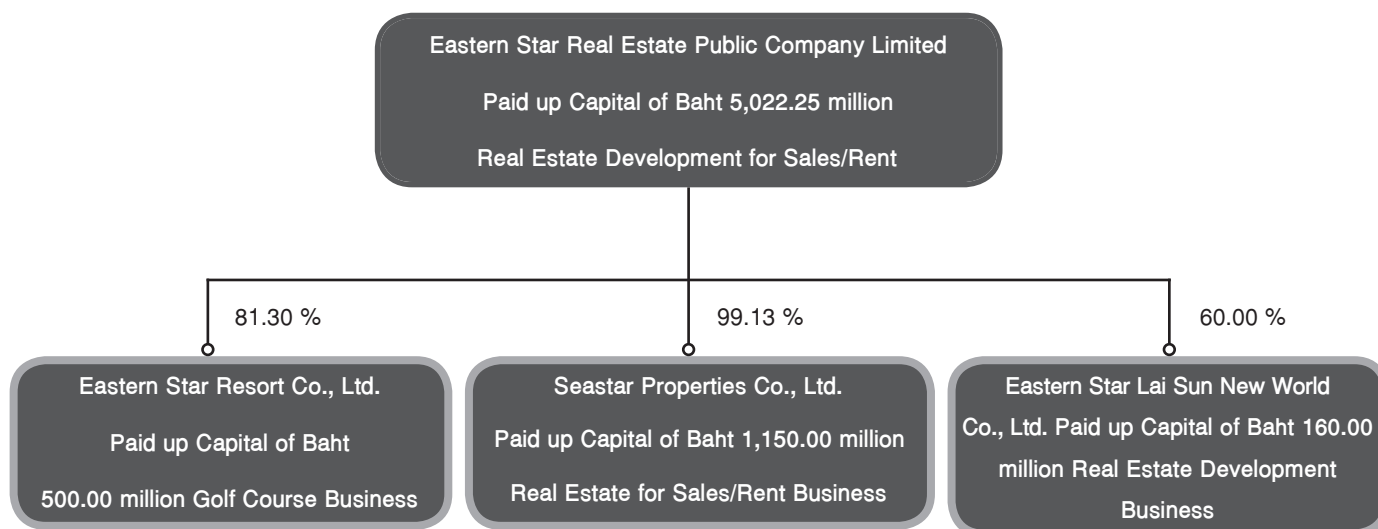
Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years								
						Period	Position	Company						
7	Mr.Chatchawin Charoen-Rajapark Executive Director Passed training course of Director Accreditation Program (DAP) Director Certification Program (DCP) Audit Committee Program (ACP) Role of the Compensation Committee (RCC)	54	Ph.D in Management Massachusetts Institute of Technology	-	none	2014 - 2015	Chairman of the Executive Committee	Eastern Star Real Estate PCL.						
						2005 - 2014	Executive Director	Eastern Star Real Estate PCL.						
						2007- present	Committee member in Policy and strategy committee, and Nomination and remuneration committee,	Thai Insurance PCL.						
							Chairman of Audit committee							
						2005- present	Independent Director, Audit Committee and Chairman of Nomination and Remuneration Managing Director	Ocean Glass Public Company Limited.						
						1998- present	Chief Executive Officer	President Hotel and Tower Co., Ltd.						
						2014- present	Chairman of the Board of Directors	Rajapark Development Co., Ltd.						
						8	Mr.Titiwut Soukpornchaikul Executive Director Passed training course of Director Accreditation Program (DAP) Company Secretary Program (CSP) TLCA Executive Development Program (EDP) Class 6	52	B.A.-Economics, Thammasat University B.A.-Accounting, Sukhothai Thammathirat University M.B.A. Chulalongkorn University	-	none	April 2007- present	Director	Eastern Star Lai Sun New World Co., Ltd.
												2006- present	Executive Director	Eastern Star Real Estate Public Co., Ltd.
												2006- present	Executive Director	Eastern Star Resort Co., Ltd.
2006- present	Director	Super Assets Co., Ltd.												
			2005- present	Executive Director	Khao Kaew Country Club Co., Ltd.									
			2003 - present	Account - Financial Manager	BBTV Equity Co., Ltd.									
			2003 - present	Executive Director	Seastar Properties Co., Ltd.									
			2005 - present	Executive Director	Siam Purimongkol Co., Ltd.									

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
9	Mr.Paiboon Wongjongjaiham Executive Director Passed training course of Director Accreditation Program (DAP)	50	Bachelor of Electrical Engineer King Mongkut's University of Technology North Bangkok	-	none	2010-present	Executive Director	Khao Kaew Country Club Co., Ltd.
						2010-present	Executive Director	Siam Purimongkol Co., Ltd.
						2007- present	Executive Director	Eastern Star Real Estate Public Co., Ltd.
						October 2007-present	Director	Eastern Star Lai Sun New World Co., Ltd.
						2006- present	Executive Director	Seastar Properties Co., Ltd.
						2003- present	Executive Director	Eastern Star Resort Co., Ltd.
10	Mr.Ratanachai Phatinavin Chief Executive office Passed training course of Director Certification Program (DCP)	52	Master of science computer and engineering management (MS-CEM) ABAC	0.03	none	2008- present	Chief Executive officer	Eastern Star Real Estate PCL.
						2005-2007	Director	Industrial Estate Authority of Thailand
						2003-2005	Chairman of the Audit Committee	Raimon Land PCL.
11	Mrs. Allawan Smarnsodtiwong Senior Vice President - Project Development and Design Department	58	Bachelor Architecture Silapakorn University Mini MBA 29 Thammasat University	-	none	2004 - present	Senior Vice President- Project Development and Design Department	Eastern Star Real Estate PCL.
12	Mr. Pongsak Maison Senior Vice President - Legal and Corporate Secretary Passed training course of Company Secretary Program (CSP)	56	Bachelor of Laws Thammasat University	-	none	2014 - present	Senior Vice President - Legal and Corporate Secretary	Eastern Star Real Estate PCL.
						2006 - present	Vice President - Legal and Corporate Secretary	Eastern Star Real Estate PCL.

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
13	Mr. Supphaphong Amrarong Vice President — Accounting, Finance and Information Technology Department	47	MBA Kasetsart University B.A. Accounting Thammasart University	-	none	2006 - present	Vice President - Accounting, Finance and Information Technology Department	Eastern Star Real Estate PCL.
14	Mr. Phisith Tangkawanich Vice President-Personnel and Corporate Affairs Department Passed training course of Director Accreditation Program (DAP) and FN	53	Master Degree in Laws, Ramkhamhaeng University Bachelor of Laws Thammasat University	-	none	2009 - present	Vice President-Personnel and Corporate Affairs Department Director of Operations and	Eastern Star Real Estate PCL.
15	Mr. Akekachai Paiboonphan Vice President Project Development and Construction Department 1	42	Bachelor of Civil Engineering Rajchamangkhal Institute of Technology, Thailand	-	none	July 2013 - present 2011- July 2013 1998 - 2011	Vice President Project Development and Construction Department ¹ Manager Project manager	Eastern Star Real Estate PCL. Up Construction Co., Bouygues-Thai Co., Ltd
16	Mr. Songchai Borisut Vice President - Sales and Customer Service Department	47	Bachelor of Economics Kasetsart University Master of Economics Kasetsart University	-	none	2014- present	Vice President - Sales and Customer Service Department	Eastern Star Real Estate PCL.

Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
16	Mrs.Pichapas Phowattanakul Assistant Vice President — Accounting, Finance and Information Technology Department	50	Bachelor of Financial and Banking Ramkhamheng University	-	none	2006 – present	Assistant Vice President -Accounting, Finance and Information Technology Department	Eastern Star Real Estate PCL.
17.	Miss Puntipa Suktippayaroj Assistant Vice President - Sales and Customer Service	51	Bachelor Degree —General Administration Rajabhat Institute Bansomdejchaopraya	-	none	July 2013-present	Assistant Vice President Sales and Customer Service Department	Eastern Star Real Estate PCL.
						June 2010–June 2013	Assistant Vice President Customer Relationship and Credit Dept.	Sena Development Public Company Limited

Structure Groups of Eastern Star Real Estate Public Company Limited As of 31 December, 2014



Remark : Eastern Star Lai Sun New world Co., Ltd.* 1 Non-commercial operation

B) Executive Committee:

The Executive Committee as of December 31, 2014 consists of:

- | | |
|------------------------------------|-------------------------------------|
| 1. Mr. Chatchawin Charoen-Rajapark | Chairman of the Executive committee |
| 2. Mr. Ratanachai Phatinavin | Chief Executive Officer |
| 3. Mr. Paiboon Wongjongjaiharn | Executive committee |
| 4. Mr. Titiwut Soukpornchaikul | Executive committee |

Scope of Duties of the Executive Committee:

1. To screen the issues to be proposed to the Board of Directors and review the Committee Meeting Report prior to presenting it for approval.
2. To manage the company in accordance with the plan, budget, and policies that the Board of Directors has approved; as well as following up on issues that have been approved by the Board.
3. To consider the approval of various issues within their scope of responsibilities.

Authorities of the Executive Committee:

1. To set up the company's principles, conditions, rules and regulations in various aspects as well as to assign work and authorities to the employee.
2. To give approval or make a decision on the issues which require no approval from the Board of Directors.
3. To give approval or make a decision on urgent issues which cannot be postponed for the Board of Directors meeting approval. In this case, the discussion with the Chairman of the Board, or the Chairman of the Audit Committee is required for screening. After the action has been carried out, it is necessary to be proposed to the Board of Directors for ratification.

4. The Executive Committee has the authority to appoint any executive manager, although not more than two persons, who is not in Executive director to be an associated Executive Committee member

Scope of issues that need the approval of the Board of Directors:

1. The company's direction and policies on planning and the annual budget. The annual budget must consist of profit and loss projections, cash budget, capital budgets, documentation of the number of employees, and the employment plan.
2. The company's property development projects.
3. Management policy, organizational structure, employee welfare, bonus, and annual salary increase plans.
4. The purchasing of land or buildings not included in the approved property development project as mentioned in clause 2.
5. The selling of land or buildings not included in the general business transaction of the company or the company's asset development project.
6. The rental or leasing of land or buildings which exceeds a time period of over three years, or a value of 10 million Baht.
7. The establishment of a loan with any financial institutions, shareholders, or related parties.
8. The increase and decrease of the capital of the subsidiaries or associated companies, as well as the cancellation or merger with these companies. The selling of investment capital of the subsidiaries and associated companies including entering into a joint venture with any company.
9. Litigation or contention with value exceeding 5 million Baht.
10. The matter defined by the law that is must be approved by the Board of Directors.
11. Other matter that the Board of Directors must approve independently.

C) Audit Committee

- The Audit Committee as of December 31, 2014 consists of:
 1. Mr. Preecha Oonchitti Chairman of the Audit Committee
 2. Mr. Somrit Srithongdee Audit Committee
 3. Mrs. Sununta Tiasuwan Audit Committee

Scope of authorities of the Audit Committee:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate and also to review the unusual items, the important accounting policy and the auditor's adjustment transactions.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient.
3. To review the Company's compliance with laws on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.

4. To consider, select, and nominate the Company's auditor, and to propose the auditing fee by considering the auditors' independence e.g. reviewing the other services provided to the Company by the audit firm, the rotation of the auditors, etc.
5. To review with the auditor the material matters which may affect the reliability of the financial statement e.g. issues or conflicts the auditor may face in performing his duty, differences of opinion between the auditor and the management, the efficiency of internal control systems, and some weak point which occurred during this period and may continue in the next period, etc.
6. To attend a non-management meeting with an auditor at least once a year and to attend a non - management meeting with the head of compliance and internal audit department at least once a year.
7. To review the risk level and risk assessment method of the internal auditor and to assess the awareness of the Board of Directors and the management with regard to significant risk and operational risk.
8. To consider and ensure the accuracy and completeness of the disclosure of information of the Company in the case of the Connected Transactions, or the transactions that may lead to conflicts of interests and to provide an opinion to the Board of Directors regarding the connected transaction or the transaction that may entail a potential conflict of interest before entering into such a transaction, according to the rules and regulations of the SET and SEC.
9. To review and acknowledge the Company's compliance with the business code of conduct, ethics and corporate governance.
10. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - 10.1 an opinion on the accuracy, completeness and creditability of the Company's financial report.
 - 10.2 an opinion on the adequacy of the Company's internal control system.
 - 10.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - 10.4 an opinion on the suitability of an auditor.
 - 10.5 an opinion on the transactions that may lead to conflicts of interests.
 - 10.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member.
 - 10.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - 10.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
11. To review and approve the Charter of the internal audit it at least once a year.
12. To consider and approve the annual internal audit plan and prioritize it according to risk level. To review the internal audit report and consider with the management the Company's weak points or failings and get responses from management.

13. To approve the appointment, transfer and dismissal of the head of compliance and internal audit department, as well as to determine the independence of such function.
14. The Audit Committee has the right to hire the outsources of professionals to help audit when necessary.
15. If the Board of Directors or the management unreasonably ignores the recommendations made in the Audit Committee's report or the committee is suspicious of a transaction that might have a material impact on the financial condition or operational results of the company, the Audit Committee will report such finding to the Office of Securities and Exchange Commission or the SET.
16. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

D) The Company's independent director as at 31 December 2014 consists of:

- | | | |
|----|------------------------|---------------------------------|
| 1. | Mr. Anand Panyarachun | Chairman |
| 2. | Mr. Preecha Oonchitti | Chairman of the Audit Committee |
| 3. | Mr. Somrit Srithongdee | Audit Committee |
| 4. | Mrs. Sununta Tiasuwan | Audit Committee |

Regulation on the Qualification of "Independent Director" according to Notification of Capital Market Supervisory means a director who has the following qualifications:

1. Holds shares not excess 1 percent of issued shares with voting rights of the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant. For this purpose, shares held by related person of such independent director shall also be included.
2. The independent director must not be or does not use to be a director who takes part in management, an employee, an officer, an advisor who receives regular monthly salary, or a person who has control power over the applicant, parent company, subsidiary company, associated company, subsidiary company on the same level, major shareholder, or person with control power over the applicant; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board. However, such prohibited characters shall not include in case that an independent director used to be a government officer or an advisor of government agency who is a major shareholder or has control power over the applicant.
3. The independent director must not be a person who has relationship by cognate or by legally registration in form of parents, spouse, relatives, and child including child's spouse of director, major shareholder, person who has control power, or person who would be nominated as management or person with control power over the applicant or subsidiary company.
4. Does not have or use to have business relationship with the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant in the manner that would obstruct the exercise of his independent consideration; and is not or does not use to be shareholder with significant shareholding, person with control power over person who has business relationship with the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board. The

relationship mentioned above shall include regular business transactions for rent to rent out real estates, any transactions related to assets, services, provision or receipt of financial supports in form of taking or granting loan, guarantee, pledging of assets as liability collaterals, including other similar forms or actions that make the applicant or counterparty have liability obligation to make settlement to the other party at the amount of 3 percent of net tangible assets of the applicant or 20 Million Baht or over, depends on which amount is lower. For this purpose, the calculation of the aforementioned liability obligation shall be in accordance with the method used for the calculation of related transactions according to the Notification of Capital Market Supervisory Board Re: Regulations on the Undertaking or Related Transactions by adaptation. However, in considering such liability obligation, liability obligation incurred during the past one year before the date that business relationship with the same person arises shall also be included.

5. The independent director must not be or does not use to be an external auditor of the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant; and is not or a shareholder with significant shareholding, a person with control power, or a partner of audit firm of external auditor of the applicant and of parent company, subsidiary company, associated company, major shareholder, or person with control power where the applicant is a member; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.
6. The independent director must not be or does not use to be any professional service provider including services on legal consultant or financial consultant who receives service fee more than 2,000,000 Baht per annum from the applicant, parent company, subsidiary company, associated company, major shareholder, person who has control power over the applicant; and is not a shareholder with significant shareholding, a person who has control power, or a partner of such professional service provider; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.
7. The independent director must not be a director who is appointed to be representative of the director of applicant, major shareholder, or shareholder who is a related person to such major shareholder.
8. Do not undertake business with similar nature or business that has significant competition with the applicant or subsidiary company, or is not a significant partner in partnership or a director who takes part in management, an employee, an officer, an advisor who receives regular monthly salary, or a person who holds shares more than 1 percent of issued shares with voting rights of other companies that undertake business with similar nature and with significant competition with business of the applicant or subsidiary company
 - A. Business relationship or professional service provision that makes such person unqualified according to the regulations prescribed.
 - B. Reason and necessity for the appointment of such person as independent director.
 - C. Opinion of the Board of Directors of the applicant in proposing to appoint such person as independent director.

In the purpose under Clause 5 and 6, “partner” means a person who is assigned from an audit firm or a professional service provider to be a signatory in audit report or professional service providing report (as the case may be) on behalf of such juristic person.

However, if the Capital Market Supervisory Board announces any change about the qualifications of the company’s independent committee, it means that the committee must meet all the requirements.

E) The Company's secretary

The Company's secretary as at 31 December 2014 was Mr. Pongsak Maision. The responsibilities are to provide suggestions regarding laws and regulations that the committee have to know as well as to arrange and facilitate meetings of directors and shareholders to ensure efficiency.

F) The company's management as of December 31, 2014 :

1. Mr. Ratanachai Phatinavin Chief Executive Officer
2. Mrs. Allawan Smarnsodtiwong Senior Vice President-Project Development and Design Department
3. Mr. Pongsak Maision Senior Vice President-Legal and Corporate Secretary
4. Mr. Suphaphong Amrarong Vice President-Accounting, Finance and Information Technology Department
5. Mr. Phisith Tangkawanich Vice President-Personnel and Corporate Affairs Department
6. Mr. Ekachai Paiboonphan Vice President Project Development and Construction Department 1
7. Mr. Songchai Vice President Sale and Customer Service Department
8. Mrs. Pichapas Phowattanakul Assistant Vice President-Accounting, Finance and Information Technology Department
9. Miss Puntipa Suktipayaroj Assistant Vice President of Sale and Customer Service Department

- **The Scope of authorities and accountability of the Managing Director:**

1. To undertake, manage, and operate routine business for the company's benefit. To comply with the company's objectives and the Articles of the Association including: regulations, resolutions, policies, action plans, and budgets as assigned by the Board of Directors.
2. Managing director has authority to perform any actions that are in normal business practice with the approval power as prescribed in table of authority stipulated by the Company. In case that managing director engages in any actions with the value exceeding the authorized scope, managing director shall grant approval from management committee and /or board of directors before undertaking such actions.
3. To propose approval by the Management Committee for any investments or developments not included in the annual policies. The scope of the Managing Directors excludes operations concerning the Connected Transaction or Assets Acquisition and Disposition of the company's assets dictated by the SET's regulations.

Committee and Management Nomination

1. Board of Directors Nomination

The Board of Directors shall consist of no more than 12 persons; currently there are nine directors of the total 10 seats who have been approved by the shareholders. The company has no Nomination Committee to recruit the directors, and does not exercise cumulative voting where a shareholder can divide his vote to appoint the directors, as stipulated in Section 70 of the Public Company Limited Act. The appointment of the directors is decided by the majority of existing votes of shareholders present in the meeting. In order to nominate directors the shareholders may elect one or more directors to gather a committee, or use other measures subject to the discretion of the shareholders. Each shareholder is allowed one vote per share and they may not divide their vote.

2. The Audit Committee Nomination

The Audit Committee consists of one Chairman of Audit Committee member, and at least two but not more than four Audit Committee directors. The company passed a resolution at the Board of Directors Meeting No.3/2013 on March 28, 2013 resolving to establish an Audit Committee consisting of:

- (1) Mr. Preecha Oonchitti Chairman of the Audit Committee
- (2) Mr. Somrit Srithongdee Audit Committee
- (3) Mrs. Sununta Tiasuwan Audit Committee

They are the directors who do not partake in the management according to the regulations and conditions of Stock Exchange of Thailand. The term of such directors is 2 years since 12 May 2013 onwards. When the term is end, the directors may be reelected to be in the position again.

3. Director and Management Remuneration

Management Remuneration for the year 2014 follows:

- Total remuneration of the 10 directors (including resigned directors) within the year 2014 equaled 5,610,000.00 Baht.
- Total remuneration of the 15 members of the management team (including salary and provident funds) within the year 2014 equaled 28,941,202 Baht.

Detail of management remuneration for the year 2014

Directors	Position	Office Period	No. of Participation	Remuneration amount (Baht)
1.Mr. Anand Panyarachun	Chairman	1992 - present	5/5	1,440,000.00
2. Mr. Veraphan Teepsuwan	Vice Chairman	1 April 2003 - present	5/5	480,000.00
3. Mr. Preecha Oonchitti	Independent Director and Chairman of Audit Committee	1 April 2003 - present	5/5	600,000.00
4.Mr. Somrit Srithongdee	Audit Committee	26 February 2009 - present	5/5	480,000.00
5. Mrs.Sunanta Tiasuwan	Audit Committee	16 February 2005 - Present	5/5	480,000.00
6. Mr. Thaveepol Kongseri	Director and Advisor of the Executive Committee	16 February 2005 - Present	4/5	600,000.00
7. Mr. Chatchawin Charoen-Rajapark	Chairman of the Executive Director	7 March 2005 — Present	5/5	570,000.00
8. Mr. Titiwut Soukpornchaikul	Executive Director	16 November 2006 - Present	5/5	480,000.00
9. Mr. Paiboon Wongjongjaiharn	Executive Director	26 April 2007- Present	5/5	480,000.00
10. Mr. Ratanachai Phatinavin	Executive Director	3 March 2008-Present	5/5	-
Total				5,610,000.00

4. Inside Information Usage Control

The Company requires executives to report any conflicts of interest, especially when internal information was used for personal interest. The Company also requires executives to report changes in their company's shareholding at the Board of Directors Meeting. The Company informed all executives of the regulations of the Securities & Exchange Commission (SEC), and Stock Exchange of Thailand (SET), as well as the penalties for violation of these regulations.

5. Internal Control

It is the company's intention that the internal control system shall proceed to The Board of Directors, and be assigned to the Audit Committee's assessment of inspection of the internal control system. The internal control system maintains appropriate and sufficient efficiency of business operations. In addition to being used resourcefully, the properties maintain protection of erroneous reduction, damages, and dishonesty. The accounting system and the financial report are both convinced and correct, and follow practice with the regulations and laws related to business operations.

In 2014 the Audit Committee evaluated the internal control system, in order to interrogate and review the significance for administration. This summary illustrates the company's internal control system, which consists of the following divisions: organization, environment, risk management, management control activities, information and communication measures, and monitoring systems, which maintain that the company has sufficient operation

control procedures. The details are as follows:

(1.) Control Environment

The company encourages the environment factor in order to sustain a sufficient organizational structure in accordance with internal control. The internal control system is divided into departments who are responsible for their own sectors. The internal control system is utilized for the purpose of inspection of operations. The major departments create a performance handbook in order to adjust insignificant jobs sufficiently, and reduce work redundancy. All departments are required to follow the same standards. The company reports business performance each year in categories such as: economics, market, and competition in order to maintain a high standard. Control environment appropriately influences the efficiency of internal control.

(2.) Risk Management

As a means of risk Assessment the company has analyzed and evaluated all risk factors of both internal and external causes, which may influence the business operations. Through the evaluated risk process the company follows a successful objective. The existence of any risk in the evaluation consistent of general indoctrination will be managed in an effective matter. Furthermore, if any risk is found, the Executive Committee will be informed at once.

(3.) Management Control Activities

The company's internal control activities are aimed at stipulating control when necessary through appropriate policy. The internal control activities such as: environment control, regulations, procedures, commands, and manual operation are clearly stated and specific to each activity. The established and related the audit committee the activities under the inspection of the Board of Directors. The related committees perform operations within the scope of their authority and responsibilities as assigned by The Board of Directors.

(4.) Internal Information and Communication

The company is required to communicate information concerning the operation system through financial reports and follow-ups on policies and regulations. The company collects and prepares information data from outside sources. The company proposes any sufficient or relevant information to the appropriate business and the executive management.

(5.) Monitoring and Evaluation System

The company's internal control operates efficiently and sufficiently to support the objectives of the business operation, and maintains ongoing monitoring and evaluation of the internal control department. In the year 2014, the company held 5 meetings with the Director Committee and the Executive Conference almost every month, in order to monitor the internal control process and operate successfully.

Good Corporate Governance

Policy on Corporate Governance

The Board realizes the importance of good corporate governance to effective performance. This is a stepping stone to success and sustainable growth. So that the company has set the following policy on corporate governance:

- Equitable and credible treatment to the stakeholders.
- The member of the Board of Directors determine to perform their duties at their best efforts for the benefit of the company. Their performance reflect leadership and management control. The Board of Directors also monitors to prevent conflict of interest.
- The Company sets ethics for the members of the board and employees to practice.
- Operation will be transparent and able to be audited. The internal control system is in place to deal with risks

There is an internal auditor to assure that the management efficiently perform under the policies of the company.

Shareholders' rights and Shareholder Meeting

The Company has a policy to disclose all information for the consideration in the Shareholder meeting. The company held one shareholder meeting, the Ordinary General Meeting of Shareholders. The meeting was convened at a hotel located in Bangkok where the public transportation system is available for the shareholders' convenience to join the meeting. The company sent an invitation letter enclosed with information of each agenda to shareholders at least 7 days before the meeting. Each agenda has the board's opinion. The Company let shareholders register at least 1 hour before the meeting. The Chairman of the Board who chaired the meeting gave opportunities to shareholders to express their questions, opinion, and suggestions freely. Besides, the Company gave shareholders an alternative to authorize an independent director as their proxy to join the meeting.

Rights of Stakeholders

The Company realized importance of stakeholders. No matter they are internal stakeholders : employees, executives and board or external stakeholders: shareholders, customers, partners, creditors, competitors and public sectors because they all encourage the company to increase competitiveness and profit. The Company will follow provision of laws and related regulations in order to protect their rights.

The Board

The Board as of December 31, 2014 there were 10 directors consisting of

- 4 executive directors
- 2 non - executive directors
- 4 Independent directors (This is 40 % of all board members)

Chairman and Managing Director are not the same person. This leads to transparency, especially in supervision and daily work, because they have separate responsibilities. Conflict of interest or Managing Director's

monopolization will not happen easily because of the balance of power. Moreover, this enables Chairman to make a better independent decision for the highest benefit of company and shareholders.

The Board has involved in making decision and setting company's vision, mission, policy, goal, business plan and budget. The board has supervised the management to act in accordance with the business and budget plans. The board assigned the management to set up internal control system and to fix its authorities. The board always follow up the management operation and internal control system at the Board of Directors Meeting.

The Board holds a meeting every quarter. If necessary, an ad hoc meeting will be held with the exact date and agenda. Documents will be submitted to the board at least 5 days ahead to give the board time for consideration. In 2014, the board held 5 meetings. The participation of each director is mentioned in Directors remuneration. as in Clause 3

The minutes of the Board of Directors Meeting is prepared and kept in file approval. They are available for the board and related people to audit.

The board realizes importance of accurate and credible financial report. The board makes a report on its responsibility for financial statements. It covers important factors in line with the Code of Best Practices for Directors of Listed Company suggested by the Stock Exchange of Thailand. This is stated in the 2014 Annual Report.

Conflict of Interest

The Company launched written principles of good corporate governance under the topic of the conflict of interest and stock trading in an effort to prevent conflict of interest.

Business Ethics

The board launched employees' ethics for their guidance of practices. The way employees treat the company and stakeholder should be honest, fair and transparent. Employees signed to acknowledge and agree to adopt them. The Company will monitor whether they behave or not to encourage the good corporate governance.

Director and Management Remuneration

The Company's board of director will allocate the remuneration for directors that are approved in the ordinary shareholders' meeting 1/2014 dated 29, April 2014 which are not more than 6.5 million baht per year. In 2014, the company has paid totally 5,610,000 baht to the board of directors. And for the management team, their remunerations will depend on the company's operation results and performance of each management. Each management's remuneration will be approved by the company's executive board and / or board of directors.

Controlling System and Internal Audit

The board realizes importance of internal control system particularly in finance and operation. The company has an internal auditor to audit employees' operation. This is to ensure that main duties, financial activities, legal compliance and company's requirements have been practiced effectively. The internal auditor is granted with independence to audit.

The internal auditor reports directly to the Audit Committee who then reports directly to the Board of Directors. The board will inform the management to practice and improve.

According to the 2014 internal audit reports, the Company had the policy to keep the information as well as the document form regarding the company's asset in the standard way. This is to ensure that the use of asset is in compliance with the company's principles and in such a way that maximize the company's interest. Apart from the mentioned policy, significant defects were not found. There was only daily work's error which was solved at times.

Risk Management

The Company has not had Risk Management Committee. However, it has analyzed risks and laid preventive measures in order to minimize the risk. The details are stated in topic of Clause 5 (2) Risk Management Measure.

Investors Relation

The Board realizes that either financial or non-financial information of the company has effect on investors and the stakeholder's decision making. Thus, the management has to reveal all accurate, credible and up-to-date information. The management always follows this rules strictly. For investor relationship, the Company has not had a particular unit because there are not many activities. In practices, CEO and Executive Director will contact investors, shareholders and analyst. For information, investors can contact at telephone no. 0-2263-1010 or email address: estar@estarpcl.com

Inter - Related Transactions

In the year 2014, the Company did not have any related transactions with major shareholders, directors, and management of the Company except for those disclosed in financial statements of the year 2014.

Policy and direction on inter - related transaction management

In the future, the company has no policy to enter into any inter - related transaction. If there are necessarily related transactions needed to operate for the company benefit, the Company will consider them circumspectly and ensure that they will cost the same value and condition with others. The Company will appoint the outside experts to present independent opinion on the fair price in compliance with the procedure of SEC and SET's regulatory principles, methodology in the disclosure of connected transaction as well as rules and regulations of related law and will take the company benefits as a priority. In addition, the Audit Committee will be responsible for following up the inter-related transaction and take action in line with related rules and regulations. mostly backed by salary adjustment for its officers and increase in the number of workforce.

Discussion and Analysis of Finance and Overall

A) Overall Operation

Overall Operation

The company and its subsidiaries have net profit after taxes 278.58 million baht increasing 130.54 million baht or 88.18% from 148.04 million baht of 2013 backed by:

- In 2014, the company and its subsidiaries earned gross profit 408.49 million baht, up 32.60% of total revenue which decreased by 138.12 million baht from 2013 or 25.27% because of the total revenue from operations of the group of companies reduced by 333.71 million baht from 2013 or 20.30% as in 2013 there were transferring the ownership of condominium in Bangkok so the number of ownership transfer reducing the number of condominium available for transfer in 2014 that cause decreasing in revenue recognition of 2014.
- The selling expenses decreased by 66.10 million baht from 2013 or 39% which is fluctuated by reducing sale revenues and the expenses of management increased by 3.44 million baht from 2013 or 1.91% mostly backed by salary adjustment for its officers and increase in the number of workforce.
- The company revaluated land prices and found that current prices are higher than the prices in company's impairment record for expenses in 2014. The company has to transfer loss of land prices devaluation to reflect the prices in approximate value of current market prices at 171.31 million baht using prices from independent price assessor.

The company has balance loan 960.10 million baht, expected to settle in 2015. In 2014, the company's debts to equity ratio was grow up 0.46 times indicates that the company has a solid financial statement.

In 2014, the company cleared all accumulated deficit (Separate Financial Statements) and began to pay dividends for first time in 20 years. It's expected that in 2015-2017, the company will pay dividends continuously in next 3 years as it receives the profits from project selling value in the present such as Star View, Nara 9, Amber and house projects in Rayong province.

Revenue from Sale and Services

At present the company and its subsidiaries have revenues of sale, lease and services from 3 businesses including revenue generated from real estate development for sale and lease businesses as well as golf course business which creates total revenue of 1,252.88 million baht, down 371.99 million baht from 2013 or 22.89%. Most of revenues come from revenue recognition of building, condominium and house with land sales value at 1,166.21 million baht or 93.08% of the total revenue, the real estate leasing business of Seastar Properties Company Limited., created revenue of 35.22 million baht or 2.81% of the total revenue and the Eastern Star Resort Co., Ltd.'s golf course business generated revenue of 51.45 million baht or 4.11% of the total revenue.

Revenue from selling houses with land and condominiums in 2014 values 1,166.37 million baht, decreasing 375.80 million baht or 24.37%, compare with the revenue of 1,542.17 million baht in 2013, from transferring condominium ownership in Bangkok and Rayong province. The summarized details of sales classified by area are as follows:

Summarized sales data classified by areas	2014			2013		
	Bangkok	Rayong	Total	Bangkok	Rayong	Total
Revenue from selling house and land	80.37	185.73	266.10	14.60	141.37	155.97
Revenue from selling condominium	900.27	-	900.27	1,386.20	-	1,386.20
Total revenue	980.64	185.73	1,166.37	1,400.80	141.37	1,542.17

Revenue from real estate leasing business in values 35.22 million baht and 33.30 million baht in 2013 showing increase of 1.92 million baht or 5.77% due to the customers rent houses and apartments for long-term as well as a number of customers use more the short-term room services than the last year.

Revenue from golf course business in 2014 values 51.45 million baht, increased by 2.05 million baht from 2013 or 4.15% as result of golf course renovation lead to an increasing number of customers as well as revenues from other services such as golf cart rental, golf course membership, bar, artificial sea and etc.

Cost of Sales and Services

In 2014, the company and its subsidiaries have costs of selling real estates as well as leasing and services value 844.39 million baht, decreased by 233.87 million baht from 2013 or 21.69% of cost of sales. Costs of sales in 2014 consist of:

- Costs from selling houses with land and condominiums value 786.08 million baht, decreased by 233.09 million baht from 2013 or 22.87% which fluctuated by decreasing sale revenues.
- Costs of real estate leasing business value 18.55 million baht, down 2.00 million baht or 9.73% as there were costs of improving houses and apartments in 2013 but in 2014 there was only general maintenance cost.
- Costs of golf course business value 39.76 million baht, increased by 1.21 million baht or 3.14% as increasing in the number of customers using golf course and sport services adding costs of services such as rising cost of utilities.

Other Revenues

Other revenues by selling non-development lands in Bangkok and Rayong province for 2014 value 57.51 million baht, up 38.29 million baht from 2013 or 199.22 million baht.

Selling Expenses

In 2014, the selling expenses value 103.36 million baht, reduced by 66.10 million baht from 2013 or 39% which fluctuated by decreasing in selling revenue generated from expenses of sale promotions after ownership transfers to customer including ownership transferring fee and specific business tax from the ownership transfers in 2014.

Administrative Expenses

In 2014, the administrative expenses value 183.42 million baht, increased by 3.44 million baht or 1.91%, mostly backed by salaries adjustment and bonus payment for its workforce because of the company earns net profit and general administrative expenses such as costs of utilities.

Reversal of Loss from impairment of assets/Loss from impairment of assets

In 2014 and 2013, the company reviewed the expected values revers from assets such as land for future development and real estate for investment. The company engaged an independent assessor to evaluate these assets prices and found that the estimated prices of new assets in 2014 were higher than current prices in according to the statement. Then the company reversed loss from impairment of assets, used to recognized loss in the past, value of 171.32 million baht. In 2013, the company's reversal of loss from impairment was 14.80 million baht and some assets got lower estimated price than the price according to its statement leading to loss from impairment of assets value at 12.25 million baht but there was no loss from impairment of assets in 2014.

Financial Expenses

The interest expenses in 2014 value at 9.34 million baht, decreased by 18.45 million baht or 66.39% from the value of 27.79 million baht in 2013. The company took on a loan from commercial bank to use for the company's project operations. The company settled all principal of the loan resulting in reducing interest expenses.

Income Tax Expenses

In 2014, the company earned profit before income tax expenses 341.19 million baht, increased by 150.04 million baht from 2013. In 2014, the company's income tax expenses value 62.61 million baht, increased by 19.50 million baht. The income tax expenses generated by reversing temporary different entries of deferred income tax assets and deferred income tax debts between accounting principle and tax principle.

Comprehensive Profit (Loss)

In 2014, the company and its subsidiaries earned comprehensive profit 278.58 million baht, increased by 130.54 million baht or 88.18% from 2013. Although there was lower sale revenue in 2014 but the reversing entries of loss from assets impairment was higher than those in 2013.

B) Financial Statement

The Compositions of Assets

As of December 31, 2014, the company and its subsidiaries have total assets of 6,794.11 million baht, increased by 884.05 million baht or 14.96% from December 31, 2013 mostly backed by real estate development costs and merchandise inventory which is the record that the company mainly used in operation resulting in higher costs of development and merchandise inventory value. The important details of the company's assets transform are as follows:

- Cash and cash equivalents as of December 31, 2014, were 49.60 million baht, decreased by 87.07 million baht or 63.71% from December 31, 2013 resulting from using cash for construction development mostly, didn't take the project loan, and general operations in 2014.
- The temporary capital as of December 31, 2014 values 167.39 million baht, increased by 156.15 million baht or 1,389.23% from December 31, 2013 resulting from the company invested in the unit trust in 2014.
- The accounts receivable and other debtors as of December 31, 2014 value 4.60 million baht, decreased by 7.34 million baht or 61.47% from 11.94 million baht as of December 31, 2013 resulting from a major debtor was in arrears in 2013 who settled the debts in early 2014.
- The costs of real estate development and merchandise inventory as of December 31, 2014 value 3,623.99 million baht, up 1,007.99 million baht or 38.53% from December 31, 2013 as mainly due to continuously launching the project constructions from the last year leading to higher construction values separated into 3,370.92 million baht of the real estate development costs and 249.81 million baht of merchandise inventory.
- The advance payments of constructions as of December 31, 2014 value 75.93 million baht, decreased by 97.75 million baht or 56.28% from 31 December 2013 due to reducing in advance payments of construction costs when the constructions were completed.
- The total real estate for investment costs as of December 31, 2014 value 1,298.03 million baht, up 600.56 million baht or 86.11% from December 31, 2013 generated by transferring lands and non-development lands in Bangkok and Rayong province into the real estate for investment in 2014.
- The deferred income tax assets as of December 31, 2014 value 26.63 million baht, decreased by 50.15 million baht or 65.32% from December 31, 2013 due to the company earned operating profits in 2014 and use accumulated deficit in tax that was set into deferred income tax assets in the past to be an income tax expenses for 2014.
- The total costs of lands and non-development lands as of December 31, 2014 value 1,086.19 million baht, decreased by 645.09 million baht or 37.29% from December 31, 2013 due to transferring lands into the real estate for investment and capitals of real estate development for the projects development for sale.

The Compositions of Debts and Equities

As of December 31, 2014, the company and its subsidiaries' total debts were 2,124.91 million baht, increased by 605.48 million baht or 39.85% from December 31, 2013. The details of the company and its subsidiaries' important debts transfer are as follows:

- The costs of trade account payable and other creditors as of December 31, 2014 value 170.18 million baht, increased by 35.83 million baht or 26.67% from December 31, 2013 due to rising in the number of constructions and projects developments in Bangkok and Banchang.
- The long-term loans with 1 year maturity as of December 31, 2014 value 960.10 million baht, increased by 957.72 million baht or 40,240.34% from December 31, 2013. The company took on loans from commercial banks in the country to use for its projects constructions. The company repays almost of the loans and expected to settle the loans of 957.72 million baht in 2015 backed by condominiums transfers.
- The advance payments from customers as of December 31, 2014 value 739.32 million baht, increased by 115.68 million baht or 18.55% from December 31, 2013 due to the company received the advance payments from non-owner transfer ring customers resulting from rising sales of houses with land and condominiums.
- The accrued expenses as of December 31, 2014 value 36.50 million baht, decreased by 35.56 million baht from December 31, 2013 mainly due to reducing costs of accrued projects and accrued sale promoting expenses for condominiums transferring ownership in 2014.
- The total long-term loans with 1 year maturity decreased 547.10 million baht from 31 December 2013 due to the assortment into long-term loans with 1 year maturity, there's no total long-term loan with 1 year maturity in 2014.
- The construction marginal deposits as of December 31, 2014 value 150.14 million baht, increased by 70.93 million baht from December 31, 2013 due to the company debited a sum of retention money from contractors and there were new condominium construction projects in 2014 causing higher construction costs retention.

As of December 31, 2014, the company and its subsidiaries have shareholders' equities value 4,669.20 million baht, increased by 278.58 million baht from December 31, 2013 resulting from the company gained profits of 278.58 million baht in 2014 and increase in reserved appropriation according to the law 8.80 million baht in 2014 reducing the accumulated deficits by 270.94 million baht from December 31, 2013 and decreased its non-controlling shareholders' equities by 1.16 million baht

C) Liquidity

Cash flow

In 2014, the company and its subsidiaries's cashes decreasing from operating, investment and funding activities value 87.07 million baht, down 14.22 million baht from 2013 as the result of:

- The total cash flow from (used in) the operating activities in 2014 consists of 328.82 million baht of total cash used in operating activities, decreased by 435.50 million baht from 2013 due to the company's cash from ownership transfers in 2014 was lower but increased in real estate project development costs leading to used total cash flow.
- The total cash flow from (used in) investment activities in 2014 consists of used cash flows of 168.87 million baht, decreased by 588.57 million baht from 2013 as the company's investing in non-development land purchasing in 2013 but not for 2014. In 2014, the company traded unit trusts at the total value of 167 million baht but there's no unit trust traded in 2013 by the company. The total cash flow from (used in) investment activities in 2013 and 2014 areas follows:

(Unit: million baht)

Investment Activities Lists	Year 2014	Year 2013
Fixed deposit	11.20	(0.40)
Total unit trust purchasing	(167.00)	-
Land and land for future development purchasing	(3.78)	(747.79)
Land, building and equipment purchasing	(36.03)	(7.75)
Purchasing real estate for investment	(5.13)	(2.16)
Cash from selling real estate for investment and land for future development	30.62	-
Cash from selling equipment	1.25	0.66
Total cash flow from (used in)	(168.87)	(757.44)

- The total cash flow from funding activities in 2014 values 410.62 million baht, decreased by 138.86 million baht from 2013 due to the company took lower long-term loans to use for its condominiums constructions in Bangkok.

Liquidity Ratio

The liquidity ratio as of December 31, 2014, the company and its subsidiaries had current assets 3,926.50 million baht and total current liabilities of 1,941.27 million baht increasing liquidity ratio 2.02 times higher, decreased by 1.42 times from 2013 but the company's liquidity is in a good level. It has agility to settle debts. In 2014, the company's current assets increased by 970.82 million baht backed by increasing capital of real estate development and its merchandise inventory increased by 1,007.99 million baht resulting from continuing projects development. The company's advance payments of construction costs reduced by 97.75 million baht. Using cash balance for temporary investment increased by 69.08 million baht, the total current liabilities increased by 1,077.62 million baht due to the trade account payable and other creditors were increased by 35.83 million baht, the long-term loans with 1 year maturity increased by 957.72 million baht, the advance payments from customers increased by 115.68 million baht and the accrued expenses decreased by 36.21 million baht.

The Capital Structure

The debt to equity ratio as of December 31, 2014 equals to 0.46 times, increased by 0.11 times from due to the total debts in 2014 increased by 605.48 million baht backed by the company's long-term loans that increased by 410.62 million baht from 2013 which its maturity is in 2015.

Remuneration for auditor

The Company and its subsidiaries paid remuneration on the account audit (audit fee) and other services (non-audit fee) to SAM NAK-NGAN EY Company Limited (its previous name — Ernst and Young Company Limited) for the accounting period of 2014, as the followings;

Company	(audit fee)	(non-audit fee)
Eastern Star Real Estate Public Company Limited	880,000.-Baht	15,172.- Baht
Eastern Star Resort Company Limited	180,000.-Baht	13,202.-Baht
Seastar Properties Company Limited	210,000.-Baht	10,892.- Bath
Eastern Star-Lai San New World Company Limited	30,000.-Baht	-
Total	1,300,000.-Baht	39,266.-Baht

The Board of Directors Responsibility

For Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and related financial information included in this annual report. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Thailand and necessarily include certain amounts that are based on management's appropriate estimates and judgements.

The consolidated financial statements were audited by Ms. Gingkarn Atsawarangsarit of EY Office Limited an auditor accepted by the Securities and Exchange Commission was given access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and other committees. The company believes that all representations made to the auditor during her audits were valid and appropriate.

The Board of Directors also assigns the management to establish and maintain efficient internal control systems in order to reasonably believe that the financial and accounting data for the financial statements preparation is sufficient and accurate. The internal control is continually reviewed for its effectiveness to maintain the company assets and prevent frauds in operations. To be assured that the financial statements are reliable, accurate and completed, the Board of Directors has designated the Audit Committee whose members are non-executive from the management to monitor and review the financial statements including the company's internal control systems. The Committee meets with representative of management, the auditor and the internal auditor to discuss financing reporting, accounting and internal control matters.

The Board of Directors is satisfied with the overview of internal control systems and trusts that the consolidated financial statements for the period ended 31 December 2014 is fair and reliable.

Independent Auditor's Report

To the Shareholders of Eastern Star Real Estate Public Company Limited

I have audited the accompanying consolidated financial statements of Eastern Star Real Estate Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Eastern Star Real Estate Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Star Real Estate Public Company Limited and its subsidiaries and of Eastern Star Real Estate Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Gingkarn Atsawarangsali

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 23 February 2015

Statement of financial position

Eastern Star Real Estate Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	49,595,369	136,667,084	41,221,452	111,845,508
Current investments	8	167,392,946	11,237,839	155,389,699	40,586
Trade and other receivables	9	4,597,223	11,941,094	6,354,886	12,595,994
Real estate development costs and inventories	10	3,623,986,654	2,616,004,052	3,620,737,565	2,616,403,252
Advance for construction work		75,933,036	173,679,037	75,933,036	173,679,037
Other current assets		4,997,361	6,153,271	3,222,547	4,369,413
Total current assets		3,926,502,589	2,955,682,377	3,902,859,185	2,918,933,790
Non-current assets					
Finance lease contract receivables	11.1	35,861,286	37,491,211	35,861,286	37,491,211
Investments in subsidiaries	12	-	-	935,046,557	915,237,746
Investment properties	13	1,298,030,665	697,467,633	928,244,749	348,334,694
Property, plant and equipment	14	390,397,883	380,976,083	108,229,951	108,019,820
Intangible assets	15	1,248,553	871,840	1,140,926	699,911
Deferred tax assets	23	26,625,905	76,783,187	26,113,955	76,378,381
Land and improvement awaiting development	16	1,086,188,254	1,731,276,201	923,451,705	1,568,607,019
Other non-current assets		29,252,295	29,508,204	23,793,252	23,641,345
Total non-current assets		2,867,604,841	2,954,374,359	2,981,882,381	3,078,410,127
Total assets		6,794,107,430	5,910,056,736	6,884,741,566	5,997,343,917

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

Statement of financial position (continued)

Eastern Star Real Estate Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	170,178,448	134,354,909	166,990,485	129,993,315
Current portion of long-term loans	18	960,100,000	2,381,086	960,100,000	2,381,086
Advance received from customers		739,318,500	623,641,872	735,438,564	622,145,670
Accrued expenses		36,495,368	72,061,678	32,108,697	68,217,211
Other current liabilities	19	35,175,778	31,207,547	28,937,239	24,990,917
Total current liabilities		1,941,268,094	863,647,092	1,923,574,985	847,728,199
Non-current liabilities					
Long-term loans - net of current portion	18	-	547,100,000	-	547,100,000
Provision for long-term employee benefits	20	12,097,133	9,432,655	9,537,383	7,408,624
Retention guarantees		150,141,683	79,206,362	150,141,683	79,206,362
Advance received from land lease	11.2	5,806,491	6,133,190	5,806,491	6,133,190
Deferred tax liabilities	23	7,172,257	6,878,835	7,172,257	6,878,835
Other non-current liabilities		8,422,447	7,036,685	7,787,389	6,296,253
Total non-current liabilities		183,640,011	655,787,727	180,445,203	653,023,264
Total liabilities		2,124,908,105	1,519,434,819	2,104,020,188	1,500,751,463

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

Statement of financial position (continued)

Eastern Star Real Estate Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Shareholders' equity					
Share capital					
Registered					
5,022,246,185 ordinary shares of Baht 1 each		5,022,246,185	5,022,246,185	5,022,246,185	5,022,246,185
Issued and paid up					
5,022,246,185 ordinary shares of Baht 1 each		5,022,246,185	5,022,246,185	5,022,246,185	5,022,246,185
Share discount		(429,264,886)	(429,264,886)	(429,264,886)	(429,264,886)
Retained earnings		-	-	-	-
Appropriated - statutory reserve	21	20,608,445	11,812,043	20,608,445	11,812,043
Unappropriated (deficits)		(138,562,168)	(409,504,056)	167,131,634	(108,200,888)
Other components of shareholders' equity		74,131,479	74,131,479	-	-
Total shareholders' equity		4,549,159,055	4,269,420,765	4,780,721,378	4,496,592,454
Non-controlling interest of the subsidiaries		120,040,270	121,201,152	-	-
Total shareholders' equity		4,669,199,325	4,390,621,917	4,780,721,378	4,496,592,454
Total liabilities and shareholders' equity		6,794,107,430	5,910,056,736	6,884,741,566	5,997,343,917
		-	-	-	-

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

Statement of comprehensive income

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Revenue from real estate sales and revenue from rental and services		1,252,877,203	1,624,870,310	1,167,796,159	1,543,614,221
Other income		57,505,168	19,222,998	65,150,570	25,652,527
Total revenues		1,310,382,371	1,644,093,308	1,232,946,729	1,569,266,748
Expenses					
Cost of real estate sold and cost of rental and services		844,387,430	1,078,264,753	789,464,151	1,020,842,165
Selling expenses		103,361,853	169,456,707	95,825,544	161,856,667
Administrative expenses		183,419,566	179,981,309	158,723,119	157,430,482
Loss on diminution in value of assets		-	12,250,000	-	16,497,477
Reversal of loss on diminution in value of assets	12, 13	(171,315,730)	(14,799,510)	(167,253,996)	(14,799,510)
Total expenses		959,853,119	1,425,153,259	876,758,818	1,341,827,281
Profit before finance costs and income tax expenses					
Finance costs		(9,342,918)	(27,790,675)	(9,342,918)	(27,790,675)
Profit before income tax expenses		341,186,334	191,149,374	346,844,993	199,648,792
Income tax expenses	23	(62,608,926)	(43,109,946)	(62,716,069)	(43,276,219)
Profit for the year		278,577,408	148,039,428	284,128,924	156,372,573
Other comprehensive income:					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		278,577,408	148,039,428	284,128,924	156,372,573
Profit attributable to:					
Equity holders of the Company		279,738,290	149,466,349	284,128,924	156,372,573
Non-controlling interests of the subsidiaries		(1,160,882)	(1,426,921)		
		278,577,408	148,039,428		
Total comprehensive income attributable to:					
Equity holders of the Company		279,738,290	149,466,349	284,128,924	156,372,573
Non-controlling interests of the subsidiaries		(1,160,882)	(1,426,921)		
		278,577,408	148,039,428		
Earnings per share	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.056	0.030	0.057	0.031

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

Cash flows statements

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax expenses	341,186,334	191,149,374	346,844,993	199,648,792
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate development costs as a result of transfer to cost of sales	787,490,647	1,022,302,693	787,490,647	1,022,302,693
Reversal of loss on diminution in value of assets	(171,315,730)	(14,799,510)	(167,253,996)	(14,799,510)
(Reversal of) loss on diminution in value of real estate development costs and inventories	1,973,504	(1,460,527)	1,973,504	(1,460,527)
Loss on diminution in value of assets	-	12,250,000	-	16,497,477
(Gain) loss on sales and written off of investment properties	(18,751,911)	(49)	(18,751,513)	8
Depreciation and amortisation	31,486,595	30,441,368	18,026,641	16,946,867
Provision for long-term employee benefits	2,664,478	6,326,565	2,128,759	5,339,633
Recognised income from finance lease	(1,336,774)	(1,341,350)	(1,336,774)	(1,341,350)
Gain on sales of land awaiting development	(2,733,421)	-	(2,733,421)	-
Gain on sales of unit trust	(164,801)	-	(164,801)	-
Unrealised gain on changes in value of unit trust	(186,614)	-	(183,367)	-
(Gain) loss on sales and written off of land and equipment	(1,132,387)	393,974	(1,027,781)	570,833
Finance costs	9,342,918	27,790,675	9,342,918	27,790,675
Profit from operating activities before changes in operating assets and liabilities	978,522,838	1,273,053,213	974,355,809	1,271,495,591
Decrease (increase) in operating assets				
Trade and other receivables	7,343,871	(6,657,365)	6,241,108	(6,328,252)
Real estate development costs and inventories	(1,428,888,686)	(844,436,738)	(1,425,497,072)	(842,819,267)
Advance for construction work	(25,983,950)	(211,654,801)	(25,983,950)	(211,654,801)
Other current assets	1,156,101	1,297,219	1,146,866	1,195,101
Finance lease receivables and advance received from land lease	2,640,000	2,640,000	2,640,000	2,640,000
Other non-current assets	75,258	6,378,949	14,944	4,167,566
Increase (decrease) in operating liabilities				
Trade and other payables	38,330,675	(209,963,564)	39,692,221	(209,772,852)
Accrued expenses	(36,964,751)	35,561,463	(37,506,955)	35,326,371
Advance received from customers	115,676,628	86,135,716	113,292,894	86,685,134
Other current liabilities	3,968,231	2,471,047	3,946,322	2,517,012
Provision for long-term employee benefits	-	(3,742,145)	-	(3,742,145)
Retention guarantees	70,935,321	38,125,874	70,935,321	38,125,874
Other non-current liabilities	1,385,762	2,409,351	1,491,136	2,638,283
Cash flows from (used in) operating activities	(271,802,702)	171,618,219	(275,231,356)	170,473,615
Cash paid for interest expenses	(45,037,361)	(48,143,597)	(45,037,361)	(48,143,597)
Cash paid for income tax	(13,234,919)	(16,797,601)	(12,325,072)	(15,878,189)
Tax refund	1,257,349	-	-	-
Net cash flows from (used in) operating activities	(328,817,633)	106,677,021	(332,593,789)	106,451,829

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

Cash flows statements (continued)

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease (increase) in fixed deposits	11,196,308	(398,214)	(945)	(1,075)
Acquisition of unit trust	(357,000,000)	-	(345,000,000)	-
Acquisition of investment properties	(5,129,583)	(2,163,924)	-	-
Acquisition of property, plant and equipment and intangible assets	(36,029,668)	(7,752,810)	(21,622,633)	(6,990,329)
Proceed from sales of unit trust	190,000,000	-	190,000,000	-
Proceed from sales of investment properties	27,230,400	117	27,230,000	-
Proceed from sales of land awaiting development	3,388,000	-	3,388,000	-
Proceed from sales of land and equipment	1,249,916	655,036	1,134,766	720,195
Acquisition of land and improvement awaiting development	(3,778,369)	(747,785,227)	(3,778,369)	(747,785,227)
Net cash flows used in investing activities	(168,872,996)	(757,445,022)	(148,649,181)	(754,056,436)
Cash flows from financing activities				
Cash received from long-term loan	413,000,000	1,477,100,000	413,000,000	1,477,100,000
Repayment of long-term loans	(2,381,086)	(927,618,914)	(2,381,086)	(927,618,914)
Net cash flows from financing activities	410,618,914	549,481,086	410,618,914	549,481,086
Net decrease in cash and cash equivalents	(87,071,715)	(101,286,915)	(70,624,056)	(98,123,521)
Cash and cash equivalents at beginning of year	136,667,084	237,953,999	111,845,508	209,969,029
Cash and cash equivalents at end of year	49,595,369	136,667,084	41,221,452	111,845,508
Supplemental cash flows information	-	-	-	-
Non-cash transactions				
Transfer advance for construction work to real estate development costs	123,729,951	65,470,288	123,729,951	65,470,288
Transfer building and equipment to real estate development costs	142,810	618,016	142,810	618,016
Transfer building and equipment to investment properties	-	242,059	-	-
Transfer land and improvement awaiting development to real estate development costs	210,234,377	29,996,423	210,234,377	29,996,423
Transfer land and improvement awaiting development to investment properties	455,795,533	289,293,840	455,795,533	289,293,840
Accounts payable for purchases of equipment	278,565	2,951,802	135,786	2,830,837
Accounts payable for purchase of investment properties	712,268	383,607	-	-
Transfer interest expenses to real estate development costs	34,194,254	13,740,514	34,194,254	13,740,514
Transfer interest expenses to land and improvement awaiting development	2,898,630	8,355,320	2,898,630	8,355,320
Adjusted beginning balance of retained earnings with deferred tax assets and deferred tax liabilities	-	113,014,298	-	112,775,766

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

Statement of changes in shareholder's equity

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to owners of the Company								
					Other comprehensive of equity				
	Issued and		Retained earnings		Surplus from	Total other	Total equity	Equity attributable	
	paid-up		Unappropriated		change in the	Total other	attributable to	to non-controlling	Total
	share capital	Share discount	Appropriated	(deficits)	ownership interests	components of	owners of	interests of	shareholders'
					in subsidiaries	shareholdeds' equity	the Company	the subsidiaries	equity
Balance as at 1 January 2013	5,022,246,185	(429,264,886)	11,812,043	(558,970,405)	74,131,479	74,131,479	4,119,954,416	122,628,073	4,242,582,489
Total comprehensive income									
for the year	-	-	-	149,466,349	-	-	149,466,349	(1,426,921)	148,039,428
Balance as at 31 December 2013	5,022,246,185	(429,264,886)	11,812,043	(409,504,056)	74,131,479	74,131,479	4,269,420,765	121,201,152	4,390,621,917
Balance as at 1 January 2014	5,022,246,185	(429,264,886)	11,812,043	(409,504,056)	74,131,479	74,131,479	4,269,420,765	121,201,152	4,390,621,917
Total comprehensive income									
for the year	-	-	-	279,738,290	-	-	279,738,290	(1,160,882)	278,577,408
Transfer unappropriated retained earnings									
to statutory reserve (Note 21)	-	-	8,796,402	(8,796,402)	-	-	-	-	-
Balance as at 31 December 2014	5,022,246,185	(429,264,886)	20,608,445	(138,562,168)	74,131,479	74,131,479	4,549,159,055	120,040,270	4,669,199,325
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

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

Statement of changes in shareholder's equity

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2014

(Unit: Baht)

	Separate financial statements				
	Issued and		Retained earnings		Total
	paid-up share capital	Share discount	Appropriated	Unappropriated	
				(deficits)	
					shareholders' equity
Balance as at 1 January 2013	5,022,246,185	(429,264,886)	11,812,043	(264,573,461)	4,340,219,881
Total comprehensive income					
for the year	-	-	-	156,372,573	156,372,573
Balance as at 31 December 2013	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>11,812,043</u>	<u>(108,200,888)</u>	<u>4,496,592,454</u>
Balance as at 1 January 2014	5,022,246,185	(429,264,886)	11,812,043	(108,200,888)	4,496,592,454
Total comprehensive income					
for the year	-	-	-	284,128,924	284,128,924
Transfer unappropriated retained earnings					
to statutory reserve (Note 21)	-	-	8,796,402	(8,796,402)	-
Balance as at 31 December 2014	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>20,608,445</u>	<u>167,131,634</u>	<u>4,780,721,378</u>

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

Notes to consolidated financial statement

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2014

1. General information

Corporate information

Eastern Star Real Estate Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. Its major shareholder is Sunrise Group, which was incorporated in Thailand, and consists of:-

	Percentage of shareholding (base on paid-up capital) (as at 11 April 2014*)
1. Bangkok Broadcasting & Television Co., Ltd.	43.65
2. BBTV Equity Co., Ltd.	10.21
3. Sunrise Equity Co., Ltd.	5.56
4. GL Assets Co., Ltd.	0.11
5. Person	2.61

*The latest closing date of the shares register book

The registered office of the Company is at 898 Ploenchit Tower Building, 5th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Eastern Star Real Estate Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

<u>Subsidiary companies</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding</u>	
			2014 %	2013 %
Eastern Star Resort Co., Ltd.	Golf course	Thailand	81.30	81.30
Seastar Properties Co., Ltd.	Rental and real estate	Thailand	99.13	99.13
Eastern Star-Lai San New World Co., Ltd.	Real estate	Thailand	60.00	60.00

- b) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

- (a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates

TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
Financial Reporting Standards:	
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
Accounting Standard Interpretations:	
TSIC 15	Operating Leases — Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets — Web Site Costs
Financial Reporting Standard Interpretations:	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that these standards will not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

a) Sales of land, land and houses and sales of residential condominium units

Sales of land, land and houses and sales of residential condominium units are recognised as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer, whereby construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

b) Rental and services income

Rental of land and units in residential buildings and related services income are recognised on an accrual basis over the period of contract.

c) Revenue from financial lease

The Company recognises revenue from financial lease based on the effective interest rate method.

d) Revenue from golf course and sport membership

A subsidiary recognises revenue from golf course and sport memberships over the period of contracts.

e) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate method.

4.2 Cost of land, land and houses sold and cost of residential condominium units sold

In determining the cost of land, land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land, land and houses sold, and residential condominium units sold on the basis of the salable area and then recognised as costs in the income statement concurrently with revenue from sales.

Development costs are stated at cost, consisting of cost of land, design fees, utilities, and construction.4.3

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Current investments

Investments in unit trusts that are held for trading are stated at fair value based on their net asset.

Changes in the carrying amounts of securities are recorded as gains or losses in the income statements.

The First-in First-out method is used for computation of the cost of unit trust.

4.5 Trade receivables

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.6 Real estate development costs and inventories

Real estate development costs are stated at cost less provision for loss on diminution in value of projects. The details of cost calculation are as follows:

- Land - Cost of land using the weighted average method, calculating it separately for each project.
- Construction in progress - Construction in progress consists of the cost of construction, public utility costs and interest capitalised (if any) to cost of projects by records cost of construction and public utilities based on the actual cost incurred.

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First-in First-out method.

4.7 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

4.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 40 - 50 years. Depreciation of the investment properties is included in determining income.

No depreciation is provide on investment properties - land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.9 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation, and less allowance for impairment loss (if any). Depreciation of building and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives as follow:

Buildings and construction	-	5 - 50 years
Sales office	-	3 - 5 years
Machines and equipment	-	5 years
Furniture, fixtures and office equipment	-	5 - 10 years
Vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the

difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.10 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	5 - 10 years
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4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the investment properties, property, plant and equipment, real estate development costs, land and improvement awaiting development and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in profit or loss.

4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models.

The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Project development costs estimation

In calculating cost of land and houses sold, the Company and its subsidiaries have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation and believe that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with its related parties. These transactions which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Income of central service management	-	-	3	3
Other income	-	-	8	7
Transactions with related parties				
Office rental and service expenses	5	5	5	5
<u>Central area expenses</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

The pricing policies for the related parties transactions between the Company with its related parties are as follows:

- Central service management, office rental and service charges are set on a mutually agreed basis.
- Central area expenses are charged on the same basis as the charges made by the juristic persons to outside parties.
- Other income and other expenses are based on the same basis that charge to outside parties.

Nature of relationship

Company's name	Relationship	Connection
Eastern Star Resort Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Seastar Properties Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Related person of Bangkok Broadcasting & Television Co., Ltd.	Related person	Direct and indirect shareholding

The balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Other receivables				
Subsidiaries	-	-	2,696	2,076
Other payables				
Subsidiaries	-	-	401	325
Accrued interest				
A subsidiary	-	-	63	63
Retentions				
Related parties	1,242	1,242	1,242	1,242

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	37,482	35,568	29,998	29,307
Post-employment benefits	5,861	4,537	5,572	4,334
Total	43,343	40,105	32,570	33,641

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	1,005	1,589	190	229
Bank deposits	48,590	135,078	41,031	111,617
Total	49,595	136,667	41,221	111,846

As at 31 December 2014, bank deposits in current accounts, saving accounts and fixed deposits with an original maturity of three months or less carried interests between 0.30% and 1.125% per annum (2013: between 0.40% and 1.55% per annum).

8. Current investments

	Consolidated financial statements			
	2014		2013	
	Amount (Thousand Baht)	Interest rate (% per annum)	Amount (Thousand Baht)	Interest rate (% per annum)
Fixed deposits 5-12 months	42	1.50	11,238	2.35 - 3.15
Investments in unit trust	167,165		-	
Add: Unrealised gain on changes in value of unit trust	186		-	
Total	167,393		11,238	

	Separate financial statements			
	2014		2013	
	Amount (Thousand Baht)	Interest rate (% per annum)	Amount (Thousand Baht)	Interest rate (% per annum)
Fixed deposits 12 months	42	1.50	41	2.35
Investments in unit trust	155,165		-	
Add: Unrealised gain on changes in value of unit trust	183		-	
Total	155,390		41	

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable - third parties	234	57	-	-
Not yet due				
Not over 3 months	473	1,000	-	-
3 - 6 months	66	51	-	-
Total trade accounts receivable	773	1,108	-	-

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Other receivables				
Other receivables - related parties	-	-	2,696	2,076
Other receivables - third parties	2,675	7,451	2,238	7,035
Accrued income	9,622	11,480	9,623	11,399
Advanced payment	528	904	464	750
Interest receivable	1	3	1	3
Total other receivables	12,826	19,838	15,022	21,263
Less: Allowance for doubtful debts	(9,002)	(9,005)	(8,667)	(8,667)
Total other receivables - net	3,824	10,833	6,355	12,596
Total trade and other receivables - net	4,597	11,941	6,355	12,596

10. Real estate development costs and inventories

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land	1,154,844	1,052,736	1,150,462	1,051,740
Construction under development	2,473,235	1,566,233	2,473,235	1,566,233
Total	3,628,079	2,618,969	3,623,697	2,617,973
Less: Provision for loss on diminution in value of projects	(4,653)	(3,521)	(2,959)	(1,570)
Real estate development costs - net	3,623,426	2,615,448	3,620,738	2,616,403
Other inventories	561	556	-	-
Total	3,623,987	2,616,004	3,620,738	2,616,403

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2014 of Baht 2,954 million (2013: Baht 2,133 million) as collateral for credit facilities granted by a bank.

As at 31 December 2014 and 2013, real estate development costs included Baht 6 million (the Company only: Baht 3 million) of costs of land ready-for-sale that is jointly owned by the Company and a subsidiary. The Company and the subsidiary recorded costs of land in proportion to their ownership, with half allocated to each party.

During the year ended 31 December 2014, the Company included borrowing costs in the cost of real estate development amounting to Baht 34 million (2013: Baht 14 million).

Additional information of the Company's projects.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2014	2013
Total estimated sales value of projects on hand		
of which contracts have been signed	13,062	10,975
Total value of contracts signed of land and structures thereon	8,028	7,160
Percentage of total estimated sales value of projects on hand	61.46	65.24
Total value of contracts signed of land and structures thereon not yet recognised as revenue	4,371	4,669

11. Finance lease contract receivables/Advance received from land lease

On 23 August 2007, the Company entered into a contract to lease a land and plaza center building to a company. The lease tenor is for 25 years 5 months commencing from 23 August 2007 and the total contractual value of the lease is Baht 97.3 million, which the Company received the contractual lease fee on the lease registration date at Baht 24 million and for the remaining amount, the Company received the 1st lease fee for the total leasing period of 17 months at Baht 2.4 million. After which, the lease fee is payable annually. The lease fee for the 2nd - 5th year is Baht 2.4 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognises the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza center building as follows:-

- 11.1 From the total building lease fee of Baht 64.2 million, the advance of Baht 15.8 million was received on the lease registration date and the remaining amount will be receivable at 66% of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the building lease fee under financial lease contract. The remaining accounts receivable under the finance lease agreement are as follows:-

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements as at 31 December 2014			
	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,742	7,318	27,887	36,947
Unearned financial income	(107)	(381)	(598)	(1,086)
Present value of the minimum payment debtor has to pay under lease agreement	1,635	6,937	27,289	35,861

(Unit: Thousand Baht)				
Consolidated and separate financial statements as at 31 December 2013				
	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,742	7,144	29,804	38,690
Unearned financial income	(112)	(401)	(686)	(1,199)
Present value of the minimum payment debtor has to pay under lease agreement	1,630	6,743	29,118	37,491

- 11.2 From total land lease fee of Baht 33.1 million, the advance of Baht 8.2 million was received on the lease registration date and the remaining amount will be receivable at 34% of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance is as follows:-

(Unit: Thousand Baht)		
Consolidated and separate financial statements		
	2014	2013
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	898	898
1 - 5 years	3,770	3,680
Over 5 years	14,366	15,353
Total	19,034	19,931
Add: Advance received for land lease (net from recognised income)	5,806	6,133
Land lease income to be recognised in future	24,840	26,064

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net	
	2014	2013	2014 (%)	2013 (%)	2014	2013	2014	2013	2014	2013
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	(4,370)	(14,984)	405,004	394,390
Seastar Properties Co., Ltd.	1,150,000	1,150,000	99.13	99.13	934,680	934,680	(500,637)	(509,832)	434,043	424,848
Eastern Star-Lai San New World Co., Ltd.	160,000	160,000	60.00	60.00	96,000	96,000	-	-	96,000	96,000
					1,440,054	1,440,054	(505,007)	(524,816)	935,047	915,238

During the year 2013, the Company recognised additional losses from impairment of investment in subsidiaries totaling Baht 4 million in profit and loss in the separate financial statements for the year ended 31 December 2013.

During the year 2014, the Company reversed Baht 20 million of previously recognised impairment losses on investments in profit or loss in the separate financial statements for the year ended 31 December 2014.

As at 31 December 2014, the Company possessed 343 remaining golf-membership rights, which were not included in the financial statements because the Company obtained such rights at no cost as a result of its investment in a subsidiary.

13. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Land	Building and improvements	Total	Land
31 December 2014:				
Cost	1,199,127	831,607	2,030,734	998,854
Less: Accumulated depreciation	-	(617,867)	(617,867)	-
Less: Allowance for impairment	(114,836)	-	(114,836)	(70,609)
Net book value	1,084,291	213,740	1,298,031	928,245
31 December 2013:				
Cost	742,220	828,606	1,570,826	541,948
Less: Accumulated depreciation	-	(611,973)	(611,973)	-
Less: Allowance for impairment	(261,385)	-	(261,385)	(193,613)
Net book value	480,835	216,633	697,468	348,335

A reconciliation of the net book value of investment properties for the years 2014 and 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	697,468	402,001	348,335	46,987
Addition	5,458	2,548	-	-
Disposal - net book value at disposal date	(8,478)	-	(8,478)	-
Transfer in - net book value at transfer date	455,795	289,536	455,795	289,294
Reversal of diminution in value	156,140	12,054	132,593	12,054
Depreciation charged	(8,352)	(8,671)	-	-
Net book value at end of year	1,298,031	697,468	928,245	348,335

The fair value of the investment properties as at 31 December 2014 and 2013 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land	1,414,583	570,796	1,271,724	438,580
Building and improvement	265,041	265,085	-	-

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land of the Company has been determined based on market prices, while that of the land and building and improvement of its subsidiary has been determined using the force sale.

As a result of the impairment assessment in 2014, the Company and its subsidiary reversed Baht 171 million of the impairment losses previously recognised, recording the reversal in profit or loss in the consolidated financial statements for the year ended 31 December 2014. This reversal was comprised of reversal of impairment of the Company's land for sale amounting to Baht 133 million (2013: Baht 12 million), reversal of impairment of the subsidiary's land on which buildings for rent are located amounting to Baht 23 million, and reversal of impairment of the Company's land awaiting development amounting to Baht 15 million, as described in Note 16 to the consolidated financial statements.

The Company has mortgaged certain plots of land with a net book value as at 31 December 2014 of Baht 204 million (2013: Baht 43 million) as collateral for credit facilities granted by a bank.

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>								
1 January 2013	156,234	439,409	38,021	21,947	22,716	20,513	2,093	700,933
Additions	-	73	1,067	742	1,148	1,032	6,275	10,337
Disposals	(66)	(76)	(130)	(951)	(613)	(1,849)	-	(3,685)
Transfer in (out)	-	18	(42)	(2,571)	(146)	-	(24)	(2,765)
31 December 2013	156,168	439,424	38,916	19,167	23,105	19,696	8,344	704,820
Additions	-	751	4,653	498	1,867	16,955	7,703	32,427
Disposals	-	-	(868)	(51)	(283)	(6,332)	-	(7,534)
Transfer in (out)	-	12,515	(21)	403	13	-	(13,725)	(815)
31 December 2014	156,168	452,690	42,680	20,017	24,702	30,319	2,322	728,898
<u>Accumulated depreciation</u>								
1 January 2013	803	222,175	34,946	10,204	18,534	16,841	-	303,503
Depreciation for the year	-	13,607	1,275	3,999	1,479	842	-	21,202
Depreciation on disposals	(66)	(49)	(82)	(892)	(594)	(953)	-	(2,636)
Depreciation on transfer out	-	-	(78)	(1,715)	(112)	-	-	(1,905)
31 December 2013	737	235,733	36,061	11,596	19,307	16,730	-	320,164
Depreciation for the year	-	13,383	1,631	3,740	1,564	2,415	-	22,733
Depreciation on disposals	-	-	(852)	(40)	(231)	(6,281)	-	(7,404)
Depreciation on transfer out	-	-	(23)	(558)	(92)	-	-	(673)
31 December 2014	737	249,116	36,817	14,738	20,548	12,864	-	334,820
<u>Allowance for impairment</u>								
1 January 2013	-	3,680	-	-	-	-	-	3,680
31 December 2013	-	3,680	-	-	-	-	-	3,680
31 December 2014	-	3,680	-	-	-	-	-	3,680
<u>Net book value</u>								
31 December 2013	155,431	200,011	2,855	7,571	3,798	2,966	8,344	380,976
31 December 2014	155,431	199,894	5,863	5,279	4,154	17,455	2,322	390,398
Depreciation for the year								
2013 (Baht 3 million included in cost of real estate sold and services, and the balance in administrative expenses)								21,202
2014 (Baht 3 million included in cost of real estate sold and services, and the balance in administrative expenses)								22,733

(Unit: Thousand Baht)

	Separate financial statements							
	Land and land improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
Cost								
1 January 2013	4,386	116,122	2,116	21,945	13,722	17,054	2,093	177,438
Additions	-	73	603	524	984	1,032	6,237	9,453
Disposals	(66)	(76)	(128)	(1,657)	(645)	(1,849)	-	(4,421)
Transfer in (out)	-	18	-	(1,865)	6	-	(24)	(1,865)
31 December 2013	4,320	116,137	2,591	18,947	14,067	16,237	8,306	180,605
Additions	-	751	189	498	1,305	7,809	7,598	18,150
Disposals	-	-	(106)	(51)	(232)	(6,332)	-	(6,721)
Transfer in (out)	-	12,514	-	404	52	-	(13,671)	(701)
31 December 2014	4,320	129,402	2,674	19,798	15,192	17,714	2,233	191,333
Accumulated depreciation								
1 January 2013	803	23,466	1,582	10,202	10,753	13,670	-	60,476
Depreciation for the year	-	10,619	256	3,845	1,105	661	-	16,486
Depreciation on disposals	(66)	(49)	(84)	(1,359)	(619)	(953)	-	(3,130)
Depreciation on transfers	-	-	-	(1,247)	-	-	-	(1,247)
31 December 2013	737	34,036	1,754	11,441	11,239	13,378	-	72,585
Depreciation for the year	-	10,521	258	3,740	1,150	2,020	-	17,689
Depreciation on disposals	-	-	(102)	(40)	(189)	(6,282)	-	(6,613)
Depreciation on transfers	-	-	-	(558)	-	-	-	(558)
31 December 2014	737	44,557	1,910	14,583	12,200	9,116	-	83,103
Net book value								
31 December 2013	3,583	82,101	837	7,506	2,828	2,859	8,306	108,020
31 December 2014	3,583	84,845	764	5,215	2,992	8,598	2,233	108,230
Depreciation for the year								
2013 (Included in administrative expenses)								16,486
2014 (Included in administrative expenses)								17,689

As at 31 December 2014, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 81 million (Separate financial statements: Baht 28 million) (2013: Baht 85 million (Separate financial statements: Baht 32 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2014 of Baht 5 million (2013: Baht 5 million) as collateral for credit facilities granted by a bank.

15. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Computer software - cost	5,686	4,908	4,730	3,952
Less: Accumulated amortisation	(4,437)	(4,036)	(3,589)	(3,252)
Net book value	1,249	872	1,141	700
Net book value at beginning year	872	1,073	700	793
Additions	778	368	778	368
Amortisation	(401)	(569)	(337)	(461)
Net book value at end of year	1,249	872	1,141	700

16. Land and improvement awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land	1,117,744	1,763,736	955,008	1,601,000
Development costs	3,363	27,252	3,363	27,252
Total	1,121,107	1,790,988	958,371	1,628,252
Less: Provision for loss on diminution in value	(34,919)	(59,712)	(34,919)	(59,645)
Net	1,086,188	1,731,276	923,452	1,568,607

A reconciliation of the net book value of land and improvement awaiting development for the years 2014 and 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	1,731,276	1,303,930	1,568,607	1,141,261
Addition	3,778	747,785	3,778	747,785
Disposal - net book value at disposal date	(655)	-	(655)	-
Transfer out - net book value at transfer date	(666,029)	(319,290)	(666,029)	(319,290)
Diminution in value	-	(12,250)	-	(12,250)
Reversal of diminution in value	14,919	2,746	14,852	2,746
Borrowing costs	2,899	8,355	2,899	8,355
Net book value at end of year	1,086,188	1,731,276	923,452	1,568,607

As at 31 December 2014 and 2013, land awaiting development of Baht 8 million (separate financial statements: Baht 4 million) was land of which ownership is jointly held by the Company and a subsidiary. The Company and the subsidiary recorded the cost of land based on their ownership of 50% each.

During the year 2013, the Company recognised additional losses from impairment of land awaiting development totaling Baht 12 million. During the year 2014, the Company reversed Baht 15 million of previously recognised impairment losses.

During the year ended 31 December 2014, the Company included borrowing costs in the cost of real estate development amounting to Baht 3 million (2013: Baht 8 million).

As at 31 December 2013, the Company has mortgaged certain plots of land with a net book value of Baht 161 million (2014: None) as collateral for credit facilities granted by a bank.

17. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable				
- unrelated parties	161,970	118,009	159,561	114,477
Other payables - related parties	-	-	401	325
Other payables - unrelated parties	8,208	16,346	7,028	15,191
Total	170,178	134,355	166,990	129,993

18. Long-term loans

(Unit: Thousand Baht)		
	Consolidated and Separate financial statements	
	2014	2013
Long-term loans from banks	960,100	549,481
Less: Current portion	(960,100)	(2,381)
Long-term loans - net of current portion	-	547,100

Movements in the long-term loans account during the year ended 31 December 2014 are summarised below.

(Unit: Thousand Baht)	
	Consolidated and Separate financial statements
Balance as at 31 December 2013	549,481
Add: Additional borrowings	413,000
Less: Repayments	(2,381)
Balance as at 31 December 2014	960,100

Long-term loans as at 31 December 2014 are the long-term loans with a local bank which had the principal terms

of such credit facilities as follows:

Facilities	:	Baht 2,550 million
Interest rate	:	MLR - 1% depending on the payment schedule set out in each agreements
Interest period	:	Monthly
Principal repayment schedules	:	Payments of principal are to be made at 70% of the value of condominium units transferred to customers, with full repayment to be made within 60 months after the date of the first draw down of principal.

As at 31 December 2014, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,590 million (2013: Baht 2,013 million)

The loans and credit facilities are secured by mortgage of land with structures thereon as described in Notes 10, 13, 14 and 16 to the consolidated financial statements, respectively.

19. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Retention payable	19,979	20,385	19,979	20,385
Other current liabilities	15,197	10,823	8,958	4,606
Total	35,176	31,208	28,937	24,991

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Provision for long-term employee benefits				
at beginning of year	9,433	6,848	7,409	5,811
Current service cost	2,314	1,708	1,853	1,261
Interest cost	350	278	275	224
Benefits paid during the year	-	(3,742)	-	(3,742)
Actuarial loss	-	3,055	-	2,569
Past service costs	-	1,286	-	1,286
Provision for long-term employee benefits at end of year	12,097	9,433	9,537	7,409

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	2,314	1,708	1,853	1,261
Interest cost	350	278	275	224
Actuarial loss	-	3,055	-	2,569
Past service costs	-	1,286	-	1,286
Total expenses recognised in profit or loss	2,664	6,327	2,128	5,340

Such expenses are included administrative expenses in profit or loss.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2014 (% per annum)	2013 (% per annum)
Discount rate	3.66 - 3.93	3.66 - 3.93
Average future salary increase rate	4 - 6	4 - 6
Staff turnover rate (depending on age)	6 - 36	6 - 36

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	12,097	9,537	-	-
Year 2013	9,433	7,409	(388)	(444)
Year 2012	6,848	5,811	-	-
Year 2011	5,937	4,749	-	-
Year 2010	4,793	3,776	-	-

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2014, the Company transferred unappropriated retained earnings to statutory reserve amounting to Baht 8.8 million.

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Purchase of land and payment of construction during the year	1,459,691	1,104,114	1,459,691	1,104,114
Changes in real estate development costs and inventories	(670,231)	(83,208)	(670,227)	(83,272)
Salaries and wages and other employee benefits	120,858	116,857	84,489	83,871
Depreciation and amortisation	31,487	30,441	18,027	16,947
Marketing expenses	103,362	169,457	95,826	161,857
Cost of other goods incurred and recognised during the year	7,248	8,130	-	-

23. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	12,158	-	12,158	-
Adjustment in respect of income tax of previous year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	50,451	43,110	50,558	43,276
Income tax expense reported in the statement of comprehensive income	62,609	43,110	62,716	43,276

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	341,186	191,149	346,845	199,649
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	68,237	38,230	69,369	39,930
Tax effects of:				
Non-deductible expenses	564	4,222	376	4,102
Additional taxable revenues	(7,763)	1,171	296	1,171
Additional expense deductions				
allowed	1,286	(6,685)	(30)	(30)
Tax exempted revenue	(3,998)	-	(3,998)	-
Tax losses	7,580	8,069	-	-
Others	(3,297)	(1,897)	(3,297)	(1,897)
Income tax expenses reported in the statement of comprehensive income	62,609	43,110	62,716	43,276

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax assets				
Allowance for doubtful accounts	1,487	1,487	1,487	1,487
Allowance for diminution in value of inventories	592	314	592	314
Allowance for diminution in value of assets	21,106	50,651	21,106	50,651
Advance received for land rental income	686	588	686	588
Provision for long-term employee benefits	2,419	1,887	1,907	1,482
Unused tax losses	-	21,521	-	21,521
Others	336	335	336	335
Total	26,626	76,783	26,114	76,378
Deferred tax liabilities				
Finance lease contract receivables	7,172	6,879	7,172	6,879
Total	7,172	6,879	7,172	6,879

As at 31 December 2014 the subsidiaries have unused tax losses totaling Baht 259 million (2013: Baht 230 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company (Thousand Baht)	279,738	149,466	284,129	156,373
Weighted average number of ordinary shares (Thousand shares)	5,022,246	5,022,246	5,022,246	5,022,246
Earnings per share (Baht/share)	0.056	0.030	0.057	0.031

25. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- (1) Real estate business
- (2) Golf course business
- (3) Rental business

The chief operating decision maker 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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Transfer prices between business segment are set out in Note 6.

Below is the revenue and gross profit of the Company and its subsidiaries for the year ended 31 December 2014 and 2013 by segments.

(Unit: Million Baht)

For the year ended 31 December									
	Real estate business		Golf course business		Rental business		Adjustments and eliminations		Total
	2014	2013	2014	2013	2014	2013	2014	2013	2014 2013
Revenues									
External customers	1,166	1,542	52	49	35	34	-	-	1,253 1,625
Inter- segment	-	-	2	4	-	-	(2)	(4)	- -
Total revenues	1,166	1,542	54	53	35	34	(2)	(4)	1,253 1,625
Operating results									
Gross profit of segments	380	523	12	11	16	13	-	-	408 547
Other income									58 19
Selling expenses									(103) (170)
Administrative expenses									(183) (180)
Loss on diminution in value of assets									- (12)
Reversal of loss on diminution in value of assets									171 15
Finance cost									(9) (28)
Income tax expenses									(63) (43)
Non-controlling interests of the subsidiaries									1 1
Profit for the year attributable to equity holders of the Company									280 149

The following table presents segment assets of the Company and its subsidiaries as at 31 December 2014 and 2013.

(Unit: Million Baht)

Consolidated financial statements as at 31 December								
	Real estate business		Golf course business		Rental business		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Real estate development cost and inventories	3,619	2,611	5	5	-	-	3,624	2,616
Investment properties	928	305	-	-	370	392	1,298	697
Property, plant and equipment	108	108	281	272	1	1	390	381
Land and improvement awaiting development	1,082	1,727	4	4	-	-	1,086	1,731
Unallocated assets							396	485
Total segment assets							6,794	5,910
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets	25	758	14	1	6	3	45	762

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statement pertain exclusively to this geographical reportable segment.

Major customers

For the years 2014 and 2013, the Company and its subsidiaries have no major customer, with revenue of 10% or more of an entity's revenue.

26. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, and the Company and its subsidiaries contributed to the fund monthly at the rates of 3 - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company and its subsidiaries contributed Baht 2 million to the fund (Separate financial statements: Baht 2 million) (2013: Baht 2 million, Separate financial statements: Baht 2 million).

27. Commitments and contingent liabilities

As at 31 December 2014, the Company and its subsidiaries have the following outstanding commitments and contingent liabilities:

- 27.1 The Company has the outstanding commitments totaling Baht 1,392 million (2013: Baht 1,730 million) in respect of agreements to construction of projects.
- 27.2 The Company and its subsidiaries have entered into several lease agreements to lease buildings and equipment and services, with terms of generally between 1 and 3 years.

Future minimum payments required under these operating leases contracts are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
Payable	2014	2013	2014	2013
In up to 1 year	10	17	8	13
In over 1 and up to 3 years	1	4	-	4

27.3 Bank guarantees

There were the following outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2014	2013
Letters of guarantee for allotment of project areas	-	13
Letters of guarantee for arrangement and maintenance of public utilities	48	59
Letters of guarantee for electricity usage	12	9
Letters of guarantee for elevators	46	105
Total	106	186

Bank guarantees facilities are secured by the Company's land and structures thereon.

27.4 Litigation

In January 2011, a customer sued the Company through Bangkok South Civil Court for the refund of Baht 1 million deposit for the purchase of a condominium unit in the Company's project on the grounds that the Company had not rectified faults in the condominium unit. The Company disputed the case, claiming that the plaintiff was the party in breach of contract, and had not registered the transfer of ownership of the condominium unit in accordance with the agreement. On 1 August 2011, the Civil Court issued a judgment dismissing the case against the defendant and the plaintiff then filed an appeal to the Appeals Court, which subsequently considered the case and upheld the decision of the court of First Instance. On 21 March 2013, the plaintiffs filed a petition with the Supreme Court. This case is currently being considered by the Supreme Court and the Company's management believes that there will be no material impact to the Company.

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, finance lease contract receivables, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to their cash at financial institutions, current investments, finance lease contract receivables and long-term loan with interest bearing. Most of these financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)							
As at 31 December 2014							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	1-5	Over 5	interest	Non-interest		
	1 year	years	years	rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	44	6	50	0.30 - 1.125
Current investments	-	-	-	-	167	167	-
Trade and other receivables	-	-	-	-	5	5	-
Finance lease contract receivables	2	7	27	-	-	36	0.30
Financial liabilities							
Trade and other payables	-	-	-	-	170	170	-
Long-term loans	-	-	-	960	-	960	MLR - 1

(Unit: Million Baht)

	As at 31 December 2013						
	Fixed interest rates						
	Within 1	1-5	Over 5	Floating	Non-interest		
	year	years	years	interest rate	bearing	Total	Interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	126	11	137	0.40 - 1.55
Current investments	-	-	-	11	-	11	2.50 - 3.00
Trade and other receivables	-	-	-	-	12	12	-
Finance lease contract receivables	2	7	29	-	-	38	0.30
Financial liabilities							
Trade and other payables	-	-	-	-	134	134	-
Long-term loans	-	-	-	549	-	549	MLR - 1

28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term and loans denominated in Thai Baht bearing the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's total debt-to-equity ratio was 0.46:1 (2013: 0.35:1).

30. Event after the reporting period

Dividend payment

At the Company's Board of Directors' meeting held on 23 February 2015, the Board passed a resolution proposing the payment of a dividend of Baht 0.03 per share, or a total sum of approximately Baht 151 million, from the retained earnings at the end of the year 2014. The dividend will be paid to the shareholders within 22 May 2015. The dividend payment is subject to approval of the Annual General Meeting of the Company's shareholders.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2015.

by Eastern Star

ออกแบบจัดวางผังห้องชุดใน ทิศเหนือ-ใต้
เปิดรับแสงแดดและลมธรรมชาติ ตลอดทั้งปี
เน้นความโปร่ง โล่งสบาย ประหยัดพลังงาน
คำนึงถึงประโยชน์ใช้สอยที่ลงตัวและความ
เป็นส่วนตัว ของผู้พักอาศัย



- ทำเลย่านใจกลางธุรกิจ
- ห่างจากถนนสาทร 400 เมตร
- ใกล้สถานี BTS ชองนนตรี
- ใกล้สถานี BRT อาคารสงเคราะห์
- ทุกห้องเป็นยูนิตหน้ากว้าง
- สัมผัส City View และ River View
- ดีไซน์เรียบหรู มีระดับ และมีเอกลักษณ์



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Eastern Star Real Estate Public Company Limited

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