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Message from the Chairman of the Board

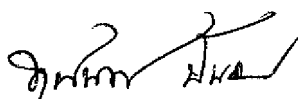
To Our Shareholders

In the beginning to middle of 2015, the real estate businesses were sluggish by factors like the political situation and domestic economy. The unsold houses and condominium remained in number which entered the market in past 2 years. The financial institutions had tightened housing loans. Until the end of October 2015, the government launched a series of stimulus policies for real estate sectors by reducing the restrictions of loan approval for housing and lower fee rates for housing transactions such as reducing fees for ownership transference and decrease the housing mortgage registration to 0.01% together with lower tax policy for person who buy him/her first house with the price up to 3 million baht. These policies helped improving the real estate sectors in the end of 2015. Although the overall performance of real estate businesses in 2015 did not grew in full step but the company can achieve the goals and able to paid the dividend to shareholders continually.

In 2016, it is expected that the real estate businesses will grow in gradual steps supported by positive factors such as the real estate stimulus policy of the government that will end in April 2016, the government's investment in infrastructure projects that continue to concrete and the opening of ASEAN Economic Community (AEC). While the company will focus on other negative factors including uncertain domestic economy that can effects to real estate sectors. The company has to be cautious in selecting new projects in next 1-2 years.

The company still focuses on corporate social responsibility and the environment protection. In part of social, the company focuses on improving the community near by the company's projects by giving scholarships and supporting underprivileged people by funding in Special Olympic in partner with the Foundation for the Welfare of the Mentally Retarded of Thailand. In part of environment, the company focuses on planting trees in every project of the company especially in housing projects and golf course in Ban Chang district, Rayong. The company planted perennial plants and flowering-plants more and more in every projects resulting to the attraction of the communities. More people benefit from this beautiful environment. They visit the project sites, come to exercise, walking, running and riding bicycle in areas around projects and golf course.

Lastly, I'm on behalf of the committee acknowledge the shareholders, partners and clients who always support and trust our company. Thank you the executives and all of our employees who dedicate to our company thoroughly. This leads to the good overall performance of the company in 2015.



(Mr. Anan Panyarachun)

Chairman of the Board

24 March 2016

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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 May 14, 2015. 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. M3. 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 2015, 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:

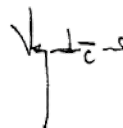
- | | |
|------------------------|---------------------|
| Mr. Preecha Oonchitti | attended 6 meetings |
| Mr. Somrit Srithongdee | attended 6 meetings |
| Mrs. Sunanta Tiasuwan | attended 5 meetings |

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 Suppasetanonthe Certified Public Accountant No. 3972 from EY Office Company Limited, as the company's auditor for the 2016 fiscal year with an audit fee in the amount of 880,000 Baht.



Mr. Preecha Oonchitti
Chairman of the Audit Committee
March 21, 2016

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 (Par Value at 1.00 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 E-mail: esr_marketing@hotmail.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: 0-3863-0418
Website : www.seastarproperty.com
Email : seastar_cs@windowslive.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 Atsawarangsali 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 31December

Unit : Million Baht

	2015	2014	2013 (revise)
Total assets	6,260.33	6,794.11	5,910.06
Total liabilities	1,608.21	2,124.91	1,519.43
Total shareholders' equities	4,652.21	4,669.20	4,390.63
Income from real estate sales, rental and services	1,692.97	1,252.88	1,624.87
Costs of real estate sales, rental and services	(1,279.24)	(844.39)	(1,078.26)
Other income	21.03	57.51	19.22
selling and administrative expenses	(300.97)	(286.78)	(349.44)
Loss from impairment of assets	(4.27)	-	(12.25)
Reversal impairment loss of assets	44.05	171.31	14.80
Financial expenses	(2.14)	(9.34)	(27.79)
Income tax expenses	(39.84)	(62.61)	(43.11)
Gain(loss) for the year	278.58	278.58	148.04
Other total gain(loss):			
Items that not included in gain or loss afterward			
Gain or loss from evaluation according to Actuarial Science	1.33	-	-
Minus: Income tax impact	(0.27)	-	-
Items that not included in gain or loss afterward			
Net from income tax	1.06	-	-
Total gain(loss) for the year	132.65	278.58	148.04
Dividend per share (baht/share)	0.03	-	-
Financial ratio			
Liquidity ratio (time)	2.30	2.02	3.42
Quick liquidity ratio (time)	0.07	0.11	0.19
Cash flow liquidity ratio (time)	0.21	(0.23)	0.14
account receivable current ratio (time)	264.71	151.51	188.67
Average collection period (day)	1	2	2
Gross profit (%)	24.44	32.60	33.64
Net profit (%)	10.67	21.26	9.00
Return on shareholders' equities (%)	2.82	6.15	3.43
- Return on assets (%)	2.02	4.39	2.71
Debt to Equity ratio (time)	0.35	0.46	0.35
Debt service coverage (time)	0.33	(0.67)	0.06

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 are 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 ,NARA 9 and Amber 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.

Company's and Subsidiary Companies Projects (as of 31st December, 2015)

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 III	T. Ban-Chang, A. Ban-Chang, Rayong	Single House	70-1-67.15	652
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	199
5.	Hamlet III	T.Pala, A.Ban-Chang, Rayong	Single House	9-2-53	131
6.	The Star Estate @ Pattanakarn 69	Pattanakarn 69 Pravej, Bangkok	Single House	23-3-30	1,010
7.	The Breeze	ChongNonsri, Yannawa, Bangkok	Condominium	2-1-15.30	1,339
8.	Vantage	Latyao , Jatujak, Bangkok	Condominium	3-0-92	1,070
9.	Star View	Bang khlo , Bang Kho Laem , Bangkok	Condominium	7-0-25	3,858
10.	Nara 9	Sathorn , Bangrak , Bangkok	Condominium	3-0-45.50	2,424
11.	Amber	Nonthaburi	Condominium	2-2-49.90	1,951

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

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.Banchang Rayong	Single home Apartment	66 84	57-1-38.80	1,150

Market and Competition

There's a moderate improvement in the growth of overall real estate market in 2015 which resulting of the sluggish domestic economic growth. While high rates of household debt still weight the purchasing power of consumers and tighten loan policies of financial institutions cause the real estate sector to slow down. In October 2015, the government launched series of stimulus policies to recover the real estate sector and relieve expenses of people who earn low income while obligate loan for their housing. Moreover the policies could help reduce impact of the real estate business owners with easing the housing loan and lower the fees of housing transactions such as reduce the rate of ownership transference to 0.01% and reduce the mortgage register to 0.01%. Furthermore tax policy for first home buyer with the limit house price of 3 million baht help buyers decrease their income tax up to 20% of the house's price in 5 years. The government policies can help improving real estate sector moderately.

In 2016, the real estate sector is expected to continue growing with supports from many factors such as the government's stimulus policies that effect until April 2016 and the investments in government's projects.

The real estate market in 2015 was in severe competition especially for properties on golden places in down town Bangkok which best known for locals and foreigners such as areas near Sukhumvit Rd., Silom Rd., Langsuan Rd. and BTS lines because of these areas are interested by investors and locals who look for best place to live although there were inventories. And because of there were a lot of condominiums in inventories, many entrepreneurs trend to focus on housing development projects more than other projects because housing estates are required by consumers who need house for living, short-term construction and revenue recognition rapidly.

Overall Revenue Structure of Company and Subsidiary companies (2013 - 2015)

Product lines	Managed by	% share holdings	2015		2014		2013	
			Revenue	%	Revenue	%	Revenue	%
Revenue from for-sale real estate development business	ESTAR		1,605.27	93.66	1,166.21	89.00	1,542.17	93.80
Revenue from rental business	SEASTAR	99.13	36.10	2.11	35.22	2.69	33.30	2.03
Revenue from golf course	ESR	81.30	51.60	3.01	51.45	3.93	49.40	3.00
Other revenues	ESTAR ESR SEASTAR		21.03	1.22	57.50	4.38	19.22	1.17
Total			1,714.00	100.00	1,310.38	100.00	1,644.09	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 run only a real estate development business in Ban Chang district, Rayong then since 2003 the company have got new potential shareholders so the company starts the real estate development businesses in more potential areas in Bangkok and reduces the dependence only in Ban Chang market. Although the company expanded real estate business in Bangkok but the company still keep the prudent operational policy by increasing recognition of clients including new customers and existing customers while focusing on middle to upper class customers who have the purchasing power for areas in down town and near BTS or MRT lines in Bangkok. This resulting in 2014 the company achieved its goals to clear all deficit and paid the dividend for the first time in 20 years. In 2015, the company can paid the dividend continually. In 2016, the company expects that the its real estate businesses will keep on growing from 2015 helping by real estate stimulus policies of the government that provide the discount for fees while the mortgage registration will effect until April 2016 together with other positive factors such as low interest rates, the investment in large infrastructure projects of the government that more concrete today and the opening of the ASEAN Economic Community (AEC) that attract more foreign buyers who look for house in Thailand, etc.

Between 2016-2017, it is expected that the real estate sector is still in risks from sluggish domestic economy and high rates of household debt that weigh down the purchasing power of the customers. To reduce the risks, the company have to spend more time to develop projects cautiously. If there still be risks, it should be acceptable risks. The company will choose some potential lands in the company's stock to be developed instead of buying new lots to reduce the risks from spending a lot of capital in investments.

Risks from building houses before selling

To gain customers' confidents, the company still keep on a policy to build houses before selling instead of starting construction only when the customer reserve the house. Although the company has to spend its own capital in housing construction in higher rates than usual due to the fact that there is no any income from customer to use as current capital in construction so the company takes risk that the finished house couldn't be sold immediately when it's completed. The longer the houses are in stock, the more affect to company's profit making. To prevent losing chance in selling, the company will research behavior and demand of customers who visit the company's projects together with study the overall market performance to collect the details for analyzing customer's demand so the company can design the houses according to customers' demand. Then the company could sell and transfer the ownership in time as expected. Also the company could manage the construction according to the demand in market and sold out immediately or as soon as the housing projects are completed.

Risks from increasing construction costs

The problems about workers for construction that could be more intense in future which resulting from speeding up many large-scale infrastructure projects of the government and expanding projects in private sectors will lead to competition in labor market then the construction costs will rise up. In past few years, the lack of labor was improved by many factors such as sluggish economy, lot of stocks and private sectors slow down their new projects. In order to reduce the risks in many projects of the company, the company has signed contracts with contractors that include material and labor costs. The contracts fix the costs of construction so the company can control the costs to a certain extent. Moreover, the company set a policy to partner with potential contractors that can cope with the company's projects in the future and have the ability to complete projects in time. The policy help reducing the risk from fines when the transference process for house and condominium is took so long and delay. The company will increase the potential in management and expense control in construction to achieve the goals.

Shareholders and Management

Shareholders Structure

The Company's Securities

Ordinary Share

As of December 31, 2015, 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. Ordinary shares at par value of 1.00 Baht.

Major Shareholders

Following is the list of the top ten shareholders as of May 12, 2015.

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.	Mr.Thavee Harnkraivilai	90,000,000	1.79
6.	Thai NVDR Co., Ltd	82,158,892	1.64
7.	THE BANK OF NEWYORK (NOMINEE) LIMITED	49,923,612	0.85
8.	Cyber Venture Co. Ltd	42,923,612	0.85
9.	Star Block Co.,LTD	42,000,000	0.84
10.	Mrs. Sununta Dechanubeksa	33,656,300	0.74
Total		3,455,670,897	68.80

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		<u>3,121,278,969</u> shares or	<u>62.14</u> percent

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 4 committees: the Board of Directors, Executive Committee, Audit Committee and Nomination and Remuneration Committee . The details are as follows:

A) Board of Directors

Board of Directors as of December 31, 2015 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, Chairman of Audit Committee and Nomination and Remuneration Committee
4. Mr. Somrit Srithongdee	Independent Director, the Audit Committee and Nomination and Remuneration Committee
5. Mrs.Sunanta Tiasuwan	Independent Director, the Audit Committee and Chairman of Nomination and Remuneration Committee
6. Mr. Thaveepol Kongseri ¹	Advisory Committee
7. Mr. Chatchawin Charoen-Rajapark ¹	Chairman of the Executive Committee
8. Mr. Paiboon Wongjongjaihar ¹	Acting Managing Director
9. Mr. Titiwut Soukpornchaikul ¹	Executive Director
10. Mr.Tinnawat Mahatharadol ¹	Executive Director
11. Mr.Nuttawit Boonyawat	Executive Director
12. Mr.Pongpinit Tejagupta	Director

Note: ¹ Authorized 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, 2015

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	84	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)	74	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)	70	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	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)	66	Master Degree in Public Administration, Chulalongkorn University Mini MBA, Thammasat University Bachelor Degree in Sociology and Anthropology, Chiangmai University	-	none	2010 - present 2010 - present 2010 - 2012 2010 - 2014 2009 - present February 2016 - present 2009 - present	Labour Relations Chairman Chairman Consultant on Human Resource Chief Executive Officer and Managing Director Independent Director and Audit Committee Chairman and Chief Executive Officer Independent Director and Audit Committee	Matching Maximize Solution PCL. ITBC Business Consultant Group Company Limited Bangkok Broadcasting & Television Company Limited (The Royal Thai Army Television Channel 7) HR Professional Consulting and Services Co., Ltd. HR Professional Consulting and Services Co., Ltd. HR Pro Guard Co., Ltd. Eastern Star Real Estate PCL.
5.	Mrs. Sunanta Tiasuwan Independent Director and Audit Committee Passed training course of - Director Certification Program (DCP) - Training from Capital Market Academy Class 11	65	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.

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
6.	Mr. Thaveepol Kongseri	74	Bachelor degree in Mechanical Engineering Shizuoka University, Japan	-	none	2007 - present	Director	Siam City Cement PCL. Eastern Star Real Estate PCL.
	Advisory Committee					2014 - present	Advisory Committee	Eastern Star Resort Co., Ltd.
	Passed training course of - Director Certification Program (DCP)					2003 - present	Executive Director	Seastar Properties Co., Ltd. Super Assets Co., Ltd. Siam Purimongkol Co., Ltd.
						2003 - 2005/present	Director/ Chairman	
						1999 - present	Director	
						1999 - 2006/present	Director/ Chairman	Khao Kaew Country Club Co., Ltd.
7.	Mr. Chatchawin Charoen-Rajapark	55	Ph.D in Management Massachusetts Institute of Technology	-	none	2014 - present	Chairman of the Executive Committee	Eastern Star Real Estate PCL.
	Chairman of the Executive Committee					2005 - 2014	Executive Director	Eastern Star Real Estate PCL
						2009 - present	Independent Director, Nomination and Remuneration Committee	Thai Insurance PCL.
	Passed training course of - Director Accreditation Program (DAP)						Committee member in Policy and strategy committee	
	- Director Certification Program (DCP)						Audit Committee ,	Ocean Glass Public Company Limited.
	- Audit Committee Program (ACP)					2006 - present	Chairman of Nomination and Remuneration Committee and Audit Committee	
	Role of the Compensation Committee (RCC)						Managing Director	President Hotel and Tower Co., Ltd.
						1998 - present	Vice Chairman of The Board of Directors	Rajapark Development Co., Ltd.
						2015 - present		

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
8.	Mr. Titiwut Soukpornchaikul Executive Director	53	M.B.A. Chulalongkorn University	-	none	April 2007 - present	Director	Eastern Star Lai Sun New World Co., Ltd.
	Passed training course of - Director Accreditation Program (DAP)		B.A.-Economics, Thammasat University			2006 - present	Executive Director	Eastern Star Real Estate Public Co., Ltd.
	- Company Secretary Program (CSP)		B.A.-Accounting, Sukhothai Thammathirat University			2006 - present	Director	Eastern Star Resort Co., Ltd.
	- TLCA Executive Development Program (EDP) Class 6					2006 - present	Director	Super Assets Co., Ltd.
						2005 - present	Executive Director	Khao Kaew Country Club Co., Ltd.
						2003 - present	Account - Financial	BBTV Equity Co., Ltd.
						2003 - present	Executive Director	Seastar Properties Co., Ltd.
9.	Mr. Paiboon Wongjongjaiharn Acting Managing Director	51	Bachelor of Electrical Engineer	-	none	2010-present	Executive Director	Khao Kaew Country Club Co., Ltd.
	Passed training course of -Director Accreditation Program (DAP)		King Mongkut's University of Technology North Bangkok			2010-present	Executive Director	Siam Purimongkol Co., Ltd.
						2007 - September 2015	Executive Director	Eastern Star Real Estate Public Co., Ltd.
						September 2015 - present	Acting Managing Director	Eastern Star Real Estate Public Co., Ltd.
						2007 - present	Executive Director	Eastern Star Lai Sun New World Co., Ltd.
						2006 - present	Executive Director	Seastar Properties Co., Ltd.
						2003 - present	Engineering Manager	Eastern Star Resort Co., Ltd.
						1994 - present	Building Manager	BBTV Equity Co., Ltd.

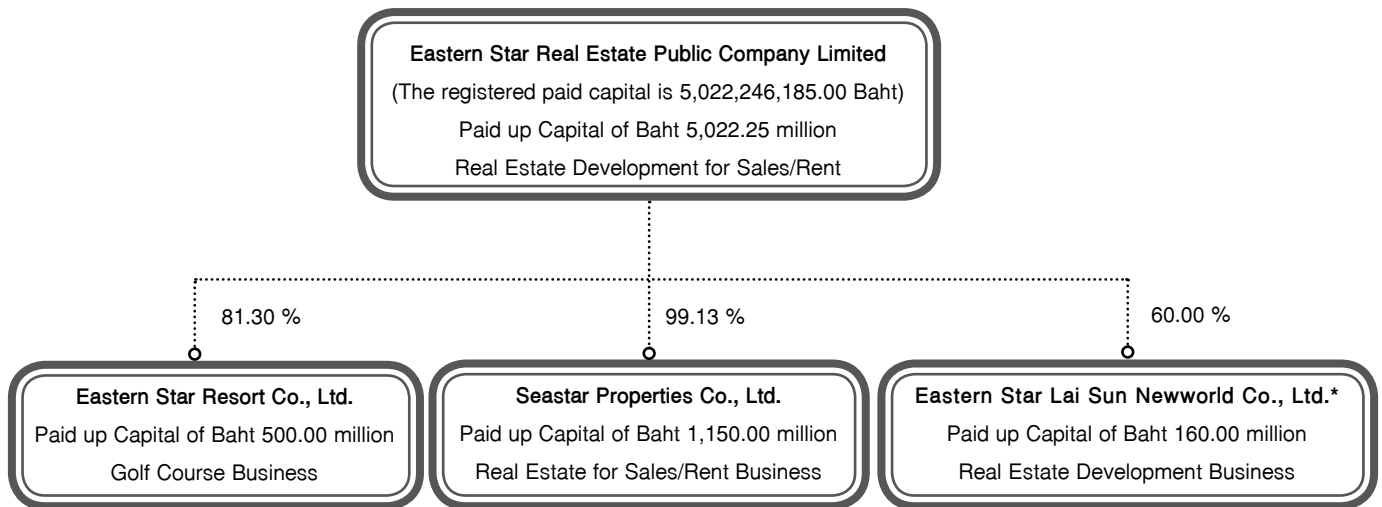
Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship among management	Related experiences for the past 5 years		
						Period	Position	Company
10.	Mr. Tinnawat Mahatharadol Executive Director Passed training course of Director Certification Program (DCP)	57	Master of Business Administration, Ball State University Bachelor of Law, Thammasat University	-	none	2009 - 2012 2009 - Present 2014 - Present May 2015 - Present May 2015 - Present 2015 - Present	Corporate Credit Consultant Managing Director Director Director Director Director	Thanachart Bank Plc. Mahatharadol Co. Ltd. Srivichai Vejvivat Pcl. BBTV Equity Co., Ltd Sunrise Equity Co., Ltd. Eastern Star Real Estate Pcl.
11.	Mr. Nuttawit Boonyawat Executive director Passed training course of - Senior Executive Program (SEP9) SASIN	54	Master of Science, Abilene Christian University Texas, USA. Bachelor of Economics, UTCC	-	none	February 2015 - Present January 2014 - Present August 2013 - Present October 2010 - Present 2015 - Present	Director Director Director Director Executive Director	Home Sukhumvit Co., Ltd. Matching Maximize Solution Plc. TV Digital HR Co., Ltd Grand Larn Luang Co., Ltd Eastern Star Real Estate Pcl.
12.	Mr. Pongpinit Tejagupta Director Passed training course of - Director Certification Program (DCP) Gen. 124	61	Master of Business Administration, University of Detroit, Michigan USA Bachelor of Accountancy, Chulalongkorn University	-	none	2003 - Present 2010 - 2013 2014 - Present 2014 - Present 2014 - Present 2015 - Present 2015 - Present	Director Independent Director Director Director Consultant Executive Director Director Committee Chairman	Allianz Ayudhya Assurance Pcl. Siam City Cement Pcl. Siam City Cement Pcl. Bank of Ayudhya Pcl. Bangkok Broadcasting & TV Co., Ltd. Eastern Star Real Estate Pcl. Media Studio Co., Ltd.
13.	Mrs. Allawan Smarnsodiwong Senior Vice President - Project Development and Design Department	59	Mini MBA 29Thammasat - University Bachelor Architecture Silpakorn University	-	none	2004 - present	Senior Vice President-Project Development and Design 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
14.	Mr. Pongsak Maison Vice President - Legal and Corporate Secretary Passed training course of - Company Secretary Program (CSP) - Anti-Corruption : The Practical Guide (ACPG)	57	Bachelor of Laws Thammasat University	-	none	2014 - present 2006 - 2013 2014 - present 2014 - present	Vice President - Legal and Corporate Secretary Director of Legal Department Executive Director Executive Director	Eastern Star Real Estate PCL. Eastern Star Real Estate PCL. Seastar Properties Co., Ltd. Eastern Star Resort Co., Ltd.
15.	Mr. Supphaphong Amrarong Vice President - Accounting., Finance and Information Technology Department	48	MBA Kasetsart University B.A. Accounting Thammasat University	-	none	2006 - present	Vice President - Accounting., Finance and Information Technology Department	Eastern Star Real Estate PCL.
16.	Mr. Phisith Tangkhanich Vice President-Personnel and Corporate Affairs Department Passed training course of - Director Accreditation Program (DAP) - Financial for Finance Director (FN)	54	Master Degree in Laws, Ramkhamhaeng University Bachelor of Laws Thammasat University	-	none	2009-present	Vice President-Personnel and Corporate Affairs Department	Eastern Star Real Estate PCL.
17.	Mr. Akekachai Paiboonphan Vice President - Project Development and Construction Department 1	43	Bachelor of Civil Engineering Rajchamangkhal Institute of Technology , Thailand	-	none	July 2013 - present 2011- July2013 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.

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
18.	Mr. Songchai Borisut Vice President-Sale and Customer Service Department	48	Master of Economics Kasetsart University Bachelor of Economics Kasetsart University	-	none	2014 - present	Vice President - Sales and Customer Service Department	Eastern Star Real Estate PCL.
19.	Mrs. Pichapas Phowattanakul Assistant Vice President - Accounting, Finance and Information Technology Department	51	Bachelor of Financial and Banking Ramkhamheng University	-	none	November 2006 - present	Assistant Vice President - Accounting, Finance and Information Technology Department	Eastern Star Real Estate PCL.
20.	Miss Puntipa Suklappayaroj Assistant Vice President - Sales and Customer Service Department	52	Bachelor Degree - General Administration Rajabhat Institute Bansomdejchaopraya	-	none	July 2013-present June 2010-June 2013	Assistant Vice President Sales and Customer Service Department Assistant Vice President Customer Relationship and Credit Dept.	Eastern Star Real Estate PCL. Sena Development Public Company Limited

Note: ¹ Including shareholding of spouse and juvenile children-issued shares as of December 31, 2015 was 5,022,246,185 shares

Structure Groups of Eastern Star Real Estate Public Company Limited As at 31 December 2015



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

Executive Committee:

The Executive Committee as of December 31, 2015 consists of:

- | | |
|------------------------------------|-------------------------------------|
| 1. Mr. Chatchawin Charoen-Rajapark | Chairman of the Executive committee |
| 2. Mr. Paiboon Wongjongjaiharn | Acting Managing Director |
| 3. Mr. Titiwut Soukpornchaikul | Executive Director |
| 4. Mr. Nuttawit Boonyawat | Executive Director |
| 5. Mr. Tinnawat Mahatharadol | Executive Director |

Scope of Duties of the Executive Committee:

- To screen the issues to be proposed to the Board of Directors and review the Committee Meeting Report prior to presenting it for approval.
- 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.
- To consider the approval of various issues within their scope of responsibilities.

Authorities of the Executive Committee:

- 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.
- To give approval or make a decision on the issues which require no approval from the Board of Directors.
- 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, 2015 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 2015 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 Board No. TorJor. 4/2552 dated 20 February 2009 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 Securities and Exchange Commission (SEC). 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 Securities and

Exchange Commission (SEC). 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 Securities and Exchange Commission (SEC).
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
9. Does not have any other characteristics that make such director unable to independently express opinion about business operation of the applicant after getting the appointment to be an independent director with the qualifications as prescribed in Clause (1) to (9). The independent director may be assigned from the Board of Directors to make decision in business operation of the applicant, parent company, subsidiary company, associated company, subsidiary company on the same level, major shareholder, or person with control power over the applicant in form of collective decision. Regulations prescribed in Clause (2), (4), (5), and (6) in the part that requires qualification of an independent director of the applicant be considered during the past two year before the date of the petition submission to The Securities and Exchange Commission (SEC) shall be enforced to petition submitted to The Securities and Exchange Commission (SEC) since 1 July 2010 onwards.

For a person whose the applicant appoints to be independent director is a person that has or used to have business relationship or professional service provisions exceed the amount prescribed in Clause (4) or (6), the applicant shall receive relaxation for the prohibition on having or using to have business relationship or professional service provisions exceed the aforementioned amount only in the case that the applicant manages to have the opinion of the Board of Directors, considering under Section 89/7, that the appointment of such person would not have any effect on taking duty or on expressing independent opinion and that the applicant manages to disclose the following information in letter of appointment for shareholder's meeting that has agenda on the consideration of the appointment of independent director.

- 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.

E) Nomination and Remuneration Committee

Lists of the company's nomination and remuneration committee as of 31 December 2015 are as follows:

1. Mrs. Sunanta Tiasuwan Chief of Nomination and Remuneration Committee
2. Mr. Preecha Ounjitti Nomination and Remuneration Committee
3. Mr. Somrit Srithongdee Nomination and Remuneration Committee

The responsibility of nomination and remuneration committee

1. To consider policies, rules and practices to present to the board of directors
 - 1.1 The policies, rules and practices for nominate the company's directors, subcommittees and chief executives such as chief executive officer and/or managing director, deputy managing director and assistant managing director
 - 1.2 The policies, rules and practices for recruit, selection and screening the right person to be appointed for committee, managing director or equivalent person of companies or businesses that the company owns shares at least 50%
 - 1.3 The remuneration policy and other benefits including amount of payment and benefits for director, members of subcommittee and chief executive of the company comprising committees, managing director or equivalent person of companies or businesses that the company owns shares at least 50%
2. Personal Recruit, Selection and Screening

The recruit, selection and screening processes to offer the company the right persons for positions as follows:

 - 2.1 Director
 - 2.2 Committees of subcommittees subject to the board of directors

2.3 Chief executives of the company are Chief executive officer and/or managing director, deputy managing director and assistant managing director

2.4 The committee, managing director or equivalent person of companies or businesses that the company owns shares at least 50%

3. Remuneration

To remuneration and present to board of directors then they can consider the appropriate payment for directors, committees of subcommittees, chief executive such as chief executive officer and/or managing director, deputy managing director, assistant managing director including committees, managing director and or equivalent person of companies or businesses that the company owns shares at least 50% according to the policies and rules of the company, subsidiaries or businesses that the company owns shares at least 50%. However it depends on circumstances. The company will compare the rates of payment with the rates of other company in the same industry or similar. The directors of the company who are charged with more duties should be paid as the proper rates as their duties.

4. Other Duties and Responsibilities

4.1 To consider and present essential details to board of directors then they can adjust the proper size and composition of board of directors that suit to the organization and changing environment. Board of directors must consist of persons who have rich knowledge and experiences in many fields that will be benefit management and operation of the company.

4.2 To consider and present the board of directors any paths to analysis the directors and other chief executives such as chief executive officer and/or managing director, deputy managing director and assistant managing director. Then the board can consider the proper annual bonus for them according to their responsibilities, related risks and long-term value added of shareholders' equity.

4.3 To assess the performances of directors and chief executive officer and/or managing director to present their performance report to the board.

4.4 To consider and present the board of directors a succession plan for positions such as chief executive officer and/or managing director, deputy managing director and assistant managing.

4.5 To reveal the policies and reports that summarize the overall operation of nomination and remuneration committee. Then put them together with the annual report of the company.

4.6 To seek for comments from independent consultant specialist in case of necessities including salary research and director or top executive nomination. The company will pay for the specialist.

F) The Company's secretary

The Company's secretary as at 31 December 2015 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.

G) The company's management as of December 31, 2015 :

- | | |
|--------------------------------|--|
| 1. Mr. Paiboon Wongjongjaiharn | Acting Managing Director |
| 2. Mrs. Allawan Smarnsodtiwong | Senior Vice President-Project Development and Design Department |
| 3. Mr. Pongsak Maision | Vice President-Legal and Corporate Secretary |
| 4. Mr. Supphaphong Amrarong | Vice President-Accounting, Finance and Information Technology Department |
| 5. Mr. Phisith Tangkhanich | Vice President-Personnel and Corporate Affairs Department |
| 6. Mr. Thanatdet Chuenrabiab | Vice President Project Development and Construction Department 2 |
| 7. Mr. Ekachai Paiboonphan | Vice President Project Development and Construction Department 1 |
| 8. Mr. Songchai Borisut | Vice President Sale and Customer Service Department |
| 9. Mrs. Pichapas Phowattanakul | Assistant Vice President-Accounting, Finance and Information Technology Department |
| 10. Miss Puntipa Suktippayaroj | 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 12 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.3/2015 on May 14, 2015 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 14 May 2015 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 2015 follows:

- Total remuneration of the 12 directors (including resigned directors) within the year 2015 equaled 7,583,333.38 Baht.
- Total remuneration of the 10 members of the management team (including salary and provident funds)

within the year 2015 equaled 22,035,300.00 Baht.

Detail of management remuneration for the year 2015

Directors	Position	Office Period	No. of Participation	Remuneration amount (Baht)
1. Mr. Anand Panyarachun	Chairman	1992 - present	6/6	1,440,000.00
2. Mr. Veraphan Teepsuwan	Vice Chairman	1 April 2003 - present	6/5	600,000.00
3. Mr. Preecha Oonchitti	Independent Director and Chairman of Audit Committee	1 April 2003 - present	6/6	720,000.00
4. Mr. Somrit Srithongdee	Audit Committee	26 February 2009 - present	6/6	600,000.00
5. Mrs. Sunanta Tiasuwan	Audit Committee	16 February 2005 - Present	6/5	600,000.00
6. Mr. Thaveepol Kongseri	Advisory Committee	2014 - Present	6/5	720,000.00
7. Mr. Chatchawin Charoen-Rajapark	Executive Director	7 March 2005 - Present	6/6	720,000.00
8. Mr. Titiwut Soukpornchaikul	Executive Director	16 November 2006 - Present	6/6	600,000.00
9. Mr. Paiboon Wongjongjaiharn	Acting Managing Director	25 September 2015 - Present	6/6	600,000.00
10. Mr. Tinnawat Mahatharadol	Executive Director	25 September 2015 - Present	1/1	160,000.00
11. Mr. Nuttawit Boonyawat	Executive Director	24 April 2015 - Present	4/4	411,666.69
12. Mr. Pongpinit Tejagupta	Director	24 April 2015 - Present	4/4	411,666.69
Total				7,583,333.38

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 2015 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 2015, the company held 6 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, 2015 there were 12 directors consisting of

- 5 executive directors
- 3 non - executive directors
- 4 Independent directors (This is 33 % 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 2013, the board held 6 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 2013 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 1/2015 dated 24, April 2015 which are not more than 9.5 million baht per year. In 2015, the company has paid totally 7,583,333.38 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 2015 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 2015, 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 2015.

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.

Discussion and Analysis of Finance and Overall

a) Overall operation

For the year ended 31 December 2015, the company and its subsidiaries earned net profit after tax of 131.59 million baht, year's profit was down 146.99 million baht or 52.76% from 2014 which earned net profit after tax of 278.58 million baht. Details are as follows:

- In 2015, the company and its subsidiaries earned gross profit of 413.73 million baht or 24.44% of total revenues from real estate sales, rental and services increasing 5.24 million baht or 1.28% from 2014 because the group of companies' operating revenues comes from the ownership transferences of condominiums and housing projects in Bangkok and Rayong. In 2015, the company owned more condominiums that completely and ready for transferring resulting in increase of revenue recognition from ownership transference in 2015.
- The selling expense increased 3.41 million baht from 2014 or 3.30% mostly resulting from increasing in expenses of sales promotion and special business tax which can be fluctuated according to the income from ownership transference. The administrative expense increased 10.78 million baht from 2014 or 5.88%, mostly resulting from increasing in expenses of outsourcing and reparation.
- The company has evaluated the new lands and found that the new lands' values was increasing from the last year. At present, most of lands owned by the company have increasing value in market which above the book value, so the company has to adjust the price according to the book value to resulting in currently land prices. To do that the company reversed the impairment of those lands that used to be recorded in expenses resulting in profit of 44.05 million baht from impairment loss reversal in 2015 decreasing 127.26 million baht from 2014.

As of 31 December 2015, the company has remaining loan of 634.97 million baht and long-term loan according to bank credit contract which not withdraw yet in amount of 1,843 million baht. In 2015, the company has debt to equity ratio of 0.35 times.

In 2015, the company divided bonus continually for 2 years since 2014. The company can cleared its deficits (Separate Financial Statements) and it's expected that the company can divide bonus continually to the third year because it gained profits from projects sales at present such as Starview, Nara 9, Amber, housing projects in Rayong and etc.

Revenues from sales and services

At present the company and its subsidiaries earned the revenues from real estate sales, rental and services which come from 3 businesses: real estate development for sales, real estates for rent and golf course resulting in total revenue of 1,692.97 million baht increasing 440.09 million baht from 2014 or 35.13%. The revenues from 3 businesses are summed up as follows:

- In 2015, the revenue from for-sale real estate development business is 1,605.27 million baht or 94.82% of total revenues from real estate sales, rental and services which mostly come from revenue recognition of land with house sales and condominiums bringing up to 1,604.30 million baht or 99.94% of the revenue from real estate development business that increased by 473.93 million baht or 37.55% on year. In 2015, the condominium ownership transference rate was higher than the rate in 2014 resulting in revenue increase. The revenue recognitions from ownership transference for projects in Bangkok and Rayong are as follows:

Summary of sales	2015 (million baht)			2014 (million baht)		
	Bangkok	Rayong	Total	Bangkok	Rayong	Total
Revenues from land with house sales	130.82	67.07	197.89	80.37	185.73	266.10
Revenues from condominium sales	1,406.41	-	1,406.41	900.27	-	900.27
Total revenues	1,537.23	67.07	1,604.30	980.64	185.73	1,166.37

- In 2015, the revenue from rental real estate business is 36.10 million baht or 2.13% of the total revenues from real estate sales, rental and services, increasing 0.88 million baht from 2014 or 2.50%. It's a bit increase because of the clients who rent long-term house and condominium are the same group and more clients prefer to use short-term room rental services.
- In 2015, the revenue from golf course is 51.60 million baht or 3.05% of the total revenues from real estate sales, rental and services which increased by 0.15 million baht from 2014 or 0.29%. Throughout 2014, the golf course was improved for the good conditions resulting in popularity, so the revenue from golf course was similar to last year. But the revenues from golf cart rental and fitness services are increased.

Cost of sales and services

In 2015, the company and its subsidiaries had costs of real estate sales and rental at 1,279.24 million baht increasing 434.85 million baht from 2014 or 51.50%. The costs of sales and services in 2015 are composed of:

- The costs of land with house and condominium sales are 1,225.40 million baht or 95.79% of the joint cost, increased by 439.32 million baht from 2014 or 55.88% which can be fluctuated according to increasing revenue.
- The cost of real estate rental business is 18.67 million baht or 1.46% of the joint cost, increasing 0.12 million baht or 0.65% resulting of the cost of house and condominium renovations since 2014.
- The cost of golf course business is 35.17 million baht or 2.75% of the joint cost, decreasing 4.59 million baht or 11.54% resulting of buying golf carts instead of rent golf carts in November 2014 so that the cost of golf cart services was decreased.

Other incomes

In 2015, there were other incomes of 21.03 million baht which dropped by 36.48 million baht from 2014 or 63.43% because the company sold some of small, undeveloped lands in Bangkok and Rayong in 2014.

Distribution expense

In 2015, the expense was 106.77 million baht increasing 3.41 million baht from 2014 or 3.30% which can be fluctuated according to increasing revenue from sales. It's resulting of brokerage, sell promotion cost which delivered promotions to clients after transference of the ownership and special business tax. But the advertising cost was decreasing because there's less advertisement and booth than in 2015.

Administrative expense

In 2015, the administrative expense was 194.20 million baht, increasing 10.78 million baht or 5.88%, mostly comes from payment for condominium juristic persons in 2015 and the costs of projects repairing in Bangkok and Rayong.

Reversal impairment loss of assets/Impairment loss of assets

Since 2014 to 2015, the company has engaged qualified assessors to review the value of assets that's expected to be returned including lands for development and real estates for investment purpose. The results are the new asset appraised value in 2015 is higher than current book value, so the company reversed the impairment loss of assets that used to recognized the loss of 44.05 million baht, reversed the impairment loss of assets of 171.31 million baht in 2014 and some assets were appraised value below book value, so that there was impairment loss of assets 4.27 million baht. But in 2014, there's no impairment loss of assets.

Financial expenses

In 2015, the interest expenses are 2.14 million baht, decreasing 7.20 million baht from 2014 or 77.09%. The company took on loan from commercial bank to use in the company's operating. In 2015, most of interest was recorded as the cost of real estate development for current projects. In 2014, interest of loan that used in construction projects was recorded as interest expense.

Income tax expenses

In 2015, the company earned profit before tax 242.30 million baht, decreasing 98.89 million baht from 2014 or 28.98%. In 2015, the company has income tax expense of 39.84 million baht, decreasing 22.77 million baht from 2014 or 36.37%. The income tax expense can be fluctuated according to the decreasing profit in 2015.

Net gain (loss)

In 2015, the company and its subsidiaries earned net profit of 132.65 million baht, decreasing 145.93 million baht from 2014 or 52.38%. Although the company earned the revenue from sales in 2015 and its gross profit was higher than in 2014 but the sales and operating expenses were increasing too with the reversal impairment loss of assets in 2014 has higher value than in 2015 resulting in net profit of 2015 was lower than 2014.

b) Financial statement**Components of assets**

As of 31 December 2015, the company and its subsidiaries own a total assets of 6,260.33 million baht, decreasing 533.78 million baht from the number on 31 December 2014 or 7.86%. Mostly of decrease results of temporary investment withdraw in the year including the cost of real estate development and inventory which are the main activities of the company's operating. In 2015, the company has more complete construction projects that ready to transfer to clients therefore more ownership transference, so the total assets were decreased. Details of asset changes are as follows:

- As of 31 December 2015, cash and cash equivalent was 65.57 million baht, increasing 15.97 million baht from date 31 December 2014 or 32.20% because in December 2015 the company earned clients' payment for condominium ownership transferences resulting in higher deposit in the end of the year.
- As of 31 December 2015, the temporary investment was 29.40 million baht, decreasing 137.99 million baht from date 31 December 2014 or 82.44% because in December 2014 the company has credit balance from condominium ownership transference and combined the credit balance with consolidated fund. In 2015, the company withdrawal the fund gradually resulting in decreasing temporary investment at the end of 2015.
- As of 31 December 2015, account receivables and other receivables was 8.19 million baht increasing 3.59 million baht from date 31 December 2014 or 78.04% resulting of more other receivables in 2015.

- As of 31 December 2015, the cost of real estate development and inventories was 3,241.13 million baht, decreasing 382.86 million baht from date 31 December 2014 or 10.56% because in 2015 there were more completed condominium that ready to transfer to the clients and transferred to cost of sales according to the number of ownership transferences then the overall real estate development costs and inventories were decreased in 2015. It's including the real estate development cost of 2,989.12 million baht, inventories of 246.71 million baht and other inventories 5.30 million baht.
- As of 31 December 2015, the prepaid expense for construction was 24.57 million baht, decreasing 51.36 million baht from date 31 December 2014 or 67.64%. The prepaid expense is the expense pay for the company's project contractors and when the company pay for the construction cost in each time those amount of money will be rebated from the payment that was disbursed each time, so when the construction is completed, the prepaid expense for construction will be decreased.
- As of 31 December 2015, the real estate for investment purpose-net of 1,304.12 million baht, increasing 6.90 million baht from date 31 December 2014 or 0.47% because in 2015 there was an annual asset evaluation and found that most lands had increasing in value, above the recorded book value, and used to recognition of impairment as expenses in the past, so the company has reversal impairment loss of those lands that lead to higher value of real estate for investment-net.
- As of 31 December 2015, the deferred income tax asset was 18.53 million baht, decreasing 8.10 million baht from date 31 December 2014 or 30.42%. The company used the deferred income tax as income tax expense for 2015 resulting in lower deferred income tax asset.
- As of 31 December 2015, the land and land improvements-net were 1,126.80 million baht, increasing 40.61 million baht from date 31 December 2014 or 3.74% because in 2015 there was an annual land evaluation and found that most lands were increasing in value, above the book value, and used to recognition of impairment as expenses in the past, so the company has reversal impairment loss of those lands resulting in increasing book value of those lands.

Components of liability and shareholders' equity

- As of 31 December 2015, the company and subsidiaries had a total liability of 1,608.12 million baht, decreasing 516.79 million baht from 31 December 2014 or 24.32. Details of changes in liability of the company and subsidiaries are as follows:
- As of 31 December 2015, the trade account payable and other payables were 70.68 million baht, decreasing 99.50 million baht from 31 December 2014 or 58.47% because of at the end of 2014 contractor payables called in a lot of construction costs. In 2015, the company paid the construction costs and the remaining cost to pay was less than the remaining in 2014 resulting in decreasing trade account payable and other payables in 2015.
- As of 31 December 2015, the current portion of long-term loan was 634.97 million baht, decreasing 325.13 million baht from 31 December 2014 or 33.86%. The company took on loan from commercial bank for use in construction projects. In 2015, the company's total repaid for loan was less than the total of loan resulting in decreasing.
- As of 31 December 2015, the prepaid income from clients was 651.41 million baht, decreasing 87.91 million baht from 31 December 2014 or 11.89% resulting of recording the prepaid income from clients as real estate sales income from condominium and land with house ownership transference in 2015 then prepaid income from clients was decreased from 2014. As of 31 December 2015, the accrued income tax was 15.85 million

baht, increasing 15.85 million baht from 31 December 2014 or 100%. The company earned taxable profits in 2015 and 2014 while in 2015 the company didn't has taxable loss that can use for tax credit, so the company has accrued income tax. But in 2014 the company used the remaining taxable loss for tax credit resulting in no accrued income tax.

- As of 31 December 2015, the accrued expense was 44.02 million baht, increasing 7.52 million baht from 31 December 2014 or 20.60%. Most accrued expense comes from estimated liability of renovation from insurance and accrued brokerage from house and condominium ownership transference.
- As of 31 December 2015, the retention money for construction was 105.10 million baht, decreasing 45.04 million baht from 31 December 2014 or 30% because of the company has debited the retention money from contractors and in 2015 the company refund the retention money to contractors when the due date has come resulting in decreasing of retention money for construction.
- As of 31 December 2015, the company and its subsidiaries had shareholders' equity of 4,652.21 million baht. As of 31 December 2014, the amount of 16.99 million baht or 0.36%. The company earned gross profit of 131.59 million baht in 2015 and the reserve increasing at amount of 7.10 million baht according to the law. The company divided bonus from its 2014-operation in 2015 at amount of 150.62 million baht and the non-controlling shareholders' equity was decreased by 1.10 million baht.

c) Liquidity

Cash flow

In 2015, the company and its subsidiaries had cash and cash equivalent of 15.98 million baht which generated from operation, investment and financing, increased by 103.05 million baht from 2014. Detail are as follows:

- Net cash flow (loss) in operation in 2015 gained cash flow from operation of 363.56 million baht, increasing 692.38 million baht from 2014 resulting of the company paid the cost of real estate development lower on year in 2015 because of more complete condominiums that ready to transfer the ownership that cause higher cash receipts from ownership transference than in 2014 and lead to higher net cash flow in operating activities.
- Net cash flow (loss) from investment 2015 gained cash flow from investment of 128.09 million baht, increasing 296.96 million baht from 2014 caused by the company distributed unit trusts more than buying unit trusts in 2015 resulting in increasing cash receipts of 139.12 million baht. The company also bought real estates for investment, building, equipment, intangible assets, lands and land improvements increased by 11.39 million baht. While in 2014, the company has more buying activities than distribute activities. The sum up of income (loss) in investment in 2014-2014 are as follows:

(unit : million baht)

Investment activities	2015	2014
Fixed deposit	-	11.20
Net unit trust purchase- distribution	139.12	(167.00)
Buy real estates for investment purpose	(7.20)	(5.13)
Buy buildings, equipment and intangible assets	(4.04)	(36.03)
Buy land and land improvement	(0.15)	(3.78)
Cash receipts from selling real estates for investment purpose and lands for development	0.20	30.62
Cash receipts from selling equipment	0.16	1.25
Net current cash flow gain (loss)	128.09	(168.87)

- Net cash flow (loss) from financing activities in 2015 has cash flow loss in financing activities of 475.67 million baht, decreasing 886.29 million baht from 2014 because in 2015 the company repaid the long-term loan in amount of 932.13 million baht and withdraw the long-term loan of 607.00 million baht to use in condominium constructions in Bangkok and divided bonus of 150.54 million baht. While in 2014 the company withdraw the loan of 410.62 million baht which was more than net repaid resulting in cash flow loss in investment activities.

Liquidity ratio

The liquidity ratio as of 31 December 2015 was 2.30 times, increased by 0.28 times from 31 December 2014. The company and its subsidiaries had current assets of 3,375.08 million baht and the current liability of 1,466.47 million baht. The company's liquidity is in good condition.

- As of 31 December 2015, the current assets decreased by 551.41 million baht from 31 December 2014. Main cause is decreasing in temporary investment fund which fell by 137.99 million baht. The real estate development cost and inventory were decreased by 382.86 million baht by transferring to cost of sales when transfer the ownership to clients. In 2015, there was higher ownership transference resulting in faster inventory leading to cash and cash equivalent in 2015 increased by 15.97 million baht from 2014 and decreasing of 51.36 million baht in prepaid of the construction cost.
- As of 31 December 2015, the current liability decreased by 474.80 million baht from 31 December 2014. Main cause is the trade account payable and other payables decreased by 99.50 million baht by repaid the construction cost of condominium in 2015 leading to less contractor payables. The current portion of long-term loan decreased by 325.13 million baht by repaid the loan and the advance received from clients decreased by 87.91 million baht because of the recognition of ownership transference and the accrued income tax increased by 15.85 million baht.

Capital structure

Debt to Equity ratio as of 31 December 2015 was 0.35 times, decreasing 0.11 times from 2014. The company and its subsidiaries had a total of liability decreased by 516.79 million baht as of 31 December 2015. Main causes are the company has repaid long-term loan due to be paid within 1 year more than raising loan and the company has the ability of solvency and other liability obligations normally.

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 2015, as the followings;

Company	(audit fee)	(non-audit fee)
Eastern Star Real Estate Public Company Limited	880,000 Baht	18,838 Baht
Eastern Star Resort Company Limited	180,000 Baht	5,300 Baht
Seastar Properties Company Limited	210,000 Baht	5,400 Bath
Eastern Star-Lai San New World Company Limited	30,000 Baht	-
Total	1,300,000 Baht	29,538 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 2015 is fair and reliable.

Independent Auditor's Report

To Eastern Star Real Estate Public Company Limited and its subsidiaries

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 2015, 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 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 25 February 2016

Statement of financial position

Eastern Star Real Estate Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	65,573,624	49,595,369	55,865,956	41,221,452
Current investments	8	29,401,555	167,392,946	17,169,655	155,389,699
Trade and other receivables	9	8,193,992	4,597,223	8,586,346	6,354,886
Real estate development costs and inventories	10	3,241,133,150	3,623,986,654	3,237,604,084	3,620,737,565
Advance for construction work		24,571,306	75,933,036	24,571,306	75,933,036
Other current assets		6,216,299	4,997,361	4,358,660	3,222,547
Total current assets		3,375,089,926	3,926,502,589	3,348,156,007	3,902,859,185
Non-current assets					
Finance lease contract receivables	11.1	34,226,471	35,861,286	34,226,471	35,861,286
Investments in subsidiaries	12	-	-	934,517,510	935,046,557
Investment properties	13	1,304,118,158	1,298,030,665	940,298,659	928,244,749
Property, plant and equipment	14	370,035,209	390,397,883	93,416,312	108,229,951
Intangible assets	15	1,331,514	1,248,553	1,242,669	1,140,926
Deferred tax assets	25	18,527,107	26,625,905	17,956,245	26,113,955
Land and improvement awaiting development	16	1,126,802,439	1,086,188,254	972,205,790	923,451,705
Other non-current assets		30,198,910	29,252,295	23,637,371	23,793,252
Total non-current assets		2,885,239,808	2,867,604,841	3,017,501,027	2,981,882,381
Total assets		6,260,329,734	6,794,107,430	6,365,657,034	6,884,741,566

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

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	70,676,319	170,178,448	68,473,692	166,990,485
Current portion of long-term loans	18	634,969,135	960,100,000	634,969,135	960,100,000
Advance received from customers		651,406,031	739,318,500	649,537,997	735,438,564
Income tax payable		15,847,687	-	15,847,687	-
Accrued expenses		44,026,201	36,495,368	40,401,955	32,108,697
Other current liabilities	19	49,542,415	35,175,778	44,051,450	28,937,239
Total current liabilities		1,466,467,788	1,941,268,094	1,453,281,916	1,923,574,985
Non-current liabilities					
Provision for long-term employee benefits	20	13,844,948	12,097,133	10,990,635	9,537,383
Retention guarantees		105,095,399	150,141,683	105,095,399	150,141,683
Advance received from land lease	11.2	5,480,091	5,806,491	5,480,091	5,806,491
Deferred tax liabilities	25	6,845,294	7,172,257	6,845,294	7,172,257
Other non-current liabilities		10,390,138	8,422,447	10,079,175	7,787,389
Total non-current liabilities		141,655,870	183,640,011	138,490,594	180,445,203
Total liabilities		1,608,123,658	2,124,908,105	1,591,772,510	2,104,020,188

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

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Shareholders' equity					
Share capital					
Registered	21				
5,172,246,185 ordinary shares of Baht 1 each					
(2014: 5,022,246,185 ordinary shares of Baht 1 each)		5,172,246,185	5,022,246,185	5,172,246,185	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)
Capital reserve for share-based payment transactions	22	978,875	-	978,875	-
Retained earnings					
Appropriated - statutory reserve	23	27,707,634	20,608,445	27,707,634	20,608,445
Unappropriated (deficits)		(162,537,346)	(138,562,168)	152,216,716	167,131,634
Other components of shareholders' equity		74,131,479	74,131,479	-	-
Total shareholders' equity		4,533,261,941	4,549,159,055	4,773,884,524	4,780,721,378
Non-controlling interest of the subsidiaries		118,944,135	120,040,270	-	-
Total shareholders' equity		4,652,206,076	4,669,199,325	4,773,884,524	4,780,721,378
Total liabilities and shareholders' equity		6,260,329,734	6,794,107,430	6,365,657,034	6,884,741,566
		-	-	-	-

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

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Directors

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Statement of comprehensive income

Eastern Star Real Estate Public Company Limited and its subsidiaries

For year ended 31 December 2015

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit or loss:				
Revenues				
Revenue from real estate sales and revenue from rental and services	1,692,967,793	1,252,877,203	1,606,855,686	1,167,796,159
Other income	21,029,716	57,505,168	29,132,854	65,150,570
Total revenues	1,713,997,509	1,310,382,371	1,635,988,540	1,232,946,729
Expenses				
Cost of real estate sold and cost of rental and services	1,279,239,596	844,387,430	1,225,682,943	789,464,151
Selling expenses	106,770,197	103,361,853	101,606,285	95,825,544
Administrative expenses	194,201,594	183,419,566	168,137,556	158,723,119
Loss on diminution in value of assets	4,271,287	-	1,810,082	-
Reversal of loss on diminution in value of assets	(44,050,931)	(171,315,730)	(45,331,967)	(167,253,996)
Total expenses	1,540,431,743	959,853,119	1,451,904,899	876,758,818
Profit before finance costs and income tax expenses	173,565,766	350,529,252	184,083,641	356,187,911
Finance costs	(2,141,138)	(9,342,918)	(2,141,138)	(9,342,918)
Profit before income tax expenses	171,424,628	341,186,334	181,942,503	346,844,993
Income tax expenses	(39,839,316)	(62,608,926)	(39,958,742)	(62,716,069)
Profit for the year	131,585,312	278,577,408	141,983,761	284,128,924
Other comprehensive income:				
Other comprehensive income				
<i>Other comprehensive income not to be reclassified to profit and loss in subsequent periods</i>				
Actuarial gain and loss	1,333,838	-	1,031,270	-
Less: income tax effect	(266,768)	-	(206,254)	-
Other comprehensive income not to be reclassified to profit and loss in subsequent periods - net of income tax	1,067,070	-	825,016	-
Other comprehensive income for the year	1,067,070	-	825,016	-
Total comprehensive income for the year	132,652,382	278,577,408	142,808,777	284,128,924
Profit attributable to:				
Equity holders of the Company	132,737,777	279,738,290	141,983,761	284,128,924
Non-controlling interests of the subsidiaries	(1,152,465)	(1,160,882)	-	-
	131,585,312	278,577,408		
Total comprehensive income attributable to:				
Equity holders of the Company	133,748,517	279,738,290	142,808,777	284,128,924
Non-controlling interests of the subsidiaries	(1,096,135)	(1,160,882)	-	-
	132,652,382	278,577,408		
Earnings per share	26			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.026	0.056	0.028	0.057

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 2015

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of equity				
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings		Surplus from change in the ownership interests in subsidiaries	Total other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated (deficits)					
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 23)	-	-	-	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
Balance as at 1 January 2015	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
Profit for the year	-	-	-	-	132,737,777	-	-	132,737,777	(1,152,465)	131,585,312
Other comprehensive income for the year	-	-	-	-	1,010,740	-	-	1,010,740	56,330	1,067,070
Total comprehensive income for the year	-	-	-	-	133,748,517	-	-	133,748,517	(1,096,135)	132,652,382
Share-based payment transactions (Note 22)	-	-	978,875	-	-	-	-	978,875	-	978,875
Dividend paid (Note 28)	-	-	-	-	(150,624,506)	-	-	(150,624,506)	-	(150,624,506)
Transfer unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	7,099,189	(7,099,189)	-	-	-	-	-
Balance as at 31 December 2015	5,022,246,185	(429,264,886)	978,875	27,707,634	(162,537,346)	74,131,479	74,131,479	4,533,261,941	118,944,135	4,652,206,076
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

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 2015

Separate financial statements						(Unit: Baht)
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings	Total shareholders' equity	
				Appropriated	Unappropriated (deficits)	
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 23)	-	-	-	8,796,402	(8,796,402)	-
Balance as at 31 December 2014	5,022,246,185	(429,264,886)	-	20,608,445	167,131,634	4,780,721,378
Balance as at 1 January 2015	5,022,246,185	(429,264,886)	-	20,608,445	167,131,634	4,780,721,378
Profit for the year	-	-	-	-	141,983,761	141,983,761
Other comprehensive income for the year	-	-	-	-	825,016	825,016
Total comprehensive income for the year	-	-	-	-	142,808,777	142,808,777
Share-based payment transactions (Note 22)	-	-	978,875	-	-	978,875
Dividend paid (Note 28)	-	-	-	-	(150,624,506)	(150,624,506)
Transfer unappropriated retained earnings to statutory reserve (Note 23)	-	-	-	7,099,189	(7,099,189)	-
Balance as at 31 December 2015	5,022,246,185	(429,264,886)	978,875	27,707,634	152,216,716	4,773,884,524

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before income tax expenses	171,424,628	341,186,334	181,942,503	346,844,993
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	1,227,893,151	787,490,647	1,227,893,151	787,490,647
Loss on diminution in value of real estate development costs and inventories (reversal)	(2,210,208)	1,973,504	(2,210,208)	1,973,504
Reversal of allowance for doubtful debts	(3,000)	-	-	-
Loss on diminution in value of assets	4,271,287	-	1,810,082	-
Reversal of loss on diminution in value of assets	(44,050,931)	(171,315,730)	(45,331,967)	(167,253,996)
Gain on sales and written off of investment properties	(99,279)	(18,751,911)	-	(18,751,513)
Depreciation and amortisation	31,470,348	31,486,595	16,337,844	18,026,641
Provision for long-term employee benefits	3,081,653	2,664,478	2,484,522	2,128,759
Recognised income from finance lease	(1,331,585)	(1,336,774)	(1,331,585)	(1,336,774)
Share-based payment transactions	978,875	-	978,875	-
Gain on sales of land awaiting development	-	(2,733,421)	-	(2,733,421)
Gain on sales of unit trust	(880,785)	(164,801)	(880,785)	(164,801)
Unrealised gain on changes in value of unit trust	(248,868)	(186,614)	(20,215)	(183,367)
Loss (gain) on sales and written off of land and equipment	(408)	(1,132,387)	45,285	(1,027,781)
Finance costs	2,141,138	9,342,918	2,141,138	9,342,918
Profit from operating activities before changes in operating assets and liabilities	1,392,436,016	978,522,838	1,383,858,640	974,355,809
Decrease (increase) in operating assets				
Trade and other receivables	(3,593,769)	7,343,871	(2,231,460)	6,241,108
Real estate development costs and inventories	(736,474,263)	(1,428,888,686)	(736,194,286)	(1,425,497,072)
Advance for construction work	(401,549)	(25,983,950)	(401,549)	(25,983,950)
Other current assets	(1,218,643)	1,156,101	(1,136,113)	1,146,866
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	922,083	75,258	955,579	14,944
Increase (decrease) in operating liabilities				
Trade and other payables	(98,874,054)	38,330,675	(98,385,073)	39,692,221
Accrued expenses	7,894,983	(36,964,751)	8,657,408	(37,506,955)
Advance received from customers	(87,912,469)	115,676,628	(85,900,567)	113,292,894
Other current liabilities	14,366,637	3,968,231	15,114,211	3,946,322
Retention guarantees	(45,046,284)	70,935,321	(45,046,284)	70,935,321
Other non-current liabilities	1,967,691	1,385,762	2,291,786	1,491,136
Cash flows from (used in) operating activities	446,706,379	(271,802,702)	444,222,292	(275,231,356)
Cash paid for interest expenses	(65,594,952)	(45,037,361)	(65,594,952)	(45,037,361)
Cash paid for income tax	(17,555,600)	(13,234,919)	(16,486,562)	(12,325,072)
Tax refund	-	1,257,349	-	-
Net cash flows from (used in) operating activities	363,555,827	(328,817,633)	362,140,778	(332,593,789)

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Decrease (increase) in fixed deposits	(617)	11,196,308	(617)	(945)
Acquisition of unit trust	(263,500,000)	(357,000,000)	(263,500,000)	(345,000,000)
Acquisition of investment properties	(7,195,485)	(5,129,583)	-	-
Acquisition of building and equipment and intangible assets	(4,040,353)	(36,029,668)	(2,744,627)	(21,622,633)
Proceed from sales of unit trust	402,621,660	190,000,000	402,621,660	190,000,000
Proceed from sales of investment properties	197,016	27,230,400	-	27,230,000
Proceed from sales of land awaiting development	-	3,388,000	-	3,388,000
Proceed from sales of equipment	163,036	1,249,916	90,039	1,134,766
Acquisition of land and improvement awaiting development	(151,440)	(3,778,369)	(8,291,340)	(3,778,369)
Net cash flows from (used in) investing activities	128,093,817	(168,872,996)	128,175,115	(148,649,181)
Cash flows from financing activities				
Cash receipt from short-term loans	155,000,000	-	155,000,000	-
Repayment of short-term loans	(155,000,000)	-	(155,000,000)	-
Cash receipt from long-term loan	607,000,000	413,000,000	607,000,000	413,000,000
Repayment of long-term loans	(932,130,865)	(2,381,086)	(932,130,865)	(2,381,086)
Dividend paid	(150,540,524)	-	(150,540,524)	-
Net cash flows from (used in) financing activities	(475,671,389)	410,618,914	(475,671,389)	410,618,914
Net increase (decrease) in cash and cash equivalents	15,978,255	(87,071,715)	14,644,504	(70,624,056)
Cash and cash equivalents at beginning of year	49,595,369	136,667,084	41,221,452	111,845,508
Cash and cash equivalents at end of year	65,573,624	49,595,369	55,865,956	41,221,452
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Transfer advance for construction work to real estate development costs	51,763,279	123,729,951	51,763,279	123,729,951
Transfer equipment to real estate development costs	51,937	142,810	51,937	142,810
Transfer building and equipment to investment properties	87,015	-	-	-
Transfer land and improvement awaiting development to real estate development costs	-	210,234,377	-	210,234,377
Transfer land and improvement awaiting development to investment properties	-	455,795,533	-	455,795,533
Accounts payable for purchases of equipment	138,363	278,565	4,066	135,786
Accounts payable for purchase of investment properties	224,395	712,268	-	-
Transfer interest expenses to real estate development costs	54,539,959	34,194,254	54,539,959	34,194,254
Transfer interest expenses to land and improvement awaiting development	8,465,723	2,898,630	8,465,723	2,898,630
Transfer equipment to other non-current assets	1,159,661	-	1,159,699	-
Transfer investment properties to other non-current assets	295	-	-	-
Transfer other non-current assets to intangible assets	360,001	-	360,001	-
Dividend payable	83,982	-	83,982	-

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 2015

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 12 May 2015*)
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"):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 %	2014 %
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) The Company is deemed to have control over an investee or subsidiaries 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) 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 present investments in subsidiaries under the cost method.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current year from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income.

The change is 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 content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any 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 investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does 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 on 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 measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

b) Financial reporting standard issued during the period and not yet effective

During the year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

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. Other services income is recognized when the services have been rendered.

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 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 weighted average 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 2 - 5 years for fixtures and building infrastructure, 20 years for building development and 40 - 50 years for building. Depreciation of the investment properties is included in determining income.

No depreciation is provided 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, 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 recognised immediately in other comprehensive income.

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.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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 recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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 used judgment to assess the effect of this litigation and this involves evaluating the degree of probability that a loss will be incurred and the management's ability to make a reasonable estimate of the amount of that loss. Changes in the factors used in management's evaluation and unanticipated events may result in actual results differing from the estimates. However, if management believes that no significant loss will result, no related 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	
	2015	2014	2015	2014
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)				
Income of central service management	-	-	3	3
Other income	-	-	7	8
Purchase of Land	-	-	8	-
<u>Transactions with related parties</u>				
Revenue from real estate sales	7	-	7	-
Office rental and service expenses	5	5	5	5

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.
- Revenue from real estate sales and other income is based on the same basis that charge to outside parties.
- The purchase price of land is based on the appraisal value of the independent valuer.

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 financial statements		Separate financial statements	
	2015	2014	2015	2014
Other receivables (Note 9)				
Subsidiaries	-	-	2,165	2,696
Other payables (Note 17)				
Subsidiaries	-	-	329	401

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued interest				
A subsidiary	-	-	63	63
Retentions				
Related parties	1,393	1,242	1,393	1,242

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	33,254	37,482	26,982	29,998
Post-employment benefits	7,414	5,861	7,011	5,572
Share-based payment (Note 22)	248	-	248	-
Total	40,916	43,343	34,241	35,570

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	1,213	1,005	190	190
Bank deposits	64,361	48,590	55,676	41,031
Total	65,574	49,595	55,866	41,221

As at 31 December 2015, bank deposits in current accounts, saving accounts and fixed deposits with an original maturity of three months or less carried interests between 0.10% and 0.80% per annum (2014: between 0.30% and 1.125% per annum).

8. Current investments

	Consolidated financial statements			
	2015		2014	
	Amount	Interest rate	Amount	Interest rate
	(Thousand Baht)	(% per annum)	(Thousand Baht)	(% per annum)
Fixed deposits 12 months	42	1.25	42	1.50
Investments in unit trust	29,111		167,165	
Add: Unrealised gain on changes in value of unit trust	249		186	
Total	29,402		167,393	

	Separate financial statements			
	2015		2014	
	Amount	Interest rate	Amount	Interest rate
	(Thousand Baht)	(% per annum)	(Thousand Baht)	(% per annum)
Fixed deposits 12 months	42	1.25	42	1.50
Investments in unit trust	17,108		155,165	
Add: Unrealised gain on changes in value of unit trust	20		183	
Total	17,170		155,390	

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade accounts receivable - third parties</u>				
Not yet due	1,449	234	-	-
Past due not over 3 months	266	473	-	-
Past due 3 - 6 months	37	66	-	-
<u>Total trade accounts receivable</u>	<u>1,752</u>	<u>773</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Other receivables				
Other receivables - related parties (Note 6)	-	-	2,165	2,696
Other receivables - third parties	3,664	2,675	3,331	2,238
Accrued income	9,692	9,622	9,692	9,623
Advanced payment	2,084	528	2,064	464
Interest receivable	1	1	1	1
<u>Total other receivables</u>	<u>15,441</u>	<u>12,826</u>	<u>17,253</u>	<u>15,022</u>
Less: Allowance for doubtful debts	(8,999)	(9,002)	(8,667)	(8,667)
<u>Total other receivables - net</u>	<u>6,442</u>	<u>3,824</u>	<u>8,586</u>	<u>6,355</u>
<u>Total trade and other receivables - net</u>	<u>8,194</u>	<u>4,597</u>	<u>8,586</u>	<u>6,355</u>

10. Real estate development costs and inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land	1,037,855	1,154,844	1,033,193	1,150,462
Construction under development	2,205,160	2,473,235	2,205,160	2,473,235
<u>Total</u>	<u>3,243,015</u>	<u>3,628,079</u>	<u>3,238,353</u>	<u>3,623,697</u>
Less: Provision for loss on diminution in value of projects	(2,443)	(4,653)	(749)	(2,959)
<u>Real estate development costs - net</u>	<u>3,240,572</u>	<u>3,623,426</u>	<u>3,237,604</u>	<u>3,620,738</u>
Other inventories	561	561	-	-
<u>Total</u>	<u>3,241,133</u>	<u>3,623,987</u>	<u>3,237,604</u>	<u>3,620,738</u>

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2015 of Baht 2,856 million (2014: Baht 2,954 million) as collateral for credit facilities granted by a bank.

As at 31 December 2015, real estate development costs included Baht 6 million (the Company only: Baht 3 million) (31 December 2014: Baht 6 million (Separate: 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 2015, the Company included borrowing costs in the cost of real estate development amounting to Baht 55 million (2014: Baht 34 million).

Additional information of the Company's projects.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2015	2014
Total estimated sales value of projects on hand		
of which contracts have been signed	13,023	13,062
Total value of contracts signed of land and structures thereon	8,600	8,028
Percentage of total estimated sales value of projects on hand	66.04	61.46
Total value of contracts signed of land and structures thereon not yet recognised as revenue	3,339	4,371

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 2015				
	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,742	7,492	25,970	35,204
Unearned financial income	(102)	(360)	(516)	(978)
Present value of the minimum payment				
debtor has to pay under lease agreement	1,640	7,132	25,454	34,226

(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

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		
	2015	2014
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	898	898
1 - 5 years	3,859	3,770
Over 5 years	13,379	14,366
Total	18,136	19,034
Add: Advance received for land lease (net from recognised income)	5,480	5,806
Land lease income to be recognised in future	23,616	24,840

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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)						
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	(3,089)	(4,370)	406,285	405,004
Seastar Properties Co., Ltd.	1,150,000	1,150,000	99.13	99.13	934,680	934,680	(502,447)	(500,637)	432,233	434,043
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	(505,536)	(505,007)	934,518	935,047

As at 31 December 2015 and 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 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Land	Building and improvements	Total	Land
31 December 2015:				
Cost	1,199,127	808,830	2,007,957	998,854
Less: Accumulated depreciation	-	(596,786)	(596,786)	-
Less: Allowance for impairment	(107,053)	-	(107,053)	(58,555)
Net book value	1,092,074	212,044	1,304,118	940,299
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

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	1,298,031	697,468	928,245	348,335
Addition — at cost	6,708	5,458	-	-
Disposal and written off - net book value at disposal and written off date	(99)	(8,478)	-	(8,478)
Transfer in - net book value at transfer date	87	455,795	-	455,795
Loss on diminution in value	(4,271)	-	-	-
Reversal of diminution in value	12,054	156,140	12,054	132,593
Depreciation charged	(8,392)	(8,352)	-	-
Net book value at end of year	1,304,118	1,298,031	940,299	928,245

The fair value of the investment properties as at 31 December 2015 and 2014 stated below:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Land	1,505,891	1,414,583	1,361,448	1,271,724
Building and improvement	258,559	265,041	-	-

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 2015, the Company and its subsidiary reversed Baht 40 million (2014: 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 2015. This reversal was comprised of reversal of impairment of the Company's land for sale amounting to Baht 12 million (2014: Baht 133 million), impairment loss of the subsidiary's land on which buildings for rent are located amounting to Baht 4 million (2014: reversal of impairment of Baht 23 million), and reversal of impairment of the Company's land awaiting development amounting to Baht 32 million (2014: 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 2015 of Baht 204 million (2014: Baht 204 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 2014	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 and written off	-	-	(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
Additions	-	354	1,046	67	1,611	-	644	3,722
Disposals and written off	-	(4)	(1,669)	(3,385)	(3,766)	(164)	-	(8,988)
Transfer in (out)	-	(7,003)	(38)	239	(183)	(124)	(863)	(7,972)
31 December 2015	156,168	446,037	42,019	16,938	22,364	30,031	2,103	715,660
<u>Accumulated depreciation</u>								
1 January 2014	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
Accumulated depreciation on disposals and and written off	-	-	(852)	(40)	(231)	(6,281)	-	(7,404)
Accumulated depreciation on transfer out	-	-	(23)	(558)	(92)	-	-	(673)
31 December 2014	737	249,116	36,817	14,738	20,548	12,864	-	334,820
Depreciation for the year	-	12,759	1,811	2,468	1,614	3,972	-	22,624
Accumulated depreciation on disposals and written off	-	(4)	(1,635)	(3,378)	(3,645)	(164)	-	(8,826)
Accumulated depreciation on transfer out	-	(6,285)	(37)	(52)	(182)	(117)	-	(6,673)
31 December 2015	737	255,586	36,956	13,776	18,335	16,555	-	341,945
<u>Allowance for impairment</u>								
1 January 2014	-	3,680	-	-	-	-	-	3,680
31 December 2014	-	3,680	-	-	-	-	-	3,680
31 December 2015	-	3,680	-	-	-	-	-	3,680
<u>Net book value</u>								
31 December 2014	155,431	199,894	5,863	5,279	4,154	17,455	2,322	390,398
31 December 2015	155,431	186,771	5,063	3,162	4,029	13,476	2,103	370,035
<u>Depreciation for the year</u>								
2014 (Baht 8 million included in cost of real estate sold and services, and the balance in administrative expenses)								22,733
2015 (Baht 8 million included in cost of real estate sold and services, and the balance in administrative expenses)								22,624

(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
<u>Cost</u>								
1 January 2014	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 and written off	-	-	(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
Additions	-	354	275	67	1,121	-	633	2,450
Disposals and written off	-	-	(336)	(3,384)	(1,913)	(107)	-	(5,740)
Transfer in (out)	-	(7,002)	(66)	(80)	(183)	(124)	(773)	(8,228)
31 December 2015	4,320	122,754	2,547	16,401	14,217	17,483	2,093	179,815
<u>Accumulated depreciation</u>								
1 January 2014	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
Accumulated depreciation on disposals and and written off	-	-	(102)	(40)	(189)	(6,282)	-	(6,613)
Accumulated depreciation on transfer out	-	-	-	(558)	-	-	-	(558)
31 December 2014	737	44,557	1,910	14,583	12,200	9,116	-	83,103
Depreciation for the year	-	9,898	260	2,468	1,168	2,125	-	15,919
Accumulated depreciation on disposals and written off	-	-	(320)	(3,378)	(1,801)	(107)	-	(5,606)
Accumulated depreciation on transfer out	-	(6,285)	(63)	(370)	(182)	(117)	-	(7,017)
31 December 2015	737	48,170	1,787	13,303	11,385	11,017	-	86,399
<u>Net book value</u>								
31 December 2014	3,583	84,845	764	5,215	2,992	8,598	2,233	108,230
31 December 2015	3,583	74,584	760	3,098	2,832	6,466	2,093	93,416
Depreciation for the year								
2014 (Included in administrative expenses)								17,689
2015 (Included in administrative expenses)								15,919

As at 31 December 2015, 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 105 million (Separate financial statements: Baht 50 million) (2014: Baht 81 million (Separate financial statements: Baht 28 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2015 of Baht 5 million (2014: Baht 5 million) as collateral for credit facilities granted by a bank.

15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Computer software - cost	6,166	5,686	5,239	4,730
Less: Accumulated amortisation	(4,834)	(4,437)	(3,996)	(3,589)
Net book value	1,332	1,249	1,243	1,141

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning year	1,249	872	1,141	700
Additions	177	778	161	778
Transfer in - net book value at transfer date	360	-	360	-
Amortisation	(454)	(401)	(419)	(337)
Net book value at end of year	1,332	1,249	1,243	1,141

16. Land and improvement awaiting development

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land	1,117,896	1,117,744	963,299	955,008
Development costs	11,828	3,363	11,829	3,363
Total	1,129,724	1,121,107	975,128	958,371
Less: Provision for loss on diminution in value	(2,922)	(34,919)	(2,922)	(34,919)
Net	1,126,802	1,086,188	972,206	923,452

A reconciliation of the net book value of land and improvement awaiting development for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	1,086,188	1,731,276	923,452	1,568,607
Addition - at cost	151	3,778	8,291	3,778
Disposal and written off- net book value at disposal and written off date	-	(655)	-	(655)
Transfer out - net book value at transfer date	-	(666,029)	-	(666,029)
Reversal of diminution in value	31,997	14,919	31,997	14,852
Borrowing costs	8,466	2,899	8,466	2,899
Net book value at end of year	1,126,802	1,086,188	972,206	923,452

As at 31 December 2015, land awaiting development of Baht 0.5 million (separate financial statements: Baht 0.2 million) (31 December 2014: 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, with half allocated to each party.

In May 2015, the Company purchased some of land awaiting development of which ownership is jointly held by the subsidiary. The purchase of land transaction is included in the disclosure of transaction with subsidiary in Note 6 to consolidated financial statements.

During the year ended 31 December 2015, the Company included borrowing costs in the cost of land and improvement awaiting development amounting to Baht 8 million (2014: Baht 3 million).

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable				
- unrelated parties	54,125	161,970	52,169	159,561
Other payables - related parties (Note 6)	-	-	329	401
Other payables - unrelated parties	16,551	8,208	15,976	7,028
Total	70,676	170,178	68,474	166,990

18. Long-term loans

(Unit: Thousand Baht)		
	Consolidated and Separate financial statements	
	2015	2014
Long-term loans from banks	634,969	960,100
Less: Current portion	(634,969)	(960,100)
Long-term loans - net of current portion	-	-

Movements in the long-term loans account during the year ended 31 December 2015 are summarised below.

(Unit: Thousand Baht)	
	Consolidated and Separate financial statements
Balance as at 1 January 2015	960,100
Add: Additional borrowings	607,000
Less: Repayments	(932,131)
Balance as at 31 December 2015	634,969

Long-term loans as at 31 December 2015 are the long-term loans with a local bank which had the principal terms of such credit facilities as follows:

Total facilities	: Baht 3,410 million
Interest rate	: MLR - 1% and MLR - 1.75%
Interest period	: Monthly

Principal repayment schedules : Payments of principal are to be made at 70% of the value of secured condominium units of each contract which 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 2015, the long-term credit facilities of the Company which have not yet been drawn down totaling Baht 1,843 million (2014: Baht 1,590 million)

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

19. Other current liabilities

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Retention payable	39,905	19,979	39,905	19,979
Other current liabilities	9,637	15,197	4,146	8,958
Total	49,542	35,176	44,051	28,937

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	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	12,097	9,433	9,537	7,409
Included in profit or loss:				
Current service cost	2,650	2,314	2,137	1,853
Interest cost	432	350	348	275
Included in other comprehensive income:				
Actuarial gain and loss arising from				
Demographic assumptions changes	1,829	-	2,147	-
Financial assumptions changes	1,480	-	911	-
Experience adjustments	(4,643)	-	(4,089)	-
Provision for long-term employee benefits at end of year	13,845	12,097	10,991	9,537

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current service cost	2,650	2,314	2,137	1,853
Interest cost	432	350	348	275
Total expenses recognised in profit or loss	3,082	2,664	2,485	2,128

Such expenses are included administrative expenses in profit or loss.

The Company and its subsidiaries expect to pay Baht 3.1 million of long-term employee benefits during the next year (Separate financial statements: Baht 2.6 million) (31 December 2014: Baht 0.6 million, separate financial statements: Baht 0.2 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 18 - 23 years (Separate financial statements: 19 years) (2014: 18 - 23 years, separate financial statements: 19 years). Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2015	2014
	(% per annum)	(% per annum)
Discount rate	2.57	3.66 - 3.93
Average future salary increase rate	4 - 5.85	4 - 6
Staff turnover rate (depending on age)	0 - 60	6 - 36

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(13)	15	(10)	12
Salary increase rate	15	(13)	12	(10)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(13)	15	(10)	12

21. Share capital

On 24 April 2015, the Annual General Meeting of the Company's shareholders approved an increase in the registered share capital from Baht 5,022 million to Baht 5,172 million by issuing an additional 150,000,000 shares with a par value of Baht 1 each to support the exercise of the warrants of ESOP No. 1. The Company registered such increase in its registered share capital with the Ministry of Commerce on 8 May 2015.

22. Warrants

On 30 June 2015, the Company allotted warrants under Employee Stock Option Plan No. 1 (ESOP No. 1) to the directors, management and/or employees of the Company for 150,000,000 units. The details are as follows:

No. of warrants issued	: 150,000,000 units
No. of shares reserved for exercise	: Not exceeding 150,000,000 shares
Term	: Not exceeding 3 years from the issuance date of warrants
Offering price	: Baht 0
Exercise price	: Baht 1.05 per ordinary share
Exercise ratio	: 1 ordinary share per 1 warrant (may be changed following the conditions for adjustment of right)
Exercise Date	: The last business day of March, June, September and December throughout the term of the warrants. Except for in case of the last exercise date, it is able to exercise the rights for 15 business days before the maturity date of the warrants. The first exercise date is in June 2015.

Exercise period :

Exercise No.1

Within 12 months from the offering date, the warrant holders can exercise not exceeding 40% of warrant allotted, on the exercise date throughout the term of the warrants.

Exercise No.2

After 12 months but not over 24 months from the offering date, the warrant holders can additionally exercise 30% of warrant allotted, on the exercise date throughout the term of the warrants.

Exercise No.3

Over 24 months from the offering date, the warrant holders can exercise all warrants without the restriction, on the exercise date throughout the term of the warrants.

The estimated fair values of each share option can be exercised in Exercise No.1, No.2 and No.3 are Baht 0.00, Baht 0.05 and Baht 0.01, respectively. These were calculated using the Black-scholes Merton formula. The model inputs were the share price at the price determination date of Baht 0.93, the exercise price of Baht 1.05, an expected dividend yield of 3%, the life of the share options of 3 years, and a risk-free interest rate of 1.45%, 1.46% and 1.50%, respectively.

During the year ended 31 December 2015, the Company recorded expenses amounting to Baht 1 million (2014: Nil) as personnel expenses. As at 31 December 2015, the Company has capital reserves for share-based payment of Baht 1 million (31 December 2014: Nil).

As at 31 December 2015, there are 142,600,000 warrants (ESOP No. 1) remained unexercised (The Company cancelled a total of 7,400,000 warrants to purchase ordinary shares of the Company that had been allocated to the director of the Company who had resigned during the year).

23. 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 2015, the Company transferred unappropriated retained earnings to statutory reserve amounting to Baht 7 million (2014: Baht 9 million).

24. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Purchase of land and payment of construction during the year	790,044	1,459,691	790,044	1,459,691
Changes in real estate development costs and inventories	434,949	(670,231)	434,949	(670,227)
Salaries and wages and other employee benefits	123,081	120,858	86,322	84,489
Depreciation and amortisation	31,470	31,487	16,338	18,027
Marketing expenses	106,770	103,362	101,606	95,826
Cost of other goods incurred and recognised during the year	6,858	7,248	-	-

25. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax :				
Current income tax charge	32,334	12,158	32,334	12,158
Adjustment in respect of income tax of previous year	-	-	-	-
Deferred tax :				
Relating to origination and reversal of temporary differences	7,505	50,451	7,625	50,558
Income tax expense reported in the statement of comprehensive income	39,839	62,609	39,959	62,716

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to the actuarial gain or loss	267	-	206	-

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

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	171,425	341,186	181,943	346,845
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	34,285	68,237	36,389	69,369
Tax effects of:				
Non-deductible expenses	861	650	968	376
Additional taxable revenues	3,767	296	2,366	296
Additional expense deductions allowed	(3,763)	(6,839)	(74)	(30)
Tax exempted revenue	-	(3,998)	(256)	(3,998)
Tax losses	4,123	7,560	-	-
Others	566	(3,297)	566	(3,297)
Income tax expenses reported in the statement of comprehensive income	39,839	62,609	39,959	62,716

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 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Deferred tax assets				
Allowance for doubtful accounts	1,487	1,487	1,487	1,487
Allowance for diminution in value of inventories	150	592	150	592
Allowance for diminution in value of assets	12,296	21,106	12,296	21,106
Advance received for land rental income	783	686	783	686
Provision for long-term employee benefits	2,769	2,419	2,198	1,907
Others	1,042	336	1,042	336
Total	18,527	26,626	17,956	26,114

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Deferred tax liabilities				
Finance lease contract receivables	6,845	7,172	6,845	7,172
Total	6,845	7,172	6,845	7,172

As at 31 December 2015 the subsidiaries have unused tax losses totaling Baht 189 million (2014: Baht 216 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.

Details of expiry date of unused tax losses are summarised as below:

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
31 December 2016	54	54	-	-
31 December 2017	35	35	-	-
31 December 2018	40	40	-	-
31 December 2019	39	39	-	-
31 December 2020	21	-	-	-
	189	168	-	-

26. 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	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	132,738	279,738	141,984	284,129
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)	0.026	0.056	0.028	0.057

There is no disclosure of diluted earnings per share in the financial statements for the year ended 31 December 2015 since the exercise price of warrants to purchase ordinary shares of the Company exceeded the fair value of the Company's ordinary shares.

27. 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 to the consolidated financial statements.

Below is the revenue and gross profit of the Company and its subsidiaries for the year ended 31 December 2015 and 2014 by segments.

(Unit: Million Baht)

	For the year ended 31 December									
	Real estate business		Golf course business		Rental business		Adjustments and eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues										
External customers	1,605	1,166	52	52	36	35	-	-	1,693	1,253
Inter- segment	-	-	2	2	-	-	(2)	(2)	-	-
Total revenues	1,605	1,166	54	54	36	35	(2)	(2)	1,693	1,253
Operating results										
Gross profit of segments	380	380	17	12	17	16	-	-	414	408
Other income									21	58
Selling expenses									(107)	(103)
Administrative expenses									(194)	(183)
Loss on diminution in value of assets									(4)	-
Reversal of loss on diminution in value of assets									44	171
Finance cost									(2)	(9)
Income tax expenses									(40)	(63)
Non-controlling interests of the subsidiaries									1	1
Profit for the year attributable to equity holders of the Company									133	280

The following table presents segment assets of the Company and its subsidiaries as at 31 December 2015 and 2014.

(Unit: Million Baht)

Consolidated financial statements as at 31 December								
	Real estate business		Golf course business		Rental business		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Real estate development cost and inventories	3,236	3,619	5	5	-	-	3,241	3,624
Investment properties	940	928	-	-	364	370	1,304	1,298
Property, plant and equipment	93	108	276	281	1	1	370	390
Land and improvement awaiting development	1,127	1,082	-	4	-	-	1,127	1,086
Unallocated assets							218	396
Total segment assets							6,260	6,794
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets	10	25	1	14	7	6	18	45

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 statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2015 and 2014, the Company and its subsidiaries have no major customer, with revenue of 10% or more of an entity's revenue.

28. Dividend payment

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend announced from operating result for the year 2014	Annual General Meeting of the shareholders on 24 April 2015	151	0.03
		<u>151</u>	

29. 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. The contributions for the year 2015 amounting to approximately Baht 2 million were recognised as expenses (Separate financial statements: Baht 2 million) (2014: Baht 2 million, Separate financial statements: Baht 2 million).

30. Commitments and contingent liabilities

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

30.1 The Company has the outstanding commitments in respect of agreements to construction including project and interior design of projects amounting to Baht 646 million (2014: Baht 1,392 million).

30.2 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	2015	2014	2015	2014
In up to 1 year	19	10	19	8
In over 1 and up to 3 years	12	1	12	-

30.3 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	
	2015	2014
Letters of guarantee for arrangement and maintenance of public utilities	41	48
Letters of guarantee for electricity usage	8	12
Letters of guarantee for elevators	14	46
Total	63	106

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

31.4 Litigation

As at 31 December 2015, civil lawsuits were filed against the Company with an amount in disputes totaling Baht 41 million. At present, the cases are under the taking of evidence and the making of statement. The Company's being testimony and witness the litigation will have no significant impact on the financial position and operating results of the Company.

However, the Company has set aside charges that may arise from the final of judicial processes in its financial statements as it considers appropriate.

31. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	29	-	-	29
Assets for which fair value are disclosed				
Investment properties	-	-	1,764	1,764

(Unit: Million Baht)				
Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments	17	-	-	17
Assets for which fair value are disclosed				
Investment properties	-	-	1,361	1,361

32. Financial instruments

32.1 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. However, 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)

</

(Unit: Million Baht)

(Unit: Million Euro)

	As at 31 December 2014						
	Fixed interest rates						
	Within	1-5	Over	Floating	Non-interest		
	1 year	years	5 years	interest rate	bearing	Total	Interest rate
							(% p.a.)
<u>Financial assets</u>							
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
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	170	170	-
Long-term loans	-	-	-	960	-	960	MLR - 1

32.2 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.

During the year, there were no transfers with in the fair value hierarchy.

33. 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 2015, the Group's total debt-to-equity ratio was 0.35:1 (2014: 0.46:1).

34. Event after the reporting period

Dividend payment

At the Company's Board of Directors' meeting held on 25 February 2016, the Board passed a resolution proposing the payment of a dividend of Baht 0.025 per share, or a total sum of approximately Baht 126 million, from operating result for the year 2015. The dividend will be paid to the shareholders within 23 May 2016. The dividend payment is subject to approval of the Annual General Meeting of the Company's shareholders.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2016.