MBK
GROUP
ความสุขของทุกวัย
Happiness for All

ANNUAL REPORT 2014

บริษัท เอ็ม บี เค จำกัด (มหาชน)
MBK PUBLIC COMPANY LIMITED

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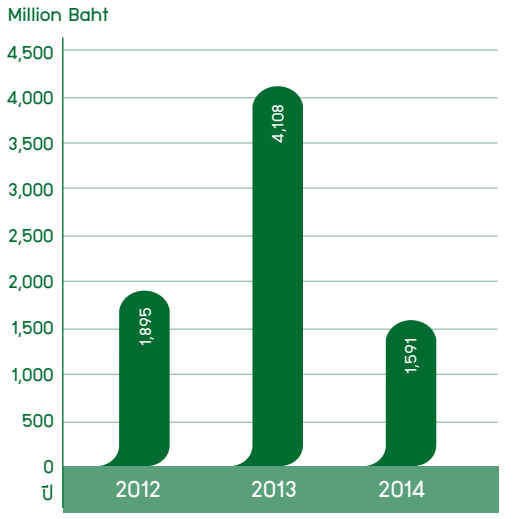
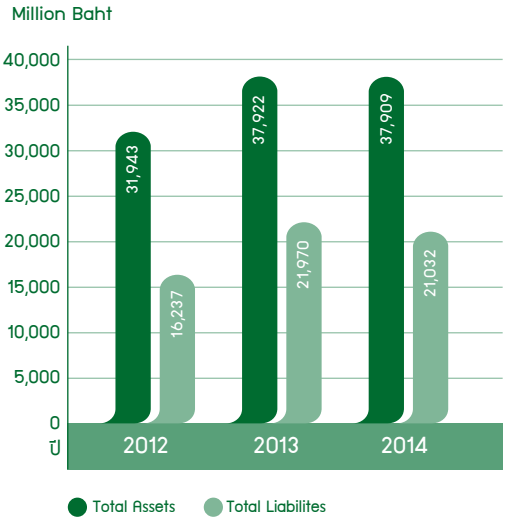
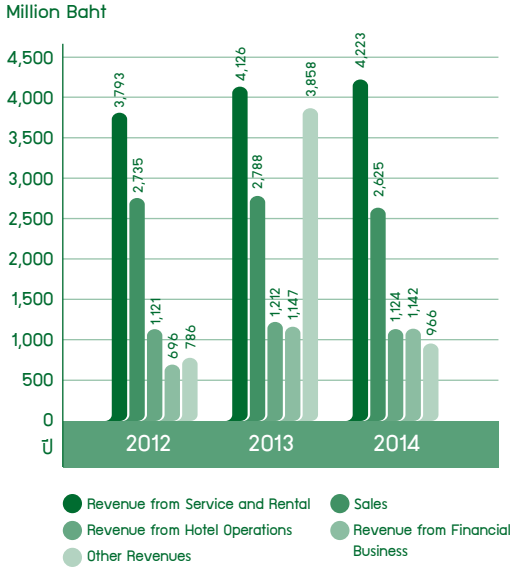
NET PROFIT



TOTL ASSETS & TOTAL LIABILITIES



REVENUE STRUCTURE OF BUSINESS GROUP



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS OF MBK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Thousand Baht)

	31/12/2012	Percentage	31/12/2013	Percentage	31/12/2014	Percentage
STATEMENT OF FINANCIAL POSITION						
Total Assets	31,942,788	100.00	37,921,563	100.00	37,909,392	100.00
Total Liabilities	16,237,258	50.83	21,970,423	57.94	21,032,070	55.48
Total Shareholders' Equity	15,705,530	49.17	15,951,140	42.06	16,877,322	44.52

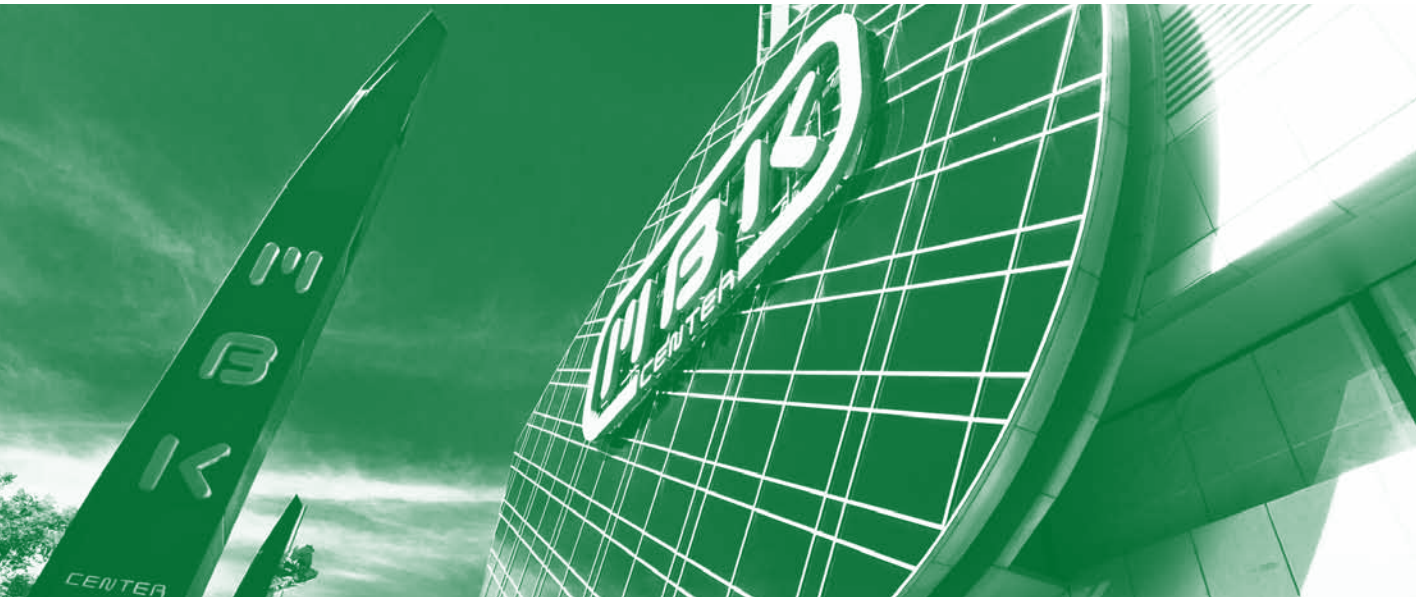
	For the year ended 31 December					
	2012	Percentage	2013	Percentage	2014	Percentage
INCOME STATEMENTS						
Revenue from Service and Rental	3,792,660	41.54	4,125,503	31.42	4,223,396	41.90
Sales	2,734,588	29.95	2,787,756	21.23	2,624,773	26.04
Revenue from Hotel Operations	1,120,914	12.28	1,211,743	9.23	1,123,770	11.15
Revenue from Financial Business	695,601	7.62	1,147,379	8.74	1,141,863	11.33
Other Revenues	786,876	8.61	3,858,460	29.38	966,304	9.58
Total Revenues	9,130,639	100.00	13,130,841	100.00	10,080,106	100.00
Gross Profit	3,693,063	40.45	3,857,382	29.38	3,687,785	36.58
Net Profit attributable to equity holder of the Company	1,894,597	20.75	4,107,987	31.29	1,591,413	15.79

THE FINANCIAL RATIOS OF MBK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		For the year ended 31 December		
	(Unit)	2012	2013	2014
Net Profit / Total Revenues	%	20.75	31.29	15.79
Return on Average Equity *	%	14.32	28.67	10.88
Return on Average Assets	%	6.42	11.76	4.20
Earnings Per Share **	THB	12.51	28.90	1.19 ***
Dividend Per Share	THB	5.25	5.50	0.60 ***
Book Value Per Share */ **	THB	95.68	99.69	11.29 ***

Note
* Shareholders' equity represented equity attributable to the Company's shareholders (excluding equity attributable to non-controlling interest of the subsidiaries).
** Calculated from the number of ordinary shares which deducted by treasury stocks held by the Company and its subsidiaries.
*** On 9 April 2014, the Annual General Meeting of the Company's shareholders for the year 2014 passed a resolution to approve the changing of the par value of the Company's shares from Baht 10 each to Baht 1 each. Therefore, the registered ordinary shares will be changed from 188,629,100 shares to 1,886,291,000 shares and the company has a paid-up capital Baht 1,886,291,000 ordinary shares and the amount paid. On 22 April 2014, the company registered with the Ministry of Commerce.
**** On 8 April 2015, the Board of Directors will propose to the Annual General Meeting of the Company's shareholders for the year 2015 to approve the dividend payment of Baht 0.30 per share from unappropriated retained earnings

MESSAGE FROM THE BOARD OF DIRECTORS



> “IN 2014, THAILAND’S OVERALL ECONOMY GREW BY ONLY 0.7% – A SLOWDOWN IN THE ECONOMIC GROWTH COMPARED WITH 2.9% GROWTH IN 2013 – WHICH HOUSEHOLD CONSUMPTION EXPANDED BY ONLY 0.3% AS A RESULT OF A DECREASE IN DOMESTIC CONSUMPTION AS ITS MAJOR FACTOR, A DECREASE IN TOURIST CONFIDENCE IN THE FIRST HALF OF THE YEAR BECAUSE OF POLITICAL RALLIES, AND A DROP IN EXPORTS AND SERVICES. THEREFORE, 2014 WAS THE TIME WHEN BOTH DOMESTIC AND GLOBAL ECONOMIES SLOWED DOWN.”

In addition, the government spending to boost the economy was rather low due to delayed procurement during political unrest and higher prices of consumer products, negatively affecting consumer confidence in spending and a decline in the private sector’s investments.

The operating result of MBK Public Company Limited (“MBK”) and its subsidiaries (“the Group”) for the year ended December 31, 2014, in comparison to 2013, had the gross revenue of THB 10,080 million- decreased from the same period of the previous year by THB 3,050 million or 23% - and the net profit attributable to shareholders of the main company amounted to THB 1,591 million- decreased by THB 2,517 million or 61% - because in the same period of the

previous year, the Group realized profits from selling investments in subsidiaries which owned properties in Pattaya, investments in available-for-sale securities in market demand, and pieces of land on Samui Island in Suratthani, with the net amount from related income tax expenses equivalent to THB 2,462 million, while in the current year, the Group realized profits from selling investments in available-for-sale securities in market demand and pieces of land in Rayong with the net amount from related income tax expenses equivalent to THB 197 million. However, if aforementioned profits from selling investments and pieces of land were not included, the net profits for the years ended on December 31, 2014 and on December 31, 2013 were THB 1,394 million and THB 1,646 million respectively. The net profit fell to THB 252 million or 15% because of the new lease agreement with Chulalongkorn University effective since April 22, 2013 as a major factor. The new rental fee increased significantly so that the realization of the expense relevant to this lease agreement, netted from related income tax expenses for 2014, was higher than the realization of the expense for only 8 months of 2013 equivalent to THB 346 million. Moreover, political rallies during the first quarter of 2014 and the imposition of martial law had impacts on MBK Shopping Center and Pathumwan Princess Hotel. MBK Shopping Center reduced fees for rental and services in order to help tenants, equivalent to THB 50 million, while Pathumwan Princess Hotel had a drop in an occupancy rate affecting its decreased income equivalent to THB 75 million when compared to the first quarter of 2013. The Group's financial status as of December 31, 2014, in comparison to the balance as of December 31, 2013, changed as follows: the Group's total assets equaled THB 37,909 million, a decrease by THB 12 million; total liabilities equaled THB 21,032 million, a decrease by THB 938 million or 4%; and total shareholders' equity equaled THB 16,877 million, an increase by THB 926 million or 6%.

In 2014, MBK Public Company Limited (MBK) and its subsidiaries had key operations as follows:

SHOPPING CENTER BUSINESS MBK Shopping Center improved and renovated the building of 29 Plaza which has been renamed A La Art, with a capital budget of THB 60 million, in order to create its new look to be more colorful and much more modern. Indoor areas of Paradise Park Shopping Center were renovated with a capital budget of over THB 100 million. In addition, Paradise Retails Company Limited ("PDR") - a subsidiary of MBK- has made a joint investment in running a department store called Tokyu inside Paradise Park Shopping Center, with a capital budget of THB 400 million, in order to fully satisfy customers' demand. It is expected to be open by the midyear of 2015 to meet customers' demand for various products and services. Moreover, in 2014, MBK has opened a new shopping center, next to Paradise Park Shopping Center, called Haha 55 Mall, with a capital budget of over THB 1,100 million, in order to satisfy various demand of customers around that area.

HOTEL AND TOURISM BUSINESS With the great intention of providing excellent services, Sheraton Krabi Beach Resort Hotel received "Award of Excellence" from Tourism Authority of Thailand (TAT) for the tourist accommodation with over 80 rooms in the southern part of Thailand. This award is the most prestigious award for the tourism industry which places emphasis on excellent services and the conservation of the environment for sustainable tourism. In addition, the Group's hotels have been regularly developed, rooms have been renovated, services providing has been improved, and more facilities have been provided to enhance guests' convenience and their continuous satisfaction. Online marketing and creative activities and events have also been organized with emphasis to meet the target guests' demand more.

GOLF BUSINESS The golf business has 3 golf course- 2 golf course in Phuket which are the Lock Palm Golf Course and the Red Mountain Golf Course, and the other 1 golf course in Patumthani which is the Riverdale Golf and Country Club. It has entered into a reciprocal agreement on the business alliance with leading international golf courses. Therefore, the MBK Group's golf business has the business alliance with the golf courses in many countries. In 2014, the Red Mountain Golf Course was voted to be the best golf course in Thailand by Golf Digest USA and Asian Golf Awards. This emphasized the leadership and the quality of the golf courses of the MBK Group. Also, the Riverdale Golf and Country Club is continuously popular among both Thai and foreign golfers.

REAL ESTATE BUSINESS The real estate business includes property development, asset management services, consulting and asset appraisal services. It has been run by a team of experienced and experts on real estate. The project "Quinn Condo"- two high-rise condominiums on Ratchadapisek Road, close to Suthisan MRT Station- at the end of 2014, had 74% of its sale bookings while the project has been constructed for more than 86% It is expected that it will be completed and ready for customers to move in by the midyear of 2015. In addition, there are continuous projects on developing high-rise and low-rise housing in Bangkok and its peripheral areas, and Phuket. For example, pieces of land next to the existing golf course in Patumthani will be developed for housing projects for sale. Initially, pieces of land next to the golf course will be developed for sale as a house with a piece of land, and a piece of land with a house plan.

FOOD SOLUTION BUSINESS Food solution business runs and expands its food business continuously. "Fujio Shokudo", the real Japanese Osaka-style cuisine, has been opened on 6th floor of MBK Shopping Center, while four branches of "Tsurumaru Udon", Osaka-style udon restaurant have already been opened at MBK Shopping Center (6th floor), Seacon Square Shopping Center, Haha 55 Mall, and Lotus Plus Mall in Amata Nakorn (Chonburi). Recently, in October, 2014, the sukiyaki restaurant called "Sukiyaki Number One", the Japanese traditional sukiyaki-style with a history of over 50 years, has been opened at the Nine Center. It is its first branch in Thailand. However, the rice business still continues to develop and maintain its quality of the "Maboonkrong" rice and also improves its operations in many aspects in order to support the further growth of food business.

FINANCE BUSINESS The finance business provides micro finance for customers to buy condominiums, business finance for customers who have valuable properties in good locations with potential for commercial development and on market demand as security for the loans, and finance for new motorcycle hire purchase loans. The finance business has made more investments in buying common stocks of Siam City Life Assurance Public Company Limited from Thanachart Bank Public Company Limited in order to run life insurance business (currently, in possession of 49%). In addition, T Leasing Company Limited (TLS), a subsidiary, has invested in establishing a new company called T Consultant Company Limited as a car consultancy in order to support the expansion of the finance business. Moreover, the finance business still concentrates on improving products and services continuously in order to enhance its potential for run businesses more efficiently.

OTHER BUSINESS It runs the used cars and motorcycles auction business. In 2014, used cars put up for auction were increased from 39,000 cars to more than 60,000 cars, or calculated as over 1.5-fold of a growth rate compared to 2013. Moreover, a system to check a car's conditions through a tablet has been developing in order to boost convenience and confidence of both sellers and buyers and expected to be completed by the midyear of 2015. More branches have been expanded to Chiang Mai in order to support the increasing business growth.

SUPPORTING BUSINESS This provides supporting services for finance, accounting, the IT system, and human resources management by means of employing new technologies to help improve the performance system, to increase the efficiency and to decrease operational costs for the MBK Group's subsidiaries; and consulting and planning for employee development through training and seminars in order to support work expansion. In addition, the supporting business performs as a life insurance and non-life insurance broker in order to support insurance transactions of the MBK Group's subsidiaries and to increase a channel to provide this service for customers and the Group's business partners who want to have insurance.

"WITH DETERMINATION, DEDICATION, AND ADHERENCE TO PERFORM BUSINESS UNDER THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE, ON BEHALF OF THE BOARD OF DIRECTORS, MBK AND THE GROUP, I WOULD LIKE TO EXPRESS MY GRATITUDE TO SHAREHOLDERS, CUSTOMERS, BUSINESS ALLIANCES, COMMUNITIES, THE SOCIETY, EXECUTIVE MEMBERS, AND ALL EMPLOYEES WHO HAVE ALWAYS CONTRIBUTED TO ALL SUPPORT AND SUCCESS OF MBK AND THE GROUP. MBK IS DETERMINED AND DEDICATED TO DEVELOP PRODUCTS AND SERVICES IN ORDER TO PROVIDE HAPPINESS FOR ALL, TO INCREASE SUSTAINABLE GROWTH OF THE COMPANY, TOGETHER WITH MAKING HEALTHY AND CONSTANT PROFITS FOR ALL SHAREHOLDERS IN THE LONG TERM."

MR. BANTERNG TANTIVIT
CHAIRMAN

MR. SUPHADEJ POONPIPAT
VICE CHAIRMAN

MR. SUVAIT THEERAVACHIRAKUL
CEO

THE BOARD OF DIRECTORS

MR. BANTERNG TANTIVIT
Chairman

MR. SUPHADEJ POONPIPAT
Vice Chairman and
Member of the Compensation and
Nomination Committee

PROFESSOR PAICHITR
ROJANAVANICH
Independent Director and
Chairman of the Audit Committee

MS. PRAKONG LELAWONGS
Independent Director and
Member of the Audit Committee

MR. PRACHA JAIDEE
Independent Director and
Member of the Audit Committee

FIRST LIEUTENANT CHATRACHAI BUNYA-ANANTA
Independent Director and
Chairman of the Compensation and
Nomination Committee

MS. PANIT PULSIRIVONG
Independent Director and
Member of the Compensation and
Nomination Committee

MR. PIYAPHONG ARTMANGKORN
Director

MR. SUVAIT THEERAVACHIRAKUL
Director and President

MR. HATCHAPONG PHOKAI
Director

MR. ATIPON TANTIVIT
Director

EXECUTIVE MANAGEMENT

MR. SUVAIT THEERAVACHIRAKUL
President and CEO

MR. PONGSAK SABDASEN
Senior Executive Vice President
President Office

MR. KASEMSUK CHONGMANKHONG
Senior Executive Vice President
Finance & Administration Division

MR. SAKCHAI KENGKIJKOSOL
Senior Executive Vice President
Operation Division

MS. YUPAPUN PARITRANUN
Senior Executive Vice President
Internal Audit Division

MR. SOMPHOL TRIPOPNART
Senior Executive Vice President
Sales Management Division

MR. APICHAT KAMOLTHAM
Executive Vice President
Legal Division

MS. SUPISSARA THONGMALAI
Executive Vice President
Marketing Division

MANAGEMENT

PRESIDENT OFFICE

MR. WIJARN HEEBPHORN
Assistant Senior Executive
Vice President, President Office

MR. SAKCHAI SUTHIPIPAT
Senior Vice President,
President Office 1

MS. WANNAPORN CHIANRAPATTANAKOM
Senior Vice President,
President Office 2

MRS. CHANINCHORN PREDEEPROMPAN
Senior Vice President
Strategic & Operation System
Management Department

MR. CHAROON PUNYACHATPORN
Senior Vice President
Project Management Department

MS. DARARAT HOMROSSUKHON
Vice President
Compliance Department and
Company Secretary

NOTE : Ms. Wannaporn Chianrapattanakom has been appointed into Senior Vice President, President Office 2 on July 1, 2014.

FINANCE & ADMINISTRATION DIVISION

MR. PHONGPHAYOM WERAWAT
Assistant Senior Executive
Vice President
Finance & Administration Division

MR. SURAPON SENACHAKR
Senior Vice President
Information Technology Department

MS. KANCHANA PANYARATTANAKUL
Senior Vice President
Finance Department

MS. WANPEN RUNGROJCHANATHIP
Senior Vice President
Accounting & Budget Department

MS. PATCHARIN PINTUNUN
Vice President
Human Resources Department

MISS GRISSANEE DEJWORACHAI
Vice President
Procurement Department and
Acting Vice President
General Administration

MANAGEMENT

OPERATION DIVISION

MR. SATAWAT LAKLAEM
Assistant Senior Executive
Vice President
Operation Division

MS. PRAIYAPORN KHAENGRAENG
Senior Vice President
Service Department

MR. PURIM PRACHANTASEN
Vice President
Engineering Department

MR. PONGWIKARN WISARUTCHOTIKUL
Vice President
Security Management Department

INTERNAL AUDIT DIVISION

MS. CHATCHAMAS LUENGSAKSRI
Vice President
Operational Audit Department

MS. CHONLADA NGAMNIKULCHALIN
Vice President
Management Audit Department

BUSINESS DEVELOPMENT DIVISION

MR. SOOMBOON PRASOBPIBOON
Senior Vice President
Business Development Department

MR. PONGTIP PONGKHAM
Vice President
Business Investment Department

MANAGEMENT

MARKETING DIVISION

MS. SUPISSARA THONGMALAI
Acting Vice President
Marketing Department

MR. CHAIDOLE KRAIRIKSH
Vice President
Decoration Department

MS. KARNOKRAT CHUTHANONDHA
Acting Vice President
Corporate Communication Department

NOTE : Ms. Karnokrat Chuthanondha has been appointed into acting vice president corporate communication department on January 5, 2015.

LEGAL DIVISION

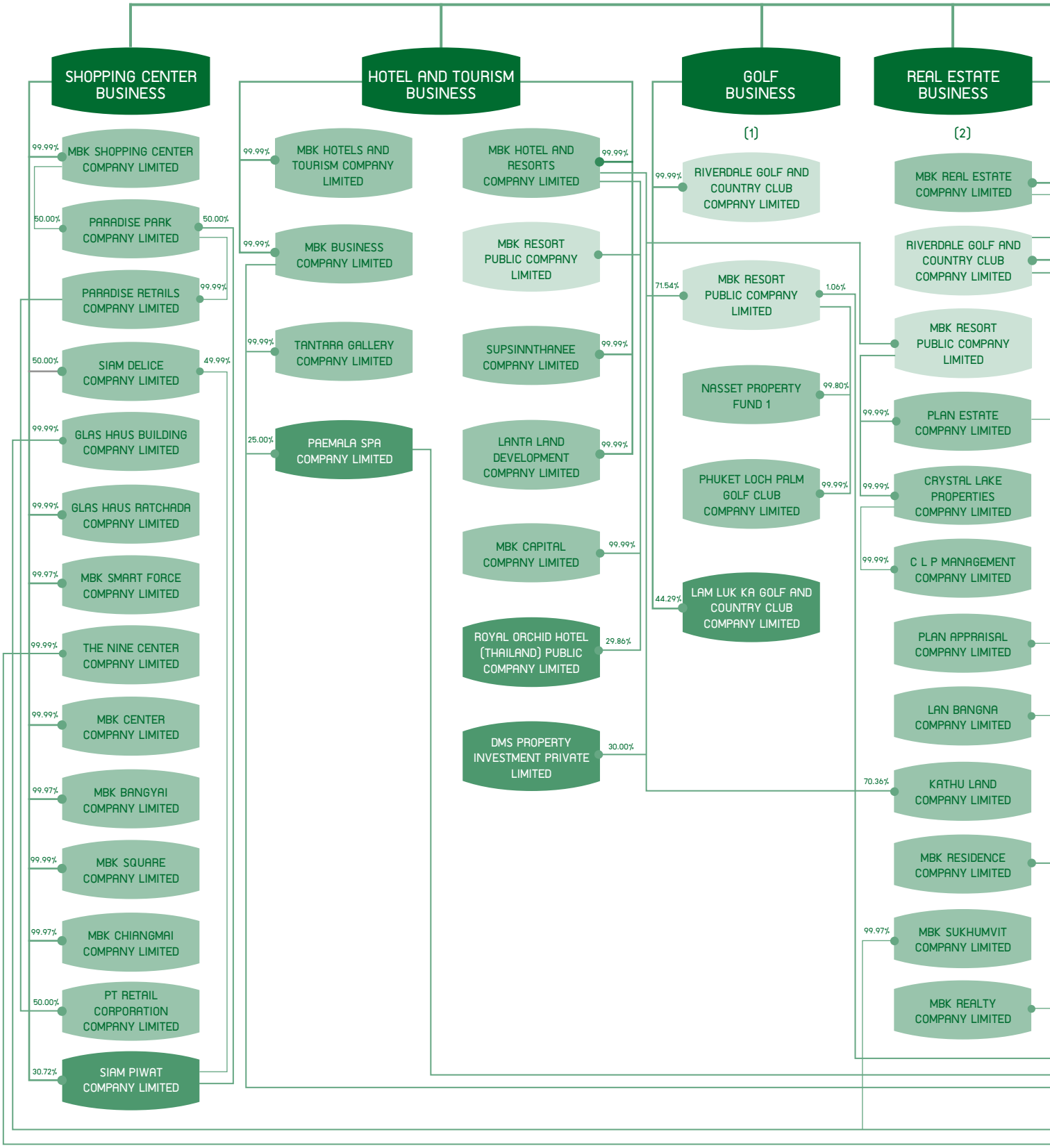
MR. APICHAT KAMOLTHAM
Acting Vice President
Case & Juristic Person Department and
Juristic Act Department

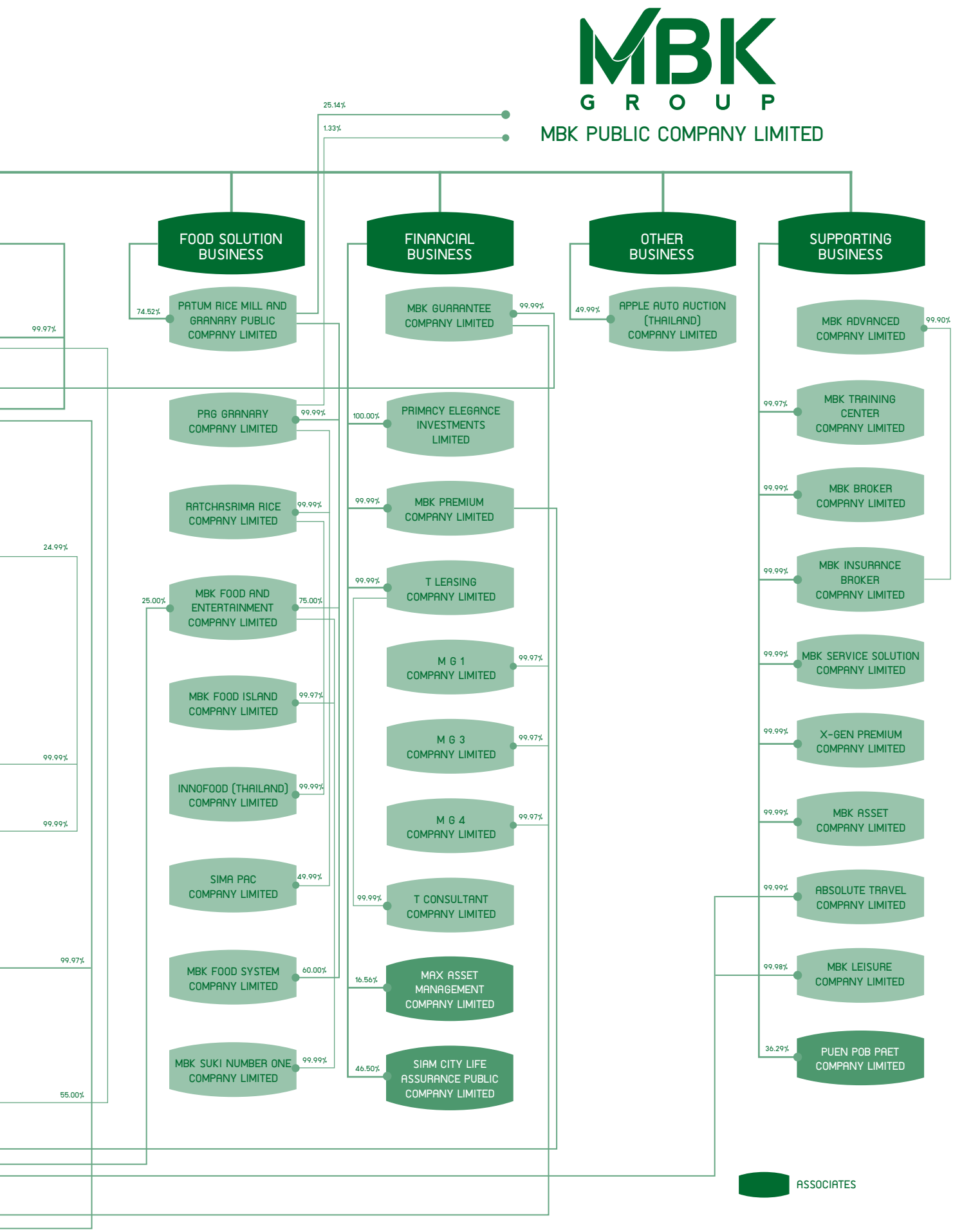
SALES MANAGEMENT DIVISION

MR. UTHAI KAEWKORNPRADIT
Senior Vice President
Sales Department

SHAREHOLDING STRUCTURE OF MBK GROUP

December 31, 2014




MBK GROUP
MBK PUBLIC COMPANY LIMITED
25.14%
1.33%
FOOD SOLUTION BUSINESS
FINANCIAL BUSINESS
OTHER BUSINESS
SUPPORTING BUSINESS
74.52%
PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED
99.97%
MBK GUARANTEE COMPANY LIMITED
99.99%
49.99%
APPLE AUTO AUCTION (THAILAND) COMPANY LIMITED
MBK ADVANCED COMPANY LIMITED
99.90%
PRG GRANARY COMPANY LIMITED
99.99%
100.00%
PRIMACY ELEGANCE INVESTMENTS LIMITED
99.97%
MBK TRAINING CENTER COMPANY LIMITED
RATCHASRIMA RICE COMPANY LIMITED
99.99%
99.99%
MBK PREMIUM COMPANY LIMITED
99.99%
MBK BROKER COMPANY LIMITED
24.99%
MBK FOOD AND ENTERTAINMENT COMPANY LIMITED
25.00%
75.00%
99.99%
T LEASING COMPANY LIMITED
99.99%
MBK INSURANCE BROKER COMPANY LIMITED
M G 1 COMPANY LIMITED
99.97%
99.99%
MBK SERVICE SOLUTION COMPANY LIMITED
MBK FOOD ISLAND COMPANY LIMITED
99.97%
M G 3 COMPANY LIMITED
99.97%
99.99%
X-GEN PREMIUM COMPANY LIMITED
INNOFOOD (THAILAND) COMPANY LIMITED
99.99%
M G 4 COMPANY LIMITED
99.97%
99.99%
MBK ASSET COMPANY LIMITED
99.99%
SIMA PAC COMPANY LIMITED
49.99%
T CONSULTANT COMPANY LIMITED
99.99%
99.99%
ABSOLUTE TRAVEL COMPANY LIMITED
99.97%
MBK FOOD SYSTEM COMPANY LIMITED
60.00%
MAX ASSET MANAGEMENT COMPANY LIMITED
16.56%
99.98%
MBK LEISURE COMPANY LIMITED
MBK SUKI NUMBER ONE COMPANY LIMITED
99.99%
SIAM CITY LIFE ASSURANCE PUBLIC COMPANY LIMITED
46.50%
36.29%
PUEN POB PAET COMPANY LIMITED
55.00%
ASSOCIATES

MBK GROUP

ความสุขของทุกวัย
Happiness for All

VISION

A LEADING GROUP OF COMPANIES IN THAILAND, WHICH PRODUCES ROBUST GROWTH, CONCENTRATES ON INVESTMENT AND ENGAGES WITH BUSINESSES THAT GENERATE SUSTAINABLE RETURNS.

MISSION

A GROUP OF COMPANIES MANAGED BY PROFESSIONALS, THAT ENGAGES IN BUSINESSES AND INVESTS TO EARN POTENTIAL AND SUSTAINABLE RETURNS, CONCENTRATES ON CREATING NET WORTH, CREDIBILITY AND TRUST TO STAKEHOLDERS WITH GOOD CORPORATE GOVERNANCE.

NATURE OF BUSINESS OPERATIONS

MBK Public Company Limited ("MBK") and its subsidiaries are engaged in key businesses as follows:

1. **SHOPPING CENTER BUSINESS –** operated by MBK and MBK's subsidiaries:
   - The Nine Center Company Limited ("TNC");
   - Paradise Park Company Limited ("PDP"),
   - Glas Haus Building Company Limited ("GHB") and
   - Glas Haus Ratchada Company Limited ("GHR")
2. **HOTEL AND TOURISM BUSINESS –** operated by MBK's subsidiaries:
   - MBK Hotel and Tourism Company Limited ("MBK-HT");
   - MBK Hotel and Resort Company Limited ("MBK-HR");
   - MBK Business Company ("MBK-BUS");
   - Subsin Thani Company Limited ("SSTN"); and
   - Lanta Land Development Company Limited ("LLD")
3. **GOLF BUSINESS –** operated by MBK's subsidiaries:
   - MBK Resort Public Company Limited ("MBK-R") and
   - Riverdale Golf and Country Club Company Limited ("RDGCC")
4. **REAL ESTATE BUSINESS –** operated by MBK's subsidiaries:
   - Plan Estate Company Limited ("PST") and
   - Crystal Lake Properties Company Limited ("CLP")
5. **FOOD SOLUTION BUSINESS –** operated by MBK's subsidiaries:
   - Patum Rice Mill and Granary Public Company Limited ("PRG") and PRG's subsidiaries
6. **FINANCIAL BUSINESS –** operated by MBK's subsidiaries:
   - MBK Guarantee Company Limited ("MBK-G") and
   - T Leasing Company Limited ("TLS")
7. **OTHER BUSINESS –** operated by MBK's subsidiaries:
   - Apple Auto Auction (Thailand) Company Limited ("AAA");

8. **SUPPORTING BUSINESS –** operated by MBK's subsidiaries:
   - MBK Service Solution Company Limited ("MBK-SS");
   - MBK Training Center Company Limited ("MBK-TC") and
   - MBK Broker Company Limited ("MBK-B")

MAJOR CHANGES AND DEVELOPMENTS IN THE PAST YEAR

MBK PUBLIC COMPANY LIMITED ("MBK") AND ITS SUBSIDIARIES

Year 2014

- In March, 2014 MBK invested in buying common stocks of Siam City Life Assurance Public Company Limited from Thanachart Bank Public Company Limited, with 46.50% of an investment proportion, in order to operate a life insurance business.
- In August, 2014 Paradise Retails Company Limited ("PDR")— a subsidiary of Paradise Park Company Limited ("PDP") which is a subsidiary of MBK— invested in establishing a new company called PT Retail Corporation Company Limited, with 50.00% of an investment proportion, in order to run a shopping center business.
- In October, 2014 MBK sold common stocks of MBK Suki Number One Company Limited to MBK Food and Entertainment Company Limited, with 100% of an investment proportion.
- In December, 2014 T Leasing Company Limited— a subsidiary of MBK— invested in establishing a new company called T Consultant Company Limited, with 99.99% of an investment proportion, in order to operate a car consultancy business.

SHOPPING CENTER BUSINESS

MBK CENTER

MBK Public Company Limited operates MBK Center

NATURE OF BUSINESS OPERATIONS

MBK Center is an integrated shopping center under the "One Stop Shopping" concept. It is located on an area of over 23 rai, comprising of a 20-storied office building, Pathumwan Princess Hotel building with 29 stories and an 8-storied shopping center. MBK Center operates a retail business with 140,000 square meters rentable area under management of MBK Public Company Limited.

As of December 31, 2014

MBK Center Building has a total area of 270,802.75 square meters with space allocation as follows:

▸ Shopping center	142,358.31	Square Meters
▸ Office Tower	23,330.07	Square Meters
▸ Hotel	47,840.71	Square Meters
▸ Car park	57,273.66	Square Meters

THE DETAILS OF AREAS IN MBK CENTER BUILDING ARE AS FOLLOWS:

1. Area for rent includes the following:

1.1 Shopping center area (MBK Center)	142,358.31	Square Meters.
These areas consist of:		
▸ Area rented out to shops	83,359.55 [1]	Square Meters
▸ Common area	58,998.76	Square Meters

[1] Spaces in shopping center section decrease/ increase during the 1st of January 2014 - 31st December 2014, which is equivalent to 343.38 square meters. Due to the cancelation of some part of the rental space on 2nd floor with the purpose of linking the entrance to the SKY WALK and to renovate some spaces on the 4th floor, zone A, in order to link to the walkway as well as the renovation of 6th floor, zone A of MBK.

1.2	Office area for rent (MBK Tower Building)		
	Area from 9th to 20th Floors	23,330.07	Square Meters.
	These areas consist of:		
	▶ Office area for rent	15,687.15[2]	Square Meters
	▶ Common area	7,642.92	Square Meters

2. Area not for rent includes the following:

2.1	Hotel area (Pathumwan Princess Hotel)	47,840.71	Square Meters.
	These areas consist of:		
	▶ Hotel guest rooms (29 floors)	26,127.61	Square Meters
	▶ Common area	21,713.10	Square Meters
2.2	Car parking area	57,273.66	Square Meters

THE AREA RENTED OUT BY MBK CAN BE DIVIDED INTO TWO TYPES AS FOLLOWS:

1. **Area for long-term rent** with the rental period of over three years and the rental fees collected in advance is calculate into 23% of the area rented.
2. **Area for short-term rent** with the rental period ranging from one to three years and the rental fees collected monthly is calculate into 77% of the area rented.

SIGNIFICANT CHANGES AND DEVELOPMENT IN THE PAST YEAR

In 2014, Changes and development has been made to the spaces inside MBK Center. The changes and development are as follow:

- Renovate the layout and decoration of Food Court 6th floor Zone A
- Renovate the toilet on office building, floor 9-20 MBK Tower
- Renovate A La Art building both interior and exterior, all 3 level

TARGET CUSTOMERS OF SHOPPING CENTER BUSINESS

1. **Tenants renting space for their businesses in the shopping center –** These tenants include the following:

- **Anchor tenants** include entertainment service providers, movie theaters, bowling alleys, department stores, mobile devices and accessories shops, furniture centers, international food courts, banking center, and camera centers. MBK selected a variety of tenants that offer products and services that match the demands of both local and foreign customers.

TOP 10 MAIN TENANTS AS OF DECEMBER 31, 2014		(unit: Square Meters)
1	SF Cinema City Development Company Limited	14,291.33
2	Bangkok Tokyu Department Store Company Limited	12,000.00
3	MBK Food and Entertainment Company Limited	2,631.99
4	MBK Food Island Company Limited	2,310.00
5	Central Food Retail Company Limited	1,361.00
6	Power Buy Company Limited	838.72
7	Big Cut Company Limited	652.84
8	Eye Lab Exclusive Company Limited (MBK Branch)	615.49
9	Central Restaurants Group Company Limited	457.47
10	Pena House Public Company Limited	420.12

- **Retail tenants** such as the retail shop. As well, these tenants have been carefully selected. The Company wants to make sure that their goods and their services are of good quality and varieties.

2. **Customers and people who buy things in the shopping center** which include the group such as student, working person and tourism.

[2] The rental space on the 12th floor was returned from from Thanachart Capital Public Company Limited to be used as MBK's office area and Thanachart's rental space on the 5th floor was relocated to the rental space of MBK Center building resulting in the increase of common space.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of MBK Center

MBK makes use of the direct sales approach to promote the sales of rental areas in MBK Center. Offers are made to target groups which are stores capable of attracting customers to use services available in the shopping center as well as helping enhance the image of the shopping center.

During the past three years, there is not any tenant in MBK Center, who accounts for over 30% of MBK's total revenues.

2 Competition in Shopping Center Business

The overview of retail business in 2014, during the first half of the year, is not very bright due to risk from all around; both domestic political situations and slow down in consumer purchasing power. For the second half of the year when the political situation unraveled, entrepreneurs started to mobilize intensive marketing plan in order to restore and stimulate consumers spending. Though the purchasing has not increase and continued to slow down, causing retail entrepreneurs to carefully adjust and plan in the hope to stimulate consumers spending and to support the overview. The traditional style of marketing strategy, the main channel, which is through the distribution point; such as product discounts, 0% installment extension, and conduct promotional activities such as giving discounts, exchanges and free gifts campaign were put into practice. Though, because of the domestic situation which had not return to its normal state and had damaged consumers spending atmosphere and safety in travelling, along with progress in IT technology and Internet causing changes in consumers behavior to have high usage of smart phone and tablet in their daily life. Most retail entrepreneurs started to use marketing strategy and making profit through E-Commerce allowing them to reach their consumer target group 24 hours a day. Buying and selling goods and services online through mobile devices, M-commerce, became a popular new channel for the year 2014. M-Commerce is another channels that help support the growth of retail business in the next phase.

The features of retail business competitive trend for the next 5 years will be through online marketing that uses new technology and the Omni-Channel Marketing, such as making purchase through smart phone, to satisfy consumers that desire quick and convenience services. Hence, customers' information is then used for the insight behavior analysis in order to precisely and accurately meets consumers demand.

In the state of retail business competition, MBK Center emphasizes on customers satisfaction survey and regularly study both Thai and Foreigner customer behavior to search for information on changes of customer demands and expectations. The Company then utilized such information to compile the organization strategies for each year. The Company used product and services strategy, marketing strategies as well as continuously organized marketing events, both the usual MBK Center events such as Thai Boxing Art and new style events to emphasize on the uniqueness of the shopping center and to create impressive experiences so that the customer will gladly spread the word and come back to use the services

again. This allow MBK Center to be the leading shopping center with more than 12 million people using the services per year as well as maintain being the biggest and the most modern center of mobile phone and electronic devices.

3 Industry Trend and Future competition of Shopping Center Business.

Even though in 2014, consumers' purchasing power were pressured by cost of living and high level of household debt, but retail entrepreneurs still plan to continuously expand their investment in all forms, whether it's a shopping center, department store, a Hypermarket or small retail store such as convenience store. This caused the overview of retail market for the year 2015 and with in another 3-5 years to grow continuously. The predictions are made by looking at how the retail entrepreneurs continue to expand and by the expansion pattern of significant province such as Bangkok; including major provinces such as Chiangmai, Phuket, Chon Buri, Rayong, Khon kaen and etc. The expansion occurred in the form of small retail stores due to difficulty in finding location or finding suitable area to expand retail business, especially to expand a large shopping center. This also includes consumer behavior that place importance on the location that it is convenience to travel to and have easy access to parking. The consumers tend to do their grocery shopping near their house especially with the product groups that are required to consume on a daily basis.

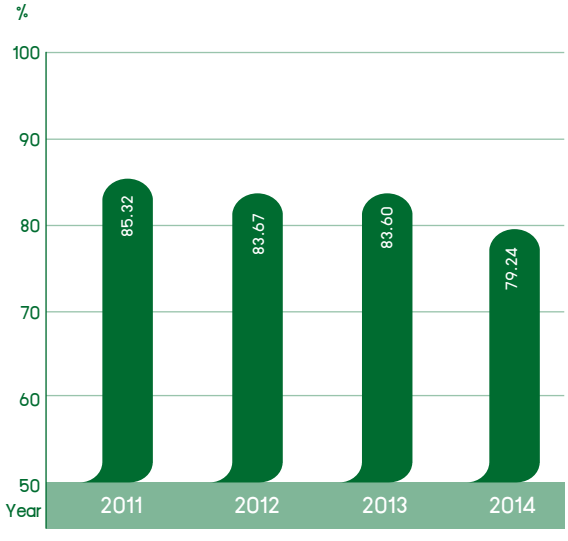
As for retail market in the provincial area, especially secondary cities and provinces that are located near the border such as Nakhonsawan, Phitsanulok, Udon Thani, Sisaket, Ubon Ratchatani, Nong Khai, Mukdahan and Sa Kaeo, will become the significant target areas for retail market investment expansion in the future. From factors that support the growth of Urbanization and the growth of border trade, which is probably motivated from entering into AEC, causing changes in prosperity, public utility and the income of people in the province. This will also affect their lifestyle to become more urban, therefore it is predicted that the opportunities for retail business in the provincial areas will expand in the future.

The type of retail stores will varies for each province based on behavior and income level of consumers in such provinces. Not only the Thai entrepreneurs that expand the investment in retail business but foreigner investors also penetrate signal for investment expansion, such as Japan or even ASEAN countries like Singapore and Malaysia had started to study more on the opportunities for market expansion and expansion of investment in Thailand. It is expected that the penetration will gradually increase along with the opening of AEC in the year 2015. Hence, from now we should see the picture of adaptation and intense competition of Thai retail business operation.

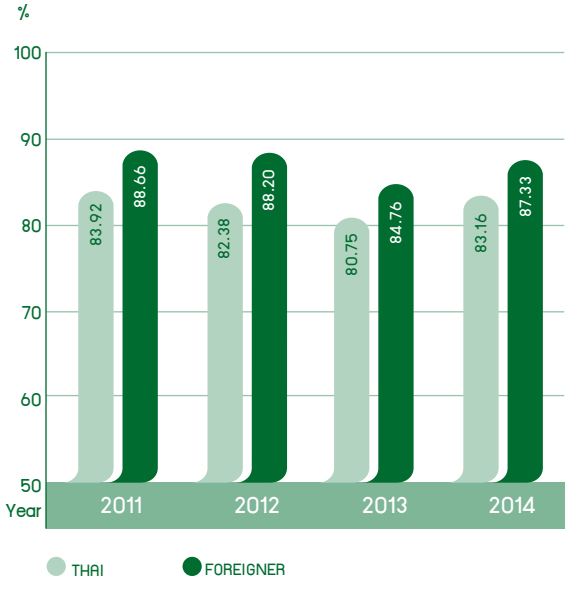
4 Customers Satisfaction Information

MBK Center operates its business by emphasizing on continuous and sustainable growth, at the same time it also focuses on financial growth along with building satisfaction to customer both the tenants as well as Thai and foreigner customers. The overview of satisfaction for the year 2014 shows that the tenant satisfaction was at 79.24%, Thai customer satisfaction was at 83.16% and Foreigner customers satisfaction was at 87.33% as shown in the illustrated details.

TENANT SATISFACTION



CUSTOMER SATISFACTION



The customer satisfactions reflect the services given by various aspect of MBK Center. In listening to customer opinion allows MBK Center to use it as a guideline to establish marketing strategy in order to develop and improve the services. These will also leads to giving services in various aspects that will create the highest satisfaction and appropriately meet the tenants and the customers demand.

PRODUCT OR SERVICE PROCUREMENT

THE PROCUREMENT OF PRODUCTS TO BE DISTRIBUTED

- None -

THE PROCESS OF REDUCING ENVIRONMENTAL IMPACTS

1. Wastewater Treatment (Deep-Shaft Process)

Sine 1996 to present MBK Center and Pathumwan Princess Hotel have been using the Deep-Shaft process-type of wastewater treatment system which is the activated sludge process. The treatment, installed supplementary from the original system which had been installed since the building was constructed, has used biological sludge as the main factor. The control of wastewater treatment as mentioned above has staff record all field data, report operational results regularly, and collect wastewater sample to operating room every month in order to examine water quality before discharge into public sewers. The company is able to have standard treatment as Building Type A and hires a contractor to sanitarily dispose the waste from the treatment process which is 2 tons a week.

2. Treated Water Recycling

MBK Center has a project to use recycled water which is former wastewater in order to use resources worthily by using reclaimed water in cleaning system to the floors, parking lots, and cooling tower system. Before using recycled water, there are the process of filtering to separate suspension through Sand Filter and adding Chlorine Dioxide as a disinfectant, so the water quality is suitable and safe for use. Particularly, the section used in cooling tower system has been collected water samples to the operating room to detect the Legion Ella Bacteria every four months. Consequently, these are the safe operation for indoor air quality of MBK Center by means of good corporate governance.

3. The Detection of Tap Water Quality Used in Shopping Mall

MBK Center is well aware of lessees and customers using safe tap water in shopping mall. As a result, the company has tap water quality detected every three months through randomly collecting tap water from various faucets and measuring drinking water quality once a year comparing to the drinking water standards of sealed containers which is always in the level of standard.

4. The use of Sanitizing Spray of Air Conditioning Systems

At the present time, due to the fact that there is the spread of the 2009 Influenza A (H1N1) greatly apart from using air coil cleaners, air duct cleaning, and indoor air quality testing in Shopping mall every year. MBK Center included the following additional measures:

4.1 The use of sanitizing spray after cleaning air conditioners helps to reduce the accumulation of bacteria in air coils, air vents, and other parts.

4.2 The installment of sanitizing gel to always clean air conditionings in order to disinfect germs that is in the air effectively and continuously.

4.3 The use of ozone sterilizers in central areas and air conditioners helps to reduce the accumulation of bacteria in air coils, air vents, and other parts.

The shopping mall adopted the measures as mentioned above to reduce the cause of the spread of influenza and to create customer confidence.

5. Chiller efficiency improvements

At present, MBK Center has been gone under a major renovation of air conditioning systems by replacing 8 old model cold water dispensers which had been used for 24 years with new high efficiency, safe energy model water chillers. The installation was completed in April 2010 which helped the shopping mall save the electricity in May 2010 to 455,000 units. The company is expected to save the electricity 6 Million units a year regarding as the government great response in the conservation of energy. Moreover, the new model water chillers help preserve the environment in the matter of reducing Carbon Dioxide (CO_2) emissions that have contributed to global warming as well.

6. Sustainable Environment Project

At present, MBK Center currently focuses on reducing environmental impacts and consequently there are 2 environmentally friendly projects as follows:

1. Pilot program increases energy efficiency and reduces greenhouse gas emissions by installing lighting energy savers (AVR machine: Automatic Voltage Regulator). Since 2012 MBK Center could reduce electric consumption to 430,770 units per year.

2. Heat pump and water cooling pump motor efficiency improvement project with 38 sets of high efficiency pumps, they have been used for 25 years. They control the amount of cooling water and chilled water of air conditioning system distribution inside MBK Center to reduce electric consumption inside the building. It is expected to complete within 2015.

7. Environmental Control Measure Expenditures

The environmental control measure expenditures in the past five years are as follows:

▸ Wastewater treatment system and Recycle System

(The data ends at 31st December 2014) (Unit: Baht)

YEAR	WASTEWATER TREATMENT SYSTEM			RECYCLE SYSTEM			TOTAL
	Electric Expenses	Maintainance Expenses	Total	Electric Expenses	Maintainance Expenses	Total	
2010	3,475,525	1,789,027	5,264,552	125,082	243,846	368,928	5,633,480
2011	3,237,825	2,275,174	5,512,999	174,500	149,238	323,738	5,836,737
2012	3,142,922	2,662,847	5,805,769	72,030	273,197	345,227	6,150,996
2013	4,041,236	1,146,160	5,187,396	84,505	681,820	766,325	5,953,721
2014	6,438,676	1,428,700	7,867,376	159,812	304,800	464,612	8,331,989

▸ Expenses of Air Conditioning system and Ventilation System are as follows:

Air conditioning adjustment, use of gel and disinfectants in air conditioners, ozone disinfection and increasing the cleaning frequency of air handling unit

(The data ends at 31st December 2014) (Unit: Baht)

YEAR	AIR CONDITIONING SYSTEM					Air Ventilatin System	TOTAL
	Air Quality and Legionella Bacteria Monitoring Expenses	Gel and Disinfectant Expenses	Ozone Steam to Kill Bacteria	Central air handling unit and ducts cleaning expenses	Change of water cooler expenses	Air To Air Improvement Expenses	
2010	261,600	60,000	-	737,000	99,000,000	-	100,058,600
2011	84,000	27,100	-	716,220	-	-	827,320
2012	280,340	30,446	-	2,280,078.80	-	-	2,590,864.80
2013	273,540	74,686	-	1,301,280	-	-	1,649,506
2014	242,890	46,545	43,121	2,080,000	-	-	2,412,556

8. Result of performance from 2008 to present

8.1 MBK Center was able to manage wastewater treatment system whose standards are in accordance with those applicable to the type A building in every parameter (8 Parameters) from 2007 onwards.

8.2 Tap water and drinking water measurements standardized the standard of drinking water in sealed container and non-contamination by microbes that cause digestive system disease.

8.3 Cooling tower water system measurements didn't find any Legion Ella Bacteria in the air conditioning system.

9. Environmental Conflict

- None –

NATURE OF BUSINESS OPERATION OF OTHER SHOPPING CENTER

Other Shopping centers that are operated by MBK, its subsidiaries and associated companies are as follow:

- Paradise Park (original name "Seri Center), operates by MBK and Siampiwat Company Limited, MBK's associated company.
- HaHa Shopping Center operated by MBK and Siampiwat Co., Ltd. the associated company of MBK.
- The Nine Center operated by MBK
- Glas Haus Building Company Limited
- Glas Haus Ratchada Company Limited

PARADISE PARK

NATURE OF BUSINESS OPERATION

Paradise Park manages a long-term and short-term lease shopping mall business whose focus is on management to earn from renting out shopping area to entrepreneurs, earn from renting out space for billboards, earn from new product launch activities etc. Moreover because Paradise Park has core management intent to let Paradise Park become continuously popular in a short time Paradise Park has core management intent to let Paradise Park become continuously popular in a short time and includes building a healthy relationship with small and big tenants to manage a business with good performance. That will have an effect on rental fee, which will increase in next term of contracts and to increase income in a long term.

Major Changes and Developments in the past year

1. The opening of HaHa shopping Center

HaHa Shopping Center is located next to Paradise Park, Soi SriNakarin 55 with 18,000 square meter of rental spaces. The shopping center types of businesses are divided into 3 main types, education zone, food zone and teen fashion zone. Education zone is

located at the back of the building and the food zone is located on the first floor all of which was opened since April 2014. For the fashion zone on the 1st and 2nd floor, which is located on the front part of the building are available for services in October 2014.

2. Establishing new company that deals with Department store business.

Paradise Retails Company Limited which is the subsidiaries of Paradise Park Company Limited had entered into joint venture with Bangkok Tokyu Co., Ltd. and PT Retail Corporation Co., Ltd. to open a Tokyu Department Store inside Paradise Park on the 1st and 2nd floor with the total area of 13,135 square meter. The decoration of its will be made during September 2014 – April 2015 and is expected to be available for services in May 2015.

3. Renovation of rental spaces to increase major tenants and facilities

In 2014, Paradise Park had set a budget of more than 100 million baht to renovate spaces on different zones. The purpose of renovation for the shopping center is to modernize and increases more products, services and facilities, which are:

- Changing IT zone from 2nd floor and Sport World on 1st floor into Tokyo Department Store.
- Changing jewelry zone on G floor to Sport World.
- Changing some of the service zone on G floor into Pet Safari, which give a full service for pets from Singapore and is the first branch in Thailand.
- Renovating the front area of Paradise Park as an Express Parking with the capacity of 30 cars for the convenience of customers who need to different transactions in a short period of time.

MARKETING AND COMPETITION SITUATION

1 Selling and Distribution Channels of Paradise Park Business

Paradise Park finds a tenant by emphasizing on selecting products and stores to meet the concept or the shopping center's zoning which comprises of food business groups, fashion, banks, educational institutions, IT and mobile phones, cosmetics, beauty clinics, jewelry, service groups, pet stores and other businesses. Paradise Park will select a store with a leading brand, quality products or above the standard in the business.

2 Competitive of Shopping Center Business

In 2014 there were competitions from the following competitors:

1. Seacon Square had redesigned the front area of the shopping center where it was decorated with LED light and was used as an all-purpose area that decorated with fountains. The bank zone was renovated and the 14 banks were drawn together as done with Paradise Park.

2. Central Bangna had renovated the space inside the center by adding more brand-name tenants to attract more customers as well as managed the space into separate zonings; along with moving all the bank to third floor and has plan to renovate other spaces in 2015 such as water park in the frontal area of the building.

3. Talad Rod Fai Night Market has more shops and customers in the year 2014. It opens every Friday, Saturday and Sunday causing heavy traffic on Srinkarin road from the front of Seacon Square to Paradise Park. This affects Paradise Park as Talad Rod Fai Night Market customers utilized the parking space of Paradise Park and HaHa shopping center.

PROCUREMENT OF PRODUCTS OR SERVICES

NATURE OF THE PROCUREMENT OF PRODUCT TO BE DISTRIBUTED

-None-

THE PROCESS OF REDUCING ENVIRONMENTAL IMPACTS

Wastewater Treatment

Paradise Park has been using the Activated Sludge process (AS), a water treatment method, in Building 1 and the Sequencing Batch Reactor (SBR), an activated sludge process designed to operate under non-steady state conditions, in building 2 and 3 after a complete renovation in June 2010. The use of two types of wastewater treatment relates to the volume of wastewater in each building - wastewater volumes of building 1 of 500 cube meter per day, wastewater volumes of building 2 and 3 of 1,500 cube meters per day.

Operating and controlling wastewater treatment, the Paradise Park has all data recorded, the operational results reported regularly, water samples collected to the operating rooms every month for water quality tests. The reports then were sent to the environment and sanitation section, Prawet District Office every month. The shopping mall is able to have standard treatment as Building Type A (Reference the Enhancement and Conservation of National Environmental Quality Act, B.E. 2535)

1. Waste occurring due to wastewater treatment

The total amount of waste of three buildings is 500 kilogram per week and the shopping center hires a contractor to sanitarily dispose the waste.

2. Outdoor air quality owing to the cooling tower system

The cooling tower system is a part of the water cooling system to blow the cool wind in the shopping center. The engineer department has monitored the Legionella bacterial contamination (1) Legionella Spp. (2) Coliform Bacteria (3) Escherichia Coli in the system. As a result, they have collected water samples from cooling tower to the operating room for Legionella bacterial detection 12 times per year. (Once a month)

3. Indoor air quality

The Paradise Park renovated the indoor environmental quality through designing to install the aspirating aerators in order to control the amount of carbon dioxide so that it would not exceed 1,000 ppm and cleaning the supply air ducts in central area and shops in order to remove dust, bacteria, and other microbes that accumulates in the supply air ducts to improve indoor air quality via the operating plan every three years.

4. Indoor tap water quality

The Paradise Park has operated to measure tap water quality in several points of the buildings comparing to the drinking water standard through the operating plan every 12 months.

The Environmental Bureaucracy's Monitor

Related Agencies are responsible for monitoring owners of premises to work on the environmental impacts due to premises activities compliance with the standard and building control regulations. The bureaucracies that the Paradise Park has cooperated with are namely:

1. Pollution Control Department, Ministry of Science, Technology and Environment
2. Department of Health, Ministry of Public Health
3. Water Quality Control Division, Bangkok

Sustainable Environment Project

In 2014, Paradise Park proposed 2 environmental and energy savings projects, the changing of 1,000 parking lot fluorescent tubes into LED tubes to decrease the usage of electricity. This can help save 7,200 unit of electricity per month or 86,400 units per year.

For the year 2015 projects are as follow:

1. Changing 1,797 parking lot light tubes from fluorescent tubes into LED tubes, which help save 5,279 unit of electricity per month or 63,351 units per year.

2. Changing number 3 Chiller Projects. One chiller with the size of 1,000 tons will be change for Plant Mall 2, which is expected to save 33,311 units per month and 399,742 units per year. The project installed Water Reuse Treatment System in Mall 2 and 3 by reusing wastewater in order to reduce wastewater that was discharged as much as possible. Water that goes through the Water Reuse Treatment System will be reuse in the Cooling Tower of air conditioner system, which is 91,250 cubic meters per year and for watering the plant at the amount of 3,650 cubic meters per year. When combine together, the Company was able to reduce wastewater that was discharged from the building at the amount of 94,900 cubic meters per year.

THE NINE CENTER

NATURE OF BUSINESS OPERATION

The Nine Center offers rental spaces within the mall, consisting of:

- Office buildings 8,979 Square Meters
- Retail buildings 15,689 Square Meters

Major Changes and Developments in the past year

1. Space development and renovation the purpose is to create varieties and to meet the service user demand. The Nine Center had renovated and created spaces for financial transactions by adding Kasikorn Bank Public Co. Ltd on the 1st floor of Building A and to develop some of the Kiosk by placing them in several places of The Nine Center. This allow The Nine Center to create varieties within the shopping center and adjusted the space of MAX VALU which is located on the first floor to be wider by changing from the a small size “MAX VALU TANJAI” into “MAX VALU Supermarket” that had a larger size in order to support the products quantity that are more varieties which still open 24 hours a day.

2. To add more Wi-Fi services for general service users around The Nine Center to satisfy general service users’ lifestyle.

3. The Nine Center add on the completeness to the service users by increasing two parking building that will support more than 500 cars to satisfy customer demand and increases more facilities to service users.

MARKETING AND COMPETITION CONDITIONS

1 Distribution and Distribution Channels of The Nine Center Business

Selling rental spaces within The Nine Center directly offer to sell to target tenant group who has a store by selecting a store with products or service attracting customers to use the services in the shopping mall.

2 Competitive of Shopping Center Business

Direct competitors

Thanya Shopping Park which is located on Sri Nakarin Road, The Sence (Town in Town) is a community mall which is the same as The Nine Center that has the same style of shops and products as well as located within 10 kilometers.

Indirect competitors

Market Condition of a nearby shopping center are as follow

Central Plaza Grand Rama 9 is located in the business area and entertainment area that have public transportation which link to several directions and is convenience to travel.

The 9th tower building is a group of large building that consisted of 3 office buildings, shopping mall and condo. Office building A contains 36 floor and building B has 34 floor with space for rent of 33,000 square meter and 23,000 square meter (constructed in the year 2013). The high of each floor is 2.80 meters with 1,100 parking spaces.

The Shoppes Grand Rama 9 is located in New CBD The Grand Rama9 projects, on the area of 73 rai or 1.2 square meter on Rama 9 – Ratchadapisek road. For G floor and 2nd floor of every building in New CBD The Grand Rama 9 makes them as retail stores which links every building together to Rama 9 MRT; on the area of more than 35,000 square meter. At present it is open for services at Belle Grand Rama 9 condominium and will open for service at The 9th Towers office building in the near future.

Belle Grand Condominium, a luxury condo located in the heart of the city that have 8 buildings located on the area of 8 Rai 1 ngan. The condo consisted of 2,024 units, which the New CBD building group is located on Ratchadapisek Junction, 8 kilometers from the Nine Center. The target customers are the ones who live on Ratchadapisek Road. The Nine Center's target customers on Rama 9 Road mostly who prefer convenience in transportation and want to avoid traffic jam. So customers from Rama 9, Ramkamhang, Srinagarindra and Suan Luang areas still come to the Nine Center continuously. In the year 2014, number of service users increased 27.96% from the year 2013.

3. The entry of new competitors

A-Link Thonglor – Ramkhamhaeng is a new shopping center operated by Airport Link Square Company Limited and located on Ramkhamhaeng Road. The construction was finished and the center was officially opened in Q2 or April 2013. A-Link Square can support up to 113 shops and is divided into different zones – 38% for restaurants, 18% for fashion shops, 13% for lifestyle shops, 10% for beauty parlors, clinics and spa, 6% for banks and banking services, 9% for café and bakeries, 3% for minishops and 3% for supermarkets.

The Kurve 7 Shopping Center is a community mall in the neighborhood mall type. It covers the area less than 6 rai and is located in the middle of Krungthep Kreeta 7. It focus on renting out the space for restaurants and beverage shops in order to offer more varieties of food and beverages to customers. The proportion of restaunrants against non-restaunrant stores is 80:20.

4. Internal environment

The Nine Center is located on Rama 9 Road. To the south it is adjacent to Rama 9 Road and Soi Rama 41 to the east. It consists of 9 buildings in 2 formats: retail space and office space. The rental space comprises of more than 89 shops from various professional business operators such as restaurants, coffee shops, bakeries, educational institutions, beauty salons and activity zone designed to support various types of marketing activities in every season. There is also convenient parking space. The shopping center emphasizes on the selection of outstanding restaurants and the offer of impressive atmosphere for customers. ABAC Poll Research Center revealed the result from the survey on opinions of people in Bangkok on community malls.

The survey showed that people who lived in Bangkok went to a community mall at least once a month to dine or meet with friends. The reason they selected a community mall was that it was close to home, which is a more important factor than having a complete range of modern products and services. People decide to go to community malls because they are located in a location with convenient access.

Community Mall has a distinctive image than other shopping malls or big shopping centers in terms of being the meeting and dinning places that provides products and services that meet the customer demand and are located near the working place or residential area. The main targets are those who reside near the mall and are convenience to do the purchasing with adequate parking space. The zoning spaces are not complicate and are decorated with relaxing atmosphere that is unique and different from other shopping malls.

After 3 years of operation, The Nine Center became better known and number of customers increased. Marketing activities were organized where medias show continuous interest, besides The Nine Center is the only community mall on Rama 9 road that greatly answer all the demand of the locals. The Nine Center had then renovate the center area to have color theme in accordance to different festivals allowing The Nine Center to support the customers purchasing power in the Eastern part of Bangkok and become the new meeting point that answer to every lifestyles with variety of activities on a relaxing day under the homey atmosphere that everyone can experience.

PROCUREMENT OF PRODUCTS OR SERVICES

Nature of the procurement of product to be distributed

-None-

The Process of Reducing Environmental Impacts

The currently environmental conservation and practices

The Nine Center is aware of the possible changes of environment that occur. Whether, it is the physical environment, health and society that may cause environmental hygiene problems and may impacts on people living around the center. Therefore, The Nine Center develops and emphasizes on managing sustainable sanitation and environmental friendly to follow the principles of Good Corporate Governance. The center has initiated the following projects:

1. Wastewater Management

The Nine Center has installed Wastewater Management System, which is the activated sludge process that uses microorganism sediments as the main treatment. Samples of wastewater are tested in a laboratory every month to ensure the quality of water before being released to public. The Nine Center has also hired a professional contractor to remove and eliminate the excess sludge by a sanitary method.

2. Water supply quality

The Nine Center has hired a team of experts to collect sediment samples from two water tanks to measure the quality of water supply and compare it to the standard of drinking water continued.

3. Pest control

The Nine Center has set a policy to control vectors within the center and prevent its effect on the neighboring communities. It is also one of the attempts to follow the Good Corporate Governance principle. There has been an integrated pest monitoring training (IPM) for tenants of the center.

4. Maintenance of Plants and Trees

The Nine Center has established plan to nurture all the plants in the shopping center and avoid using any chemical substances. Natural methods like Biopesticides which consisted of organic substances, are used to remove pest in the shopping center. Earthworms were used to improve the soil conditions to prevent any impacts on resources and service users.

GLAS HAUS BUILDING COMPANY LIMITED

NATURE OF BUSINESS OPERATION

Glas Haus Building Company Limited manages "real estate leasing" business which has a long-term and short-term rent building with the rental space of 13,000 square meter. Its main income is from leasing areas for locating an office for several businesses and including embassies' location such as Embassy of Argentina and Peru. The main income is also from a parking service which focuses on office tenants. Glas Haus Building is operated by MBK Square Company Limited.

Major Changes and Developments in the past year

Glas Haus Building Company Limited had renovated the basement and G floor spaces of the major tenants that had not re-new the contract to suit with the office and retail shop. This also includes changing electrical equipment to reduce expenses and increases the quality. Some space had been renovated for instance public area, all toilets, counters and office signage which adequate for the increasing tenants.

MARKETING AND STATE OF COMPETITION

1 Selling and Distribution Channels of Glas Haus Building Business

Glas Haus Building Company Limited aims at foreign tenants that need an office space between 100-200 square meters during the beginning of their business investment in Thailand. The company expects that words of mouth will help increase the number of tenants.

2 Competitive of Shopping Center Business

The overview of Glas Haus Building Company Limited in 2014 had renovated the spaces and increased the rental rate to be equal to the market price. Advertisements for rental spaces were put on Japanese magazines to support the expansion of Japanese companies in Thailand. This also includes proposing space for rent on a higher floor to the tenants on the basement in order to increase rental rate along with introducing the old rental space in the building to the retail stores to offer the alternate choices in selling food for the tenants in the building. The occupancy rate for the year 2014 is at 98% (increased 63% from the year 2013).

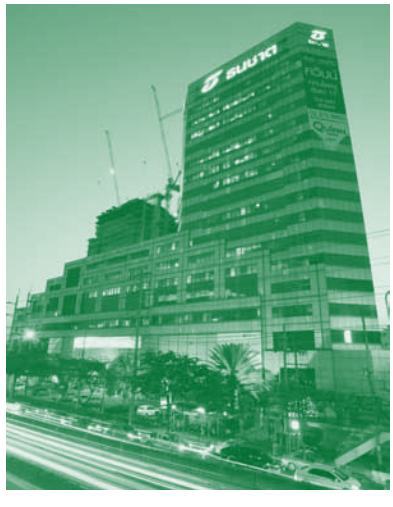
3 Industry Trend and Future competition of Shopping Center Business.

In 2014 there will be new office buildings in construction such as The Nine Building on Rama 9 Road or Emporium Building on Sukhumvit Road. There will be more competitions for Glas Haus Building. It needs to retain the old tenants by improving its service for the utmost satisfaction of customers.

PROCUREMENT OF PRODUCTS OR SERVICES

1 Nature of the procurement of product for selling

Glas Haus Building Co., Ltd. has skilled and experienced building management team to manage the building. This also includes several building business in the group allowing the Company to negotiate the price with the service suppliers such as elevator services, security services, cleaning services, electricity system maintenance services and etc. This also gives the Company opportunities to control the quality of services to be of the quality and efficiency.



2 The Process of Reducing Environmental Impacts

Glas Haus Building Company Limited is aware of the importance of the best security measure for tenants as well as the responsibility towards environment and community. So the following measures are adopted in the building's facilities.

- **Water Supply System:** There is a test of the quality of water and waste water every year for the safety of tenants.
- **Air Conditioning System:** There is a test of the bacterial contamination in the cooling tower twice a year in order to find Legionella Bacteria that could affect the respiratory system.
- **Security Measure:** There were installations of the following security equipments:
  - Automatic Fire Extinguishing System such as Sprinkle System
  - Fire Warning System on every floor
  - Standpipe System to store water and Inlet Valve
  - Handheld Fire Extinguishers
  - Emergency Light System along the fire escape route
  - Lightning Prevention System
  - Floor plan indicating the location of each room attached in the front of elevators on every floor
  - Smoke Control System to prevent smoke to spread to other floors

GLAS HAUS RATCHADA COMPANY LIMITED

NATURE OF BUSINESS OPERATION

Glas Haus Ratchada Company Limited manages "real estate leasing" business which is a leasing office building rental space of approximately 7,500 square meter. The office building is located on Ratchadaphisek Road near MRT. Glas Haus Ratchada Building is an office building for both long-term and short-term rent. It focuses on tenants of office spaces for various businesses.

Major Changes and Developments in the past year

In 2014 some spaces fore rent within Glas Haus Ratchada Building were changed into retail spaces. Moreover, improvements were made to the parking area by increasing the parking building, which were the results of continuous increased in number of customers. This caused the parking space rental rate to increase in 2015 and to ensure that the rental price of parking space is inline with the market price in this area.

MARKETING AND STATE OF COMPETITION

1 Selling and Distribution Channels of Glas Haus Ratchada Building Business

At present, Glas Haus Ratchada Building is fully 100% rented which Thanachart Bank is occupancy rate at 99% the bank tends to extend the lease to 3 years. However, the company launches the website to promote and publicize Glas Haus Ratchada Building's details such as area sizes, example areas and advertising areas in order to access to information of people who want office building spaces in Ratchada zone.

2 Competitive of Shopping Center Business

At the moment 100% of the space within Glas Haus Ratchada Building is occupied by Thanachart Bank.

Glas Haus Ratchada Building realizes that Ratchada Road has an increasing number of office buildings to relieve the density in the A area. Moreover, the communication and transportation nowadays is more convenient while there are

also more shopping center open on Ratchada Road as well as condominium buildings. Therefore, in the future, there should be more demands of rental space on this road.

At the same time there are more competitions in the office space business on this road. There are new buildings being constructed during the past 1-2 years such as Cyber World Tower, a skyscraper with office building for rent. The new Central Department Store on Rama 9 junction also has its top floors available for rent. So, in the future there will be more competitions on Ratchada Road.

PROCUREMENT OF PRODUCTS OR SERVICES

Nature of the procurement of product for selling

Glas Haus Ratchada Co., Ltd. has skilled and experienced building management team to manage the building. Moreover, due to the operating of several building businesses in the group allowing the Company to negotiate the price with the service suppliers such as elevator services, security services, cleaning services, electricity system maintenance services and etc. This also gives the Company opportunities to control the quality of services to be of the quality and efficiency.

Measures against Environmental Effects of Glas Haus Ratchada Building

- **Effect from Wastes**

At present Glas Haus Ratchada Building has separated dangerous waste, such as light bulbs, from normal waste and hired Din Dang District Office to get rid of those wastes.

- **Effect on Water**

Glas Haus Ratchada Building realizes the importance of the water system of the building including the system to release waste water from the building and the water supply system. The building has checked the quality of water in every 12 months to make sure it is up to the standard of drinking water. The building also informs the tenant to add more water filters on every floor. As for the waste water, Glas Haus Ratchada Building has treated the waste water before releasing it out of the building. At the same time the building will test the quality of the waste water before releasing it to the public system in every 12 months. Glas Haus Ratchada Building also hires Din Dang District Office to either get rid of or recycle the residues from waste water.

- **Effect from Noise**

In order to prevent the problem from noises within the office of the tenants, Glas Haus Ratchada Building has set up a maintenance plan for machines installed on each floor so that there will be a minimum of noises interfering the work of the tenant.

- **Effect from Air**

Glas Haus Ratchada Building has used the Cooling Tower System and the water cooling system. The engineering department of the building is well aware of the importance of the monthly cleaning of the air cooling ventilation system and the lab test of the quality of the cool water that is distributed into the system. The building also has a fresh air ventilation system within the building so that the tenant will have quality air. At the same time there is a system to release polluted air out of the building. Glas Haus Ratchada Building has also has a measure to control the burning of any materials or trashes within the building in order to prevent any direct effect on the environment.

HOTEL AND TOURISM BUSINESSES

HOTEL BUSINESS

Hotel business is operated by MBK Hotels and Tourism Company Limited ("MBK-HT"), MBK Hotel and Resorts Company Limited ("MBK-HR"), MBK Business Company Limited ("MBK-BUS"), Supsinnthanee Company Limited ("SSTN") and Lanta Land Development Company Limited ("LLD"). The hotels which have been opened for business include the following:

1. Pathumwan Princess Hotel, Bangkok, is operated by MBK-HT. It has been opened for business since 1996.
2. Sheraton Krabi Beach Resort, Krabi Province, is operated by STARWOOD. It has been opened for business since early 2003.
3. Tinidee Hotel@Ranong (formerly Royal Princess Ranong Hotel), Ranong Province, is operated by MBK-HT. The hotel was already in operation before MBK acquired shares in SSTN on August 20, 2002.
4. Tinidee Inn, located in the same area as Tinidee Hotel@Ranong, is operated by MBK-HT. The hotel is opened since April 2011.
5. Tinidee Golf Resort @ Phuket Hotel is located in Phuket province, is operated by MBK-HT. The hotel is opened since November 2010. (change the name from the Tinidee Phuket Hotel since 2014)
6. Layana Hotel is located on Lantayai Island in Krabi Province, is operated by MBK-HT. The hotel has already been open before the takeover from MBK in April 2011.

MBK-HT was founded in 2010 to manage associated hotels and offer hotel management service to hotels in Thailand and abroad. In addition to managing associated hotels as defined above, MBK-HT also manages a club House inside the Riverdale Golf and Country Club, the Loch Palm Golf Course and the Red Mountain Golf Course since September 2011.

PATHUMWAN PRINCESS HOTEL

NATURE OF BUSINESS OPERATION

Pathumwan Princess Hotel is located in Bangkok and operated by MBK-HT. The hotel has commenced operations since 1996. The hotel offers services in several areas accommodations such as 455 non smoking guestrooms, the banquet rooms, the seminar rooms and the restaurants, the meeting rooms, the fitness center and the spa.

Major Changes and Developments in the past year

▶ The Company had installed Whirlpool Jacuzzi into two rooms with the budget of 650,000 baht (After installed into 1 room in 2013). The installation started on the December 1st 2014, one of the room finished on December 30th 2014 the other finished on February 2015.

▶ Marketing : Marketing plans of the group in 2014

- Aiming to promote sales in the middle or above potential market such as China, including adjustment of sale policy for the Middle East market to be in consistent with the main structure of the hotel.

- Maintaining the stability and requirements of the major markets including Australia, Singapore and Southeast Asia countries by creating a promotional plan and sale-promotion plan periodically.
- Aiming to sale in Europe, Scandinavia, England and Germany market group through agencies that have call center on such region except England and is expected to increase the food and beverage consumptions from these markets
- Aiming to offer more sale presentations of catering, conferences, seminars, MICE and Incentive Group by renovating and increasing the number of seminar rooms in the hotel.
- Improving the appearance of the hotel's website to be more modern, convenient and easier to book a room and considering the use of Booking Engine to be more compliant with the competitive conditions.
- Optimizing the increasing use of online media and developing Digital and Social media system.
- Developing and improving Customer Relation Management system and focusing on the importance of Repeating and Loyalty guests. Including the development of member.
- Promote and develop sales in the area of catering and seminar trips.
- Linkage and allying to join a promotional sale with shopping centers and local department store.
- Planning activities and events to promote the hotel's image and reputation
- Established Revenue Management Department to improve, develop and control the occupancy as well as the rates of the room; for the highest efficiency of the whole group.

- Established Social Media Department to emphasize on sales through online including social media with the purpose to quickly and efficiently reach through to customers from each country.
- Find new market, particularly, Medical Tourism group, Retirement group and Long Stay group.
- Recruit sales alliance for mutual benefit.
- Utilizing Yield Management sales price control system to be in line with the amount of demand.

TARGET CUSTOMERS OF PATHUMWAN PRINCESS HOTEL

Main Customers are travelers from Australia, Singapore and Europe Asia and Middle East as these countries still have strong potential in terms of financial and economic growth.

Minor Customers

▶ Customers that have certain traveling season of the year such as customers from Scandinavia, Indonesia, Malaysia and Customers from Middle East.

▶ Customers that use hotel services less but have the efficiency in paying such as China , India, Japan and Eastern European countries America

MARKETING AND COMPETITION

1 Selling and Distribution Channels of Pathumwan Princess Hotel

Pathumwan Princess Hotel has established the following channels of distribution:

▶ Selling directly to companies and commercial establishments

▶ Selling through local travel agents and overseas tour operators in different regions of the world

▶ Selling through electronic media or website by focusing on hotel's website

▶ Selling through leading airlines' systems

▶ Selling through press, advertisement and public relations

▶ Selling during tourism promotion events

▶ Selling through the hotel's network channels, i.e. those of the Dusit Princess Group

▶ Direct sales to government sector, public enterprise and other associations.

▶ Selling through partners

▶ Preparation package with affiliated businesses.

2 Competition of Pathumwan Princess Hotel

In 2014, hotel business in Bangkok, especially around Pathumwan Princess Hotel, was adversely affected by the assembly incident that occurred around the hotel causing 80% traffic shutdown, as well as making it difficult and inconvenience for the guests to access to the hotel. The ratio of occupancy is behind the increasing number of rooms and impacts a very fierce price competition. However, accompanied by good location and an increase in the quality of good services. Focus on selling and offering different packages through the Internet, including social

media, which reach customers faster and more popular nowadays.

In the year 2014, the hotel emphasizes on organizing both indoor and outdoor catering. The hotel is capable of handling large size Outside Catering. The hotel had enhanced the potential and decoration style for indoor catering, and organized the events to be elegantly and attractively decorated, which received a well feedback.

Pathumwan Princess Hotel was still able to attract tourists from the main target group. Owning to these reasons, the hotel was able to maintain the market share when compared with its competitors.

3 Pathumwan Princess Hotel's Industry outlook and Competitive in the future

The factors which impact to Pathumwan Princess Hotel's industry outlook and competitive in the future are as follows:

- Since overall global economy has not recover from last year causes tourist to change their spending behavior. This make tourists spend less on travelling. Therefore, the hotel has offered many packages that can help customers control their travelling budgets.
- The political unrest in domestic politic during the first quarter of 2014 had made impact on tourist confidence, which lead to a decrease in the number of tourist visiting Thailand; including the cancellation of their stay.
- Disaster in several countries and news of terrorism around the world causing dropped in tourist numbers.
- There are qurte a number of new hotels in Bangkok which increased the number of available quest rooms, especially Sukhumvit and Rama 1 Road area.
- Airline starts new route by providing direct flight to other provinces. This allow tourist to reach their destination in other province without having to stopover in Bangkok.
- Environmental problems, traffic jams and pollution
- Fluctuation of the value of world's major currencies.

PROCUREMENT OF PRODUCTS OR SERVICES

Nature of procurement of products or services for selling

-None-

The Process of Reducing Environmental Impacts

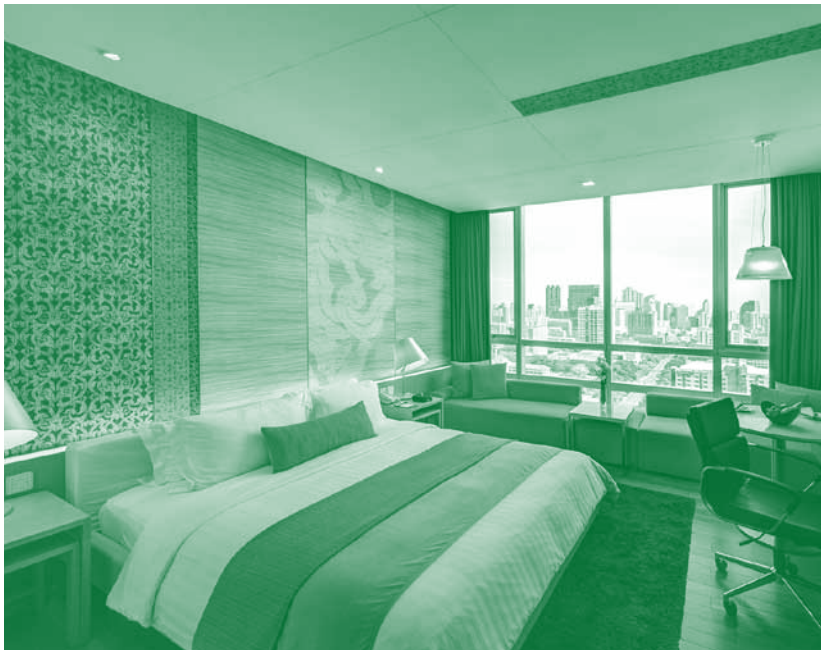
Pathumwan Princess Hotel has the same environmental protection measures as those of MBK Center since the hotel is located in the same building of MBK Center.

SHERATON KRABI BEACH RESORT

NATURE OF BUSINESS OPERATION

Sheraton Krabi Beach Resort Hotel is located in Krabi Province and operated by MBK Hotels and Resorts Company Limited ("MBK-HR"). The hotel has opened since 2003 and offers an accommodation for 240 rooms, the restaurants, the fitness center, the recreation room, the seminar rooms, the banquet rooms and the spa.

Major Changes and Developments in the past year



In Sales and Marketing

- Received good feedback after continuous marketing with India customers on seminar, wedding and independent tourist since 2012. Promotions are provided to Travel Agent in India giving the hotel opportunities to increase Indian market customer database. The hotel had again accepted the Indian wedding group in July 2014, at approximately 330 room nights, which the hotel was able to generate revenue at 3,000,000 baht; as well as accepted meeting group of India Citi Bank in September, which generate revenue of approximately 1,000,000 baht.
- Received feedback from the continuity of marketing in offering Exclusive promotions to Korean market travel agency to promote Honeymoon market. Studio Suite with Pool is the selling point in the year 2014, which the hotel had received good feedback.
- To make Krabi a known place by acting as the host in welcoming Travel Agencies which have potential in all market. In the year 2014, 30 groups were welcome.
- Continuously being an alliance with Agoda and Bookings.Com, to expand customer base through social media and develop customer base through hotel website directly in order to respond to the demand of the modern times.
- There was a continued agreements and sales strategies with German, UK and Scandinavian markets to encourage advance reservations during high and peak seasons.
- Established special price for the Tour Series, Chinese market, Charter Flight resulting in the booking of the year 2014 to be 350 Room Nights during low season.
- The hotel participated in international sales and promotion events organized by Tourism Authority of Thailand and Starwood in Singapore, Malaysia, Hong Kong, China, Korea, India, Russia and Ukrain.
- The hotel participated in "Thailand Travel Expo" to stimulate FIT domestic market during political crisis that impacts on foreigner customer group.
- Participate in Starwood sales promotion activity, known as MVP (Most Valuable Promotion). In order to maintain MICE customer group.
- Conduct sales promotion activities with educational institution. The resort received a good feedback and able to generate revenue at approximately 2,000,000 baht in April.
- Continuously conduct sales promotion activities with the Embassy by choosing from the Top Ten of Geo Source.
- Penetrate new market with potential in the future such as Taiwan and Middle East.
- Participate in the sales promotion with Malaysian Airline.
- Support the launching of Loyalty Program by Starwood to maintain the old customer base and increase the new customer base.
- Participate in marketing and sales promotion with Citibank Thailand and advertising in marketing channel in EDM, Citibank: Special Promotion, magazines and Website.
- Participate in marketing and sales promotion activities with Platinum M Card as well as advertise in Privilege Book 2014, EDM and Siam Paragon Shopping Mall's Website.
- Participate in marketing and sales promotion with Central the 1 card and

advertise in EDM, Booklet, M2F newspaper, including Central Department Store Website.

- Participate in marketing and sales promotion with Phuket Newspaper as well as put advertisement on the newspaper, radio, website and Facebook since January 27th – May 27th 2014.
- Participate in marketing and sales promotion with different credit cards such as Citibank, Standard Chartered, Thanachart Master card, KBANK, KTC and Central Credit Card as well as published in EDM etc.
- Participate in marketing and sales promotion with Central World in "My Moment Make It Groove" project, which emphasizes on Social Media like Facebook with 361,709 followers and Instagram that have 27,200 followers.
- Offering special price to promote other marketing and sales promotion, such as

1. Thai Resident
2. Krabi Getaway
3. Red Hot Deals
4. School Break
5. Sheraton Club Package
6. Book Early & Stay Longer
7. GREAT HOLIDAY SALE
8. SPG Earn Away

9. SPG® Triple Crave
10. SPG® More For You
11. SPG® Pro
12. Reward Your Stay
13. Reward Your Journey
14. Take your stay to the next level
15. Thailand Recovery Campaign
16. Unbeatable getaway promotion
17. "Just for you" package
18. Wines of the World (WOW) campaign
19. How Suite It Is
20. Getaway Package
21. Meeting package
22. Family Value Package
23. Suite Offer, A Stylish Winter Stay in A Luxury Suite
24. Hot Deals For This Holiday Season
25. Save big on a big adventure in Thailand
26. Night at the Museum: Secret of the Tomb : Starwood Hotels and Resorts in Asia Pacific and MasterCard®
27. Guest Communication (GC) – Pre Stay message featured : Blissful Christmas Eve Celebration
28. Guest Communication (GC) - Post Stay message featured : Exclusive Getaway Package
29. F&B Promotion "Beach BBQ"
30. Marketing support of OTAs for Divisional and Regional Limited Time Offer on Agoda and Asia Web Direct.

31. "Stay & play" of The Association of Football Agents (UK)
32. Advance Purchase of Eat Drink & More Thailand
33. Thai Teaw Thai # 30 and 32
34. "StarHot" and "StarFriends"
35 Cross-selling with Alof Bangkok – Sukhumvit 11 to promote "Sheraton Club Package"
36. Cross-selling with Four Point by Sheraton Bangkok

- Advertise to promote sales in Thailand Best Hotels & Resorts Guide 2014 for Citibank
- Advertise in Bride Abroad magazine, England
- Advertise in Swiss Wedding magazine, Switzerland
- Advertise in Chance for Traveler Magazine, Ukraine
- Advertise in Travel + Leisure Magazine in Southeast Asia (2 issues, in June and October)
- Advertise in Lily Magazine, Japan
- Advertise in ANA Hallo Tour Magazine, Japan
- Advertise in Hot Spot Guide Book, Hong Kong and Singapore
- Advertise in Inspire Magazine Asia-Pacific, Singapore, Singapore Airlines route (economy class), SilkAir (business class) and Garuda Indonesia (executive class) – Singapore Indonesia flight routes, International route in Malaysian Airlines (first & business class)
- Advertise in Wedding 21 Magazine, Korea (2 issues, in April and November. Advertise on Wedding location and Honeymoon places for Korean couples that admire the sea and luxurious room.)

- Advertise in Boutique Journeys of Bangkok Airways
- Advertise in Krabi Magazine
- Advertise in Luminesce Magazine including Website
- Advertise in Thailand Directory
- Advertise in TICA Directory 2014-2015
- Advertise in MICE Guide to Thailand 2014-2015
- Review hotel through blogger, Sassy Australia, Australia
- Review hotel through blogger, Pureglutton.com, Malaysia
- Advertise on Website: The Association of Football Agents, England
- Advertise on Website: Oyster.com, England
- Advertise on Website: WeAreKrabi.com
- Online advertising in TAT New Delhi Facebook, Agoda EDM, Newsletter, Google Plus, social media, Bangkok Post online, WHERE Magazine, Luminesce Magazine, Phuket E-magazine, Krabi Magazine website & Facebook, WeAreKrabi, TripAdvisor Business Listing, Thai PR.net, RYT9, Sense of Krabi, Krabiindex.com, Phuket Index website, Sovego.com, Newswit, Special Offer Page, Local Property website, Guest Communication program, FlyerTalk, Starwood Hotels & Travel Exclusives Facebook page, Starwood Twitter, Sheraton Hotels and Resort social media, SPG Restaurant & Bars Facebook, Hotel website and local property website and hotel social media

The hotel receives numerous awards in 2014 as follows:

- Certificate of Excellence from TripAdvisor
- Quality Selection and Popular for SPA from HolidaysCheck
- 5 Stars Resort Standard award
- Best rated hotels on HolidaysCheck - Europe's from more than 25 million website visitors per month
- Blue Destination from PTT Public Co., Ltd.
- Received the Award of Excellence from Tourism Authority of Thailand for Resort Hotel with at least 80 rooms, Southern Region of Thailand. This award is considered the highest award for tourism industries, which emphasizes on providing excellent services and pay attention to the environment for sustainable tourism.

Engineering Works:

- Improvement of front entrance road and the road on staff dormitory side to be inline with the 'Expand the new road through the front of the hotel' project.
- Construction of 6 cement ponds for fermented fertilizer to reduce the rate of internal waste disposal and emphasizes on reusing the waste for the best benefit.
- Change the lawn at Club Lounge into artificial turf to maintain beauty, well organized and less maintenance, which is to adjust into a great scenery for the club lounge.

- Change Marquee Tent to replace the old one, which had been used for a long time with the budget of 7 hundred thousand baht.
- Public canal dredging around the direction toward Nursery
- Renovate Mangosteen's Restaurant by using the budget of 7 million baht.
- Renovate Landscape in front of the Lobby
- Installation of sludge pipelines of wastewater treatment system, to dry and use it to make compost.
- Change Capacitor Bank for power distribution system to reduce power factor.
- Repair the bridge located beside the Gecko restaurant, after the pine tree fell on it.
- Install the roof in front of Engineering Office to use for reparing Freezer and Fridge Cabinet

Food and Beverage

▶ MALATI restaurant has adjusted its menu by emphasizing on both Thai and Indian food, half and half, as well as offer Asian Buffet during high season to increase sales volume.

▶ Moreover, Malati Breeze is still in operation by emphasizing on selling Sunset Cocktail, during before dinner period, which has been gaining popularity.

▶ Recruited a band to play in the BBQ Buffet at the beach and buffet dinner at MALATI restaurant, which was a successful strategy and could increase sales

▶ Mangosteen restaurant was renovated by changing the image to be more modern, emphasizing on Gore pattern, which is the painting of ancient prow of southern part. Moreover, above the buffet line was decorated with large leather carving pattern, which is a very beautiful perforated design. Seats were added to support the quantity of customers during breakfast and dinner menu was adjusted to be inline with the new image of the restaurant. Seasonal Buffet was offered to generate revenue

▶ Act as a representative in organizing Nongtalay Café Festivial with Nongtalay Subdistrict Administrative Organization. This project received a good feedback in such a way that The Tourism Authority of Thailand had placed it in the province travel plan as well as elevated the festival to be Jazz Festival where the country's top singers were invited to participate in the concert.

▶ Sales promotion on Cooking Class, the cooking of Thai food by allowing the participants to go to the fresh market with the chef in the morning and choose the ingredients to be use for cooking. It is considered as one of the extremely popular tour.

▶ Emphasized on selling private dinner for honeymoon or anniversary couples, under the program Just for You, which the Ambassador help supervised in order to give suggestion especially for the customers. This types of sales is extremely popular, setting up private seats on the beach or in a beautiful area of the hotel, customers can pick their choice of food from Gecko Restaurant or Malati restaurant based on the appropriateness of the location of events. This program works extremely well during November to April.

▶ Work in conjunction on a special program with Krabi spesialisten Company limited, which focused on customers from Scandinavia to have their wedding ceremony at the hotel. This program has been very popular. Most of the wedding ceremonies were organized on various islands and guests were invited to dine in a private function style at Sheraton Krabi. Some of the wedding group contains up to 40 people and customers can choose to stay at other places. Customer considered that this dinning is as of the very best service, even though they stayed in a small hotel but they can still attended dinner on the wedding day at a luxurious hotel of Krabi.

IT Works

▶ Enhance the quality in terms of speed and stability of Internet Subscriber System by using Software Freedom from DOCOMO.

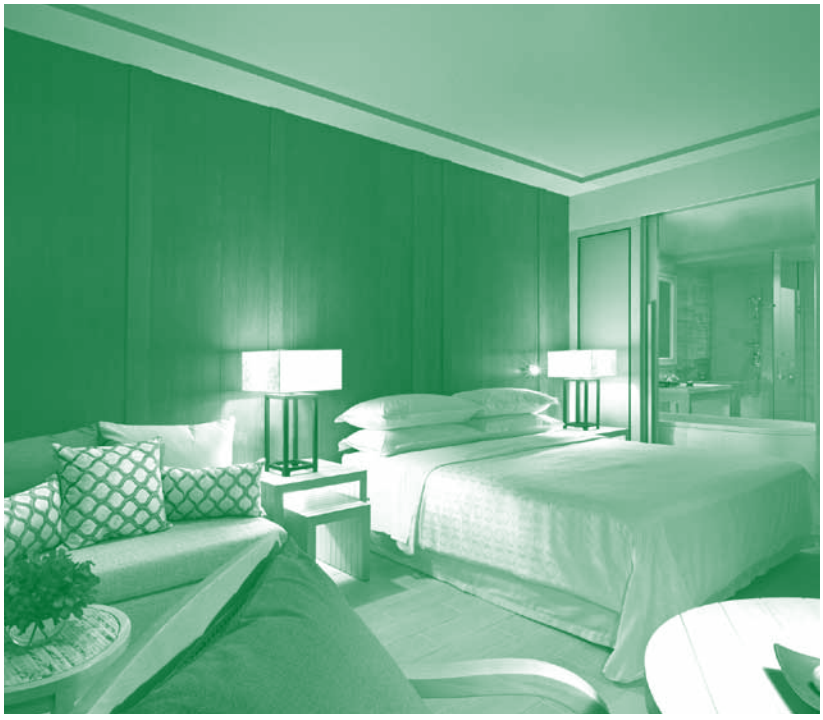
▶ To increase the efficiency in using Wi-Fi, in the year 2014, the hotel had double the Wireless Access Point into every building. Thus, Wi-Fi signal will be strong and will cover more areas in the rooms and will have more stability in connection.

▶ At present, there is an increases in the amount of internet usage, moreover, all the contents on internet has bigger files. Therefore to prevent the problems of insufficient bandwidth, the hotel had approved the adding of Internet Bandwidth from 16 Mbps into 35 Mbps. The speed of connecting to both domestic and international and downloading content is faster; this will support multiple usage of internet at the same time.

TARGET CUSTOMERS OF SHERATON KRABI BEACH RESORT

Main Customers are leisure travelers. These include tourists from Europe, Scandinavia, Australia, Germany, the U.S.A and Canada.

Minor Customers are the seminar groups, wedding groups of Indian and the companies that would like to arrange the meeting in wide outdoors.



MARKETING AND COMPETITION

1 Selling and Distribution Channels of Sheraton Krabi Beach Resort

Sheraton Krabi Beach Resort has established the following channels of distribution:

- Selling directly to companies and commercial establishments
- Selling through local travel agents and overseas tour operators in different regions of the world
- Selling through electronic media or website
- Selling through leading airlines' systems
- Selling through press, advertisement and public relations
- Selling during tourism promotion events
- Selling through the hotel's network channels, i.e. those of the Starwood Hotel Group
- Improve and expand Chinese market to increase customer base and sales during Green Season.
- Improve and expand Indian wedding market.
- To keep the same target group and expand Australia market both high and low season.
- Improve and expand Russian and Korean markets

2 Competition of Sheraton Krabi Beach Resort

Even though, the occupancy rate was very high throughout the year, making Sheraton Krabi Beach Resort to have the highest total occupancy of the whole year, which is 75.8% and is the record-breaking ever since the opening of the hotel – it is still under the budget of 78%. Not only the political unrest causing some of the major group of customers to feel uncertain, but also high competition from the competitors who have offered serious price reduction, making Sheraton Krabi Beach Resort inevitable to have to compete on price and compensate with the occupancy rate.

The operation outcome did not meet the set expectation was due to the cancellation of the major customer groups from the nearby country who felt uncertain with the political unrest. Moreover, there was a recession in Russia customer groups due to the sharp dropped in Russia's currency causing a significant decreased in the occupancy rate from this market. Anyway, the hotel received quite a considerable compensation from the Chinese tour groups that travelled with Charter flights during low season. In addition, the closing time of Phuket International Airport, which closes at 24:00 – 5:00 am causing the plane to land at Krabi International Airport instead.

However, it does not have an impact on Sheraton Krabi Beach Resort, mainly because of its long-term competitive potential. The Hotel is using the brand name of the Starwood, international hotel operator which is well known worldwide for the quality and standards in terms of location and services. Importantly, the size of Sheraton Krabi Beach Resort is fairly large and is able to accommodate big groups of customers or many groups at the same time. Moreover, in 2013 when the biggest film Housefull II production from India used the hotel as their shooting location it had greatly helped advertise for the hotel. In addition, word of mouth spread by the customers that attended the wedding also helped promote the hotel to receive popularity from this market.

In the meantime the hotel increases 6 Suite rooms to 12 Suite rooms which are 2 Pool Suite rooms for supporting a honeymoon market and the hotel does the market with Russian customer which has the potential to purchase the beverage.

3 Sheraton Krabi Beach Resort's Industry outlook and Competitive in the future

The factors which impact to Sheraton Krabi Beach Resort's industry outlook and competitive in the future are as follows:

- Overall global economy results in the change of behavior of tourists which make less tourists travel overseas and even though they might travel but tend to spend less especially on food and beverage expenses.
- Overall maritime disasters result in the behavior of tourists which are reluctant to travel by the sea.
- Inadequate in number of flights and the scheduling of flights to Krabi and are not in line with the number of tourists. Moreover, airlines that links with main cities like Singapore or Kuala Lumpur are mostly low cost airlines, which the senior executive of leading companies were not very fond of this because were of the view that it is not safe to travel low cost and is not covered by the accident insurance or other inconvenience.
- Krabi International Airport's limitation is one of the significant issues that decreased tourism potential. Even though proposes had been made several times but the Department of Commercial Aviation had not make any solution, at which the customers felt inconvenience about several subjects.

PROCUREMENT OF PRODUCTS OR SERVICES

1. Nature of the procurement of products or services for selling

-None-

2. The Process of Reducing Environmental Impacts

Sheraton Krabi Beach Resort has taken the following actions to reduce the impact on the environment.

1. Wastewater
   - 1.1 Put in place a wastewater treatment pond and a wastewater treatment system
   - 1.2 Monthly check the quality of water
   - 1.3 Use the treated water in maintaining gardens
2. Garbage
   - 2.1 Separation of wet and dry garbage as well as garbage that can be recycled
   - 2.2 A special room for keeping wet garbage at 15 degree Celsius
   - 2.3 A vehicle to pick up and dispose of the wet garbage daily
   - 2.4 Production of biofertilizes to reduce the quantity of garbage
3. Noise Pollution
   - 3.1 Appointing committe to work in environment and energy conservation.
   - 3.2 Sheraton Krabi Beach Resort received commemorative plaques for being an outstanding business operator at the provincial level in the areas of bio-sanitation and workplace environment in 2008, 2009, 2011 and 2013

TINIDEE HOTEL@RANONG AND TINIDEE INN HOTEL

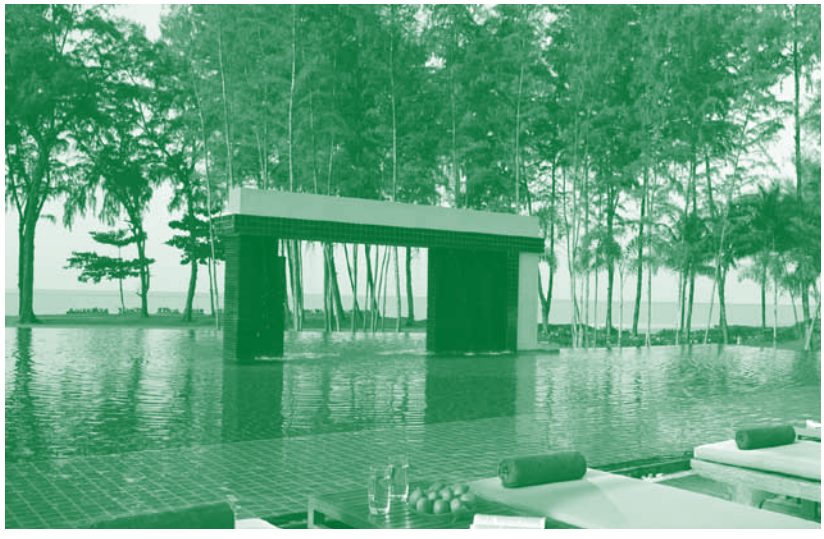
NATURE OF BUSINESS OPERATION

Tinidee Hotel@Ranong (formerly Royal Princess Ranong Hotel) is located in Ranong Province and operated by Supsinnthanee Company Limited ("SSTN").The hotel offers an accommodation for 138 rooms with mineral water and also includes the banquet rooms, the seminar rooms, the restaurant, the fitness room, the body massage room, the foot massage room, the swimming pool and the mineral water pool.

Tinidee Inn Hotel was renovated from commercial buildings to make a budget room 47 rooms, including a restaurant and souvenir shops. The hotel has opened since April 2011 and has received a good response.

Major Changes and Developments in the past year

Tinidee Hotel@Ranong



- Renovate rooms on 3rd floor after completed with 5th, 6th, and 7th floor; with the budget of 565,600 baht per floor.
- Change ironing machine into the new machine that have new rolling at the budget of 594,000 baht as the old machine has only 60% efficiency left, which requires to iron 3-4 times and consume more gas and electricity. The new machine only take one press and it's ready to use.
- In the process of replacing all the public area light bulbs to LED bulbs in order to decrease power consumption
- Improve roof eaves around the building as some of the part fall down due to deterioration of wood, which may be dangerous to guests and customers using services including employees with the budget of 1,100,000 baht.
- Improve and develop air conditioning system, sound system and ceiling and wall sound insulation system at Ice Bar Music Pub to ensure the readiness in the ability to support customers and able to compete with the new competitors.
- Improve the big exhaust system of the main kitchen due to decrease in efficiency, which cause an excessive consumption of electricity.

Tinidee Inn Hotel

- Develop Shinju Ramen by contacting expertise chef to give extra training in order to support customers demand more.

Target Customers of Tinidee Hotel@Ranong and Tinidee Inn Hotel

Main Customers of Tinidee Hotel@Ranong and Tinidee Inn Hotel includes

- The Government sector
- The company groups, store groups concerning with fishery business
- Company or store groups that operate business related to drilling and oil terminal.
- Group Incentive
- The foreign tourists with long term package tour in many provinces
- Thai tourist groups that starts to become more fond of domestic travel.

- The healthy tourists
- The group of sales representatives in Ranong, Phuket and Chumporn.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of Tinidee Hotel@ Ranong and Tinidee Inn Hotel

- Selling directly to government agencies including ministries, bureaus and various departments which have potential for using the hotel for their training activities and seminars as well as website operators
- Selling through an intermediary, such as Thai Hotels Association and Association of Thai Travel Agents.
- Selling directly to companies and commercial establishments
- Selling by distributing leaflets on special occasions which take place at different periods of the year
- Selling in tourism promotion events
- Selling through Travel Agency in style B2B and B2C
- Selling through electronic media or website by focusing on hotel's website

- Putting an advertisement billboard on Petchkasem Road, which is the main road to Ranong
- Selling through partners

2 Competition of Tinidee Hotel@Ranong

Tinidee Hotel@Ranong

Tinidee Hotel@Ranong is well known to both Thais and foreigners for its high quality service standards. It is a big hotel in Ranong Province, which is capable of accommodating a large number of seminar participants. The operation result of the hotel, in terms of its revenue was below the estimated due to political unrest causing government officers, who are the main customers of the hotel that organizing meetings and seminars, to unable to exercise the budget; accompany with Myanmar had prohibited fishing in their territorial waters causing lost in customers from fishery business but was able to compensate some part with the customer of oil drilling company.

This was due to the renovation of the coffee shop, the pool, the bathrooms in the lobby area, the catering room and the conference. The hotel has changed an air conditioner to a Split Type model, which can control temperature and save the energy. The hotel has received a good response and after the hotel has received a concession to take care of Raksawarin Mineral Spring, the feedback is still in good shape but profit is lower than the budget mainly from high cost of food and electricity.

Tinidee Inn Hotel

Many small hotels have emerged from commercial buildings and offer low prices to customers, causing the

decrease in the monthly customers. As Tinidee Hotel@Ranong has been acknowledged as having a standard and security, the newly open Tinidee Inn thus received good feedbacks from customers with limited budget. Moreover, the hotel has opened an OTOP shop, a RAMEN restaurant, a bubble tea shop and porridge shop inside Tinidee Inn Hotel which gets a good feedback especially for the OTOP product.

3 Tinidee Hotel@Ranong and Tinidee Inn Hotel's Industry outlook and Competitive in the future

The tendencies of industrial in Ranong is growing in the future

- Knowing that mineral water in Ranong province is the best in Thailand and is one of the best three mineral water in the world.
- Knowing more about Payam Island which is the new popular tourist attraction.
- Expanding road to make it more convenience to travel and transportation.
- Expanding the habour to increase opportunities in shipping goods from Andaman coast.
- Private sector projects that are constructing border market to attract more tourists.
- NOK AIR reopen direct flight to Ranong, offering 2 flights a day and the flights are available every day, NOK Airlines daily flight.
- As being the border city that have the opportunities to welcome tourist from the neighbor countries to support the arriving of AEC
- A government policy promotes Health Destination which will benefit Ranong Province.
- There are oil drilling and oil terminal in the area.

The Competitiveness of Tinidee Ranong Hotel and Tinidee Inn Hotel

- At present, more row houses were renovated into a small hotels, which do not have direct effect in terms of competition with Tinidee Ranong but it directly affects Tinidee Inn Hotel.

▶ There may be more direct effects on the competition in seminar and catering service in terms of the size of venue. The Hotel had adjusted its strategy as follows:

- Focus on quality and services standard and convenient parking.
- A meeting format is stylish and various.
- The Target customer groups those are suitable for the size of the banquet.

▶ Enhance the hotel potential to be better than the competitors. The hotel has proceed with the improvements and developments as follow:

- A coffee shop is renovated to look clean and modern.
- Opening an OTOP shop sells products which are 95% of consignment.
- Opening a RAMEN restaurant and a bubble tea shop for the first time in Ranong Province.
- Opening a porridge shop sales from evening to support nightlife customers.
- Adding improvements to Ice Bar to enhance potential in the competition.

PROCUREMENT OF PRODUCTS OR SERVICES

1 Nature of procurement of products or services for selling

- OTOP products in the form of Consignment

2 Actions taken by Tinidee Hotel@Ranong and Tinidee Inn Hotel to reduce the impact on the environment

1. Wastewater
   - 1.1 Put in place a wastewater treatment pond
   - 1.2 Check the quality of water every quarter
   - 1.3 Use the treated water in maintaining gardens
2. Garbage
   - 2.1 Separation of wet and dry garbage as well as garbage that can be recycled
   - 2.2 Municipal vehicles to pick up and dispose of the garbage daily
3. Smoke produced by steam engines from burning fuels
   - 3.1 Maintain the steam engines annually
   - 3.2 Engineers regularly test and certify the efficiency of the burning process

In addition, the Hotel has taken the following measures aimed at preventing problems from affecting the environment in other areas.

1. Establish a special committee responsible for managing safety, bio-sanitation, and workplace environment.
2. Promote communication systems using emails in order to reduce paper use.

TINIDEE GOLF RESORT @ PHUKET HOTEL

NATURE OF BUSINESS OPERATION

Tinidee Golf Resort @ Phuket Hotel is a 3-star hotel and located within the Loch Palm Golf Course in Phuket Province. The hotel is operated by MBK-HT which is only 20 minutes from Phuket International Airport and 15 minutes from Patong Beach. It is surrounded by beautiful scenery and

fresh atmosphere and good security. The hotel added Centric Life is a new club house that offers a fitness center, a pool and a snack and beverage bars. The hotel guests can use the fitness and swimming pool service free of charge. The outside customers such as residents around the golf course or golf course members have to pay for the service at either the daily rate, monthly rate or yearly rate. Anyhow, golf course members or members of the affiliated home project will receive priviledge in paying for the service at a special rate.

Major Changes and Developments in the past year

▶ The hotel opens a new club house called Centril Life, which is the fitness center for hotel guests, golf course members and residents living in the nearby area. The membership is offered at the daily, monthly and yearly rate along with many privileges in the use of counter bar services around the pool. The club house was in full operation during the first quarter of 2014.

▶ Marketing plans and activities in 2014:

- Welcoming VIPs from Tourism Authority of Thailand, State Audit Commission, Hua Hin Municipality and Ministry of Culture.
- Add free shuttle service one trip a day for customers that book through website and want to go to Patong Beach.
- Expanding and development sales channels on many websites and directly on the hotel website in 2014

- Offering joint promotions with mega stores and companies with large customer databases such as Member card, Central Credit Card and Credit Card
- Expand market into China market, which C.C.T. EXPRESS, one of the top biggest company of China, had signed contract to stay at the hotel in the form of one year guarantee advance payment for 20 rooms per day.
- Expanding to new customers from South Africa and Germany that came to stay in the hotel more in 2014
- Offering special room prices for golf members and alliances both domestically and internationally (affiliates); some of the affiliate customers such as Binton Lagoon Golf Course already used the service in 2014
- Exhibiting in Tourism Authority of Thailand events and other events all year round; the feedback and income from the booths increased from the previous year
- Introducing the hotel as the new wedding destination and offering special room prices for wedding planner companies as well as offering the hotel for the shooting of wedding pictures; the promotion will continue throughout 2015
- As the hotel is considered very private, it is promoted by words of mouth among actors, artists and artist managers, resulting in more reservations from this group of customers

TARGET CUSTOMERS OF TINIDEE GOLF RESORT @ PHUKET HOTEL

Main customers are employees from companies, shops and travel agencies and golfers from local and overseas.

Minor Customers are employees from government agencies, state enterprises, independent organizations and customers who make direct reservations through websites of online agencies.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of Tinidee Golf Resort @ Phuket Hotel

Tinidee Golf Resort @ Phuket Hotel has the following sales channels:

- Selling directly to companies and commercial establishments
- Selling through local travel agents and overseas tour operators in different regions of the world
- Selling through electronic media or websites by focusing on hotel's website
- Selling through leading airlines' systems
- Selling through press, advertisement and public relations
- Selling during tourism promotion events
- Selling through the hotel's network channels, i.e. those of the MBK-HT Group
- Selling through partners
- Attached to golf packages
- Via Golf Agents
- Offering Group Series to tour company.
- Offering rooms to parents, students and teachers, through leaflets and brochure of International School in Phuket.

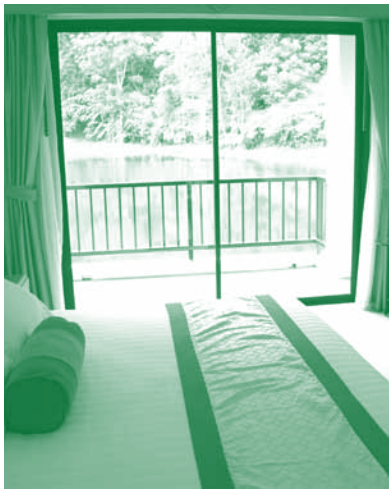
2 Competitiveness of Tinidee Golf Resort @ Phuket Hotel

At present customers tend to make a reservation online. Travel agencies are less popular. Customers can find and choose hotel with a reasonable price. Hotels then aim to offer more attractive prices on their website and a competitive sale mainly emphasizes on online promotions online. Mostly, customers still prefer seaside hotels. Buildings being renovated into hotels and guest rooms increased significantly in Pathong area. Commercial buildings became budget hotels and offer services and facilities at the same level of 3-5 star hotels such as Wi-Fi internet, hotel pickups and transportation service at a special price. The hotel must target in a customer who like to play golf or a tour group taking a trip all day and staying overnight at the hotel. To enhance competition potential with Budget Hotel at Patong Beach, along with increasing Club Hose to facilitates customers.

From the intense dropped down of Russia currency causing a decreased in number of Russia tourist travelling to Phuket. The hotel had decided to offer rooms to Group Tour Series of Chinese customers, which has signed the contract for one year in advance renting 20 rooms daily.

FUTURE TREND AND COMPETITION OF TINIDEE GOLF RESORT @ PHUKET HOTEL

Real estate business in this province has grown considerably. More foreigners like to buy real estate and rent out, especially private villa-styled houses and condominium, which is cheaper than normal hotels. This affect the number of guests staying at hotels. As a result, Tinidee Phuket plans to sell Member Centric Life to residents in villa houses or condominiums that do not have fitness centers or swimming pool; due to the decreased in the number of tourists from Europe groups and the continuity of room discount, the increased of new hotels from high profile hotel groups both domestic and international as well as increased in sales strategies and strong sales promotion in the form of groups and privileges.



PROCUREMENT OF PRODUCTS OR SERVICES

1. Nature of procurement of products or services for selling

-None-

2. Actions taken by Tinidee Golf Resort @ Phuket Hotel to reduce the impact on the environment

1. Wastewater
   - 1.1 Put in place a wastewater treatment pond and a wastewater treatment system
   - 1.2 Check the quality of water every quarter
   - 1.3 Use the treated water in maintaining gardens
2. Garbage
   - 2.1 Separation of wet and dry garbage as well as garbage that can be recycled
   - 2.2 A vehicle to pick up and dispose of the wet garbage daily
   - 2.3 Promote communication systems using emails in order to reduce paper use.
   - 2.4 Proceed with using recycled paper policy strictly

LAYANA RESORT AND SPA

NATURE OF BUSINESS OPERATION

Layana Resort and Spa is operated by MBK Hotels and Tourism Company Limited (MBK-HT). The hotel is located on Phra Ae Beach, Koh Lanta Island, Krabi Province and it is on an area of 17 rai. Layana Resort and Spa is a 5-star boutique seaside resort surrounding by tropical greenery nature and panoramic views of the mountains and the sea can be seen. It consists of 51 Garden Pavilion, Beach Suite, Ocean Deluxe Suite rooms and Pool Villa which have an applied Thai design using wood materials and beautiful Thai silks. It also offers a service an International restaurant, various Thai cuisines and special selected seafood Sand Bar. The Hotel has 2 yachts for exclusive guest. The hotel provides many facilities such as a library, a seminar room, a swimming pool, Wi-Fi and several activities for relaxation : a spa, a healthcare center and a fitness center. Customers can have fun with sporting activities like mountain biking, kayaking and scuba diving.

Major Changes and Developments in the past year

- Spa was closed for 40 days during September – October to change the whole roof by using the total budget of 1,150,000 Baht.
- Increased 2 changing room in the bathroom area, which is located next to the food court (One for men and one for women). The construction took 1 month from November – December, using the total budget of 150,000 baht.
- Marketing : Marketing plans of the group in 2014
  - Strategies to increase sales on website of Third Party such as Agoda, Bookings.Com, including the Hotel's website.
  - Sales presentation package on the website. To increase appeal and variety to the customers
  - Distribute through OTA of each countries to create Brand Awareness and attract more customers to stay at the hotel during low season.
  - Signing more contracts with Asian travel agencies such as Singapore and Hong Kong increases an occupancy rate in the low season.

- More participation more in a domestic and foreign Trade Show such as Thailand Travel Show at Queen Sirikit National Convention Center, Muang Thong Thani and having a Trade Show booth with with Pathumwan Princess Hotel.
- Creating an E-Newsletter and having a continual management of customer information.
- Updating a Social Media more often such as Facebook Twitter and instagram.
- Create plan for new harbor to increase privacy and convenience for the hotel's guests.
- Maintaining the German and English customers and the no.1 service quality by winning many awards such as
  - World Travel Awards 2014: Winner Asia's Leading Spa Resort,
  - World Luxury Hotel Awards 2014: Winner Luxury Boutique Hotel,
  - Tripadvisor: Winner Traveller's Choice Awards 2014,
  - Seven Star Global Luxury Awards: Winner 2014,
  - NOW Travel Asia Awards 2014 : Asia's TOP Leisure Hotel

Target Customers of Layana Resort and Spa

▶ **Main Customers** are from England, Germany and European countries, who are likely to come during the high season (November – April). The main target group includes honeymooners, retirees and adults. The hotel does not have a policy to accept the guests under 18 years old.

▶ **Minor Customers** are from Australia and Asian countries who make a reservation online. They will come to stay during the low season (May – October).

MARKETING AND COMPETITION

1 Selling and Distribution Channels of Layana Resort and Spa

▶ Selling through tour agents

▶ Do a direct sale to Resorts

▶ Selling through website by focusing on hotel's website

▶ Selling through agents in other countries such as Australia, England, German or through Social Media.

▶ Preparation package with affiliated businesses.

▶ Prepare special package for customers that come back repeatedly.

2 Competitive of Layana Resort and Spa

Due to the fact that the Hotel had clearly made the goal of the target group such as not accepting customers whose age is below 18 to be able to emphasize on the target group that comes for a honey moon or the elderly that need peaceful and quiet environment as well as the privacy, therefore the hotel is the lead on Koh Lanta Island and in 2014 The operation result this year was lower than the expectation. This was due to the closure for renovation in the restaurant, pool, bar and lobby areas. After it was reopened, the feedbacks from the return customers were positive. The hotel also received 5 awards including

2014 Asia's Leading Spa Resort, 2014 Luxury Boutique Hotel, 2014 Traveler's Choice Awards, 2014 Seven Star Global Luxury Awards and Asia's TOP Leisure Hotel Awards.

3 Layana Resort and Spa's Industry outlook and Competitive in the future

Due to the fact that the hotel in Krabi Province has few customers in May to September, it is important to increase customers that will book rooms during low season such as customer from Australia, by using Pathumwan Princess Hotel which is quite well known in Australia market to lead and may increase Honey Moon customers from Korea and Japan. Although research must be made on the limitation of the flight to Krabi, as there is no flight that will flew from Austrlia, Korea and Japan to Krabi. Customers view that it is inconvenience so Layana Resort and Spa needs time to promote the Destination of Koh Lanta as the main to become more known; accompany with tourists who have enough of Phuket, which is one of the good opportunities for Krabi Province and Koh Lanta.

PROCUREMENT OF PRODUCTS OR SERVICES

Nature of procurement of products or services for selling

- Goods and Products in the Souvenir Shop

Reducing the impact on the environment.

Layana Resort and Spa has been working to reduce the impact on the environment as follows:

1. Water Management

1.1 The hotel has a wastewater treatment before it is released back to the environment.

1.2 The wastewater from staff residence area is under the process of the wastewater treatment and it is used to water trees around the hotel.

1.3 The hotel uses a refilling drinking water tank.

2. Waste management

2.1 There is a campaign with the office to use reused papers.

3. Energy management

3.1 The hotel has regulations for purchasing products and materials with environmental and safety certifications such as No.5 Energy Saving Label.

3.2 The hotel has regulations for purchasing seasonal fruits and vegetables to reduce toxic contamination.

3.3 The hotel uses renewable energy for inside and outside transportation to reduce the impact on the environment and reduce a global warming such as a bicycle.

3.4 The hotel has an electricity consumption report and publicize to all staff for encouraging them to participate in the hotel's saving energy.

3.5 The hotel uses an energy-saving bulb to reduce a global warming and save energy.

3.6 The hotel has an automatic light control switch to reduce an energy loss.

3.7 The hotel controls over starting a car engine while waiting in the hotel to reduce the loss of fuel.

4. Environmental management outside the hotel

4.1 Encourage staff to take care of the beach in front of the hotel, which is a public area, and always keep it clean.

4.2 The hotel is a part of the environmental campaign with Tourism Authority of Thailand.

GOLF BUSINESS

NATURE OF BUSINESS OPERATION

The golf business is operated by MBK Resort Public Company Limited ("MBK-R") and Riverdale Golf and Country Club Company Limited ("RDGCC"). The detail of business is as follows:

The golf business in Phuket Province is operated by MBK Resort Public Company Limited ("MBK-R"), an indirect subsidiary which MBK holds 72.61%. MBK-R has two golf courses which are currently operating open for golf business. These include Both of the Loch Palm Golf Course ("LPGC") and the Red Mountain Golf Course ("RMGC") is located in Kathu District, Phuket Province.

LPGC has opened since 1993 and MBK Group has operated it from 2002 until now. RMGC was developed and built by MBK-R and it was officially opened in 2008.

LPGC is a standard golf course with 18 holes, par 72, on an area of about 500 rai. It has been specially designed, taking into consideration the unique characteristics of its landscape. These include a large lake and a long line of fresh green palm trees which are the main elements of the golf course. For the convenience of golfers who need a warm-up before playing a round, there is a driving range located in the same area.

RMGC is MBK-R's second golf. It is a new standard golf course with 18 holes, par 72 on an area of over 600 rai which is adjacent to the LPGC golf course. The new clubhouse equipped with full amenities is located at the foot of the hill where golfers can have a clear view of the whole landscapes. In addition, it provides golfers with golf driving ranges and other facilities including putting greens for practicing, which are well maintained and look like the real ones. The driving ranges and available facilities enable golfers to enjoy the game more than before.

The golf business in Pathum Thani Province is operated by Riverdale Golf and Country Club Company Limited ("RDGCC"), with a golf course that has been open since June 2010 called 'the Riverdale Golf and Country Club' (RDGC). Located in Bang Kradi District, Pathumthani Province, it is a standard golf course with 18 holes, par 72, on an area of about 346 rai. The golf course has been specially designed, based the concept of a golf course in the valleys. To achieve such an impressive landscape, it is necessary to dig over 10 meters down into the earth. The purpose is make the golfers feel that they are playing golf in the valleys. The design also includes creation of hills in order to make the game more challenging for the golfers. As regards the club house, it incorporates modern design features and is equipped with a full range of amenities. Looking from the club house, the golfers will enjoy a beautiful panoramic view of the whole golf course as if they looked down from the top of a mountain. It also has driving ranges for golfers and a putting green which is maintained as well as real golf course in order to practice and get prepared before playing.

In 2013 the golf business renewed the reciprocal agreement with leading golf courses in both of domestic and foreign countries and made a new agreement with several golf courses. The new agreement causes MBK Group's golf business to reciprocal with different 11 golf courses as follows:

1. The Singapore Island Country Club, Singapore
2. Tanah Merah Country Club, Singapore
3. Seletar Country Club, Singapore
4. Orchid Country Club, Singapore

5. Macau Golf & Country Club, Macau
6. Bintan Lagoon Resort, Bintan Island, Indonesia
7. The Empire Hotel & Country Club, Brunei
8. The Royal Salengor Golf Club, Kuala Lumpur, Malaysia
9. Montgomerie Links, Quang Nam, Vietnam
10. Mount Lawley Golf Club, Australia
11. Krungthep Kreetha Golf Course, Thailand

Moreover, the golf business becomes an alliance with Pacific Links International Group which currently has 24 golf courses – 8 courses in the United States, 2 courses in Indonesia, 1 course in Singapore, 7 courses in Australia and 6 courses in Vietnam.

From such alliances, the golf business has a connection with 35 courses in 9 countries, resulting in an increase in revenue from members of golf reciprocal under the provisions of a reciprocal agreement. Furthermore, the members also receive the privileges from our business alliances. We have planed to further expand the number

of international alliances in order to increase the number of golfers visiting the course.

Major Changes and Developments in the past year

- None –

For launching the golf business the distribution channels of golf business is divided into such course as follows:

LPGC golf course and RMGC golf course has distribution channels which divide by customer group into two categories as follows:

- *Overseas Customers*

Asian, European and Australian tourists who are the majority of the Loch Palm Golf Club (LPGC) and the Red Mountain Golf Club (RMGC)'s customers. The distribution channels are as follows:

  - Through tour agents of LPGC and RMGC, both in Thailand and foreign countries such as Singapore, Malaysia.
  - Through online media such as websites and e-mail
  - Through leading hotels in Phuket
  - Members of golf partnership under the provisions of a reciprocal agreement

- *Domestic Customers*

Most domestic customer target groups consist of residents of Phuket and adjacent provinces as well as domestic tourists who are members and non-members visiting the golf courses on their own. There are six types of membership as follows:

  - Permanent individual membership (only at LPGC golf course)
  - Permanent corporate membership (only at LPGC golf course)
  - Annual membership for local residents (only at LPGC golf course)
  - Annual membership for civil servants (only at LPGC golf course)
  - 30 years membership who are ownership of houses within LPGC and RMGC project
  - One-year and two-year short-term membership (only at RMGC golf course)

Moreover the Golf Course can support the competition of the associations, the companies or the institutes which arrange to race the golf.

The distribution channels of RDGC are similar to those of LPGC and RMGC. There are two types as follows:

- *Oversea Customers*

The majority of RDGC's customers are Asian and Australian tourists which use the following distribution channels;

  - Travel agencies of RDGC
  - Through online media such as websites or e-mail
  - Members of golf partnership under the provisions of a reciprocal agreement
  - Other affiliated companies from other businesses that share their customer database in order to expand their customer base.

- *Domestic Customers*

Most of them are from Bangkok and Perimeter, Thailand residents and foreigners working in Thailand who are the members of Riverdale Golf Club card, offering the special discount for a card-carrying member, and walk-in customers. Moreover, there are customers who book tee-time scheduled all day long for competition that cause an income for RDGC by 10 percent of the total green fee

As well, both LPGC, RMGC and RDGC occasionally organize seasonal promotion activities and tournaments for associations and clubs in general.

Golf Business our future goal is to become a leader in quality golf course at the same level as famous international golf courses and improve service standards; for example, providing high quality service and good taste, providing customers with the attentive and friendly staff.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of Golf Course Business

▸ Phuket

In 2015, the business competition is becoming fiercer due to the change in management team and improvement of some golf courses, as a result, competition in terms of services and price increased.

At present, the unstable of political situation impacts on tourism causing the number of golfers that used the service in Phuket to stabilize. As a result, golf courses are in fierce competitions; whether by giving promotion or offer attractive discounts. Travel agencies also organized activities to promote sales for foreigner travelling from abroad, which is considered the primary source of income for golf course in Phuket. Customers tend to use the services through agencies instead of using a direct service with the golf courses. However, MBK-R still maintained 30% of golfers' market share in Phuket.

LPGC and RMGC also have advantage over the competitors in Phuket, which are the location of the golf course as it is located near central and Patong Beach, a significant tourist attraction of Phuket. Moreover, both golf courses have large areas allowing potential for the development of various components. As a result, the golf courses are always novelty, beautiful and have the view of natural scenery.

RMGC received good feedback from both Thai and foreigner golfers due to the features of the course, which were designed to challenge, accompany with the beauty of the landscape. This also includes a regular maintenance of the golf course and having well equipped facilities. Within a short period of time, RMGC is known as the leading golf course of Thailand and is considered one of the best golf courses that organized the world competition. It is a well-accepted course where foreigner golfers recommended that RMGC is a must visit golf course if travelling to Phuket.

▸ Bangkok and Surrounding Provinces

In 2015, RDGC will have been opened for 5 years and business competitions are increasing, by both the new golf courses and other golf courses that have renovated their layout to be more interesting and challenging. Golfers then have variety of choices to pick, but RDGC still holds the advantages in terms of location, which is located not far from the heart of the city like Bangkok. Moreover, the layout of the golf course has a

distinctive design and is different from other competitors within the same area; as well as the integrity and challenging of the golf course which is broadly mentioned that RDGC is one of the must visit golf course.

2 Golf Business's Industry outlook and Competitive in the future

- **Phuket**

Both MBK-R golf courses two preferred emphasizes on tourist customer group, which is the primary customer group. Future industry outlook and competition of MBK-R golf course based primarily on the external factors and impact such as world economic, wars, epidemic, natural disaster, political issues and etc.

In terms of future competitors, as Phuket average land price is utterly high therefore new golf course will not be established in the near future. The golf business competitors will still be the same golf courses available in Phuket. The competition should not be fierce with the number of other golf businesses that are located on the same area of MBK-R golf courses, though, each year even the number of golfers that visited Phuket increased but the rate is not very high or in some years there is a decreasing potential. This leads to an intense price competition in order to increased market share. The rate of customers from both travel agencies and tour agencies for RMGC is at 35 percent and LPGC is at 50 percent. As a result RMGC had adjusted strategies and trade agreements in order to provide agents with the alternative ways in doing long term business with MBK-R.

- **Bangkok and Surrounding Provinces**

RDGC aims primarily at Thai and foreigner customers that operate their business or work in Thailand, as it is located near the city center. Moreover, tourist groups that come to play golf and customers that book Tee-Time are potential customer groups for increasing RDGC's income in the future. Thus, the future of RDGC Industry trend and competition mainly depend on domestic factors and impacts such as domestic economic condition and political issues.

In the future new golf courses will be opened around perimeter area. Both new golf course and existing golf courses will also improve and add more holes. There are already competitors in the area, making the market highly competitive. However, RDGC is still competitive for its outstanding design, easy access and good service. Marketing plan has been prepared to increase sale channels through agencies such as tour and travel agencies. RDGC also emphasizes on organizing competitions both in groups and tournament, which are still on high demand.

PROCUREMENT OF PRODUCTS OR SERVICES

1 Nature of procurement of products or services for selling

-None-

2 The Impact of Golf Business Operations on the Environment

The Golf business manages to reduce environmental impacts, i.e., business operations may affect the environment in the vicinity of golf course. Due to maintain their golf courses to be always in perfect and beautiful condition, the course needs to be fertilized and added chemical substance regularly. Nevertheless, LPGC, RMGC, and RDGC have realized the impact on the environment as mentioned above. We have set the policy that reduces the use of fertilizers and chemical substance in maintaining the

golf courses and tries to use the organic fertilizers and natural alternative instead. The annual examination of water quality in golf course ponds or water sources in our golf courses shows that pond water has the same water quality standards as water supply.

REAL ESTATE BUSINESS

The real estate business is operated by Plan Estate Company Limited ("PST") and its subsidiary, the subsidiaries of MBK. Their primary businesses includes:

1. Property development for sale business
2. Property management business
3. Asset appraisal and advisory service business

PROPERTY DEVELOPMENT FOR SALE BUSINESS

Nature of Business Operation

PST operates business by developing vacant land for sale, which is single home residential project that are divided into two types: pre-built houses and built-to-order houses.

Major Changes and Developments in the past year

In 2014 PST had developed condominium project under the name QUINN Condominium. The project is located in the center of Bangkok, on Ratchadapisek Road, with project value of more than 3,200 million baht. As at the end of 2014, the project has completed over 70% of the construction and is expected to be fully completed and available for move in by mid 2015 though there were already more than 80% of subscribers.

Moreover, PST had developed low rise residential area in Phuket as a continued from 2 original projects which are Sabai Village Project 2, Khatu district, after the success in selling Sabai Village 1 project. The projects were developed into single house, 2-storey single house and 2-storey twin house on a location near nature with peaceful and quiet atmosphere on located on a 25 Rai land. The project value is 515 million baht. At present, some of the residents have moved in and is expected to open within 2015. Indy 2 project, phase 2, in Koh Keaw district, is located within the location that has easy access to the city and International Airport, as well as located near British International School. The nature of this project is to be 32 residential 2-storey twin houses with project value of 160 million baht. The project is scheduled to close sale within 2015.

For the year 2015, PST plans to continuously develop high and low rise residential area project, both in Bangkok and perimeter including Phuket; such as utilizing empty land located at the end of gulf courses in Pathumthani and develop into residential area. PST will gradually split phases to develop and sales the project. For the first phase, the land at the end of the golf course will be improved and developed then sale empty plot of land with house plan, which is expected to be opened for sell within the end of 2015. For the next phase the land will be develop and open for sale in the form of land and house in 2016. This also includes plan to develop condominium project around Rama 9 road, which at present is in between researching for information and designing. It is expected to be available for sales during the end of 2015. The residential development plans on LPGC golf course, Phuket, which will be open for sale within the 2nd quarter of 2015 as well.

TARGET MARKET OF PROPERTY DEVELOPMENT FOR SALE BUSINESS

1. First home buyers with upper-middle income level and above who need houses located in the Central Business District (CBD) or community areas.
2. Home buyers with high income who need second homes in the provinces for leisure purpose.
3. Investors who buy houses for the purpose of renting them out.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of property development for sale

The distribution channels of PST's property development for sale business consists of the following:

1. Through PST's direct sales teams.
2. Through sales agents.
3. Through a mixed combination of advertising, public relations activities as well as promotion campaigns aimed at creating and expanding channels of distribution and at disseminating information to

prospective customers and convincing them on the worthiness of the offered products.

2 Competition in property development for sale business

In 2014, investment in purchasing land to launch new project is lower than the year 2013. The vacant land conveyance data in Bangkok – perimeter at the end of 3rd quarter of the year 2014, shows that the investment had decreased down 19% due to the effects of the economic conditions that rebound slowly and not as expected. Purchasing power also dropped due to increase in household debt causing the entrepreneurs to slowdown on investing in large projects and place importance in managing large amount of real estate inventory; causing competition in marketing strategies or organizing activities to promote sales, which the entrepreneurs utilized to stimulate real estate sales.

However, PST has experience and is an expertise in real estate development and has designed houses with beautiful appearance as well as distinctive and unique allowing PST project to meet the customers demand impressively.

3 Property development for sale business's Industry outlook and Competitive in the future

In 2015, the growth of Thai residential market tends to be more stable if there is no negative factor from political violence; especially province that connected with the countries in AEC, along the route of metro extension and the route of high speed train including provinces that are tourist attraction. As the year 2015 will be the launching of AEC trade liberalization, which allow real estate sector to benefit from the increased in foreign investment. Residential style will

change, it will emphasize on making the residential area to be environmental friendly, energy saving and safer. The launch of new residential area will have smaller unit but more functional in order to be in line with the conditions and situations that will occur in the near future. New residential area will emphasize on suite or condominium that allow foreigner to have a complete ownership (freehold) in the proportion that the law had set.

The direction of Phuket real estates shows potential to grow continuously with several factors that support and promote real estate business sector. But factors that help and support investors to invest in Phuket are beautiful scenery, fully integrated tourism activities and it is widely know all over the world. Along with promoting widely customers that travelled to Phuket to make investment. The proportion of residential area market in Phuket consisting of 54% Condominium of the total residential area, next is Townhouse with approximately 15% of the total and follow by single house which is 14% and the most special is twin house with 13% of all the sales unit. The demands for housing in Phuket are still ongoing. The trend for Middle level to lower level market are still on market demand but the main consumer of medium to high price housing are still foreigners that runs business or work in Phuket and nearby province. From the political impact in the country and the economic condition of America and Europe causing the demand of housing market tend to decrease.

However, the conditions of competition for single house and twin house are not high and the residential proportion in Kratu district are still low when compare to Mueang District and Thalang district, respectively. Which is a good trend to develop PST's land development project in the future.

PROPERTY MANAGEMENT BUSINESS

NATURE OF BUSINESS OPERATION

Property management business is operated by PST. It is engaged in the business of managing properties as follows:

1. To look after and maintain the properties under its management, making sure that they are in good conditions and ready for sale.
2. To service including improvement, renovations of the properties.
3. Coordination with financial institutions in applying for loans for the buyers of the properties.

4. To act as a sales agent of financial institutions for their foreclosed properties.

At the present PST have more roles in operating real estate business by giving services in management and managing real estate efficiently both in continuously developing project, property maintenances, marketing and selling to increases the real estate value that are in the Company care. Projects and community that the Company had managed are as follows: Baan Suan Phuttamonthon Sai 1, Baan Suan Cha-am Beach, Glas Haus Building (Sukhumvit), Glas Haus Building Ratchada and MBK Tower Building.

TARGET MARKET OF PROPERTY MANAGEMENT BUSINESS

The target market Most of PST's customers are those of financial institutions.

Target groups of PST consist of the following:

1. Members of the general public who purchase the properties for residential purpose or for their own use.
2. Retail investors who purchase the properties and renting them out for a return.
3. Retail investors who purchase the properties for the purpose of renovating them and re-selling them to others.
4. Big-scale investors who purchase the properties for further development.
5. Debtors who are entitled to buy back the foreclosed properties.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of property management business

The distribution channels of PST's property management business consists of the following:

1. Through PST's sales teams.
2. Through auction activities.
3. Through media such as magazines, printed materials, PST's website, brochures or leaflets.

4. Through real estate brokers.
5. Through establishment of portfolios of properties to be offered to investors.
6. Through cooperation with financial institutions and banks in setting up booths to promote sales and give information about the properties to prospective buyers of new and second-hand houses.

2 Competition in property management business

PST's potential in property management business is stronger than those of its competitors as it maintains the properties under its management in good condition. In addition, its services include negotiation with those trespassing on the property foreclosed by the financial institutions, which is the main problem encountered by the financial institutions.

As regards the project management business, PST started this business in 2006. The business is highly competitive with many operators. However, as PST has adopted an effective strategic plan, it is confident that the business will generate a good return.

3 Property management business's Industry outlook and Competitive in the future

Second hand real estate trend for the year 2015, shows the there are opportunities and a great choice, as purchaser can utilized it for commercial purposes or purchase for investment. Because of new real estate prices have the tendency to adjust the price up in accordance to the increased cost.

In view of the above situations, the competition is expected to remain intense. Both financial institutions and brokers in the private sector need to improve its marketing strategies and the quality of their services. As well, they should continuously organize sales promotion activities.

ASSET APPRAISAL AND ADVISORY SERVICE BUSINESS

NATURE OF BUSINESS OPERATION

The business is operated by Plan Appraisal Company Limited ("PAS"), available in the follows:

1. Appraising the value of residential properties for projects.
2. Appraising the value of assets in general, such as house, apartment, and hotel.
3. Giving advice on valuation and use of properties, taking into account the legal constraints.
4. Conduct feasibility studies of property development projects.
5. Giving opinions on the management of foreclosed properties for sale.

Target market of asset appraisal and advisory service business

1. Financial institutions.

2. Property development operators or real estate developers.
3. Members of the general public.

MARKETING AND COMPETITION

1 Selling and Distribution Channels of asset appraisal and advisory service business

PAS has two main distribution channels for its asset valuation and advisory business as follows:

1. For financial institutions, PAS will offer its services directly to their property valuation department or collateral office.
2. For property development operators or real estate developers, PAS will offer its services through websites and through its letter of introduction.

2 Asset appraisal and advisory service business's Industry outlook and Competitive in the future

The growth of the asset appraisal and advisory business varies in line with the economic growth. On the part of banks, they are expected to accelerate the expansion of their lending activities in the areas including home loans and loans for small and medium sized enterprises. This should have a positive impact on the future expansion of the market for the asset appraisal and advisory service business. In addition, state agencies have adopted measures aimed at promoting transparency in asset valuation by encouraging the property development business to make use of independent and professional asset appraisers. These developments should lead to a higher growth rate of the country's asset appraisal and advisory service business. It augurs well for the business of PAS.

PROCUREMENT OF PRODUCTS OR SERVICES

1 Nature of procurement of products or services for selling

-None-

The Process of Reducing Environmental Impacts.

2 Actions taken by the property development business to reduce the impact on the environment

Actions to reduce the impact on the environment are mainly concerned with the property development business operated by PST. The company is required to take actions to reduce the impact of all of its projects on the environment. This is in compliance with the requirements imposed by the Environmental Impact Evaluation Bureau (EIEB) under the Office of Natural Resources and Environmental Policy and Planning (ONEP). For each of its property development projects, PST is required to conduct an Environmental Impact Assessment (EIA) before the construction.

As regards the foreclose properties for sale and the management of other property development projects, PST also continuously complies with the standard requirements imposed on those properties.

RICE BUSINESS

The rice business is operated by Patum Rice Mill and Granary Public Company Limited ("PRG") and its subsidiary. Their main business includes producing and selling rice both in the local and overseas markets. The details about their rice products and distribution channels are as follows:

NATURE OF BUSINESS OPERATION

Patum Rice Mill and Granary Public Company Limited ("PRG")

Main products

Under the trademarks of "Mahboonkrong Rice", "Mahboonkrong Plus" and "Jasmine Gold Rice" PRG produces the following rice products:

- Jasmine rice 100% (red bag) jasmine rice 100%, new rice is the rice that won plates of award for the production of quality packaged rice for five years in a row and it is the first and only Company in Thailand that has been awarded the special standard certificate by the Department of Internal Trade, the Ministry of Commerce. This can assure that every bag of Mahboonkrong Jasmine Rice will always hold the standards, this come in the package size of 5 and 15 kilograms
- Jasmine rice 100% (green bag) consisted of 100% old jasmine rice comes in the package size of 5, 15, 45 and 49 kilograms.

- Jasmine rice 5% consisted of whole grain jasmine rice 95% and broken jasmine rice 5% comes in the package size of 5 kilograms.
- Jasmine rice 10% consisted of whole grain jasmine rice 90% and broken jasmine rice 10%, package size 5, 15, 48 and 49 kilograms.
- Homtip Rice is a mixture of 70% of 100% jasmine rice and white 30% of 100% white rice. Package size of Homtip Rice (yellow) 5 kilogram, Homtip Rice (pink) 5 kilogram, Homtip Rice (orange sack) size 15, 48 and 49 kilograms.
- Hompatum Rice 100% is the aromatic rice that developed its species from Jasmine rice. The package size are Hompatum rice (orange) 5 kilogram and Hompatum rice (green) 5 kilogram.
- White rice 100% (blue) 5 kilogram and Ruangkaew rice (blue) 5 kilograms.
- White Rice (soahai) 100% consisted of white rice 100% (blue sack) package size 15, 48 and 49 kilograms.
- White rice 15% (brown) package size 5 kilograms and Ruangtip rice (purple) package size 5 kilograms.
- Jasmine rice 100% Jasmine Gold is extra quality jasmine rice packed in a vacuum bag with the package size of 2 kilograms.

▶ Homnoppakhun Brown rice is 100% brown jasmine rice that is packed in vacuum bag with the package size of 2 kilograms.

▶ Mahboonkrong Plus is Thai jasmine rice with nutritive value from vegetables and grains and no additives. Four types of Mahboonkrong Plus are as follows:

- Grains rice consist of sunflower seed, black sesame and pumpkin, package size is 450 grams.
- Garlic rice with Chinese mushroom consist of garlic, Chinese mushroom and carrot, package size is 450 grams.
- Five Color rice consist of corn, carrot, taro and green pea, package size is 450 grams.
- GABA rice (Germinated brown rice), Nutra Gabarice is 100% brown jasmine rice which goes through natural process to add more nutritive value which are fiber, vitamin, magnesium and antioxidant such as GABA that gives 30 times more nutrition than normal brown rice, which is healthy to the body and help prevent disease such as cancer, diabetes, Alzheimer, decrease stress and feel relaxed. The package size is 450 grams.

BY-PRODUCTS

Broken rice came from rice that were broken due to the improvement of the quality of rice that were mostly use in mixing with export rice to get the quality aimed. Moreover, short broken rice is sold to Animal Feed Manufacturers to produce animal food.

PRG SUBSIDIARY

PRG Granary Company Limited ("PRG-G") (PRG holds 99.99% of its paid-up capital)

PRG-G's warehouse business offers property renting services for PRG itself and other companies. In regard to property renting, every kind of properties near PRG such as land, warehouse and PRG-G pier are provided under 1 year contract, charged according to the amount of maintenance and area space.

Ratchasima Rice Company Limited ("RSR") (PRG holds 99.99% of its paid-up capital)

RSR was established on 2nd June 1997, approved and promoted by Board of Investment (BOI) to hand over the best quality selection of rice from PRG. The Company is the manufacturer and distributor of milled rice that is packed in 2 kilograms and 5 kilograms bag for local market under "Mah Boonkrong" trademark.

Approved on 24th February 2006, RSR abolished investment promotion and allowed other rice companies to rent the factory for 1 year. However, PRG is the major tenant who presently proceeds with Rice Quality Operation on a purpose to develop packaging for domestic and international market. Besides, RSR is running Rice business for PRG and other customers.

Simapac Company Limited ("SMP") (PRG holds 49.99% of its paid-up capital)

SMP was approved and promoted by Board of Investment (BOI) and on 27th August 1997 there is a resolution approving domestic promotion type 6.12 manufacturing plastic product or coated with plastic and on 22nd November 2006 SMP was approved by Board of Investment to promote investment in manufacturing prints from plastic film business type 6.14 Prints Manufacturing business. The Company is the manufacturer and the distributor of milled rice bags for PRG.

SMP had worked on packaging business development by investing on purchasing 8 colors Gravure printing machine, bag making machine and grinder and cutter machine to support in manufacturing varieties of packaging for the market which consumer demand.

INNO FOOD Thailand Company Limited ("INF") (RSR holds 99.99% of its paid-up capital)

INF manufactures and distributes rice for health. At present the Company manufactures and distributes germinated brown jasmine rice to strengthen health, Nultra GABA Rice, rice bran oil and organic rice Germ in capsule, under "Mahboonkrong Plus" and rice bran oil of non-organic rice, under "INNO FOOD". And other types of rice for health such as Riceberry or Four color Rice trademarks.

MBK Food and Entertainment Company Limited ("MBK-FE") (Hold 75.00% of PRG shares)

MBK-FE operates food court business by opening The Fifth Food Avenue, a food court on the 5th floor of MBK Center. A dinning place with 525 seats and 22 food KIOSK where various type of international cuisine are offered. The food court is grand, clean, sanitary with excellent service. Moreover, MBK-FE also acts as the food court area management of MBK Food Island, located on the 6th floor.

MBK Food Island Company Limited ("MBK-FI") (Hold 99.98% of PRG shares)

MBK-FI operates food court business by making a long term rent of the 6th floor spaces of MBK to operate food court under the name MBK Food Island. A dinning place with 1,100 seats and 52 food stores, where various type of food are offered. Both Thai and foreigner are the customers. With the reputation for having good taste, delicious and reasonable price making this good center to be packed with people throughout the day. This is one of the must visit place in MBK Center.

MBK Food System Company Limited (MBK-FS") (holds 60% of PRG share)

MBK-FS is the joint venture with Fujio Food System Company Limited from Japan, which operates 2 brands of Japanese restaurant: "Maido Ookini Shokudo" distribute local and family style Japanese food emphasizes on food freshness; and "Tsurumaru" distribute type of food like Udon that are freshly made in the store.

At present, Fujio Shokudo is opened for service on the 6th floor of MBK Center and Tsurumaru Udon Honpo has 4 branches, which are:

1. MBK Center, 6th floor (next to Fujio Shokudo)
2. Seacon Square, 1st floor
3. HaHa Shopping Center
4. Lotus Plus Mall, Amata Nakorn

MBK Suki Number One Company Limited ("MBK-SK") (Holds 99.9% MBK-FE share)

MBK-SK operates suki-yaki, traditional Teo-chew style restaurant, which is considered the first Sukiyaki restaurant in Thailand. PRG had decided to reopen the restaurant again by maintaining the same taste as 50 years ago. At present the restaurant is available for services at The Nine Center, Rama 9 road. Suki Number One was opened on October 19, 2014; where PRG plans to expand its restaurant into several branches in 2015.

Major Changes and Developments in the past year

PRG has adjusted the operation policy by emphasizing more on sales and marketing operation than production, in order to expand the market and

support the image of all types of products, for both domestic and international sales that are under the brand "Mahboonkrong" rice and "Mahboonkrong Plus"; as well as to build confidence in terms of products quality under the wings of MBK Group. For the year 2014, sales operation continues to divide sale channels into domestic sales which emphasizes on the importance of each channels and international sales which primarily divided sales area.

Domestic Sales have 3 separated channels

1. Modern Trade Channel includes all modern retailers such as Tesco Lotus, Macro, Big C, Tops supermarket, Max Value, 7-eleven and Convenience stores
2. General wholesale and retail channel include wholesale shops and grocery stores across the country.
3. Direct sales channel include hotels, hospitals, restaurants and factories.

PRG also has 1 new distribution center in Suratthani to cover more distribution area

Overseas Sales has 4 sale zones.

1. Europe and America
2. Asia and Middle Eastern Countries

3. Africa

4. Australia, New Zealand and Pacific Islands

At present, PRG has assets in the section of seaport warehouse building, in Pathumthani. Which PRG has practices the policy in rented these assets to generate more revenue and to efficiently utilize the spaces.

Other food business that PRG operates since 2013 are as follow:

1. The Fifth Food Avenue center for International– The food court is located on the 5th floor of MBK Center and aims at foreign customers that want a wider variety of food and different service from other food courts.

2. Food Island is located on the 6th floor of MBK Center and aims at office workers, local customers and foreign tourist that favor dishes from different area, all over the country with reasonable price.

3. Japanese restaurant, Brand "Fujio shokudo" and "Tsurumaru Udon Honpo" occurred from the joint investment between PRG and Fujio Food System Co., Ltd., a company that is well known for restaurant business from Japan. In 2014, opened branches are as follow:

- Fujio Shokudo serve Osaka authentic Japanese cuisine, at the amount of 1 branch on the 6th floor of MBK Center
- Tsurumaru Udon Honpo serves fresh udon, Osaka recipe, at the amount of 4 branch on the 6th floor of MBK Center, Seacon Square, HaHa Shopping Mall, and Lotus Plus Mall Amata Nakorn

4. Suki Restaurant, Brand "Sukiyaki Number One" offer Authentic Suki with a history of over 50 years, which is available at The Nine Center.

The operation of both food centers have customer groups that are clearly different, giving PRG the opportunities meet the demand of all customer groups. PRG also planned to provide and expand food center into different areas as well as to expand customer base to be in line with the growth proportion of the expanding of real estate business.

Apart from food center, PRG also foresees the opportunities to expand its food business, as can be seen from the opening of Japanese restaurant and Suki restaurant. From the growth ratio of consumers that favor dinning outside

Policy trend for the year 2015 still emphasizes on expanding more into food business by considered selecting restaurant in variety of style to meet the demand behavior of consumers.

As well as will continue to develop work in different areas to support the sustainable growth for the business, unceasingly; including the attempt to create value-added in business.

Customer Character and Target Group of Rice Business

From a long experienced in creating standard and product reputation under the branded "Mahboonkrong Rice" making the relation in operation with the PRG customer to be in the form of partnership. With the partnership corporation, there have been exchanges of market information, consumer demands and other useful and necessary information for business operations. As a result, PRG can develop its operation to promptly serve the demands of consumers.

In the past three years, the sales had been made to several major customers. The first 10 customer were calculated as 35% of the total revenue and none have the revenue that goes above 30% of the revenue for 3 years.

MARKETING AND COMPETITION

Selling and Distribution Channels of food business

1. Distribute rice packed in bag under the trademark "Mahboonkrong Rice" and "Mahboonkrong Plus" in Bangkok and perimeter. At approximate 75% is the distribution of rice in domestic and the remaining 25% is distributed in other area around the country.

PRG has divided channel of distribution into 3 types, which are:

- **Wholesale and Traditional Retail Store,** PRG has the sales volume of 41% of the total sales volume of rice in the country. Most of the stores have long term trade relationship with PRG. For the future plan PRG tries to increase more stores that maintain the old style of stores in the market or wholesale and retail stores that developed into half Supermarket; to distribute PRG rice in bag to consumer across all areas.
- **Modern wholesale and retail store, Supermarket network and Co-Op** PRG has a sales volume of 52% of all the rice distributed in the whole country. At present consumer behavior changes and switch to use service from modern retail, wholesale stores and supermarket more, because of the convenience and many branches are available for services. PRG planned to expand the market into those branches around the country.
- **Direct sales, PRG** has sales volume of 7% of all the rice distributed in the whole country by distributing to network restaurant, industrial plants, hotels, hospital and etc. PRG planned to expand more into educational institute in order to expand the market.

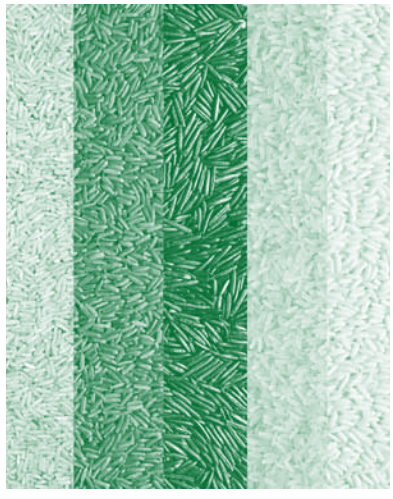
2. Export: PRG mainly export jasmine rice but in 2014, as Thai export reduced because the foreigner cannot obtaine the price causing PRG total export to decrease. Thai export condition starts to rebound during the third and fourth quarter of the year but the export figures have yet to be quickly added as needed. In 2014, the total export of rice products were only at 20% of the total of distribution of rice products.

Market condition of food business

The situation of Thai rice in 2014, there are many factors that affect the direction of movement of Thai rice such as Government rice pledging project, slowdown sign in the country's rice export, the merging of government to solve the rice pledge project, and international economic conditions. Which the aforementioned factors affected Thai rice business entrepreneurs whether it is a rice mill entrepreneur, rice trader or bagged rice entrepreneur. Overview of export shows that the situation will recover in the second half of the years onwards making the pressured in rice market to decrease. However, international economic condition is still a factor that needs to consider further in the year 2015.

Competitive potential of food business

At present, PRG has continuously to focus on giving information to reinforce the customer to acknowledge the product standard that PRG has long established as operation policies that



PRG put consumers health as its first priority. Consumers also have confidence in PRG since it is the first manufacturer of packaged rice that pioneered the market since 1984 until become well known today. Moreover, PRG is the only company in Thailand that has been awarded with a special standard certificate for its packaged fragrant rice by the Department of Internal Trade, the Ministry of Commerce. Resulting from consumer confidence in company's product brand, PRG has been always potential in being the leading distributor for domestic market share.

Customers have given good feedback for food business in terms of services such as food courts and restaurants. Customers also have confidence in PRG business operation in terms of standard in operating product quality and services that concerned significantly for the consumers. These allow products and services under PRG brand to receive continuous support from customers.

PRG used several factors as operational policies for the highest potential in business competition, which are; building good standard for quality products and services; quick modification of business expansion guideline to keep pace with the market change and to meet consumer demand promptly.

Industrial Trend of Rice Packed in Plastic Bag Market

In 2014, the Rice Pack Market tends to remain highly competitive, especially in pricing. Because of the abundant raw materials available in the market, pricing is likely to be the main strategy. Many companies will also publish information on the quality standard of

the products on various channels as well as offering various promotions through many distribution channels, creating more options for consumers. Operating strategies were modified to keep pace with the market competitive condition.

PROCUREMENT OF PRODUCT OR SERVICES

Nature of procurement of products or services for selling

Patum Rice Mill and Grainer Public Company Limited

Head office is located at 88 Moo 2, Tiwanont Road, Tumbol Bangkadee, Amphur Mueng, Pathumtanee 12000

Location of Plant is at 109/3 Moo 14 Mitraparp Road 199 KM., Tumbol Lardbuakhow Amphur Sikhiu Nakornratchsima 30340. Production capacity as follows:

- Packing rice into the bag with production capacity of 175,000 ton per year
- Rice packed in bag moved the production and the improvement of the quality of rice packed in every size of bag for both domestic and international to produce in Nakornratchsrima

PRG Granary Company Limited

Head office is located at 88 Moo 2, Tiwanont Road, Tumbol Bangkadee, Amphur Mueng, Pathumtanee 12000. The Company assets which are for rent are as follow:

1. Rice storage warehouse with the total storage capacity of 30,000 ton at the amount of 5 warehouse
2. Port to upload and unload goods at the size of 3,000 ton per day

Ratchasrima Rice Company Limited

Location of Plant is at 109 Moo 14 Mitraparp Road 199 KM., Tumbol Lardbuakhow, Amphur Sikhiu Nakornratchsima 30340. Production Capacity is as follow:

- Packing rice into the bag with the capacity of 100,000 ton per year

Simapac Company Limited

Location of Plant is at 109/2 Moo 14 Mitraparp Road 199 KM., Tumbol Lardbuakhow, Amphur Sikhiu Nakornratchsima 30340. Production capacity is as follow:

- Manufacturing of plastic bag, production capacity 1,440 ton per year

Innofood (Thailand) Company Limited

Location of Plant is at 88 Moo 2, Tiwanont Road, Tumbol Bangkadee, Amphur Mueng, Pathumtanee 12000. Production Capacity is as follow:

- Pack Gaba rice in the bag, production capacity is 60 ton per year.

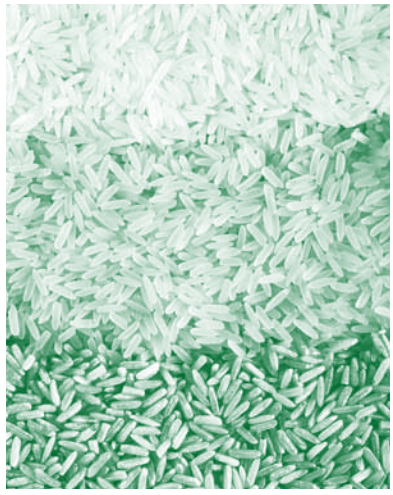
Raw material and Supplier

At present, the company has closed down rice mill business and maintain only the quality improvement of rice and rice packing warehouse, therefore primary raw materials are then change into rice and brown rice, which can be divided into main categories as follow:

1. *In-season rice* or Napee rice is rice that derived from polished or milled Napee paddy rice which can be plant during May-October and can be harvest as well as distribute to the market from December-February. Napee paddy rice has very good taste. In consuming, when Napee rice is milled into rice, when cook it becomes soft and not wet. It is good for storage as it has low moisture content, has heavy feature rice (rice that harvest since the age of 120 days or more, counting from the seedling cultivation) The most popular domestic consumption.
2. *Off-season rice* or Naprung rice comes from milled or polished off-season paddy rice which is cultivated off-season from the normal rice growing period. This rice can be cultivated all year which is 2-3 times a year and can be cultivated on both lowland and areas that have irrigation. Off-season paddy rice has high moist content, it has to be baked to dry to prevent against fungus. The rice feature is light (rice with harvest age of 90-120 days, counting from the seedling cultivation)
3. *Jasmine rice* is rice that derived from polished or milled jasmine in-season rice, which is grown on the area that has sandy soil such as Northeast area. The distinctive characteristic is that after cooked, it will be soft and tender, with soft fragrant aroma and beautiful grain, which is mouthwatering.

Source of in-season and off-season rice are all over the country but mainly comes from rice mill in central region such as Nakhonsawan, Phichit, Phitsanulok, Suphanburi, Phra Nakhon Si Ayutthaya and etc. However, the source of Jasmine rice comes from Northeast region such as Buriram, Khon Kaen, Roi Et, Sisaket, Maha Sarakham and etc.; as well as rice mill in the central region which was mentioned earlier.

Since rice is agricultural products, which generally agricultural products price fluctuation is high. Moreover, the nature of rice is a seasonal product, that is in-season rice during December-February is the high yield harvest interval, the price is then lower than other period. However, as a result from Government rice pledging



project, the rice price tends to rise higher than the previous year.

To purchase the rice, the quality of rice must be checked such as the moisture, the length of the grain, rice yield, level of milling, purity degree, cooking properties and etc.

In purchasing the rice, most of the time the Company purchase rice directly from the rice mill and purchase through 2-3 agents. The company has always research and analyze rice situation to reduce price risk and prevent the shortage of raw materials that are use in manufacturing.

IMPACTS ON ENVIRONMENT

Operation to reduce impact related to environment of food business

From the operational policy of the year 2013 onwards, there is cost control in all process for the ability to compete in such market. The past operating performance was at good phase allowing PRG to compete in the market even in a high competition condition. However, PRG still foresee the importance of workplace safety and to maintain environmental quality both inside the work place and the area

around. Regarding the environmental care, PRG continuously adopted the measurement of environments such as lighting in work place, level of noise, air quality and etc. At which the measurement results meet the standards of both the Ministry of Industry and the Ministry of Labor.

With this principle and effort, PRG plans to upgrade into a more greenish industry by pursuing environmental management policy and cause and effect analysis in 2014. Dedication toward industrial environment and communities is PRG's priority. It is important that the surrounding communities inhabit a good life and sustainable growth.

In addition, PRG has engaged in many collaborations with local and government sections such as rice donation in Children's day, the Red Cross Festival, Robes and Offerings Dedication Festival and the Buddhist Lent Festival are established to bond relationship, to exchange resources that lead toward sustainable development.

FINANCIAL BUSINESS

NATURE OF BUSINESS OPERATION

The financial business is operated by MBK's subsidiaries including MBK Guarantee Company Limited ("MBK-G") and T Leasing Company Limited ("TLS").

Major Changes and Developments in the past year

MBK Guarantee Company Limited ("MBK-G") has develop Loan System software to promote working in system and able to support the amount of increasing customers, including the opening of direct debit to facilitate

customers in making installments payment. The Company is capable of accepting payment transaction quickly, accurately and can be verified. Moreover, MBK-G has developed and improved marketing media such as, website, billboard and set up booth to make public relation in newly opened condominium project. The purpose is so that it can be the tools and channels for customer to know and able to reach MBK-G services.

T Leasing Company Limited ("TLS") has developed Hire Purchase Approval Online System to support the loan approval faster, allowing marketing staff to work anytime and anywhere with the same database through Internet network. Moreover, TLS has expanded service area and enhance the convenience in contacting customers, including opening a new branch at Chonburi.

Customer groups of financial business

MBK's financial business providers focus on catering to the needs of customers in specific markets as follows:

1) General loan is operated by MBK Guarantee Co., Ltd. ("MBK-G") whose primary business is Condominium Loan to retail and business loan with asset finance which the security is a marketable property in good location, has potential for commercial development and is on market demand.

2) The motorcycle hire purchase is operated by T Leasing Company Limited ("TLS"). Its main business is to give new motorcycle hire purchase as well as after-sales services including, registration renewal as well as insurance to protect assets and prevent risk that may arise from using the assets bought under hire purchase agreements. Its customers include low to middle income individuals who live in service areas and use motorcycles to do business or as the mainly transportation.

MARKETING AND COMPETITION

1 Marketing situation of financial business

Competition in the financial system is not only among commercial banks but also non-banks. The competition has become more intense in line with the increasing loan demands. The company has made efforts to differentiate its

services, aiming at catering to the needs of certain groups of customers that commercial banks cannot cover such as foreigners with high income and purchasing power which customers want to buy a property for residing and investing. Other customers also include entrepreneurs who are in need of a quick bridging loan to expand their business or continue its operation. The Company sets prices that not only generate a good return but are also competitive in the market. In regards to the competition in the motorcycle hire purchase, this business remains highly competitive. The company needs to develop its products and services continuously and expands the branch network and motorcycle dealerships to increase coverage areas of customer services.

2 Competition in financial business's Industry outlook and Competitive in the future

The trend of motorcycle hire purchase industry is expected to recover in accordance with the domestic economy condition and the domestic motorcycle sales figures. In 2014, the amount of newly registered motorcycle all over the country is equal to 1.8 million vehicles, decreased down at 14.3% from 2013 and is expected that in 2015, the amount of registered motorcycle around the country will grow at 3% when compare to the year 2014. This is due to political situation and clearer economic policies.

In the future the competition in the motorcycle hire purchase business will be quite high. Seven or eight of major creditors have more than 80% of the market share. The creditors will compete in the fast credit approval, convenience and branch expansion to increase accessibility to their services.

TLS has its strength point in fast loan approval and in the future TLS aims to develop a more convenience and more efficient online loan approval system.

In regards to the loan business with properties as securities, Bank of Thailand's regulation prevents commercial banks from giving loans for every applicant. In addition, commercial banks have a limitation in the approval time. As a result, creditors who are not commercial banks have an opportunity to venture into the market, allow this business to have a tendency to grow with the country's economy.

Overall, this business is not aggressively competitive and has a tendency to grow from the said limitation. So MBK-G sets a goal to increase the credits by expanding to foreign clients who want to invest in assets in Thailand such as condominium through the channels of real estate operator, agents and real estate agents. As for short credit, the strategy is to give loans with valuable and marketable properties as securities. However, these financial institutions have a limitation in providing loans to every client.

PROCUREMENT OF PRODUCTS OR SERVICES

1 Nature of procurement of products or services for selling

-None-

2 Environmental Impact

-None-

OTHER BUSINESSES

MBK's affiliates, Apple Auto Auction (Thailand) Company Limited ("AAA"), operates used-car and used-motorcycle auction business.

USED-CAR AUCTION BUSINESS

Used-Car Auction Business is operated by Apple Auto Auction (Thailand) Company Limited ("AAA"). The company runs the used-car and used-motorcycle auction from different parties such as financial institutions, car rental companies, second hand car dealers and car users. AAA has revenue comes from commission from participants that place their cars into auction and operation fees from buyers charged at the rate specified in the contract. In 2014 more than 60,000 cars were placed into auction. In addition to car auction, AAA has placed the motorcycle auction into the auction business since June 2010 both in Bangkok and other provinces. At present, AAA starts the use of the most modern online auction program in the country. The program streams sound and vision from the auction place to provide users a direct experience. The

stock and product management system was also developed so that sellers could manage the product data faster, more accurately, with time and cost effectiveness, through the AAA's system.

AAA aims to become the leading auction company of Thailand within the year 2017. The goal complements the Company's strategies to develop the organization in different areas in order to accomplish the goal.

NATURE OF BUSINESS OPERATION

AAA is a service of car and motorcycle auction which the company obtains the car or motorcycle from the sellers to test their vehicles. Then compile the profile of the vehicle and store into the parking garage. When received order from the auctioneer the vehicle will be place into auction and the auctioneer may announce prices to start the auction. When the bidder won the bid the auctioneer will collects money and deliver to the seller, set timeline and act as the coordinator in delivering and alienating the vehicle; by which the Company earn its revenue from the buyer and seller commission which is specify in the contract.

Major Changes and Developments in the past year

AAA has build confidence to both purchaser and vendor by developing vehicle inspection system through tablet, which is expected to complete during the middle of the year 2015.

Moreover, AAA has open new branch in provincial area, Chiangmai, as a service to vendors who want to deliver the car within the surrounding area of Chiang Mai.

MARKETING AND COMPETITION

The competition in the car auction business is quite fierce due to the fact that there's only 2-3 main dealer that give hire purchase leasing finance and placed quite a number of cars into auction. At the present moment number of cars that were placed into auction decreased down each month while there are still quite a number of auction company in Thailand and there are only 2-3 auction company that are well known and gain trust from the buyer. Due to this fact the competitor tried to use all the marketing tactics to get the marketing shares. AAA operating systems have been developed. Strategy is to attract sellers to use such systems. The company's competitors have not been able to develop such a system.

PROCUREMENT OF PRODUCTS OR SERVICES

1 Nature of procurement of products or services for selling

-None-

2 Environmental Impact

-None-

SUPPORTING BUSINESS

NATURE OF BUSINESS OPERATION

Apart from the seven main businesses, MBK Group runs other supporting businesses that serve as the consulting and business support unit for the Group's main business operation. With employees of various types of business expertise and experience, the supporting businesses are as follows:

1. MBK Service Solution Company Limited ("MBK-SS")

Provide management consultations and services, by utilizing new technology to improve the working system, which will increase efficiency and decrease operation cost for various works in MBK Group, such as works in human resource and human capital development, accounting system design and operation, financial management, IT management, procurement and supply chain management.

2. MBK Training Center Company Limited ("MBK-TC")

Provide consultation on human resource development planning service as well as provide training and seminar service to prepare personnel for the expansion of MBK Group business.

3. MBK Broker Company Limited ("MBK-B")

Provide brokerage services in procuring life insurance and disaster insurance policy to support MBK group's insurance transactions and to increase channels to provide services to customer and trading partner of MBK Group that may need insurance.

Major Changes and Developments in the past year

- None -

NATURE OF SERVICES, MARKETING CONDITIONS AND COMPETITION OF SUPPORTING BUSINESS

Due to the nature of business that emphasizes on providing services on internal management of the organization in transfer pricing and reflecting the actual cost of business operation. Thus, no comparison of the competition condition is made and there is no industry to reference the capability in operating the business of supporting business.

PROCUREMENT OF PRODUCTS OR SERVICES.

1 Nature of procurement of products or services for selling

-None-

2 Environmental Impact

As the nature of business emphasizes on providing services in organization management and expertise in the professions, therefore, none of the project was evaluated to have cause any issues on the environment that needed to be administered to reduce the future impact.

UNDELIVERED PRODUCTS OR SERVICES

Shopping Center Business, Hotel and Tourism Business, Golf Business, Food Solution Business, Financial Business, Other Business and Supporting Business have delivered all the products or services.

For Real Estate Business some of the jobs have not been delivered, which are as follow:

As at 31 December 2014, Subsidiaries have obligations to deliver goods to the home and condominium buyers as specified in the sale contract. The obligations are separated into each project, as follow:

NO.	NAME OF PROJECT	LOCATION	HOUSE TO BE DELIVERED	
			No. of Unit (Unit)	Sales value (Million Baht)
1	The Indy 2 Project*	Koh kaew, Phuket	32	122.80
2	Sabai Village 2**	Kathu, Phuket	35	199.20
3	Quinn Condo Project***	Ratchadapisek Rd., Bangkok	729	3,216.96
	Total		796	3,538.96

Remark

* Subsidiaries Project (Plan Estate Company Limited)

** Subsidiaries Project (MBK Resort Public Company Limited)

*** Subsidiaries Project (Glas Haus Ratchda Company Limited)

DIVISION POLICY IN MBK GROUP

MBK Group consists of 8 main businesses as follows:

1. **SHOPPING CENTER BUSINESS**
   - operated by MBK and MBK's subsidiaries:
     The Nine Center Company Limited ("TNC");
     Paradise Park Company Limited ("PDP"),
     Glas Haus Building Company Limited ("GHB") and
     Glas Haus Ratchada Company Limited ("GHR")

2. **HOTEL AND TOURISM BUSINESS**
   - operated by MBK's subsidiaries:
     MBK Hotel and Tourism Company Limited ("MBK-HT");
     MBK Hotel and Resort Company Limited ("MBK-HR");
     MBK Business Company ("MBK-BUS");
     Subsin Thani Company Limited ("SSTN"); and
     Lanta Land Development Company Limited ("LLD")

3. **GOLF BUSINESS**
   - operated by MBK's subsidiaries:
     MBK Resort Public Company Limited ("MBK-R") and
     Riverdale Golf and Country Club Company Limited ("RDGCC")

4. **REAL ESTATE BUSINESS**
   - operated by MBK's subsidiaries:
     Plan Estate Company Limited ("PST") and
     Crystal Lake Properties Company Limited ("CLP")

5. **FOOD SOLUTION BUSINESS**
   - operated by MBK's subsidiaries:
     Patum Rice Mill and Granary Public Company Limited ("PRG")
     and PRG's subsidiaries

6. **FINANCIAL BUSINESS**
   - operated by MBK's subsidiaries:
     MBK Guarantee Company Limited ("MBK-G") and
     T Leasing Company Limited ("TLS")

7. **OTHER BUSINESS**
   - operated by MBK's subsidiaries:
     Apple Auto Auction (Thailand) Company Limited ("AAA");

8. **SUPPORTING BUSINESS**
   - operated by MBK's subsidiaries:
     MBK Service Solution Company Limited ("MBK-SS");
     MBK Training Center Company Limited ("MBK-TC") and
     MBK Broker Company Limited ("MBK-B")

All eight business divisions of MBK Group have a clear business operation policy and management that each company needs to conduct and be responsible for.

REVENUE STRUCTURE BY FINANCIAL STATEMENT OF MBK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

PRODUCT/SERVICE	TYPE OF BUSINESS	OPERATED BY	FOR THE YEAR ENDED 31 DECEMBER					
			2012		2013		2014	
			Revenues	%	Revenues	%	Revenues	%
1. Revenue from service and rental	- Shopping plaza and property for lease - Golf	MBK Public Company Limited and Paradise Park Company Limited The Nine Center Company Limited Glas Haus Ratchada Company Limited MBK Resort Public Company Limited Riverdale Golf and Country Club Company Limited, and Mah Boonkrong Sirichai Enterprise Company Limited	3,792,660	41.54	4,125,503	31.42	4,223,396	41.90
2. Sales	- Rice mill production and distribution - Property development - Food center	Patum Rice Mill and Granary Public Company Limited PRG Granary Company Limited Innofood (Thailand) Company Limited MBK Resort Public Company Limited Plan Estate Company Limited and Crystal Lake Properties Company Limited, and MBK Realty Company Limited MBK Food and Entertainment Company Limited, and MBK Food Island Company Limited MBK Food System Company Limited MBK Suki Number one Company Limited	2,734,588	29.95	2,787,756	21.23	2,624,773	26.04
3. Revenue from hotel operations	- Hotel	MBK Public Company Limited MBK Hotels and Resorts Company Limited Supsinnthanee Company Limited, and Lanta Land Development Company Limited	1,120,914	12.28	1,211,743	9.23	1,123,770	11.15
4. Revenue from financial business	- Lending and debt guarantee business - Hire purchase and financial lease	MBK Guarantee Company Limited, and T Leasing Company Limited	695,601	7.62	1,147,379	8.74	1,141,863	11.33
5. Other revenues	- Interest income - Dividend income - Gain on sale of investments - Gain on sale of assets	MBK Public Company Limited and its subsidiaries	786,876	8.61	3,858,460	29.38	966,304	9.58
Total revenues			**9,130,639**	**100.00**	**13,130,841**	**100.00**	**10,080,106**	**100.00**

RISK FACTORS

RISK FACTORS OF SHOPPING CENTER

MBK CENTER

- **Risk from Economic Situation**

The overall picture of the economy still slows down as a result of political conflicts which have direct impacts on the country's overall economy - particularly on consumer confidence which consumers still worry about expenses and incomes in the future, and on consumers' limited purchasing power due to an increase in the price of goods and debts from the first car populism policy which have to pay in long-term installments causing a decline in the consumers' purchasing power; while the public sector takes no particular measures to stimulate household consumption expenditures.

MBK Shopping Center sets and employs marketing strategies continuously, through online marketing and new events which meet target customers' needs in order to draw more customers and stimulate more spending. The company's policy is also implemented with the customer-oriented concept by listening to the customers' opinions, needs, and expectations which lead to new improvements in creative service providing with the aim that they are satisfied and have a long-term attachment to MBK Shopping Center.

- **Risk from Political Situation**

Risks and political uncertainties - protests, political violence, curfews, martial law, and a coup d'état - are all important obstacles to a business operation. They all have an impact on confidence of foreign tourists who are the company's main target customers. However, the public sector places significance to the country's tourism industry by introducing measures to encourage tourism, building a better understanding with the foreign tourists, and cooperating with both international and domestic private sectors to consecutively organize activities and publicity in order to regain the country's lively tourist atmosphere.

MBK Shopping Center has strict and watertight security measures. It also trains security guards in operations dealing with terrorism and political protests. Apart from putting significance to security, the company employs the policy on having cooperation with the public sector's agencies, travel agencies, and a network of guides for publicity through activities in order to improve the country's tourist image and restore the tourists' confidence.

▸ Risk from Increasing Competition

Nowadays, the competition of retailing becomes more intense. New projects are constantly opened. Entrepreneurs adapt to the competition by attaching more importance to their project identity and uniqueness, as well as employing new marketing strategies to satisfy consumers whose needs are changing all the time.

MBK Shopping Center stressed importance to research on a target group's behavior and lifestyle constantly in order to use it as a database to develop the project on selecting shops which suit the target group's needs and planning for suitable activities of marketing promotion in order to increase the competitive opportunity, seek new target groups, and maintain existing customers. The company runs business carefully, sets policies on reducing costs and expenses in accordance with situations so that the business can grow with continuity, steadiness, and sustainability; which all lead to increase the company's potential for marketing competition.

▸ Risk from Change in Technology

Nowadays, information technology plays a more important role in retailing. Consumers tend to search for information used to make a decision to buy products through online society (Social Media). Therefore, entrepreneurs have to adapt themselves by focusing on digital marketing strategies, developing applications to sales promotion, and establishing customers' participation in activities through online media.

MBK Shopping Center focuses on marketing activities through digital marketing as the medium of presenting information, offering marketing activities to consumers, and encouraging them to spread the words within the online society. Moreover, the online society is a two-way communication channel for MBK Shopping Center to communicate with its customers in order to know their problems and opinions and to use as a guideline to improve goods and services to meet the quality and gain utmost satisfaction.

PARADISE PARK SHOPPING CENTER

▸ Risk from Political Situation

According to political conflicts happened in late 2013 which there was a protest at the heart of the city, Paradise Park Shopping Center might not be affected by this incident much. However, after the coup d'état, people lacked confidence in the country's political situation which had an impact on an economic situation causing people to decrease their spending, particularly for fashionable products and luxuries. Paradise Park Shopping Center was obviously affected in Q3 and Q4 of 2014. However, Paradise Park Shopping Company employed sales promotion strategies through organizing activities and special promotions in order to draw customers to come to Paradise Park Shopping Center.

▸ Risk from Temporary Closing for Renovation

Because of Paradise Park Shopping Center has been officially opened for four years, some zones are temporarily closed for renovation to be more suitable and modern. New and interesting shops, a wide variety of products, and more facilities are added to Paradise Park Shopping Center, as well as indoor and outdoor atmospheres are improved, with the aim of renovating the shopping center to be a beautiful and pleasing place for customers to spend their money, to meet their needs, to gain utmost satisfaction in the long term, to maintain existing customers, and to attract new ones. However, this renovation of the shopping center causes inconvenience for customers whose services are provided to, as well as for the shopping center's tenants whose sales volumes are directly affected.

THE NINE CENTER

After political conflicts have been alleviated, overall sales volumes quite remain stable. Purchasing power of most consumers still slows down due to a high level of household debts and an important role of technology in a multi-faceted daily life which particularly causes a change in consumers' behavior, together with development of a diversity of communication channels which helps consumers choose to receive more various formats of information. As a result of convenience of the use of technology, consumers turn to buy fashionable products through online media which provides more convenience, more varieties, and cheaper prices. However, such behavior of consumers does not have an impact on The Nine Center

because online shopping is not much popular among restaurant business. Therefore, The Nine Center gains an advantage due to being the center of restaurants for consumers of all ages and an economic recovery which benefits tourist business to attract more foreign tourists coming to The Nine Center.

However, the Government's economy reviving policies such as the increase of minimum wage and government employees' salary and the decrease of corporate income tax help to boost spending. In addition, The Nine Center has an advantage of being the last community mall on Rama 9 Road prior to heading for the eastern region and travelling abroad.

GLAS HAUS BUILDING COMPANY LIMITED

Because of an increase in new competitors entering the market and instability of business operations, an occupancy rate cannot be altered. In 2014, Glas Haus Building Co., Ltd. implemented strategic plans by dividing large spaces into smaller spaces on each floor. Therefore, the company could increase an occupancy rate at 98%, together with allocating an area of Zone G to meet the need of the market which attracted new tenants, in order to optimize the company's potential. Moreover, Glas Haus Building Co., Ltd. planned to adapt its strategies to increase the competitive advantage to draw new tenants as a compensation for former tenants with the aim of maintaining its base for occupancy rate now lower than 98% in 2015 and expanding its new tenant base as well.

GLAS HAUS RATCHADA COMPANY LIMITED

The risk factor in space rental business in the Glas Haus Ratchada Building in 2014 did not affect space rental inside the Glas Haus Ratchada Building much. The 7,509 square meter space of office for rent has still be fully occupied at 100% because the building's major tenant— Thanachart Bank Public Co.,Ltd. – has rented 99% of all office spaces until 2016. Therefore, there is any change in the rental space at this time. The growth of office for rent business on Ratchada Road will be rather high because of the expansion of real estate and easy access to the area by MRT public transportation.

RISK FACTORS OF HOTEL AND TOURISM BUSINESS

Risks affecting the hotel and tourism business primarily arise from external factors due to political unrest in the country. The number of new hotels has increased while the number of tourists has decreased in reverse. Moreover, there are overseas and domestic economic problems, both inside and outside the economic, the South unrest, natural disasters across the globe and in the southern region. All these pose risks to the operation of the Group's hotel business. As such factors are beyond the control of the Group, it is necessary for the Group to regularly formulate strategic and marketing plans that are suitable for each situation.

RISK FACTORS OF GOLF BUSINESS

Most of the risks affecting the operation of the golf business stem from external factors which are unavoidable. These risks include:

- **Seasonal Risk**

The Loch Palm Golf Course and the Red Mountain Golf Course are located in Krathu District, Phuket Province. As a result, their business is affected by the rainy season (approximately from May to October). The period is considered a low season for the golf business as few visitors use the service. As a result, the income generated during the period is lower than that in other periods. However, the changing weather and continuous rain until the holiday season became an obstacle. Anyhow, in order to mitigate the impact during the rainy season, Golf Business has put in place a number of measures as follows:

- A special green fee rate is jointly offered as part of the package organized by the hotels in Phuket with the cooperation of the Tourism Authority of Thailand. The purpose is to attract more tourists and golf players from Asia and Australia to visit Phuket during the low season and use the golf course of the Group more.

- Special discount campaigns are organized for agents in the form of discount coupons to promote sales.
- Organization of golf competitions or tournaments for golfers during low seasons to promote more use of the golf course services.

Even though the Riverdale Golf and Country Club in Pathum Thani was also affected by the rainy season, the effect was not as severe as in Phuket Province. Moreover, main clients are local golfers in Bangkok and surrounding areas. Nonetheless, the following marketing activities are still initiated to increase the number of golf players during the rainy season:

- Organization of golf competitions or tournaments for golfers during low seasons to promote more use of the golf course services
- A promotion campaign in which players who come in a group of four pay only for three
- Point Reward for regular customers to receive special benefits and privileges from the course.
- Add more distribution channels through more distributors

▸ Risk from Political Situations

Due to political unrest in the country in 2014, it had a direct impact on tourism as well as on golf business. Forms of occurred impacts were different between golf courses located in Bangkok's peripheral areas and in Phuket. In the first half of the year, a number of RDGC's clients extremely dropped because RDGC is located near Bangkok where political rallies took place. Most of golfers came from Bangkok and its peripheral areas. Meanwhile LPGC and RMGC— located in Phuket— are far from where political rallies took place. Their clients were more foreigners than Thai citizens as well as golfers who avoided any activity held in Bangkok chose Phuket as their travel destination instead. However, in the second half of the year, when there was a coup d'état and martial law was imposed, foreigners were uncertain about the political situations. Some of them canceled a trip to Thailand. This caused an extreme decrease in a number of golfers in Phuket. In reverse, under the control of National Council for Peace and Order (NCPO), a number of RDGC's clients became increasing again.

▸ Risk from Natural Disasters

In 2014, there were no natural disasters so severe that affected service providing. In Phuket, many areas were flooded for a short time in the rainy season because water drainage to the sea was inefficient. Floods did not inundate the areas for a long time so that they became obstacles to travel and service providing.

▸ Risk from Global Economy

Many leading countries in the world, including the United States and European countries, had undergone economic crisis. Many faced financial problems or increase in unemployment rate just like in the 2013. The situation, however, seemed to be slightly improved. Some of the unemployed used to be tourists visiting Thailand. Such problems, therefore, had directly affected tourism and golf business included. Golf courses in Phuket during the high season mainly entertain golfers from Europe who are businessmen with high purchasing power. These people used to travel to Thailand to play golf both in Bangkok and Phuket. Therefore, the decrease of clients from this group directly affected the expansion of golf business.

RISK FACTORS OF REAL ESTATE BUSINESS

▸ Risk from Domestic Political Unrest

In 2014, a key factor affecting the real estate market was political rallies. Although they were terminated in the middle of 2014, they had consequences for a certain period of time and then slowed investment and trade in real estate down. Real estate developers delayed their decision making on investment. The real estate market in Bangkok was particularly affected.

However, real estate business prepared measures to reduce impacts of such situations as follows:

- Closely monitoring the situation
- Determine appropriate growth rate of the company for each period
- Flexible management that is adjustable to the changes in situation

▸ Risk from Fluctuation in Construction Material Prices and Project Development Cost

In 2014, developers from both central and local areas hurriedly launched a lot of projects in regions, causing an oversupply of the projects in some areas and fierce competition. Expansion of sky train lines also caused speculation on such areas to be overpriced and this affected operational costs to be likely to increase, particularly costs of land and construction materials.

For the real estate development, land prices are major costs, while next major costs are construction material prices which vary according to a tendency to energy prices in the country. Together with an economic slowdown and a decline in purchasing power, a lot of unsellable houses are in stock. Therefore, in order to stimulate sales volumes and urge prospective buyers to make a decision, operators have to reduce the prices which cause fiercer competition and a decrease in overall sales volumes, while their costs are still high. For condominiums— a large sum of money is invested in and their construction takes a long period of time— when the market changes, they can hardly adapt themselves. Therefore, this has an effect on operational costs and the construction industry.

To reduce and control the risk from the fluctuation, the real estate business aims to purchase certain materials directly from the producers through bidding so that there can be comparison of material quality and market price. The most appropriate price will be selected and fixed prior to the delivery of materials to prevent price increase risk. Contractors are selected through bidding and signed under the turnkey construction contract so that the construction cost can be contained within the budget.

Moreover, for real estate business, a committee is set up in order to closely follow moves of housing development and condominium markets by means of watching an economic tendency closely, building quality houses and condominiums, controlling construction material prices, reducing expenses, emphasizing service providing, maximizing customers' satisfaction, employing marketing strategies, and establishing differentiation in order to maintain sales volumes.

▸ Risk from a Shortage of Skilled Workers and Quality Contractors

The market of Thailand's housing and real estate in 2014 tended to expand at a slower rate, compared with the rate in 2013, as a result of many risk factors— political instability affecting trends towards the economy, trade, and investment; and determination of policy on investment and infrastructural development of the country. However, participation in the ASEAN Economic Community (AEC) in 2015 is still one of important positive factors in Thai economy for Thai operators and business people, and foreign capital groups from ASEAN and other regions of the world to invest more in real estate business.

Such situations affect the housing and real estate market vigorously revitalizes. Real estate operators prepare themselves to launch new projects, leading to strive more for contractors and workers next year.

A shortage of skilled workers and quality contactors causes unfinished projects as already planned and possibly increased operational costs. However, real estate business has measures to reduce such risks by

- Using new technologies or instant construction materials as substitutes for skilled construction workers in order to decrease reliance on workers, finding new construction technologies within the country and abroad regularly in order to determine suitability and application to construction.
- Real estate business still underlines significance of establishing a good relationship with contractors by providing engineers for each project in order to help the contractors when facing problems on site so that quality projects can be delivered on time.
- A shortage of skilled workers and quality contractors causes a change in the building contractor market. Formerly, contractors had to bid for projects. Now, real estate operators have to offer contractors for projects instead. The contractors' reputation, work experience, and competence are under consideration. Also, their actual performance for real estate business is assessed.

- Compiling a guideline for housing construction and providing training for both contractors and employees working in the real estate business.

▸ Risk from Competition

The market of housing and real estate is highly competitive because any real estate developer can enter or leave the market freely, together with many existing developers in the market. The competition depends on each developer's strategies to compete with others and run its business to overcome any occurred crisis— political crisis or a household debt problem, for example. In 2014, an economic slowdown and a decline in purchasing power due to increasing daily life expenses and household debts caused a lot of unsellable houses are in stock. In order to build sales volumes, each operator employed marketing strategies or organized sales promotion events to boost more real estate sales volumes. Therefore, the competition became more intense.

Therefore PST had established strategies to manage risk in competition, which are as follows:

- Following situations of the housing and real estate market through closely seeing a tendency towards the economy.
- Considering projects with appropriate sizes for each location and development time by using information database within the company that has been continuously developed to be used as a decision tool.
- Studying changing behavior and needs of customers as a database for developing housing projects in order to satisfy the customers' needs.
- Employing marketing and differentiation to maintain sales volumes through increasing a various types of products - adding highly vertical housing (condominiums) in accordance with a change in purchasing power.
- Building houses and condominiums with emphasis on quality, cost control, and a reduction in expenses.
- Quality control process up to the product delivery to clients and a customer service that emphasizes on customers' satisfaction, giving real estate business more advantages in the competition in credibility, product quality and service.
- New target group, increase products and new channel of distribution that will allow real estate business to reach its new target group.
- To consider in expanding investment into other potentiality areas by placing importance to the environment and the community around the developing project to create economic value added to the society.
- Arranging activities to strengthen a relationship with surrounding communities and underlining the significance of environmental and social responsibilities in order to build confidence and a good relationship between real estate business and surrounding communities.
- To strengthen the management and promotion of "MBK Real Estate" brand to be widely recognized, which will support the sales of new projects; to focus on strategies and customer management by creating "experience" that will add more value to the service, and directly increase the "confidence" in the brand.

▸ Risk from Increasing Expenses in a Daily Life and a Problem of Household Debts

According to the first car policy which the government implemented nearly the end of 2011, a lot of Thai citizens gave a warm welcome to this populism policy and this affected part of consumers to be increasingly burdened by paying by installments, fuel expenses, and car maintenance. It caused a decline in purchasing power not less than 15,000 Baht per month. Together with continuously increasing household debts, it had an impact on applying for loans from financial institutes that the some loans could not be approved for full credit limits or some loans had to be disapproved. Also, some consumers, who began to invest more in the Stock Exchange, faced a fluctuation in Thailand's Stock Exchange in 2014 and made investment losses. Such factors had an impact on consumers' capabilities to buy or invest in real estate business very much.

However, MBK Group has great experience in property development for sale business, property management business, asset appraisal and advisory service business, and later in real estate development which its target group is most middle-class and upper-class customers because the target group of middle-class and upper-class customers is quite little affected by an economic fluctuation. Together with its financial stability and prudent business operations, MBK Group's real estate business can have impressive and continuous growth and is believed that it can smoothly run business through this turbulent time.

RISK FACTORS OF FOOD SOLUTION BUSINESS

▸ Risk Arising from Price of Raw Materials

Because prices of agricultural products are fluctuated by surrounding factors affecting demand and supply - for example, the government's policies and the global market's economy impacting on consumers' cost of living. In 2014, in the first half of the year Thailand had an imbalance between demand and supply, along with both domestic and international market prices which had a negative effect on rice's prices. Therefore, in order to reduce a risk from prices of raw materials, PRG had operations as follows:

- Establishing a policy to store sufficient raw materials for the actual use in order to control them in inventory stocks as to suitability for situations.
- Establishing a policy to buy a calculated amount of raw materials in each planned order to reduce a risk of prices of raw materials in inventory stocks compared with prices in the markets.

▸ Risk Arising from Price Fluctuation

Nowadays, an increasing growth rate of consumption of rice packed in a plastic bag due to an expansion of distribution channels makes a change in customers' behavior of buying products from air-conditioned markets (Modern Trade), instead of daily markets.

For price competition in air-conditioned markets (department stores), prices cannot be changed so quickly as prices of raw materials because there are price controls from public agencies, competitors' market prices, and regulations of price changing of each department store. There is an increasing growth rate of consumption of rice packed in a jute bag as well. There is a rise in new competitors in the rice market, then price competition is also increasing.

Therefore, in order to reduce a price risk, PRG adapts its sales strategies to accord with the market's situations continuously by means of setting a goal of rewards for customers within a suitable time limit - for example, a goal of a 3-month order to boost sales orders - a change in prices for competition, promotion events in each department store and suitable time to match the competition in that market, appropriate distribution of products delivered to inventory stocks in order to control logistical costs and increase the efficiency of transporting products to customers. Sales and marketing strategies are continuously operated so that PRG has potential for satisfying every need of consumers.

▸ Risk Arising From Rice Export

According to Thailand's export situation in the first half of 2014, Thailand faced a competitive advantage problem because of raw materials' prices following the government's Rice Subsidy Scheme. This caused a reduction in Thailand's export volumes and affected PRG's export volumes as well. Although in the second half of 2014, PRG could compete with other competitors in the global market but time has been needed for a recovery of Thai rice overseas.

However, some markets of PRG still consider production standards and the quality of products and services, PRG can export its products. In order to reduce a risk, PRG establishes a trading policy as follows:

- PRG will sign a sale contract only when there are sufficient raw materials.
- PRG will store an appropriate amount of raw materials, with a minimum required by public agencies.
- Financial transactions have to be done through leading and trusted banks and customers' credibility is always verified before doing business with.

- In order to protect against a fluctuation in Thai Baht currency, PRG will immediately buy a forward contract for coverage of the exchange rate of foreign currency after receiving purchasing orders.

Risk in Value of THB Currency

At present, PRG is not facing any risk in respect of the value of THB currency. This is because the company has no loan or any liability denominated in a currency other than the THB currency. By any chance if PRG is required to import goods and to make payment in any other currency, it will arrange to maintain necessary protection against a fluctuation in the THB currency by buying a forward contract for coverage of the exchange rate of the currency.

Risk of Dependency on Customers or Distributors

PRG has no customer or distributor on whom the company needs to depend in excess of 30 percent of the total revenues or total purchase value.

Risk from Flood Crisis

PRG has a center to take care of RPG's areas through constantly following weather conditions in order to protect the areas from natural disasters. Nowadays, PRG's manufacturing site is located in Nakhon Ratchasrima - a plateau with a low risk from flooding - while its site in Pathum Thani is a distribution center to distribute its products to small retailers only. Therefore, a quantity of stored products is quite little. If it is flooded, control and care-taking of products is not difficult. Moreover, there is a warehouse in the southern region prepared to support product distribution. If any area is hit by floods, PRG can still efficiently distribute its products to consumers without losing its revenue during the crisis.

RISK FACTORS OF FINANCIAL BUSINESS

Credit Risk Management of Non-Performing Loans

The risk arises from debtors and the counterparties who default on their payments or are unable to fulfill their obligations agreed in the loan agreements. This can arise from debtors facing business problems or situations in distress due to the economic fluctuations or mismanagement, as a result, the Group's revenues will be adversely affected.

However, the financial business Group is aware of the management of the risk arising from non-performing loans, which is the nature of financial business. Therefore, the Company emphasizes debt collection management by establishing a policy and procedures for monitoring the quality of the loans regularly. To begin with, the Group puts in place some procedures for appraising the creditworthiness of the borrowers or counterparties of the loan agreement. The credit analysis unit is responsible for appraising the risk and determining a suitable credit line as well as related terms and conditions to be included in each loan agreement. Moreover, there is a committee with knowledge and experience in real estate business to assign and approve loan applications. They are also responsible for regulating the operations. Furthermore, credit insurance is offered as an option to customers who want to buy insurance aimed to cover debts obliged to the company.

Risk from collaterals

For secured loans, the financial business Group puts in place a system to assess and classify the quality of each type of collaterals by considering the liquidity in locations (for real estate) and market demands (for motorcycles) of the collaterals. The analyses will be used to consider the loan application. In real estate collaterals, all assets are subject to appraisal by qualified independent appraisers while credits are appropriately granted to ensure collaterals to cover the debt balance. Buildings are also insured against fire throughout the contract term, which will compensate for the possible future damage. As regards the motorcycle hire purchase business in which motorcycles are considered collaterals, T Leasing Company Limited is the holder of the collateral and possesses the ownership of the collateral. If borrowers fail to repay their loans, the company can repossess the motorcycle which serves as collateral right away and sells it through a legal and transparent auction.

As a result, there is a risk arising from the inability to repossess the motorcycle, which serves as collateral. As well, there is a risk arising from the proceeds from selling the repossessed motorcycle being insufficient to repay the outstanding balance on the loan and other damages caused.

▸ Risk Rising from Price and Interest Rates

This risk arises from interest rate movements and the capital market, which may have adverse impacts on the Group's financial costs and revenues, particularly those companies engaged in hire purchase business,. In the hire purchase business, the borrowers are required to pay a fixed rate of interest.

However, in order to absorb the risk, the Group charges an interest rate on loans are competitive and reasonable, in line with the higher risk when compared with the risk faced by commercial banks. Other measures to absorb the risk include, among others, charging a floating interest rate on loans or imposing prepayment penalties.

RISK FACTORS OF OTHER BUSINESS

APPLE AUTO AUCTION (THAILAND) COMPANY LIMITED ("AAA")

▸ Risk from Depending Only from a Few Car Deliverers

In the car auction business has car deliverers a major, which are the only 2-3 financial institutions. The proportion of the total number of cars from these car deliverers are more than 50% of all the cars put into auction at the present. AAA has only 1 main car deliverers and last year 70% of cars were put into auction. If AAA is not able to maintain this car deliverer, this will have major impact on AAA revenue.

To prevent the said risk, AAA had improved services standard and developing internal work system to be in the standard and higher than the criterions that the vendor had set. The Company also works together with the main deliverer to develop strategies to make the most benefits on the basis of neutrality and transparent for both the purchaser and the vendor.

▸ Risk from an Increasing Number of Confiscated Cars beyond Expectation

As a consequence of a number of confiscated cars increasing in succession from the middle of 2013 to 2014, it makes AAA to rent more parking spaces— both in Bang Na and in other provinces. Also, it takes more security measures— for example, increasing surveillance cameras and security guards, and considering insurance for full coverage as risk management and protection of sellers' possessions with the utmost safety.

RISK FACTOR OF SUPPORTING BUSINESSES

Supporting business, which is the main unit in managing the supporting work of the Group, mainly has an operational risk. Effects from this risk can be controlled by the means of risk transfer and control of risk from internal factors as follows:

▸ Risk in Human Resource and Management

Mutual Recognition Arrangement, "MRAs" that comes with the free trade agreement among ASEAN countries is consider a major external factor that can affect the organization in terms of labor flow. This factor poses a challenge for human resource management because personnel with high competency may be harder to retain because of the free flow of labor.

Directors and management of the company is aware of the risk factor and puts more emphasis on the policy to develop human resources and human capitals, which are an important foundation of the organization's instability and value. From that vision, the organization is trying to create a warm and friendly working environment by promoting organization culture and developing the human resource management system to be more professional. The objective is to create personnel that are united and share the same value, and colleagues with creative interactions. There will be more opportunities for employees to show their potentials, present new ideas and embark on new projects. Employees will realize their own value and be determined to use their knowledge to develop their organization and increase its ability to compete and grow with stability and sustainability.

▸ Risk from Technology and Communication

It is widely acknowledged that the current communication technology makes the business world much smaller. Access to customers through communication technology becomes a key factor that may give more advantages in competition by being able to communicate and present new products and services as well as innovations to respond to customers' business demands, and to effectively control the quality, time frame and cost.

The Group realizes the importance of the risk management of all seven business groups. The Information Technology Steering Committee is founded to gives guideline and consultation in IT development for each business group to be able to respond to the need of customers. In the past year, in order to support business expansion, some IT development and operation in many projects were initiated including restructuring IT Network, establishing Data Center & Disaster Recovery & Business Continuity Plan, "BCP", developing and installing POS system to support sales and Customer Relation Management, "CRM" system to support marketing activities.

TELEPHONE & FAX NUMBERS OF JURISTIC PERSONS WHICH MBK HOLDS MORE THAN 10%

AS OF DECEMBER 31, 2014

TYPE OF BUSINESS		NAME OF COMPANY	TELEPHONE NUMBER	FAX NUMBER
SHOPPING CENTER BUSINESS	1	MBK Shopping Center Company Limited	0-2620-9000	0-2620-7000
	2	Paradise Park Company Limited	0-2746-0444	0-2746-0555
	3	Paradise Retails Company Limited	0-2746-0444	0-2746-0555
	4	Siam Delice Company Limited	0-2620-9000	0-2620-7000
	5	Glas Haus Building Company Limited	0-2260-6117 - 9	0-2260-6055
	6	Glas Haus Ratchada Company Limited	0-2693-9389	0-2693-9388
	7	MBK Smart Force Company Limited	0-2620-9000	0-2620-7000
	8	The Nine Center Company Limited	0-2716-7999	0-2716-7998
	9	MBK Center Company Limited	0-2620-9000	0-2620-7000
	10	MBK Bangyai Company Limited	0-2620-9000	0-2620-7000
	11	MBK Square Company Limited	0-2620-9000	0-2620-7000
	12	MBK Chiangmai Company Limited	0-2620-9000	0-2620-7000
	13	P T Retails Corporation Company Limited	0-2620-9000	0-2620-7000
	14	Siam Piwat Company Limited	0-2658-1000 - 19	0-2658-1020 - 1
HOTEL AND TOURISM BUSINESS	15	MBK Hotels and Tourism Company Limited	0-2216-3700	0-2611-4622
	16	MBK Business Company Limited	0-2620-9000	0-2620-7000
	17	MBK Hotels and Resorts Company Limited	Head Office 0-2620-9000 Branch 0-7562-8000	Head Office 0-2620-7000 Branch 0-7562-8048
	18	Supsinnthanee Company Limited	Head Office 0-2620-9000 Branch 0-7783-5240	Head Office 0-2620-7000 Branch 0-7783-5239
	19	Lanta Land Development Company Limited	0-2216-3700	0-2611-4622
	20	MBK Capital Company Limited	Branch 0-7560-7100 0-2620-9000	Branch 0-7560-7199 0-2620-7000
	21	Tantara Gallery Company Limited	Head Office 0-2216-3700	Head Office 0-2216-3730
	22	Paemala Spa Company Limited	0-2216-3700 # 14 Branch 0-7562-8885	0-2686-3665 Branch 0-7562-8028
	23	Royal Orchid Hotel (Thailand) Public Company Limited	0-2266-0123	0-2236-6646
	24	DMS Property Investment Private Limited	(960) 333 0678	(960) 333 2515
GOLF BUSINESS	25	Riverdale Golf and Country Club Company Limited	Head Office 0-2620-9000 Branch 0-2501-2789	Head Office 0-2620-7000 Branch 0-2501-1833
	26	MBK Resort Public Company Limited	Head Office 0-2620-9000 Branch 0-7632-1929	Head Office 0-2620-7000 Branch 0-7632-1927-8
	27	Nasset Property Fund1	0-2126-8300	0-2263-0875
	28	Phuket Loch Palm Golf Club Company Limited	Head Office 0-2620-9000 Branch 0-7632-1929	Head Office 0-2620-7000 Branch 0-7632-1927 - 8
	29	Mah Boonkrong Sirichai Enterprise Company	0-2620-9000	0-2620-7000
	30	Lam Luk Ka Golf and Country Club Company Limited	0-2995-2300-4	0-2995-2305

TYPE OF BUSINESS		NAME OF COMPANY	TELEPHONE NUMBER	FAX NUMBER
REAL ESTATE BUSINESS	31	MBK Real Estate Company Limited	0-2620-9000	0-2620-7000
	32	Plan Estate Company Limited	0-2260-6100	0-2260-6099
	33	Crystal Lake Properties Company Limited	Head Office 0-2620-9000 Branch 0-7632-1929	Head Office 0-2620-7000 Branch 0-7632-1927 - 8
	34	C L P Management Company Limited	Head Office 0-2620-9000 Branch 0-7632-1744	Head Office 0-2620-7000 Branch 0-7632-1609
	35	Plan Appraisal Company Limited	0-2260-6100	0-2260-6099
	36	Lan Bangna Company Limited	0-2260-6100	0-2260-6099
	37	Kathu Land Company Limited	0-2620-9000	0-2620-7000
	38	MBK Residence Company Limited	0-2620-9000	0-2620-7000
	39	MBK Sukhumvit Company Limited	0-2620-9000	0-2620-7000
	40	MBK Realty Company Limited	0-2620-9000	0-2620-7000
	41	SCB Building Company Limited	0-2620-9000	0-2620-7000
FOOD SOLUTION BUSINESS	42	Patum Rice Mill and Granary Public Company Limited	0-2501-2170 - 73	0-2501-2172
	43	PRG Granary Company Limited	0-2501-2170 - 73	0-2501-2172
	44	Ratchasrima Rice Company Limited	0-2501-2170 - 73	0-2501-2172
	45	MBK Food and Entertainment Company Limited	0-2620-9000	0-2620-7000
	46	MBK Food Island Company Limited	0-2620-9812	0-2620-9815
	47	Innofood (Thailand) Company Limited	0-2501-2170 - 73	0-2501-2172
	48	Sima Pac Company Limited	0-2501-2170 - 73	0-2501-2172
	49	MBK Food System Company Limited	0-2620-9000	0-2620-7000
	50	MBK Suki Number One Company Limited	0-2620-9000	0-2620-7000
FINANCIAL BUSINESS	51	MBK Guarantee Company Limited	0-2620-7123	0-2620-7138
	52	Primacy Elegance Investments Limited	Contact to office 0-2620-9000	Contact to office 0-2620-7000
	53	MBK Premium Company Limited	0-2620-9000	0-2620-7000
	54	T leasing Company Limited	0-2832-2522	0-2611-9488
	55	M G 1 Company Limited	0-2620-9000	0-2620-7000
	56	M G 3 Company Limited	0-2620-9000	0-2620-7000
	57	M G 4 Company Limited	0-2620-9000	0-2620-7000
	58	T Consultant Company Limited	0-2620-9000	0-2620-7000
	59	Max Asset Management Company Limited	0-2611-9533	0-2611-9494
	60	Siam City Life Assurance Public Company Limited	0-2252-5070	0-2252-7155
OTHER BUSINESS	61	Apple Auto Auction (Thailand) Company Limited	Head Office 0-2620-9000 Branch 0-2399-2299	Head Office 0-2620-7000 Branch 0-2399-2244
SUPPORT BUSINESS	62	MBK Advanced Company Limited	0-2620-9000	0-2620-7000
	63	MBK Training Center Company	0-2620-9000	0-2620-7000
	64	MBK Broker Company Limited	0-2620-9000	0-2620-7000
	65	MBK Insurance Broker Company Limited	0-2620-9000	0-2620-7000
	66	MBK Service Solution Company Limited	0-2620-9000	0-2620-7000
	67	X-GEN Premium Company Limited	Head Office 0-2620-9000 Bangcare Branch 0-2455-4388 Samrong Branch 0-2757-9100	Head Office 0-2620-7000 Bangcare Branch 0-2757-8590 Samrong Branch 0-2455-4350
	68	MBK Asset Company Limited	0-2620-9000	0-2620-7000
	69	Absolute Travel Company Limited	0-2620-9934 - 44	0-2620-9936
	70	MBK Leisure Company Limited	0-2620-9934 - 44	0-2620-9936
	71	Puen Pob Paet Company Limited	0-2620-9000	0-2620-7000

JURISTIC PERSONS WHICH MBK HOLDS MORE THAN 10%

AS OF DECEMBER 31, 2014

Type of business		Name of company	Headquarters	Main business	Registered capital (Baht)	Paid-up capital (Baht)	Direct shareholding (%)	Indirect shareholding (%)
Shopping center business	1	MBK Shopping Center Company Limited	Bangkok	Investment	300,000,000	300,000,000	99.99	-
	2	Paradise Park Company Limited	Bangkok	Shopping center and Real estate rental	700,000,000	700,000,000		65.36[1,2]
	3	Paradise Retails Company Limited	Bangkok	Retail business in shopping center	5,000,000	5,000,000	-	65.36[3]
	4	Siam Delice Company Limited	Bangkok	Shopping center and Real estate rental	1,020,000,000	1,020,000,000	50.00	15.36[2]
	5	Glas Haus Building Company Limited	Bangkok	Real estate rental	195,000,000	195,000,000	-	99.99[5]
	6	Glas Haus Ratchada Company Limited	Bangkok	Real estate rental	1,083,500,000	1,083,500,000	99.99	-
	7	MBK Smart Force Company Limited	Bangkok	Security service	1,000,000	1,000,000	99.97	-
	8	The Nine Center Company Limited	Bangkok	Shopping center and Real estate rental	3,000,000,000	3,000,000,000	-	99.98[4]
	9	MBK Center Company Limited	Bangkok	Dormant	2,000,000	2,000,000	99.99	-
	10	MBK Bangyai Company Limited	Bangkok	Dormant	5,000,000	5,000,000	99.97	-
	11	MBK Square Company Limited	Bangkok	Property management	100,000,000	100,000,000	99.99	-
	12	MBK Chiangmai Company Limited	Bangkok	Dormant	1,000,000	1,000,000	99.97	-
	13	PT Retail Corporation Company Limited	Bangkok	Retail business in shopping center	400,000,000	300,000,000	-	32.67[10]
	14	Siam Piwat Company Limited	Bangkok	Shopping center and Real estate rental	174,000,000	174,000,000	30.72	-
Hotel and tourism business	15	MBK Hotels and Tourism Company Limited	Bangkok	Hotel management	5,000,000	5,000,000	99.99	-
	16	MBK Business Company Limited	Bangkok	Recruitment service	570,000,000	570,000,000	99.99	-
	17	MBK Hotels and Resorts Company Limited	Bangkok	Hotel	2,200,000,000	2,200,000,000	100.00	-
	18	Supsinnthanee Company Limited	Bangkok	Hotel	505,325,000	505,325,000	100.00	-
	19	Lanta Land Development Company Limited	Bangkok	Hotel	340,000,000	340,000,000	99.99	-
	20	MBK Capital Company Limited	Bangkok	Land rental	5,000,000	5,000,000	-	99.99[9]
	21	Paemala Spa Company Limited	Bangkok	Spa	5,000,000	5,000,000		25.00[6]
	22	Tantara Gallery Company Limited	Bangkok	Dormant	2,500,000	2,500,000	-	99.99[6,7]
	23	Royal Orchid Hotel (Thailand) Public Company Limited	Bangkok	Hotel	937,500,000	937,500,000		29.86[9]
	24	DMS Property Investment Private Limited	Republic of Maldives	Hotel	1,157,527,525	1,157,527,525	-	30.00[9]
Golf business	25	Riverdale Golf and Country Club Company Limited	Bangkok	Golf course service and real estate development	4,000,000,000	4,000,000,000	99.99	-
	26	MBK Resort Public Company Limited	Bangkok	Golf course service	200,000,000	160,000,000	-	72.60[9,11]
	27	Nasset Property Fund1	Bangkok	Property Fund	305,430,900	305,430,900	-	72.45[12]
	28	Phuket Loch Palm Golf Club Company Limited	Bangkok	Dormant	2,000,000	2,000,000	-	72.60[12]
	29	Mah Boonkrong Sirichai Enterprise Company Limited	Bangkok	Golf	80,000,000	80,000,000	99.99	
	30	Lam Luk Ka Golf and Country Club Company Limited	Pathum Thani	Golf	1,454,000,000	1,454,000,000	44.29	-
Real estate business	31	MBK Real Estate Company Limited	Bangkok	Real estate development for selling	1,000,000,000	1,000,000,000	99.97	-
	32	Plan Estate Company Limited	Bangkok	Real estate development for selling	200,000,000	200,000,000	-	72.60[12]
	33	Crystal Lake Properties Company Limited	Bangkok	Real estate development for selling	8,000,000	8,000,000	-	72.60[12]
	34	C L P Management Company Limited	Bangkok	Property management	2,000,000	500,000	-	72.60[13]
	35	Plan Appraisal Company Limited	Bangkok	Asset appraisal services	55,000,000	55,000,000	-	72.60[14]
	36	Lan Bangna Company Limited	Bangkok	Ceased operations	5,000,000	5,000,000	-	72.60[14]
	37	Kathu Land Company Limited	Bangkok	Dormant	4,000,000	4,000,000	-	70.36[9]
	38	MBK Residence Company Limited	Bangkok	Real estate development for selling	420,000,000	420,000,000	-	99.96[4]
	39	MBK Sukhumvit Company Limited	Bangkok	Dormant	800,000,000	800,000,000	-	99.94[18]
	40	MBK Realty Company Limited	Bangkok	Real estate development for selling	71,200,000	71,200,000	-	54.98[18]
	41	SCB Building Company Limited	Bangkok	Dormant	100,000	100,000	-	99.69[21]

Type of business		Name of company	Headquarters	Main business	Registered capital (Baht)	Paid-up capital (Baht)	Direct shareholding (%)	Indirect shareholding (%)
Food Solution Business	42	Patum Rice Mill and Granary Public Company Limited	Pathum Thani	Processing and packaging rice	900,000,000	600,000,000	74.52	-
	43	PRG Granary Company Limited	Pathum Thani	Warehouse rental	250,000,000	250,000,000	-	74.51/15
	44	Ratchasrima Rice Company Limited	Pathum Thani	Manufacturing and distribution of rice	62,500,000	62,500,000	-	74.51/16
	45	Sima Pac Company Limited	Pathum Thani	Distribution and manufacture of plastic bags	50,000,000	50,000,000	-	37.25/16
	46	Innofood (Thailand) Company Limited	Pathum Thani	Rice distribution and development of rice product	21,000,000	21,000,000	-	74.51/19
	47	MBK Food Island Company Limited	Bangkok	Food center	500,000,000	500,000,000	-	74.51/15
	48	MBK Food and Entertainment Company Limited	Bangkok	Food center	50,000,000	50,000,000	-	62.14/7/15
	49	MBK Food System Company Limited	Bangkok	Restaurant	100,000,000	100,000,000	-	44.71/15
	50	MBK Suki Number One Company Limited	Bangkok	Restaurant	10,000,000	10,000,000	-	62.14/20
Financial business	51	MBK Guarantee Company Limited	Bangkok	Lender and surety of debt	500,000,000	500,000,000	-	99.98/4
	52	Primacy Elegance Investments Limited	British Virgin Island	Investment	2,218,000	110,900	100.00	-
	53	MBK Premium Company Limited	Bangkok	Leasing and hire purchase	528,319,300	528,319,300	100.00	-
	54	T Leasing Company Limited	Bangkok	Motorcycle hire purchase	500,000,000	500,000,000	99.99	-
	55	M G 1 Company Limited	Bangkok	Dormant	466,000,000	466,000,000	-	99.97/5
	56	M G 3 Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.97/5
	57	M G 4 Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.97/5
	58	T Consultant Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	99.99/8
	59	Max Asset Management Company Limited	Bangkok	Asset management	143,000,010	143,000,010	16.56	-
	60	Siam City Life Assurance Public Company Limited	Bangkok	Life Assurance	700,000,000	700,000,000	46.50	-
Other business	61	Apple Auto Auction (Thailand) Company Limited	Bangkok	Broker of cars and motorcycles	90,000,000	90,000,000	49.99	-
Supporting business	62	MBK Advanced Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.89/17
	63	MBK Training Center Company	Bangkok	Training and seminar service	3,000,000	3,000,000	99.97	-
	64	MBK Broker Company Limited	Bangkok	Life assurance and insurance broker business	4,000,000	4,000,000	99.99	-
	65	MBK Insurance Broker Company Limited	Bangkok	Dormant	2,000,000	2,000,000	99.99	-
	66	MBK Service Solution Company Limited	Bangkok	Service and counseling	150,000,000	150,000,000	99.99	-
	67	X-Gen Premium Company Limited	Bangkok	Ceased operations	90,000,000	90,000,000	99.99	-
	68	MBK Asset Company Limited	Bangkok	Dormant	300,000,000	300,000,000	99.99	-
	69	Absolute Travel Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	99.99/6
	70	MBK Leisure Company Limited	Bangkok	Dormant	150,000,000	150,000,000	-	99.99/6
	71	Puen Pob Paet Company Limited	Bangkok	Dormant	1,000,000	1,000,000	36.29	-

Note
/1 Held by MBK Shopping Center Company Limited
/2 Held by Siam Piwat Company Limited
/3 Held by Paradise Park Company Limited
/4 Held by Riverdale Golf and Country Club Company Limited
/5 Held by MBK Guarantee Company Limited
/6 Held by MBK Business Company Limited
/7 Held by Paemala Spa Company Limited
/8 Held by T Leasing Company Limited
/9 Held by MBK Hotels and Resorts Company Limited
/10 Held by Paradise Retails Company Limited
/11 Held by MBK Premium Company Limited
/12 Held by MBK Resort Public Company Limited
/13 Held by Crystal Lake Properties Company Limited
/14 Held by Plan Estate Company Limited
/15 Held by Patum Rice Mill and Granary Public Company Limited
/16 Held by PRG Granary Company Limited
/17 Held by MBK Insurance Broker Company Limited
/18 Held by MBK Real Estate Company Limited
/19 Held by Ratchasrima Rice Company Limited
/20 Held by MBK Food and Entertainment Company Limited
/21 Held by Mah Boonkrong Sirichai Enterprise Company Limited

SHAREHOLDERS STRUCTURE AND MANAGEMENT

SHAREHOLDERS

1) MAJOR SHAREHOLDERS

On October 24, 2014, the company collected shareholders' names and announced the book closure date according to section 225 of Securities and Exchange Act, there were 27 shareholders holding more than 0.5% of MBK paid-up capital, totaling 79.46% of its paid-up capital and 3,568 minority shareholders holding not exceeding 0.5% of its paid-up capital but not less than 100 shares, totaling 20.54% of its paid-up capital.

The top ten majority shareholders of MBK Public Company Limited were as follows:

NO.	NAME	NUMBER OF SHARES*	%
1	Patum Rice Mill and Granary Public Company Limited	383,000,000	20.304
	Patum Rice Mill and Granary Public Company Limited	91,249,530	4.838
	PRG Granary Company Limited	25,000,000	1.325
		499,249,530	26.467
2	Thanachart Capital Public Company Limited	188,562,090	9.996
	Thanachart Bank Public Company Limited	76,842,000	4.074
	Thanachart Securities Public Company Limited	75,603,000	4.008
	Thanachart Insurance Company Limited	34,365,000	1.822
		375,372,090	19.900
3	Thai NVDR Company Limited	48,752,377	2.585
4	Mr. Yongsak Kanathanavanich	48,264,000	2.559
5	Krungsri Dividend Stock LTF	40,251,300	2.134
	Krungsri Dividend Stock Fund	23,910,600	1.268
		64,161,900	3.401

NO.	NAME	NUMBER OF SHARES*	%
6	DBS BANK A/C DBS NOMINEES-PB Clients	35,984,000	1.908
7	Ms. Sinee Thienprasiddhi	24,872,330	1.319
8	Mr. Chanin Donavanik	24,534,330	1.301
9	N.C.B.TRUST LIMITED-BOA NA/CLIENT ASSETS	22,124,189	1.173
10	N.C.B.TRUST LIMITED-AEGON CUSTODY B.V.	21,050,400	1.116
	Mr. Prinya Tieanworn	43,174,589	2.289
		22,000,000	1.166
	TOTAL	**1,186,365,146**	**62.894**

* The number of shares included with the shares held by the related parties according to section 258 of Securities and Exchange Act (No. 4) B.E. 2551

2) A MAJORITY SHAREHOLDER GROUP WHOSE ITS BEHAVIOR SIGNIFICANTLY HAS INFLUENCE ON THE FORMULATION OF A MANAGEMENT POLICY OR THE COMPANY'S OPERATIONS.

- None -

DIVIDEND POLICY

MBK has a dividend policy with the calculation of the dividend based on "the consolidated financial statements". In this connection, each dividend payment also has to take into account the retained earnings in "the separate financial statements". This is in compliance with the Public Limited Company Act which stipulates that no dividend shall be paid out of funds other than profit and in the case where the company still sustains an accumulated loss, no dividend shall be paid.

For a dividend payout policy, if there is no incident beyond expectation, the company has a policy to pay a dividend equivalent to a net amount in Baht per share in a current period and not less than a net amount in a previous period, in order that shareholders have stability of receiving dividends as a result of holding the company's stocks in the long term. This type of a stock is counted as a dividend stock.

Details about the Company's Dividend Payment in the Past

	2009/2010	2010/2011	2011* (JULY 1 -DECEMBER 31, 2011)	2012	2013	2014 (JANUARY 1 -JUNE 30, 2014)
Dividend per share	4.75	5.00	2.50	5.50	5.75	0.30***
Earnings (loss) per share (the Consolidated financial statements)	8.64	8.54	4.32	12.51	28.90	0.55
PAR VALUE	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**1.00****

Remark: * The Company changed the accounting period from the period starting from 1 July to 30 June to the period starting from 1 January to 31 December according to a resolution of the Ordinary General Shareholders' Meeting on 31 October 2011, starting from the period ended 31 December 2011 onward.

** On 9 April 2014, the Annual General Meeting of the Company's shareholders for the year 2014 passed a resolution to approve the changing of the par value of the Company's shares from Baht 10 each to Baht 1 each. Therefore, the registered ordinary shares will be changed from 188,629,100 shares to 1,886,291,000 shares and the company has a paid-up capital Baht 1,886,291,000 ordinary shares and the amount paid. On 22 April 2014, the company registered with the Ministry of Commerce.

*** On 8 October 2014, a Board of Directors' meeting passed a resolution to approve an interim dividend payment for the six-month period ended 30 June 2014 amounting to Baht 0.30 per share and the dividend will be paid 6 November 2014.

Subsidiaries that significantly affect the operation of MBK Group are the group of Patum Rice Mill and Granary Public Company Limited (PRG). The details are as follows:

- **Patum Rice Mill and Granary Public Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year at a performance-related rate that is not less than 50% of the net profit after tax.
- **PRG Granary Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year at a performance-related rate that is not less than 95% of the net profit after tax.
- **Ratchasrima Rice Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year at a performance-related rate that is not less than 95% of the net profit after tax.
- **Sima Pac Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year at a performance-related rate that is not less than 50% of the net profit after tax.
- **Innofood (Thailand) Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year at a performance-related rate that is not less than 50% of the net profit after tax.
- **MBK Food and Entertainment Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year by considering performance suitability and investment planning in the future.
- **MBK Food Island Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year by considering performance suitability and investment planning in the future.
- **MBK Food System Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year by considering performance suitability and investment planning in the future.
- **MBK Suki Number One Company Limited** has a policy offered to the general meeting of shareholders to pay dividends each year by considering performance suitability and investment planning in the future.

MANAGEMENT

(1) MANAGEMENT STRUCTURE

The Company's management structure consists of the Board of Directors and specialized committees responsible for supporting important management areas and works in respect of which the Board of Directors has adopted resolutions including the Audit Committee, the Executive Committee as well as the Compensation and Nomination Committee. There are still various sub - committees, the sub-committee for the consideration of rents, and the sub-committee for management of the real estate business. The details of the responsibilities of the various committees are as follows:

1) THE BOARD OF DIRECTORS

The Company's Board of Directors is comprised of 11 members including:

- 10 non-executive directors (of whom 5 are independent, exceeding one-third of the whole number of the Board)
- 1 executive director.

List of the Board of Directors are as follows:

NAME	POSITION	APPOINTED DATE
1) Mr. Banterng Tantivit	Chairman	April 8, 1994
2) Mr. Suphadej Poonpipat	Vice Chairman	April 8, 1994
3) Professor Paichitr Rojanavanich	Independent Director	November 23, 1999
4) Ms. Prakong Lelawongs	Independent Director	April 8, 1994
5) Mr. Pracha Jaidee	Independent Director	November 14, 2007
6) First Lieutenant Chatrachai Bunya-Ananta	Independent Director	December 17, 1998
7) Ms. Panit Pulsirivong	Independent Director	April 8, 1994
8) Mr. Piyaphong Artmangkorn	Director	October 19, 1998
9) Mr. Suvait Theeravachirakul	Director and President	November 1, 1998
10) Mr. Hatchapong Phokai	Director	November 1, 1998
11) Mr. Atipon Tantivit	Director	October 15, 2003

The Board of Directors' meeting is held once per month and for the year 2014, the number of meetings held by the Board of Directors amounted to 12.

The definition and qualifications of independent directors according to the Company's policy on Good Corporate Governance are in line with the criteria established by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), with details as follows:

(1) Not to hold more than 5 percent of the voting shares of the Company, or of each of its subsidiary, associate or affiliate companies or juristic persons that may have a conflict of interest;

(2) Not to be an officer, employee, consultants being paid a fixed salary or having authority to control the Company, its subsidiary, associate or affiliate companies or juristic persons that may have a conflict of interest;

(3) Not to be related by blood or by registration as a parent, spouse, brother or sister, or siblings or any of their spouses, to or of an executive, a major shareholder having a controlling power, or a person to be appointed an executive or a person having a controlling power of the Company or its subsidiary company;

(4) Not to have a business relationship with the Company or any of its subsidiary, associate or affiliate company or juristic person that may have a conflict of interest or otherwise which may render the director to be unable to give an independent opinion in relation to the operation of business of the Company.

Scope of authority and responsibilities of the Board of Directors

1. The Board of Directors is responsible for managing all the Company's businesses in line with the legal requirements, the Company's objectives and Articles of Association, as well as the resolutions adopted at the shareholders' meetings.
2. The Board of Directors is authorized to assign one or more of its members or other persons to conduct any business affairs on behalf of the Company.
3. Names and number of directors authorized to sign on behalf of the Company: Mr. Suvait Theeravachirakul and Mr. Hatchapong Phokai two directors are authorized to sign jointly with the Company's seal affixed. Except in the case of debt guaranteed or fulfilling others obligation and responsibility under an agreement, which must be approved by the Board of Directors' meeting before taking any action.
4. The Board of Directors is authorized to appoint or change the directors serving as authorized signatories on behalf of the Company.
5. The Board of Directors is authorized to consider and approve policies and strategies for administrating the company's and its subsidiaries' business operations.
6. The Board of Directors is authorized to ensure that the management team implements the established policies effectively and efficiently.
7. The Board of Director is authorized to consider and approve the Company's liquidity on debt instrument investment where the rate is not lower than the investment grade (rated BBB+up).
8. The Board of Director is authorized to consider and approve on the Company's capital expenditure.
9. The Board of Director is authorized to consider and approve on the Company's requirement of administrative and selling expenses.
10 The Board of Directors is authorized on managing risk of financial activities or investment activities relating to the Company and it's subsidiaries projects by means of establishing risk management policies as well as monitoring and assessing results.
11 The Board of Directors has the authorities to consider the appropriateness of the Company's and its subsidiaries' business plan and annual budget.
12 Board of Directors is authorized to consider the Company's Organization Chart, conduct salary structure and annual remuneration for the staff and the executive structure.
13 The Board of Directors is authorized to consider and approve the use of accounting principles and changes in the Company's accounting principles.
14 The Board of Directors is authorized to consider and approve on opening bank accounts.
15 The Board of Directors is authorized to consider and approve on making domestic and international loan.
16 The Board of Directors is authorized to appoint sub-committees to perform some duties in lieu of the Board.

Terms of Reference and Authorities of the Chairman

1. Call for the Board of Directors' Meeting and supervise the distribution of notices of meeting and other documents to ensure that the Board of Directors received sufficient information and in time.
2. Act as the Chairperson in both the Board of Directors' meeting and Shareholders' meeting as well as ensure that the meetings are conduct in accordance with the Company's regulations and the specified agenda for the most efficient and effective meeting; by encouraging all of the Board of Directors to participate in the meetings and give independent opinion.
3. Conduct the meeting by providing the opportunities to fully give opinions and suggestions
4. Supervise the efficiency of the communication between the Committee and Shareholders.
5. Cast the deciding vote in the case where the shareholders' meeting and the Board of Directors' meeting have the same number of vote.
6. Perform one's duty in accordance to the laws, which especially specified that it is the responsibility of the chairman.

Tenure of the Board of Directors

1. At the Annual General Meeting each year, one-third of the directors must retire from office. If the number of the directors retiring from office does not amount to exactly one-third, the nearest whole number of one-third shall be used.

   The directors who must retire from office in the first year and the second year in line with the preceding paragraph shall be selected by random drawing. In the following years, the directors with the longest tenure in office shall be required to retire. In an event that the number of directors with the longest tenure in office exceeds the number of directors who must retire, the retiring directors shall be selected by random drawing. The retiring directors are eligible for re-appointment.
2. Apart from retiring from office upon the expiration of the tenure, the director shall retire from office upon:
   (1) Death;
   (2) Resignation by delivering a written notice of resignation to the Company;
   (3) Lacking the required qualifications or becoming forbidden by any provisions of the law;
   (4) Resolution for the director to retire, which is adopted by at least three-fourths of the shareholders attending their meeting and having voting rights, provided that the combined number of the shares owned by these shareholders at least half of the total shares owned by all the shareholders attending the meeting and having the voting rights;
   (5) The order by the court of law
3. If the directorship becomes vacant due to other reasons than the expiration of the tenure, the Board of Directors shall appoint a replacement who possesses the required qualifications and is not forbidden by any provisions of the law. The replacement shall be appointed at the Board of Directors' next meeting and has to be voted in by at least three-fourths of the remaining directors, with the exception of the situation in which the remaining tenure of the vacant directorship is less than two months.
4. In case the number of vacant directorships results in inadequate quorum, the remaining directors can act on behalf of the Board of Directors only in organizing a meeting of shareholders for the purpose of appointing replacements to fill the vacant directorships.
5. The directors appointed as replacements in line with Item 3 and Item 4 above shall be in the office only for the remaining term of the directorships being replaced.

2) THE EXECUTIVE COMMITTEE

List of the Company's Executive Committee, its Secretary and their positions are as follows:

NAME		POSITION
1) Mr. Banterng	Tantivit	Chairman of the Executive Committee
2) Mr. Suphadej	Poonpipat	Vice Chairman of the Executive Committee
3) Mr. Piyaphong	Artmangkorn	Member of the Executive Committee
4) Mr. Suvait	Theeravachirakul	Member of the Executive Committee
5) Ms. Dararat	Homrossukhon	Secretary of the Executive Committee

The Executive Committee's meeting is held once per month and for the year 2014, the number of meetings held by the Board of Directors amounted to 12.

Scope of work of the Executive Committee

Managing the Company's business affairs, ensuring that they follow the policies established by the Company's.

Duties and responsibilities of the Executive Committee

1. Proposing policies and strategies for managing the Company's and its subsidiaries' businesses to the Board of Directors for approval.

2. Ensuring that the management team implements the established policies and strategies effectively and efficiently.
3. Considering and approving on the Company's liquidity management, investing in debt instrument rated investment grade (rated BBB+ up) with total amount not greater than THB 200 million per one issue and reporting to the Board of Directors when such transaction was approved.
4. Considering and approving on the Company's requirement of other capital expenditures, not specified in the annual budget, with total amount not exceeding THB 50 million per one meeting of the Executive Committee and reporting to the Board of Directors when such transaction was approved.
5. Considering and approving on the Company's requirement of administrative and selling expenses, not specified in the annual budget, with total amount not exceeding THB 20 million per one meeting of the Executive Committee and reporting to the Board of Directors when such transaction was approved.
6. Managing risks of financial or investment activities relating to the Company's and its subsidiaries' projects by means of establishing risk management policies as well as monitoring and assessing results, the report of which to be presented to the Board of Directors for consideration.
7. Considering appropriateness of the annual business plan and budget in MBK and its subsidiaries' before proposing them to the Board of Directors for approval.
8. Considering the Company's Organization Chart, authority, salary structure, and annual remuneration for the staff and the management team before presenting them to the Board of Directors for approval.
9. Managing the Company's business affairs, ensuring that they comply with the legal requirements and that there is no conflict of interest.
10. Supervising the works of various committees.
11. Acknowledging difficulties, obstacles and reviewing practical solutions.
12. Carrying out other duties as assigned by the Board of Directors.

Tenure of the Executive Committee

The chairman, vice chairman and the members of the Executive Committee shall have the same tenure as the Board of Directors' tenure.

3) THE AUDIT COMMITTEE

The Board of Directors established the Audit Committee on February 4, 1999. The Committee is comprised of 3 members, all of whom are independent which is qualified and experienced in accounting, finance, law and management. Two of the members have adequate knowledge and experience in auditing financial statements. Their qualifications meet all the regulations of the Stock Exchange of Thailand. The current members of the Audit Committee include the following:

List of The Audit Committee, its Secretary and their positions are as follows:

NAME	POSITION	NOTES
1) Professor Paichitr Rojanavanich	Chairman of the Audit Committee	Independent director having knowledge and experience in accounting and finance
2) Ms. Prakong Lelawongs	Member of the Audit Committee	Independent director having knowledge and experience in accounting and finance
3) Mr. Pracha Jaidee	Member of the Audit Committee	Independent director having knowledge and experience in law
4) Ms. Yupapun Paritranun	Secretary of the Audit Committee	Head of the Internal Audit Department

The meeting of the Audit Committee will be held at least once every month. The minutes of the meetings will have to be sent to the Board of Directors for information. In addition, the Committee has to meet annually with the external auditors and the management to review the financial statements and meetings with the external auditors without any executive or management team and meetings with management specifically activates annually. For the year 2014, the number of meetings held by the Audit Committee amounted to 16.

Scope of work of the Audit Committee

The Audit Committee is responsible for carrying out the assignments given by the Board of Directors.

Duties and responsibilities of the Audit Committee

1. Ensuring that the company has appropriate and efficient internal control systems and internal audit.
2. Ensuring that the company's financial reports are accurate, complete and adequate.
3. Considering, reviewing, and proposing the appointment of the company's external auditor, including the auditing fee.
4. Ensuring that the company complies with the related rules and regulations as well as the requirements of the Stock Exchange of Thailand, Securities and Exchange Act.
5. Ensuring that the Management takes action on the deficiency or errors which have been found as a result of auditing, as well as putting pressure on the business units involved to correct the matters.
6. Reviewing evidence from internal investigations when there is an observation or an inference that there might be fraud, irregularities or substantial loopholes in the company's internal control systems and to report them to the Board of Directors for further consideration.
7. Giving instructions and reviewing evidence when there is an observation or an inference that there might be violations of laws or breaking of rules imposed by the Stock Exchange of Thailand, which have or might have significant impact on the company's financial position and performance.
8. Suggesting to the external auditor to verify or review transactions which are considered important and material during the period of auditing the company's financial accounts.
9. Co-operating with the internal audit department to consider and review the company's annual audit plan.
10. Approving the appointment, transfer, and removal of the Head of the Internal Audit.
11. Preparing the Audit Committee's report, which is separated from the Board of Directors' report. The Audit Committee's report to be signed by the Chairman of the Audit Committee will be included in the company's Annual Report.
12. Carrying out other duties as assigned by the Board of Directors.
13. Carrying out duties and responsibilities as required by the Stock Exchange of Thailand.
14. Considering and reviewing the accuracy and adequacy of the disclosure of connected transactions or other conflict of interests' transactions.

Tenure of the Audit Committee

The chairman and the members of the Audit Committee shall have the same tenure as the Board of Directors' tenure.

4) THE COMPENSATION AND NOMINATION COMMITTEE

List of the Compensation and Nomination Committee, its Secretary and their positions are as follows:

NAME		POSITION	NOTES
1) First Lieutenant Chatrachai	Bunya- Ananta	Chairman of the Compensation and Nomination Committee	Independent Director
2) Mr. Suphadej	Poonpipat	Member of the Compensation and Nomination Committee	
3) Ms. Panit	Pulsirivong	Member of the Compensation and Nomination Committee	Independent Director
4) Mr. Suvait	Theeravachirakul	Secretary of the Compensation and Nomination Committee	

For the year 2014, the number of meetings held by the Company's Compensation and Nomination Committee amounted to 1.

Scope of work of the Compensation and Nomination Committee

Nominating the Company's directors and president as well as determining their remuneration.

Duties and responsibilities of the Compensation and Nomination Committee

1. Nominating suitable candidates for the Company's directorships and proposing them to the Board of Directors or to the shareholders at their meeting for approval, depending on the case.
2. Nominating suitable candidates to serve as the Company's President as well as determining the related remuneration package by taking into account the President's duties and responsibilities, the Company's financial position, the salary rate comparable to the standard rates of the same industry, and proposing them to the Board of Directors for consideration and approval.
3. Considering and evaluating the President's yearly performance. The performance result shall be proposed to the Board of Directors for considering and approving for a change in the President's salary or any other benefits.
4. Carrying out any duties as assigned by the Board of Directors.

Tenure of the Compensation and Nomination Committee

The chairman and the members of the Compensation and Nomination Committee shall have the same tenure as the Board of Directors' tenure.

5) COMPANY SECRETARY AND THE COMPANY COMPLIANCE SUPERVISOR

On September 1, 2008, the Company has appointed Ms. Dararat Homrossukhon, to act as company secretary of MBK in accordance with the Securities and Exchange Act and the Good Corporate Governance practices of listed companies concerning the Responsibility of Directors, having the responsibility relating to the convening of meetings and the preparation and safe-keeping of documents, such as the register of directors, the notices for the convening of the meeting of the Board of Directors, the minutes of the meetings of the Board of Directors, the annual report of the Company, the notices for the convening of the meetings of the shareholders of the Company, the minutes of the meetings of the shareholders, and the report on the fact and the nature of conflicting of interests of the directors/executives, and the giving of recommendations, information/various regulations in respect of which the directors must have knowledge and compliance, and the attending to the various activities of the directors to enable them to discharge their duty efficiently and in the manner most beneficial to the Company.

Moreover, Ms. Dararat Homrossukhon also holds the position of Vice President Compliance Department to supervise and ensure that the Company performance is in accordance with the regulations of The Stock Exchange of Thailand, The Securities and Exchange Commission, and other related regulators. The qualification of the Vice President is presented on the profile, page 136-137 Perform Company's work

The Executive Management

NAME		POSITION
1) Mr. Suvait	Theeravachirakul	President and CEO
2) Mr. Pongsak	Sabdasen	Senior Executive Vice President, Office of President
3) Mr. Kasemsuk	Chongmankhong	Senior Executive Vice President, Finance & Administration Division
4) Mr. Sakchai	Kengkijkosol	Senior Executive Vice President, Operation Division
5) Ms. Yupapun	Paritranun	Senior Executive Vice President, Internal Audit Division
6) Mr. Somphol	Tripopnart	Senior Executive Vice President, Sales Division
7) Mr. Apichat	Kamoltham	Executive Vice President, Legal Division
8) Ms. Supissara	Thongmalai	Executive Vice President, Marketing

President's Terms of Reference and Responsibility are as follow:

1. Monitored and supervised the Company's and its subsidiaries management to be in line with the vision, missions, the committee policies, shareholders' resolution, regulations and objectives of the Company; for the highest efficiency and legitimacy of the Company's and its subsidiaries' business operation.
2. Manage and supervise the Company and its subsidiaries general administration and ensure that it is in line with the objectives, policies, rules and regulations of the Company as well as monitor the performance of the management to regularly report the Company's and its subsidiaries overall operation and performance to the Board of Director.
3. Determine human resource management policy and encourage the operating of every department to be in line with the guidelines that the Board of Director established in order to develop and fully uses the potential effectively.
4. Give advice and hand down the experience in business operation to the executive and staff for the benefits of the Company and its subsidiaries business operation.
5. Manage Company and its subsidiaries finance and efficiently spend budget for the highest benefit
6. Perform other tasks that are assigned by the Company's and its subsidiaries' Board of Directors Meeting and/or the resolution of the shareholders' meeting, under the objectives, rules and related laws.

(2) NOMINATION OF DIRECTORS AND EXECUTIVE MANAGEMENT

In relation to selecting the candidates nominated or to be nominated as the Company's directors, the candidates are elected by the Compensation and Nomination Committee. Of the Board of Directors, a total of five members are representatives for the Company's major shareholders. In the appointment of directors, minor shareholders are also entitled to appoint the Company's directors. The mechanism which the Company appoints its directors is specified in the Company's Articles of Association with details as follows:

1. The number of the Company's directors shall be determined by the shareholders at their meeting, provided that the number is not less than five. The directors may hold shares in the Company. However, at least half of the member of the Board of Directors must be residents in Thailand.
2. The directors shall be appointed at the shareholders' meeting in line with the rules and mechanism as follows:
   2.1 Each shareholder shall have one vote for each of the shares held. (Each share entitles the holder to one vote.)

2.2 The directors may be appointed by casting votes for each director or a number of directors at the same time or by any other procedures as the shareholders at their meeting deem appropriate, provided that, at each voting, the shareholders shall cast all their votes in Item 2.1 without allocating some or more of their votes to any particular directors.

2.3 The persons in order of the votes received, starting from the one with the highest votes, shall be appointed to fill the vacant directorships. In an event that the persons appointed to fill the remaining vacant directorships receive the same number of votes (In case of ties), the Chairperson of the meeting shall cast the deciding vote.

(3) ADDITIONAL INFORMATION RELATING TO THE DIRECTORS AND THE EXECUTIVES OF THE COMPANY IS AS FOLLOWS:

In 2014, no director or executive of the Company has had any records of breaches of the law in respect of the following:

1) Being subject to a court judgment in respect of a criminal prosecution, except in the case of a prosecution arising from a traffic violation, petty offence, or any other similar offence;
2) Being adjudged a bankrupt person or placed under receivership in relation to his/her property;
3) Being an executive or a person having a controlling power over a company or partnership adjudged bankrupt or its asset being ordered to be placed under receivership;

The Company also appointed experts and executives from various departments to be in charge of considering and managing specific matters within the Company, ensuring that the matters were managed properly, efficiently, and effectively in the best interest of the Company. Committees and working groups were formed to look after and manage of the following specific matters.

Committee Responsible for Supervising and Developing of MBK Group

1. Information System Development Steering Committee, MBK Group
2. Business Continuity Committee
3. Human Resource Committee, MBK Group
4. Development of Good Relationship between customers and Business groups Subcommittee
5. Centralization Procurement System Working Group
6. Quality Management System Committee
   - 6.1 Strategic Management and Balance Scorecard Committee, MBK Group
   - 6.2 Risk Management Committee, MBK Group
   - 6.3 Innovation Committee
   - 6.4 ISO 9000 Quality Management System Committee
   - 6.5 Internal Quality Audit Committee
   - 6.6 Thailand Quality Award Committee and Working Group (TQA)
   - 6.7 Compilation of Report on Thailand Quality Award Working Group
7. Consolidated Financial Statement Compilation System Committee and Working Group
8. Customer Relation Representatives to control the quality of MBK Group service

Committee responsible for supervising and developing shopping center business are as follows:

1. Strategic Management and Balance Scorecard Committee, Shopping Center Business
2. Risk Management Committee, Shopping Center Business
3. Knowledge Management and Organizational Culture Promotion Committee, Shopping Center Business
4. Knowledge Management and Organizational Culture Promotion Working Group, Shopping Center Business
5. Service Quality Control and Management Subcommittee, Shopping Center Business

6. Service Quality Control and Management Working Group, MBK Shopping Center (MBK Center)
7. Development of Good Relationship between customers and Business groups Committee
8. Shopping Center Service Development Committee
9. Prevention against Vendors Causing Damage to the Shopping Center Committee
10. Shopping Center Major Renovation Committee
11. Supervise Corporate Image and Space Design Committee
12. MBK Virtual Shopping Project Committee and Working Group
13. Strategic Planning and Balanced Score Management Committee (MBK Center)
14. Safety Occupational Health and Work Environment Committee (MBK Public Co., Ltd.)
15. Safety Occupational Health and Work Environment Committee (MBK Smart Force Co., Ltd.)
16. Welfare within Place of Business Committee (MBK Public Co., Ltd.)
17. Welfare within Place of Business Committee (MBK Smart Force Co., Ltd.)
18. Company's Welfare (MBK Smart Force Co., Ltd.)
19. ISO9000 Quality Management Committee (The Nine Center Co.,Ltd.)
20. IT System Development Committee (The Nine Center Co.,Ltd.)
21. Parking System Development Committee (The Nine Center Co.,Ltd.)
22. N2 Community Relation Committee of N2 Parking Building
23. HaHa Project Construction Committee
24. Monitor plan and decoration of HaHa Project Rental Space Working Group
25. Community Relation of Commercial Building Project to Rent Committee (RG)

Committees responsible for Supervising and Developing Hotel and Tourism Business are as follows:

1. The Executive Committee, Hotel Business
2. Strategic Management and Balance Scorecard Committee, Hotel and Tourism Business
3. Risk Management Committee, Hotel and Tourism Business
4. Strategy Management and Balance Scorecard Committee, (MBK Public Co., Ltd, Pathumwan Princess Hotel branch)
5. Strategic Management and Balance Scorecard Committee, (Supsinnthanee Co., Ltd.)
6. The Executive Committee, Hotel and Tourism Business
7. Knowledge Management and Organizational CultureCommittee, Hotels Group
8. Knowledge Management and Organizational Culture Promotion working group , Hotels Group

Committees Responsible for Supervising and Development of Golf Business

1. The Executive Committee, Golf Business
2. Strategic Management and Balance Scorecard Committee, Golf Business
3. Risk Management Committee, Golf Business
4. Risk Management Committee (MBK Resort Public Co., Ltd.)
5. Website Organizer for Golf Business Group Committee
6. Strategic Management and Balance Scorecard Committee (MBK Resort Public Co., Ltd.)
7. ISO Quality Management System Committee (MBK Resort Public Co., Ltd.)
8. Safety Occupational Health and Work Environment Committee (MBK Resort Public Co., Ltd.)
9. Welfare within Place of Business Committee (MBK Resort Public Co., Ltd.)
10. Strategic Management and Balance Scorecard Committee, (Riverdale Golf and Country Club Company Limited)
11. Risk Management Committee, (Riverdale Golf and Country Club Company Limited)
12. Knowledge Management and Organizational Culture Committee, Golf Business
13 Knowledge Management and Organizational Culture Working Group , Golf Business

Committees Responsible in Supervising and Developing Real Estate Business are as follows:

1. The Executive Committee, Real Estate Business
2. Strategic Management and Balance Scorecard Committee, Real Estate Business
3. Risk Management Committee, Real Estate Business
4. Risk Management Committee (CLP Management Co., Ltd.)
5. ISO Quality Management System Committee (CLP Management Co., Ltd.)
6. Retail on Glass Haus Ratchada Construction Committee
7. Quinn Condo Management Committee
8. Quinn Condo Construction and Design Committee
9. Quinn Condo Marketing and Sales Committee
10. Knowledge Management and Organizational Culture Committee, Real Estate Business Group
11. Knowledge Management and Organizational Culture Promotion Working Group, Real Estate Business Group
12. The Nine Condo Construction and Design Committee

Committees Responsible in Supervising and Developing Food Solution Business are as follows:

1. Strategic Management and Balance Scorecard Committee, Food Solution Business
2. Risk Management Committee, Food Solution Business
3. Strategic Management and Balance Scorecard Committee (Patum Rice Mill and Granary Public Co., Ltd.)
4. Strategic Management and Balance Scorecard Committee (Simapack Company Limited)
5. Knowledge Management and Organizational CultureCommittee, Food Solution Business
6. Knowledge Management and Organizational Culture Promotion Working Group , Food Solution Business

Committees Responsible in Supervising and Developing Financial Business are as follows:

1. The Executive Committee, Financial Business
2. The Credit Executive Committee
3. The Executive Committee, (T-Leasing Company Limited)
4. Strategic Management and Balance Scorecard Committee, Financial Business
5. Risk Management Committee, Financial Business
6. Risk Management Committee, (MBK Guarantee Company Limited)
7. Quality Management System Committee, (MBK Guarantee Company Limited)
8. Risk Management Committee (T-Leasing Company Limited)
9. Information System Development Steering Committee (MBK Guarantee Company Limited)
10. Information System Development Steering Working Group (MBK Guarantee Company Limited)
11. Knowledge Management and Organizational Culture Committee, Financial Business
12. Knowledge Management and Organizational Culture Promotion Working Group , Financial Business

Committees Responsible in Supervising and Developing Other Business are as follows:

1. The Executive Committee, (Apple Auto Auction (Thailand) Company Limited)
2. Strategic Management and Balance Scorecard Committee, Other Business
3. Risk Management Committee, Other Business
4. Risk Management Committee, (Apple Auto Auction (Thailand) Company Limited)
5. Knowledge Management and Organizational Culture Committee, Other Business
6. Knowledge Management and Organizational Culture Working Group , Other Business

MBK's Committees that are Responsible for Supervising and Developing Human Resources of MBK are as follows:

1. Knowledge Management and Organizational Culture Promotion Committee, MBK Group

2. Consider Goodness of Employee Committee
3. Social and Environmental Responsibilities Committee
4. MBK Public Co., Ltd. Welfare Committee
5. Safety Occupational Health and Environment Committee
6. Savings and Credit Cooperative Committee
7. Provident Funds Committee
8. Employees' scholarship committee
9. Consider fraud Committee
10. Consider fraud Working Group

MBK's Committees that are Responsible for Taking Care of Stakeholders such as Users of the Services, Lessees, Creditors and Debtors are as follows:

1. Procurement Committee
2. Sale of Assets Committee
3. Tenant Selection Working Group
4. The 6th floor Food Center Management Working Group

Moreover, MBK encourages all level of its employees to be part of the working groups to enhance the potential of its human resources. These working groups are as follows:

1. Energy Management Working Group
2. Promotion of 5-Sor Activities Working Group
3. In-house Energy Management Evaluator Working Group
4. Community Relation Working Group
5. Learning Organizational Development Working Group
6. Good Corporate Governance Working Group

(4) DELEGATION OF AUTHORITY TO ACT ON BEHALF OF THE COMPANY

The Company has put in place operational rules which provide details related to the exercise of authority to approve transactions on behalf of the Company. The objective is to delegate the authority to the staff holding different positions and in charge of performing various duties. To make the performance of their duties more flexible and efficient, they are authorized to act on behalf of the Company within the scope of authority specified by the Company. In this connection, the delegated authority is also subject to the Company's appropriate internal control systems.

(5) REMUNERATIONS FOR DIRECTORS AND EXECUTIVES MANAGEMENT

5.1 DIRECTOR REMUNERATIONS (1 JANUARY - 31 DECEMBER 2014)

Director Remunerations

LIST OF NAME		DIRECTOR ALLOWANCE (THB)	MEETING ALLOWANCE (THB)				GRATUITY (THB)	Total Remuneration (THB)
			Board of Directors	Audit Committee	Executive Committee	Compensation And Nomination Committee		
1. Mr. Banterng	Tantivit	560,000.00	560,000.00		1,000,000.00		1,571,227.10	3,691,227.10
2. Mr. Suphadej	Poonpipat	336,000.00	336,000.00		568,000.00	25,000.00	1,178,420.30	2,443,420.30
3. Professor Paichitr	Rojanavanich	280,000.00	280,000.00	775,000.00			785,613.55	2,120,613.55
4. Ms. Prakong	Lelawongs	280,000.00	260,000.00	372,500.00			785,613.55	1,698,113.55
5. Mr. Pracha	Jaidee	280,000.00	280,000.00	397,500.00			785,613.55	1,743, 113.55
6. First Lieutenant Chatrachai	Bunya-Ananta	280,000.00	205,000.00			50,000.00	785,613.55	1,320,613.55
7. Ms. Panit	Pulsirivong	280,000.00	280,000.00			25,000.00	785,613.55	1,370, 613.55
8. Mr. Piyaphong	Artmangkorn	280,000.00	280,000.00		340,000.00		785,613.55	1,685, 613.55
9. Mr. Suvait	Theeravachirakul	280,000.00	280,000.00				785,613.55	1,345, 613.55
10. Mr. Hatchapong	Phokai	280,000.00	280,000.00				785,613.55	1,345, 613.55
11. Mr. Atipon	Tantivit	280,000.00	255,000.00				785,613.55	1,320, 613.55
Total		**3,416,000.00**	**3,296,000.00**	**1,545,000.00**	**1,908,000.00**	**100,000.00**	**9,820,169.35**	**20,085,169.35**

Comparison of Director Remunerations from 2010 - 2014

REMUNERATIONS	JULY 1, 2010 - JUNE 30, 2011		JULY 1, 2011 - DECEMBER 31, 2011		JANUARY 1, 2012 - DECEMBER 31, 2012		JANUARY 1, 2013 - DECEMBER 31, 2013		JANUARY 1, 2014 - DECEMBER 31, 2014	
	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)
Allowances for Directors Meeting	11	8,229,500.00	11	4,490,000.00	11	9,100,000.00	11	9,120,000.00	11	10,265,000.00
Director Remunerations	11	8,959,882.25	11	9,431,455.00	11	4,715,727.50	11	10,374,600.50	11	9,820,169.35
Total		17,189,382.25		13,921,455.00		13,815,727.50		19,494,600.50		20,085,169.35

5.2 OTHER REMUNERATION

At an Annual General Meeting of Shareholders 2014- held on April 9, 2014- a resolution on other remuneration for the Board of Directors, the Executive Committee, the Audit Committee, and the Nomination and Remuneration Committee was approved, as the equivalent of 1,600,000 Baht.

5.3 REMUNERATIONS FOR THE EXECUTIVE MANAGEMENT (JANUARY 1 - DECEMBER 31, 2014)

Remunerations of the Executive Management

EXECUTIVE MANAGEMENT	NUMBER (PERSONS)	AMOUNT (MILLION THB)
Executive Management	8	42.84

Comparison of the Remunerations for Executives Management from 2010 to 2014

REMUNERATIONS	JULY 1, 2010 - JUNE 30, 2011		JULY 1, 2011 - DECEMBER 31, 2011		JANUARY 1, 2012 - DECEMBER 31, 2012		JANUARY 1, 2013 - DECEMBER 31, 2013		JANUARY 1, 2014 - DECEMBER 31, 2014	
	Number (persons)	Amount (Million THB)	Number (persons)	Amount (Million THB)	Number (persons)	Amount (Million THB)	Number (persons)	Amount (Million THB)	Number (persons)	Amount (Million THB)
REMUNERATIONS (Salaries and Bonuses)	8	34.51	8	24.90	8	34.75	9	38.04	8	42.84

(6) PERSONNEL

6.1 NUMBER OF EMPLOYEES

As of December 31, 2014, MBK Public Company Limited employed a total of 511 employees, consisting of Managing Director, Deputy Managing Director, Managing Director Assistants total 8 people and 503 employees. This also included 183 employees of MBK Smart Force Co., Ltd., The number of employees in each department are as follows:

DIVISION	NUMBER OF EMPLOYEES (PERSON)*				
	1 July 2010 – 30 June 2011	1 July 2011 – 31 December 2011	1 January 2012 – 31 December 2012	1 January 2013 – 31 December 2013	1 January 2014 – 31 December 2014
1. Office of President	39	49	90	52	52
2. Legal	16	12	14	18	18
3. Business Development	16	11	16	19	22
4. Finance & Administration	115	125	118	122	128
5. Internal Audit	18	19	24	26	28
6. Marketing	88	91	100	105	75
7. Operation Division	131	139	135	142	145
8. Sale Division	-	-	-	-	29
9. MBK Smart Force Co., Ltd.	207	218	237	290	195

Note : Number of employees are calculated from the average of employee in each year.

6.2 REMUNERATION OF EMPLOYEES (EXCLUDE THE PRESIDENT AND THE EXECUTIVE MANAGEMENT)

Unit : Baht

Remunerations	1 July 2010 To 30 June 2011	1 July 2011 To 30 December 2011	1 January 2012 To 31 December 2012	1 January 2013 To 31 December 2013	1 January 2014 To 31 December 2014
Salary, Bonus and Provident Fund (MBK)	170,627,253.73	166,220,258.48	302,433,364.70	266,738,672.09	252,345,850.89
Salary, Bonus and Provident Fund (MBK-SF)					36,522,843.63

6.3 OTHER REMUNERATIONS

The Company has provided for other remunerations and welfare benefits in addition to salaries, such as bonuses, savings and credit cooperative, working at upcountry expenses, OT, uniform expenses, provident funds, medical treatment cost, group insurance, social security and yearly check up.

The Company had established provident funds entitled "MBK Group Staff Provident Funds" on 1st July 1992. Under the terms and conditions specified in the Provident Funds, the Company agrees to make its subsidy and the employees who are members of the Provident Fund also agreed to make their contributions, the details of which are as follows:

SAVING RATE OF EMPLOYEES	SUBSIDY BY THE COMPANY			PAYMENTS FROM FUNDS	
- Members are required to contribute at least 5% of their salary but not more than the employer's subsidy for the members	Years of Membership			Years of Membership	Subsidy and Benefits (%)
	Membership Commencement	Subsidy Rate	5%		
	2 years –less than 4 years	"	6%	Less than 1 year	0
	4 years- less than 6 years	"	7%	1 year–less than 3 years	30
	6 years- less than 8 years	"	8%	3 years–less than 5 years	50
	8 years-less than 10 years	"	9%	5 years- less than 7 years	70
	10 years or more	"	10%	7 years or more	100

6.4 HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT

The Company is well aware that each employee is a valuable resource in helping the Company to achieve its goals or vision and enhancing it into a leading company with sustainable growth. So the Company had adopted a policy in developing human resource for all level of employees. The objectives of this policy are to increase the efficiency of human resources in skills, knowledge, competency, attitude and good working behavior in their field of work. The Individual Development Plan will encourage each individual to learn, do research and continuously share their experiences. These management and Development programs such as Developing Human Resources Management System, training, giving scholarship to study in bachelor/ master level, work field trip both domestic and international, employees development plan and executive development plan to carry on important position in the Company, works management, building relationship of personnel and develop the organization of knowledge. These will lead the staff and Executive into topmost professional.

6.4.1 DEVELOPMENT OF HUMAN RESOURCES MANAGEMENT SYSTEM

6.4.1.1 Using Program to manage human resource database

The Company is proceeding with installing and developing PeopleSoft HCM 9.0, which is the system with functions that fully support management process in human resources such as recruit system, employment system, salary system, time record system, leave system, works management system, position successor management and progress in the occupation system. Moreover, this program allowed the manager of each division and the staff to enter into the data and use the system to manage (Self Service). It can also be connected to working system of other division, which is called Enterprise Resources Planning (ERP). This will enhance the efficiency in working and improving the Personnel management system into a higher system as well as enhance the level of satisfaction to the staff and any related individuals.

6.4.2 STRENGTHEN AND DEVELOP PERSONNEL COMPETENCY

6.4.2.1 Strengthen and Develop Personnel Competency

Developing Competency Model to be utilize in Human Resource division, start from searching and recruiting employees, training employees, develop employees in the form of Non Classroom Training, Career Development plan, Talent Management Program, Succession Planning and performance evaluation. The Company work together with the advisor in preparing competency to set a way to evaluate and prepare employees to handle the business demand both present and future. This also includes the ability to respond efficiently to changes of the Company.

6.4.2.2 Career Path & Career Group Development

The Company plan uses competency to top up in order to create Career Model of each Job Family, both that developed according to the field of work in the same career group and those that developed cross functional or cross career group, which will culminate in employees competency development, to have clear goal and able to respond to both business demand and growth in the employees obligations.

6.4.2.3 Training

Training is one of our significant policies to enhance working engagement continuity and to increase competency standard to be as effective as other companies, together with an effort to implement institution progress and sustainability. We held a contemporary internal and external program for employees in all levels and specifically followed each measurement with effective tools. There are also capability trainings that highlighted skill improvement that focuses on responding to Strategic Objective, Core Competency, Managerial Competency and Functional Competency.

6.4.2.3.1 MBK Core Course

The Core Course emphasizes on behavioral and attitude reinforcement toward Organization Culture, SMOOTH©, the specific program including Corporate Culture, Organization Achievement and Business Plan Advantage of an Organization.

6.4.2.3.2 Managerial Course

Enriching Resources, Administration and Management skill, the program is launched for Administrators and Managers in order to control and manage a good work result, team player and organization within a leader vision to get along with adaptive change which can be divided in 3 categories as followed:

- Leader of Change
- Decisiveness
- People Development

6.4.2.3.3 Functional Course

The Functional Course perspective is to integrate resources, understanding and skills for each certain employee. The course marks on specific responsibility and duty of employees by utilizing Training and OJT as tools.

6.4.2.3.4 Master and Bachelor's Scholarship

The Company adopts a strong willing to increase employees' competency and multiple their performances to handle with shift able technology and finally create ultimate advantages. Master and Bachelor's Scholarship such as Technical Scholarship and Business Scholarship was given domestically to efficient employees so that they can utilize resources to enhance the company potential.

6.4.3 PREPARING PERSONNEL

6.4.3.1 Talent Management and Succession Plan

The Company had prepared the readiness of the employees to meet with the present and future demand in order to support the business expansion; by establishing Talent Management Project, compiling Chief Executive Succession Planning and Individual Development Plan for employees, which considered from functional competency, core competency and managerial competency that suits with the present and future responsibility.

6.4.3.2 Performance Management System

The Company aimed at manager and employees of all level to be involved and understand target direction and expected results of the organization by brainstorming ideas, specify target and action plan together with organizational level, sector level and department level. This is to be certain that the performance and success of each individual will be part of the success of the organization.

Performance evaluations are set twice a year, mid year evaluation and at the end of the year evaluation. Moreover, the Company also applied Core and Managerial Competency evaluation to use in the performance improvement and development plan as well as continuously help improve employees' competency to be better.

6.4.4 EMPLOYEE ENGAGEMENT

The Company is well aware that employee engagement is one important fact in exerting and dedicating oneself to work and this will help the Company to be outstanding and reach its goals. The Company had established Quality of Work Life management system by continuously taking care of the employees as well as encourage employees to be part in a specify privileges through the welfare committee. The Company had established Savings and Credit Cooperative and provident funds to build stability for employees. Moreover, the Company had organized activities that will strengthen love and engagement for employees' family such as Family Day.

6.4.5 DEVELOPMENT OF KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL CULTURE AND DEVELOPMENT OF KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL CULTURE WORKING GROUP.

The Company has established cultural organization development committee and Learning Organization Activities working group to help employees to become aware and be part of the activities. This is the techniques in moving and enhancing organization vision by setting Company's core value and continuously set up activities so that each individual in the organization can together put into practice. This will impact on behavior, which is said to be the standard of reaching the organization goals or vision. "Learning Organization" was established from all level of personnel's learning and then knowledge is shared with each other and within the personnel, together with gaining knowledge from outside. The primary purpose of this is to give opportunities in seeking the best practice to use it in developing and building strong knowledge base of the organization which will be in time to the change and stability growth in a fierce business competitive and to achieve the vision of the organization and be the Learning Organization. We should have believes and hold on to the values and ways in practicing together which we called SMOOTH©

SERVICE MIND	Service mind, primarily emphasizing on customer
MERIT & INTEGRITY	Perform duties in a transparent manner, behave appropriately and adhere to the ethics principle.
OWNERSHIP	Love and proud of the organization, hold conscious of being the owner of the work.
OPENNESS	Ready to be open-minded, listen, be open-minded and communicate openly.
TEAMWORK	Establish outstanding teamwork for the same goal.
HIGH COMMITMENT	Determined and dedicated to work and efficiently responsible for work assigned.
CONTINUOUS LEARNING	Learning creatively, continuously and systematically seeking new knowledge and self-development. Have the courage to change for a new way of working or new working system, which will enable the organization to grow and develop without limits.

Apart from behaving themselves to set a good example which is in line with the above-mentioned SMOOTH© values, the leaders or staff at the executive level should adhere to a set of leadership values called "L D P", which will help them guide and lead their teams to the achievement of the organization goals. These additional values are as follows:

LEADER OF CHANGE	Act as the change agent, lead with positive attitudes and vision as well as acceptable to all staff.
DECISIVENESS	Confident, have courage to make decisions based on knowledge, reasons and timely.

PEOPLE DEVELOPMENT Develop ethical and competent staff. Give opportunities to others to grow in their career

In addition, the Company sees the importance of developing its personnel to become good citizens and participate in the development of corporate social responsibility on the basis of Good Corporate Governance policy, as a framework to which the executives and the employees adhere.

Moreover, the Company had used Knowledge Management (KM) as one of the strategy, emphasizing on learning and developing of personnel to be in time with the expanding of business and to become Learning Organization (LO). The knowledge management committee, the representative of Chief Executive from each division, works together in carrying out the KM to manage knowledge so that it will develop in the same path and are compatible throughout the organization. Operating plan were set to create body of knowledge database (Km Website) to enhance culture in exchanging knowledge through activities such as Community of Practice : CoP, KM Session and KM Corner for the purpose of continuously learning and to expand the cycle of exchanging knowledge which will increase competency and develop group and organization personnel level.

GOOD CORPORATE GOVERNANCE

The Company's Board of Directors places strong emphasis on making the Company's business management appropriate, transparent, fair and accountable. The Company established a Good Corporate Governance policy which was in line with the rules and principles of Good Corporate Governance of the Stock Exchange of Thailand and Thai Institute of Directors which will bring about transparent business management and control as well as stability for the Company's business operations.

In 2003, the Company established a Good Corporate Governance policy which was in line with the 15 principles of the Good Corporate Governance promoted by the Stock Exchange of Thailand. The Company also prepared handbook on business ethics and the code of conduct for directors, executives and staff. The written information was disseminated to all the Company's executives and staff for compliance.

In 2010/2011 the Company's Board of Directors has considered to review and improve the Good Corporate Governance policy, the business moralities, the committee ethics, the management ethics and the staff ethics. They were completely improved in according to a Good Corporate Governance policy for listed company of The Stock Exchange of Thailand principles. The policies consist of the recommended best practices under the five categories as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Consideration of the Roles of Stakeholders
4. Information Disclosure and Transparency
5. Responsibilities of Directors

The Company has prepared handbook on its Corporate Governance policies and code of business conduct of MBK Public Company Limited. The contents include the Good Corporate Governance policies, the code of business conduct, the code of ethics for directors and executives, and the code of ethics for employees. They have been given to all directors, executives and employees for their information and practice. The information, knowledge and the related news on the Corporate Governance are also distributed to the executives and employees regularly through the Company's internet and website. The orientation activities which are organized for new executives and employees also cover the topics on Corporate Governance as well as code of ethics for executives and code of ethics for employees for their information and practice guidelines. Moreover, when the Company makes their investments in various areas of businesses, it has applied the principles of Good Corporate Governance to the business operations of those subsidiaries. The Company's Board of Directors is mainly determined to conduct all the Company's business affairs in an appropriate, transparent and fair manner. The adherence to the principles of Good Corporate Governance will not only enhance the confidence of all concerned, including its shareholders and stakeholders, but also will add value to the Company in long term.

In the year 2014, The Board of Directors had considered and revised the Corporate Governance Report of Thai Listed Companies' regulations by streamlining the Company's Good Corporate Governance to be inline with the guidelines and regulations of ASEAN CG Scorecard standard. The objective is to develop Corporate Governance to be in accordance with the Thai Institute of Directors' CGR Project.

The Corporate Governance policy of MBK Public Company Limited covers the following practices:

1) Factors and responsibilities of the Company's Board of Directors which include with the following
   - 1.1 The composition of the Board of Directors
   - 1.2 Independent of directors
   - 1.3 Roles and responsibilities directors
   - 1.4 Tenure of directors

1.5 The specific Committees

1.6 Directors Meeting

1.7 Separation of duties between the Board of Directors and the management

1.8 Training and development of directors

1.9 Self assessment of the Board of Directors

1.10 Leadership and vision

1.11 Remuneration of directors and senior executives

1.12 Succession plan

2) Rights and equitable treatment of shareholders and the dividend payment policy.

3) Rights of the Company's stakeholders including customers, trading partners, competitors, creditors, employees, society, communities and the environment.

4) Information disclosure and transparency as well as investor relations.

5) Internal control and risk management.

6) Business ethics.

7) Conflicts of interest which include the supervision of use of inside information.

The Company's code of business conduct, code of ethics for directors and executives and code of ethics for employees cover the following practices and behaviors:

1. In the conduct of the Company's business affairs, the directors, executives and employees are required to comply with all the laws, rules and regulations. The compliance is beneficial to the overall management systems.

2. The directors, executives and employees have responsibility towards the Company's shareholders and treat them in an honest and equitable manner. For the convenience of the shareholders, the Company puts in place channels for the shareholders to file their complaints and to obtain information about the Company.

3. The directors, executives and employees have responsibility towards the Company's customers and treat them in a fair and equitable manner. The directors, executives and employees establish good relationships with the customers and provide them with correct information in a timely manner and keep confidentiality of their information. The Company also puts in place procedures for the customers to file their complaints and to give their opinions or suggestions about the management.

4. In their conduct of business affairs, the directors, executives and employees show their responsibility towards the Company's trading partners, competitors, and officials by behaving in an appropriate, equitable and fair manner within the established framework, rules and regulations and without seeking undue benefits for themselves. The Company also puts in place procedures for the trading partners, competitors and officials to file their complaints and to give their opinions or suggestions about the management.

5. The directors, executives and employees show their responsibility towards the society, communities and environment by giving their assistance and cooperation to the state, communities, society and environment, educational institutions and political activities within the constitutional framework. The Company puts in place management systems of occupational health, safety and environment in line with the legal requirements.

6. The Company has responsibility towards its employees and treats them fairly. The Company looks after their employees in areas of benefits, welfare, working environment, and safety at work. The Company encourages the employees to develop their knowledge and skills and to make progress in their careers. The Company puts in place procedures for the employees to file their complaints on various matters.

7. The Company encourages all employees to live corporate values and safeguard the organization, taking into account the interests of the organization or the public.

8. The directors, executives and employees are prohibited from abusing their authority in seeking information for their own benefits.

The Company had determined to monitor and supervise the committee, the executives and employees to practice in accordance to the business ethic and code of ethics by assigning all the employees to acknowledge and understand the business operation ethics handbook that the Company had established and to use it as a guideline to perform their duties with integrity, honesty, and fairness. Those who refrain will be investigated and appropriate disciplinary punishment will be made, which may be to the extent of termination of employment and even legal action made be in the case of illegal conduct.

THE KEY POINTS RELATED TO THE IMPLEMENTATION OF THE CORPORATE GOVERNANCE CAN BE SUMMARIZED AS FOLLOWS:

1. RIGHTS OF SHAREHOLDERS

The Company realizes that each shareholder is the owner of the Company. As a result, it places emphasis on the appropriate maintenance of the shareholders' basic rights as stipulated by the law as well as other rights as deemed appropriate. These rights include, among others, to right to participate in the meetings of shareholders to be informed of the Company's performance and the right to receive a share of profit/dividends. The shareholders are provided with convenience to exercise their various rights such as proposal of agenda items, proposal of candidates for appointment as new directors, sending their questions about the Company prior to the shareholders' meetings, as well as the right to vote on agenda items under which a resolution needs to be adopted, with the understanding that the voting rights of all the shareholders will depend on the types of the shares they own. The Company has also established an investor relations unit responsible for providing the shareholders with the convenience to exercise their rights on various matters. Moreover, the Company has established the following policies in compliance with the principles of Good Corporate Governance.

1.1 Sending the notice of meeting to the shareholders

At the Annual General Shareholders Meeting, the Company has assigned Thailand Securities Depository Company Limited ("TSD"), as the securities registrar, to send the notice of meeting and related documents to the shareholders, both in Thai and English. The shareholders can use them at the shareholders meeting as supporting information in making vote decisions on various matters.

The notice of the meeting will clearly specify meeting agendas and objectives of the meeting for each agenda as well as the Board of Directors opinion. Related documents such as annual report, financial statements, support document for each agenda and proxy statement, will be attached with the invitation letter. The notice of the meeting shall be sent to all shareholders listed in the shareholders' registration book. The notice should be sent on the day the Company announced the closing date of share transfer registration and should be sent 14 days in advance, as well as publish the notice of the meeting along with the mentioned meeting agenda on the Company's website not less than 30 days prior to the meeting. The purpose is to allow the shareholders to study the information before the actual meeting. This also includes continuously advertise the invitation notice on the Newspaper not less than 3 days before the meeting date to inform shareholders to prepare in advance before participating in the meeting, which is in accordance with the Public Limited Companies Act, B.E. 2535(1992).

However, for the 2014 AGM meeting the Company sent an invitation letter to shareholders 14 days in advance and publish the invitation letter along with other relevant documents on the Company's website 30 days prior to the meeting. The purpose is to enable the shareholders to study the information before the meeting. Taking into consideration the convenience of shareholders in attending the meeting, the Company fixes appropriate date, time and place of meeting. In case any shareholders are unable to attend the meeting, they may appoint proxy holders to attend the meeting on their behalf and may cast a vote in each agenda by using the proxy statement that the Company provided. Another channel for shareholders to participate in making decision or making any votes if they were unable to attend the shareholders agenda themselves, they may appoint two independent directors proposed by the Company as their proxy holders. In voting on various agenda items, one share is equal to one vote.

1.2 Setting the Annual General Meeting of Shareholders

The Company holds an Annual General Meeting of Shareholders within four months from the end of its accounting period. In case it is urgent for the shareholders to consider special agenda items, an Extraordinary General Meeting of Shareholders will be held. The special agenda items include matters that may affect the interests of the shareholders or those that are related to the conditions, rules, laws or articles that need approval by the meeting of shareholders. During For the Year 2014, the Company organized an Annual General Meeting of Shareholders on April 9, 2014 in Jamjuree Ballroom, Mezzanine Floor, Pathumwan Princess Hotel, Bangkok. In this connection, the Company provided the shareholders with convenience in an equitable manner. It put in place staff to welcome and look after the shareholders. For efficiency and the convenience of the shareholders, it made use of the barcode reader in registering the attendance of the shareholders. To check and verify the attendants' supporting documents, the Company started accepting registrations two hours before the meeting and stopped accepting registrations just before the last agenda item of the meeting is considered.

All 11 members of the Board of Directors participated in the Annual General Meeting of Shareholders. Among them were the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. As well, all its senior executives and its auditor attended the meeting.

Ms. Vipa Soponudomporn, a certified public accountant, who was an independent auditor and did not hold any share of the Company, served as a neutral party in checking and counting votes. At the meeting, the Chairman conducted the meeting in compliance with all the requirements imposed by the law. He provided the shareholders with clarifications on all the meeting procedures including vote counting methods and the exercise of voting rights. The Chairman also provided the shareholders with a report on the Company's annual performance and other agenda items. Under each agenda item, the Chairman gave the shareholders an opportunity for giving opinions and suggestions as well as asking questions. In response to the questions, the Chairman and the executives gave the shareholders appropriate answers and explanations. The shareholders were requested to vote and adopt resolutions on all agenda items. In appointing new directors, the Company made arrangements for the shareholders to vote on each candidate separately. In this connection, the shareholders could also propose candidates for appointment as directors through the Company's website prior to the date of the meeting of shareholders. As well, they could propose additional candidates at the meeting. The minutes of the meeting were also accurately kept.

The Annual General Meeting of Shareholders 2014 took about two hours and thirty minute. Following the commencement of the registrations at 12.30 pm., the meeting started at 14:05 pm. and closed at 16.30 pm.

1.3 Actions undertaken after the Meeting of Shareholders

The Company submitted the report of the voting result during the AGM to the Stock Exchange of Thailand (SET) within 1 day since the meeting was adjourned and also submitted the minutes of Annual General Meeting of Shareholders to the Stock Exchange of Thailand and the Securities and Exchange Commission within 14 days after the date of the meeting concerned. As well, the video recordings of the meetings are available on the Company's website (http://www.mbkgroup.co.th). The purpose was to provide the shareholders with convenient access to the information.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company places very strong emphasis on the equitable treatment of all the shareholders. As a result, it has included the upholding of the rights of shareholders and the equitable treatment of shareholders in its policies on the Good Corporate Governance, the Company's performance, voting on appointment or removal of directors as well as dividend payments, proposing additional items to the agenda, and asking questions or giving opinions on various matters which the Board of Directors brings to the attention of the shareholders for information or consideration. Although some shareholders might not be able to attend the meeting, they can appoint other persons or the independent directors who are proposed by the Company to attend the meeting on their behalf by filling in the proxy statement sent by the Company together with other supporting details. To provide the shareholders with convenience, the Company also makes available the proxy statement

as well as the related details and procedures on the Company's website 30 day prior to the meeting, from which the shareholders can download the form and the information. The shareholders can obtain additional information from the Company's investor relations unit.

All shareholders also have access to the information about the Company through various channels or sources such as its website (http://www.mbkgroup.co.th), annual reports, Form 56-1 or the investor relations unit. In addition the Company has set up the investor relations unit to communicate with investors, shareholders and all stakeholders. The investor relations unit can be contacted by the following contact information:

Contact person and address of the Company's investor relations unit:

Mr. Pongtip Pongkham
MBK Public Company Limited
8th Floor, MBK Center Building, 444 Phayathai Road,
Kwaeng Wangmai, Pathumwan, Bangkok 10330
Telephone : 0-2620-7120
Fax : 0-2620-7138
Email address : inv@mbk-center.co.th

3. CONSIDERATION OF STAKEHOLDERS' ROLE

The Company looks after various groups of stakeholders whether they are internal stakeholders or external of the company such as shareholders, customers, trading partners, competitor, creditors, staff at all levels, as well as society in general and the environment to ensure that the stakeholders will receive appropriate rights. MBK Public Company Limited the stakeholders interest and feel confident that their rights are always taken care of and to foster cooperation between the stakeholder groups. This is also another factor that will support the sustainable and stable growth of the Company.

ANTI-CORRUPTION

The Board of Directors is well aware and place importance in operating the business on the principle of honesty, transparency and fairness to all parties, as well as operates the business by focuses on practicing in accordance with the rules of the established laws, with the regulations and ethics to build confidence to employees and all stakeholders.

Moreover, in 2011, the Company declared its intention to participate in the anti-corruption campaign "Private Sector Collective Action Coalition against Corruption". The campaign includes 7 organizations, Thai Institute of Directors, Thai Chamber of Commerce, Foreign Chamber of Commerce in Thailand, Thai Listed Companies Association, Thai Banks Association, and Federation of Thai Capital Market Organizations, in order to declare its intention to operate a transparent business, and stand against corruption with the consideration of the utmost benefits of all stakeholders.

In 2014, the Company demonstrates the importance of anti-corruption and has draft the policy on anti-corruption and anti-bribery for the Company's benefit. This also includes Whistle Blowing Policy which was proposed to the President and CEO to consider and sign. The purpose is to clearly determine the principles, regulations and communication on the topic of anti-corruption then it will be announced and established for the employees to acknowledge and put into practice. The aforementioned policy will be announced to the stakeholders to acknowledge with in the year 2015, so that the employees and stakeholders can participate in the mentioned anti-corruption.

However, in 2014, the Company had announced the policies that are compatible to the anti-corruption and had established as policies and regulations for the employees to acknowledge and strictly abide by.

POLICIES AND REGULATIONS RELATED TO NON-INFRINGEMENT OF INTELLECTUAL PROPERTY AND COPYRIGHTS

The Company forbids employees to use any copyright work in the Company's advertising media, print media or in any work without permission from the copyright owners. If any is used with out permission it will be considered as piracy.

Thus, the Company had established regulations in using others copyright work, from the Internet, advertising media or print media, with the work of Company and MBK Groups. The regulations should be strictly followed, which are:

1. Check from internet or other form of media whether the work which will be use in the Company's advertising media or print media has any copyright or not before using it. By considering from the following principles:
   - 1.1 Works that occur from wisdom, knowledge and capability in terms of creative work is considered intellectual property.
   - 1.2 Contain "©" on the work piece
   - 1.3 Mention by name of the owner of the work piece or the site of the work piece.
   - 1.4 On the work piece appears to be stamp with watermark or logo
2. Permission must be granted from the copyright owner before using any work piece with copyright from the Internet or other form of media with the Company work.
3. It is prohibited to use copyright work from the Internet or other form of media to reproduce, modify or publish to the public without permission from the copyright owners.
4. It is prohibited to use copyright work from internet or other form of media with the Company work or individual work for commercial gain, seek profit or in a manner that may cause damage the copyright owner unless it is use for the purpose of teaching, education or non-profit events.

In the case where it is necessary to use such copyright work with any of the Company work, the superior or executives with the level of vice president or equivalent or above must approved the said copyright work. MBK legal division must also approve that copyright work. If the Company found that the employee has taken the aforementioned action (Number 1-4) and causing the Company to be file with lawsuit of copyright infringement which is in line with the Copyright Act B.E. 2537 or other related laws, the Company will considered that the employees does not practice in accordance with the rules and regulation therefore disciplinary punishment will be made in accordance with the rules and regulation regarding the operation of the Company.

In order that, the details of related policies which the Company established to the Board of Director, the Executive Management and all of staff in order to treat to the stakeholders unless the shareholders are as follows:

1) CUSTOMERS

The Company realizes that it is important for its customers to feel completely satisfied. This is because the Company's success depends on the customer satisfaction. To win customer confidence in its services, the Company needs to treat every customer fairly. The following policies and measures have been undertaken.

1. The Compa ny honors all the terms and conditions agreed upon with the customers. In case it is not possible to honor any terms and conditions, the Company will try to find a satisfactory resolution or make necessary adjustments.
2. The Company treats all customers fairly and equitably.
3. The Company always keeps good relation with the customers.
4. The Company takes good care of the customers, taking into consideration their safety.
5. The Company provides the customers with accurate, adequate and timely information. It keeps the customers' information confidential. It will not use the customers' information for one's own benefit or for the benefit of the related parties.
6. The Company puts in place a system or process, through which the customers can file their complaints or give their suggestions about its services.

In 2014, no complaint was filed.

2) TRADING PARTNERS, COMPETITORS AND CREDITORS

In conducting its business affairs, the Company takes into account the benefits of its trading partners, competitors and creditors. It treats them equitably and fairly, in the best interest of the Company and based on the principles of righteousness and suitability as well as the business relationship. The following are the Company's practice guidelines.

1. The Company's conduct of business affairs is under the framework of fair competition rules and in line with the good culture and tradition.
2. The Company honors all agreements, terms and conditions, as well as rules and regulations. If it is not possible to honor them, the Company will try to find a satisfactory resolution or make necessary adjustments.
3. The Company places emphasis on treating these stakeholders appropriately, equitably and fairly.
4. The Company does not ask for or accept or pay any undue benefits dishonestly. The Company also does not violate confidentiality. As well, it will not attempt to gain access to trade secrets in a dishonest manner.
5. The Company puts in place a system or process, through which its trading partners, competitors and creditors can file complaints.

In 2014 no complaint was filed.

Apart from the aforementioned regulations, the Company has set up policies and regulations in selecting the trading partners by conducting under the following principles:

1. Established the regulation in selecting and evaluating trading partners
2. Open bidding and select trading partners transparently, fairly and appropriately by the Company's procurement committee.
3. Compile appropriate contract form
4. Provide steps of procurement and tracking system including internal control to ensure that the conditions are practices accordingly.

3) SOCIETY, COMMUNITIES AND THE ENVIRONMENT

The Company has always been committed to operating its business in a manner that shows responsibility towards society, communities and the environment. As part of its efforts, it takes actions that are of benefit to the society and communities. In particular, it complies with the building standards and requirements imposed by the authorities concerned. It has adopted the policies and measures as follows:

1. The Company complies with the laws as well as rules and regulations related to the environment.
2. It gives assistance to and cooperates with state agencies, communities, and educational institutions in their activities. The Company assists in preserving the local customs and traditions of the communities in which the Company and its offices are located. It also encourages its subsidiaries to adopt the same policy.
3. The Company encourages staff of the Company and its subsidiaries to be mindful of their responsibility towards society, communities and the environment.
4. The Company puts in place a system or process, through which complaints can be filed.

In 2014, no complaint was filed.

4) EMPLOYEES

The Company is aware that employees are the valuable assets and essential to the Company's achievement. The Company hopes that the employees will feel proud in the organization and have an equal opportunity to progress professionally and all are given a chance to continuously develop their skills. Therefore the Company has adopted the following guidelines in regards to its employees:

1. All employees shall be treated with equality and without prejudice.
2. The Company shall support and promote activities that allow employees to feel proud in the organization as well as strengthen the relationship among employees and between employees and that organization.

3. The Company shall provide fringe benefits for employees such as provident funds, healthcare and safety in the working environment.
4. The Company shall support and promote the development and professional progress of employees.
5. The Company shall set up a system and procedure that allows employees to file a complaint in case of injustice.

In 2014, no complaint was filed.

4. INFORMATION DISCLOSURE AND TRANSPARENCY

The Company places strong emphasis on disclosure of its information. In this connection, the Company has adopted a policy on equitable disclosure of a policy on equitable disclosure of key information both financial and non-financial, to shareholders and stakeholders in a complete, timely and reliable manner, in both Thai and English, through various channels as follows:

4.1 Through annual reports and the Company's website (http://www.mbkgroup.co.th) The disclosed information covers all areas in line with the practice guidelines given by the Stock Exchange of Thailand for directors. The information includes, among others, the following:

1. Financial statements, and financial statement analysis as well as the report on the responsibility of the Board of Directors towards the financial report together the report of the auditor in the annual report.
2. Report of the Audit Committee.
3. Related party transactions.
4. Policy and report on Corporate Governance.
5. Composition of the Board of Directors, their profiles showing experiences which are of benefit to the Company's business performance, as well as the role, duties and responsibilities of the Board of Directors and committees on various specific areas, in addition to details on the meeting attendance of members of each committee.
6. Policy on remuneration for directors and senior executives, both in cash and other fringe benefits, as well as information about compensation for directors, members of various committees, and senior executives, (Notes: As regards directors and members of various committees, the Company will disclose details about the compensation of each person.).
7. Shareholdings of directors and senior executives.
8. Organizational structures of the Company and its subsidiaries.
9. Vision and Mission.
10. Internal control and risk management.

4.2 Website of the Securities and Exchange Commission (SEC). In full compliance with the requirements imposed by the Office of the Securities and Exchange Commission (SEC), the Company has disclosed all the information and various developments. The information is disclosed to members of the general public through SEC's website such as Annual Report, Report of 56-1, Financial Statement. This includes, among others, related party transactions and details about company share holdings of the directors.

4.3 The Company has established an investor relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its website (www.mbkgroup.co.th) under the tab entitled Investor Relations. The available information includes the information sent to the Stock Exchange of Thailand and the Securities and Exchange Commission, information about the Company's shareholders, analyses, as well as its quarterly investor magazine entitled "MBK Today" which contains information such as the Company's quarterly performance, share price movements, businesses of MBK Group's member companies and the Company's activities in the past quarter. The information on the website is regularly updated. The objective is to enable investors and interested members of the general public to have efficient and equitable access to the information.

Interested person can contact of the Company's investor relations unit at

Mr. Pongtip Pongkham
MBK Public Company Limited
444, 8th Floor, MBK Center Building,
Phayathai Road, Wang Mai, Pathumwan, Bangkok 10330
Telephone number : 0-2620-7120
Fax number : 0-2620-7138
E-mail : inv@mbk-center.co.th
Website : www.mbkgroup.co.th

Filing complaints and requesting for information

In conduct its business affairs, the Company has adopted a policy which takes into account the satisfaction of all stakeholders. They can file complains, make suggestions, or request for information as well as sharing news, leads, and clues or giving information about the Company through its various channels such as web-based Intranet, through its various channels, both internal and external, such as web board, Internet, television or written

The related contact details are as follows:

1. Call center phone number : 0-2620-9000
2. Website : www.mbkgroup.co.th
3. Email address of the investor relations unit : inv@mbk-center.co.th
4. Complaint boxes :
   - A compliant box is placed in the office near the public relations department.
   - Complaint boxes are placed on all floors of MBK Center.

The Company has set up procedures in dealing with complaints from all groups of stakeholders. As part of the policy, all customers and stakeholders information will be kept confidential. The information includes complaints, suggestions, requested information, news, leads or clues about the Company. The Internal Audit Department is required to witness the opening of all the complaint boxes and gathered all the complaints and suggestions to propose to the Audit Committee to consider and make further implementations. This also includes assigning the management or related department to rectify the complaints and notify the appellant to acknowledge the proceeding of the complaints.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

To manage the Company efficiently, the Board of Directors must consist of individuals with knowledge, expertise and work experience in different fields of endeavor. Importantly, they must be able to dedicate themselves fully to their work and act at all times in the best interest of the Company.

5.1 Composition of the Board of Directors

1) The total number of members of the Board of Directors must be in line with the number specified by the meeting of shareholders. However, the number of the directors must be at least five.
2) The number of independent directors must account for at least one-third of the total members of the Board of Directors.
3) All directors must have proper qualifications and possess none of the characteristics prohibited under the Public Company Limited Act.
4) The appointment of directors must be transparent and clear. They must be appointed at the meeting of the shareholders or by the Board of Directors in case the director post becomes vacant before the end of the tenure.

5.2 Independence of the Board of Directors

The independent directors must possess qualifications as specified by the Company. The qualifications are in line with those prescribed in the notifications issued by the Securities and Exchange Commission. The related details are given on Page 91 under the subject entitled 'Management Structure'.

In 2014, the Company had five independent directors, accounting for 45.45% of the Board of Directors. There names were as follows:

1) Professor Paichitr Rojanavanich,
2) Ms. Prakong Lelawongs,
3) Mr. Pracha Jaidee,
4) First Lieutenant Chatrachai Bunya-Ananta,
5) Ms. Panit Pulsirivong.

5.3 Executive directors

Executive directors are those directors who participate in the management of the business, in line with the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of the Offer for Sale of Newly Issued Shares. According to the Notification, "Executive director" means any director who holds an executive position, or any director who is in charge of any actions deemed to be taken by executive, and shall include any authorized director except where it can be demonstrated that such authorized director signs on transactions which have been approved by the board of directors and jointly with other directors. In 2014, the Company had 1 executive director, accounting for 9.09% of the Board whose name was Mr. Suvait Theeravachirakul.

5.4 Directors authorized to sign on behalf of the Company

The directors who are authorized to sign on behalf of the Company and whose names are specified in the Company's Articles of Association include the following:

1. Mr. Suvait Theeravachirakul,
2. Mr. Hatchapong Phokai,

In signing on behalf of the Company, two directors jointly sign with the Company's seal affixed.

5.5 Responsibilities of directors

In considering the holding of directorships of its members, the board of directors takes into account the appropriate arrangements that will result in the highest efficiency possible for the Company. As well, the arrangements must add value the all groups of the stakeholders.

5.6 Committees on Specific Areas

The Board of Directors may appoint committees to perform some of its duties on specific areas. These committees assist the Board in carrying out some of its duties, conducting detailed studies, and checking things as deemed necessary and appropriate. These committees consist of the following:

5.6.1 The Executive Committee
5.6.2 The Audit Committee
5.6.3 The Nomination and Remuneration Committee
5.6.4 The Other Committees

The characteristics of the committees must be in compliance with the requirements stipulated by the Stock Exchange of Thailand. As well, the Board of Directors has clearly specified the scope of responsibilities of each committee. It also requires that the committees present their respective report at each meeting of the Board of Directors.

5.7 Holding of Directorships

The Board of Directors has considered the appropriateness of time allocation in carrying out the responsibilities of each director who is required to assume positions in various subsidiaries. The objective is to achieve the maximum efficiency possible in ensuring that each subsidiary adopts policies and conducts its business affairs in alignment with the parent company and that its business is beneficial and adds value to all groups of stakeholders. The Board of Directors then sets out a policy that individual Company Directors can serve as directors for not more than 5 companies listed on the Stock Exchange of Thailand (SET) without exception.

Moreover, the Board of Directors sets out a policy that the President and CEO can occupy positions for not more than 3 listed companies in order to regulate good corporate governance with the utmost efficiency.

5.8 Segregation of duties between the Board of Directors and the management

The Company clearly defines and segregates the authority between the Board of Directors and the management at various levels. In addition, the Chairman of the Board of Directors and the Company's President must not be the same person. As well, the Company clearly segregates the authority and duties of the Chairman and the President. The objective is to strike a proper balance in managing the Company's business. The system in segregating the roles, duties and responsibilities between the Board of Directors and the management is in line with the segregation principle that is based on the Corporate Governance policy. This includes systematic delegation of decision-making authority. The management is independent in making decisions and managing the business within the limits of the delegated authority. In this connection, the Company has prepared a handbook on the delegation of authority. It gives details about the roles and authority of the management and serves as its practice guidelines. The delegation of authority handbook will be reviewed as deemed appropriate for the conduct of the Company's business affairs, taking into account the prevailing situation. Moreover, the Board of Directors closely monitors the performance of the management.

5.9 Training and Development of Directors

The Company regularly places importance in training and development of the directors. All the newly appointed directors is required to attend the orientation session which will provide them with adequate information about the Company before they start carrying out their responsibilities. The information includes the Company's vision, missions, strategies, goals, Memorandum of Association, Articles of Association, roles and responsibilities of the Board of Directors, policies on Good Corporate Governance, code of business ethics, code of conduct for directors, and business information of related companies, as well as related rules and regulations. The Company promoted and supported all the directors to regularly participate in the training and develop knowledge. No matter whether the training courses that are related to the performance of their responsibilities as director, are organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, the Securities and Exchange Commission or other institutes; the Company will regularly inform the directors of the details about these courses in advance. The training will enable the directors to carry out their responsibilities and look after the Company's business affairs in an efficient manner. The directors who have participated in the training courses organized by the Thai Institute of Directors Association (IOD) include the following:

NAME OF DIRECTORS	Name of Training Course from the Thai Institute Of Directors
1. Mr. Banterng Tantivit	- Director Accreditation Program (DAP) Course
2. Mr. Suphadej Poonpipat	- Director Accreditation Program (DAP) Course - Role of the Compensation Committee (RCC) - Role of the Chairman Program (RCP) - Financial Institutions Governance Program (FGP)
3. Professor Paichitr Rojanavanich	- Director Accreditation Program (DAP) Course - Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course
4. Ms. Prakong Lelawongs	- Director Accreditation Program (DAP) Course - Directors Certification Program (DCP) Course
5. Mr. Pracha Jaidee	- Director Accreditation Program (DAP) Course - Audit Committee Program (ACP) Course
6. First Lieutenant Chatrachai Bunya-Ananta	- Director Accreditation Program (DAP) Course - Directors Certification Program (DCP) Course

NAME OF DIRECTORS		Name of Training Course from the Thai Institute Of Directors
7. Ms. Panit	Pulsirivong	- Director Accreditation Program (DAP) Course - Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course - Role of the Compensation Committee (RCC)
8. Mr. Piyaphong	Artmangkorn	- Director Accreditation Program (DAP) Course
9. Mr. Suvait	Theeravachiraku	- Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course - Successful Formulation & Execution of Strategy (SFE) Course
10. Mr. Hatchapong	Phokai	- Director Accreditation Program (DAP) Course
11. Mr. Atipon	Tantivit	- Directors Certification Program (DCP) Course

In 2014, the one of the Board of Director, Mr. Suvait Theeravachirakul was trained in "Advanced Strategic Management in Anti-Corruption Program" Batch #5 from The Office of the National Counter Corruption Commission, Sanya Dharmasakti, during April-December 2014 to continuously promote and support Directors' knowledge development.

5.10 Leadership and Vision

The Company's Board of Directors has established clear vision and mission statements as well as business directions, policies, strategies and targets. They serve as guidelines for the management in formulating business plans and budgets as well as future business expansion plans in order to enable the Company to achieve sustainable growth and stability.

The vision of MBK Public Company Limited is "A Leading group of companies in Thailand, which produces robust growth, concentrates on investment and engages with businesses that generate sustainable returns".

Policies on revising the strategies, vision and mission

MBK Public Company Limited annually develops the Strategic planning process, which is conduct under the revised and approval of the Strategic Management and Balance Scorecard Committee at MBK Group level. In order to accomplish the vision and strategic goal with in the expected direction, the operating performance from the previous year accompanying with changes in business situation and environment were used to determine the strategies. The 5 goals and strategic are expected to be accomplished with in 5 years (2015-2019)

1. Leading business group that deliver happiness to meet all lifestyles and customers demand.
2. Efficiently manage Business Portfolio for the highest benefits under an acceptable risk level.
3. Continuously has growth income rate and net profit of more that 10% per year.
4. Company group that places customer as the first priority (customer orientation is our first priority)
5. Top rank Company group that trading partners and employees want to work with. Join force/desire for.

MBK Public Company Limited strategic goals that were determined and compiled will be distribute to employees, which will lead to the accomplishment of the set goals.

As for, in 2014, MBK Public Company Limited has revised the strategies, visions and mission to be in line with the operating performance, which also included changes in business situation and environment in order to achieve the expected vision and strategic.

5.11 Company Secretary

The related details are given on Page 96 under the subject entitled "Management Structure"

5.12 The Company's Board of Directors has formulated a succession plan.

The objectives are to ensure availability of qualified people for positions at the level of department head and above and to support the Company's business expansion. In implementing the plan, the efficiency and potential of executives will be assessed. As well, they will be required to participate in appropriate training and development activities which are aimed at enhancing their skills and knowledge. Their professional development will be closely monitored.

5.13 Remuneration of the Board of Directors and the Executives Management

The Board of Director had set up policies and regulations for the Directors and sub-committee's remuneration at which the rates is appropriate and in line with the Directors responsibilities that have to minister to be in comply with the stakeholders expectation and in accordance with the related laws and rules. The Company, therefore, is required to select directors with experience and appropriate qualifications. The Board of Director had also set up policies that will determine the remuneration of each directors, where the remuneration rates will reflects the duties and responsibilities of each individual, this can be compared with the similar size of listed company on The Stock Exchange of Thailand along with to be able to practice in accordance with the Good Corporate Governance. The remuneration is revised annually.

The remuneration of the Board of Directors is paid in the form of the meeting allowances, director allowances and gratuity. The directors who also serve as members of other committees such as the Audit Committee and the Executive Committee will receive additional payments as deemed appropriate and in line with the resolution adopted at the shareholders' meeting.

The payments of remuneration for senior executives are made in the form of monthly salaries, bonuses or other fringe benefits. The remuneration is based on the Company's performance as well as the performance of the executives concerned, taking into account the standard benchmarks in the same industry. The Company is required to disclose its remuneration policy and the remuneration of directors and senior executives in the annual report, in compliance with the notification issued by the Securities and Exchange Commission.

The remuneration of directors and senior executives for 2014 is disclosed on Page 102 under the subject entitled "Management".

5.14 Meetings of the Board of Directors

The Company's various committees including the Board of Directors, the Executive Committee, and the Audit Committee plan their meeting schedules one year in advance. They are required to hold their meeting at least once a month. They may organize additional meetings as deemed appropriate, to consider special agenda items. The purpose is to acknowledge and monitor the Company's performance and business operations. The Company will send the notice of the meeting together with the agenda and supporting documents to each director at least 5 working days before the Board of Directors' meeting so that the directors will have adequate time to read through the documents. At the meetings, the directors can give their opinions openly and independently. The minutes of the meetings will be taken and made available for the parties concerned for future reference. As regards the Compensation and Nomination Committee, their meeting will be held when the Company has to nominate directorships or when the President's performance has to be evaluated. For the 2014, the various committees regularly held their meetings within the scope of their prescribed duties.

Meeting attendances of the members of the Company's current committees in the 2014 financial year

NAME LIST	MEETING ATTENDANCES OF THE MEMBERS (ATTENDANCES/TOTAL MEETINGS)			
	The Board of Directors (12 meetings)	The Executive Committee (12 meetings)	The Audit Committee (16 meetings)	The Compensation and Nomination Committee (1 meeting)
1. Mr. Banterng Tantivit	12/12	12/12	-	-
2. Mr. Suphadej Poonplipat	12/12	12/12	-	1/1
3. Professor Paichitr Rojanavanich	12/12	-	16/16	-
4. Ms. Prakong Lelawongs	12/12	-	14/16	-
5. Mr. Pracha Jaidee	12/12	-	16/16	-

NAME LIST	MEETING ATTENDANCES OF THE MEMBERS (ATTENDANCES/TOTAL MEETINGS)			
	The Board of Directors (12 meetings)	The Executive Committee (12 meetings)	The Audit Committee (16 meetings)	The Compensation and Nomination Committee (1 meeting)
6. First Lieutenant Chatrachai Bunya-Ananta	10/12	-	-	1/1
7. Ms. Panit Pulsirivong	12/12	-	-	1/1
8. Mr. Piyaphong Artmangkorn	12/12	12/12	-	-
9. Mr. Suvait Theeravachirakul	12/12	12/12	-	-
10. Mr. Hatchapong Phokai	12/12	-	-	-
11. Mr. Atipon Tantivit	11/12	-	-	-

Note : The Board of Directors at present:
>> The Executive Committee amount of 4 persons such as the name list 1, 2, 8 and 9
>> The Audit Committee amount of 3 persons such as the name list 3, 4 and 5
>> The Compensation and Nomination Committee amount of 3 persons such as the name list 2, 6 and 7

5.15 Self Appraisal of the Board of Directors and the Audit Committee

Since 2004, the Company has made arrangements for annual performance appraisal of the Board of Directors and the Audit Committee. The Company prepared and improved forms for performance appraisal of the Board of Directors and the Audit Committee to be clearly evident and properly in line with the guidelines provided by the Stock Exchange of Thailand which has been regulated. The purpose was to reflect the efficiency of their performance and compliance with the Good Corporate Governance principles. As regards the responses to the self appraisal questionnaire for each committee, each member of the committees was first required to answer the questions. Their responses would then be summarized. The criterions of the appraisal are calculated into percentage of total score of each item as follows:

Above 90% equals to A (Excellent)
Above 80% equals to B (Very good)
Above 70% equals to C (Good)
Above 60% equals to D (Satisfactory)
Below 60% equals to F (Need improvement)

The performance evaluation of 2014 is as follows:

1) **Performance evaluation of the Board of Directors individually:** The overall performance is at an excellent level. The evaluation score of 2014 is 96.01%.

The ranking results of director self-assessment were as shown below:

ASSESSMENT CATEGORY	AVERAGE SCORE	FULL SCORE
1) Preparedness	14.10	15.00
2) Strategy Setting and Policy Making	18.98	20.00
3) Risk Management and Internal Control	9.16	10.00
4) Conflict of Interest	15.00	15.00
5) Financial Reporting	20.00	20.00
6) Meeting of the Board of Directors	9.74	10.00
7) Others	9.03	10.00

2) Audit Committee's Performance

In the year 2014, the Audit Committee had taken self-assessment and the results were excellent. The Audit Committee had performed their tasks according to the guideline of Stock Exchange of Thailand so that the Company could maintain and improve its Good Corporate Governance and credibility of its financial reports, internal audit system, risk management system, law and regulations and the prevention of corruption which can be described below:

- **The Audit Committee Composition:** The selected Audit Committee was independent directors whose experiences fit the certain duty and specialized in financial statements. All process was achieved professionally and accurately as The Audit Committee had abided by the written and reviewed annually always reported performance to the Board of Directors as well as reporting its activities done during the year to the shareholders in the annual report.
- **Meetings:** There has been a constant meeting at least once a month and special meetings on occasion. In the year 2014 there was a total of 16 meetings. The Audit Committee who was a part of the interested party in any agenda would not express opinions on such agenda. Moreover, a meeting between the Audit Committee and internal auditors, without the presence of the management division, was also arranged while there was also a separate meeting between the Audit Committee and the management division.
- **The Audit of Internal Control System:** The Audit Committee was done with the internal audit department and auditors to evaluate the problems in the internal control and review the performance of the internal audit department and auditors in order to ensure that the performance of the Company was efficient there was also an evaluation of the effectiveness of the internal control system, the risk management system, data processing and safety in the computer system, the compliance of laws and regulations including systems to track edits as suggestions.the use of company assets and the follow-up system.
- **The Audit of Financial Statement:** The Audit Committee evaluated the accuracy of the financial statement, the compliance of the accounting standard, the important changes in the financial statement as well as skeptical items involving in the financial statement. The Audit Committee also reviewed the disclosure of the Company's information in case there was a related transaction or a transaction with conflict of interest to ensure that everything was correct and in order. There was also an audit on the letter expressing the responsibility of the management team on the financial statement. The Audit Committee also worked with the management team and auditors in reviewing significant issues that may have an effect on the financial statement.
- **The Relationship among the management team, auditors and internal audit department:** The Audit Committee examined the clean independence of auditors and the internal audit department. To select an auditor, there were a review about the qualified performance of the auditor and accurate competency of the auditors and internal audit department. The Audit Committee also reviewed the approvals on appointments, transferring or terminating the contract of the head of the internal audit department as well as evaluated working performance and remuneration of the personnel within the internal audit department, the workforce and the budget of the department, the charter of the internal audit department, the performance of the standard internal auditing, the result of the performance. The Audit Committee also followed up on important issues found by the audit of the internal audit department and the Control Self-Assessment (CSA) of the internal auditors and the corporation between auditors and the internal audit department.
- **Information and training:** The Audit Committee was given adequate information and trainings for fulfilling their duties efficiently. They were also constantly and systematically informed of news and information.

3) The Performance Evaluation of President and CEO

The Board of Directors appoints the Nomination and Remuneration Committee to annually evaluate the performance of President and CEO by means of consideration of their suitability for assigned duties and responsibilities, the Company's business operations compared with the Company's goals, actual economic situations, and a remuneration comparison with other companies in the similar industry, in order to present obtained results of the evaluation to Board of Directors' meetings to be informed

Nevertheless, a conclusion to the performance evaluation of President and CEO is individual confidential which cannot be disclosed. Criteria for the evaluation can be divided into 2 parts as follows:

Part 1: The evaluation of Key Performance Indicator (KPI)

Part 2: The evaluation of Competency

6. REMUNERATION FOR AUDITOR

6.1 Audit Fee

The Company and its subsidiaries paid the audit fee to

- The Company's auditor (Ms. Nonglak Pumnoi or Ms. Ratana Jala or Ms. Sumalee Reewarabandith) In the previous year, with a total amount of -0- Baht.
- An audit office where an auditor works for (EY Office Limited), individuals or businesses relating to an auditor and an audit office where an auditor works for, in the previous accounting year, with a total amount of 10,081,500 Baht as follows:
  - MBK Company Limited 2,044,000 Baht
  - Subsidiaries 8,037,500 Baht

6.2 Non-Audit Fee

- No. -

INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL

The Board of Directors and Executive Management are aware that the internal control system plays a crucial role on planting confidence to the management team in terms of reducing business risks and helping the business run efficiently by suitably managing the resources to achieve the target goal. Therefore, the internal control assessment is performed at least once a year.

The Board of Directors allows the Audit Committee to supervise the internal control system, the risk management system, the corporate governance system, and the compliance of related laws, orders and regulations to prevent conflict of interest. Besides, related transactions are operated to control the performance of subsidiary companies, the abuse of the assets of the Company and subsidiary companies, and to protect the property of the company from being lost or abused and the rights infringement, care and use of property to prevent fraud or misconduct. The Company sets up an auditing mechanism and balance by including the internal audit department who is independent in performing auditing work, evaluating performance and sufficiency of the internal control system, the risk management system and the corporate governance system in the performances of all units in the companies and its affiliates. They adopts the framework of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) and Enterprise Risk Management, and monitoring regulations in compliance with the Stock Exchange of Thailand (SET), Thai Institute of Directors (IOD), and Organization for Economic Co-operation and Development (OECD) to be used to fulfill internal control, risk management, and regulation in order to allow the Company's performances to pursue every aspect of effective and efficient work.

Besides, the Board of Director revises the assessment form of sufficiency for an internal control system annually according to an internal control framework of Securities and Exchange Commission (SEC) which reference to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) — for both 5 principles and 17 components. In 2014, the Company did not find any significant problem in the Company's internal control system:

ORGANIZATIONAL CONTROL

The Board of Directors is comprised of independent directors as required by the Stock Exchange of Thailand, who possess knowledge and expertise which are helpful for business. The Board obviously assigns roles and duties to committees and management teams, and monitors their role-and-duty based performance by setting a clear organizational structure and its chain of command for proper balance and internal control and establishing business goals and Key Performance Indicator (KPI) in order to assess the efficiency of performance and to regularly follow its results compared with the organization's goals.

The policies on good corporate governance, business ethics, and professional etiquette of directors, executives, and the Company's employees, are in writing. Every employee is encouraged to have awareness of these policies and comply with them continuously through receiving training annually in order that work performance is transparent and fair to every stakeholder group. Also, a clearly defined follow-up process and punishments are run by internal audit department– directly subordinated to the Audit Committee— in order to help the Company's internal control.

Manuals for authority and work performance of every system are in writing to be used as guidelines for work performance by taking duties, responsibilities, and an internal control system into consideration.

The Company provides policies on individual development, recruitment, and employees' performance evaluation. Competency and Key Performance Indicators (KPI) for organization, line, division, department, and individual lines are related to the employees' performance evaluation. Moreover, the Company selects potential employees to participate in the Talent and Succession Plan in order to promote and maintain competent employees to work with the Company.

RISK ASSESSMENT

The Company organizes the Risk Management Committee (RMC) to monitor the organization's risk management to achieve goals according to the organization's acceptance level. RMC then sets a policy on risk management in order that every employee complies with the policy which risks from external and internal factors— covering every aspect of the risks— are

evaluated and managed. They are strategic, operational, financial, compliance, and event risk factors; and are divided into MBK Group, business group, organization, and division levels. A corruption risk is also included. In order to find suitable and adequate measures against these risks, a report is submitted to RMC every quarter and another report is submitted to the Board of Directors annually. Risk factors which are changing externally and internally that may affect the organization are also reviewed annually.

Moreover, the Committee and Executive Team responsible for the Company's financial reports comply with certified accounting standards and disclose complete and correct information on time.

ACTIVITIES CONTROL

The Company has internal control measures in accordance with risks and business types by clearly dividing duties and responsibilities of each position, providing and reviewing manuals of authority and manuals/processes of performance appropriate to the organizational structure and current work performance. Each position can be run by checks and balances, and proper rechecks. Also, each position's work performance is regularly reexamined by an internal audit department in compliance with rules, regulations, and manuals of authority and work performance in order to ensure efficient work performance with a suitable and adequate internal control system. An information technology system is employed to promote faster and more efficient work performance.

Moreover, the Company imposes policies, rules, and regulations to transactions on a party involved in the Company to comply in the same direction such as major shareholders, directors, executives, and interested party for correctness, transparency, and fairness. The Company's utmost benefits are taken into consideration according to regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

IT AND COMMUNICATION SYSTEM

The Company realizes the importance of the IT and Communication System and always encourages the improvement of the system to ensure that all information is accurate and up-to-date. An efficient and modern IT system is adopted to guarantee the safety of the information from the process of collecting, processing, storing and following-up to bring such information to advantage management work of the executive members and interested parties. This process should be carried out as a complete, accurate method and within an appropriate time so that it can be used in the business decision making. There is also a policy regarding the security in the information technology and the use of information. Channels of communication are opened for information receivers from both inside and outside the organization to have access easily and rapidly such as intranet and internet as the communication channels to publicize the Company's information. Agencies responsible for specific information such as the Investor Relations and the Information Center are established.

In addition the Company assigned its secretary to take care of the preparing of information and meeting documents in advance including providing clear meeting minutes, summary of opinions and decisions of the meeting.

MONITORING ACTIVITIES

The Board of Directors provides a system to evaluate and monitor the internal control system covering all aspects such as accounting and finance, operations, compliance with laws/regulations, asset management, and corruption, which significantly have an impact on the Company's reputation in order to solve any incurred problem. The Board of Directors assigns the Audit Committee to audit and monitor the internal control system by nominating internal auditors to follow up and evaluate work performance in accordance with International Standards for the Professional Practice of Internal Auditing (IIA) to ensure that evidence found from monitoring will be improved or solved appropriately and promptly. Moreover, the evaluation of internal audit for accounting and finance is carried out by certified accountants and presented to the Audit Committee for consideration every quarter and every year. As a result of reviews conducted by certified accountants and internal auditors, no significant faults are found.

INTERNAL SYSTEM CHECKING

The Internal Audit Committee assigns the internal audit department to give assurance and consulting independently and fairly in monitoring and evaluating the sufficiency of the internal control system, and following improvements for more

suitable workflow, covering workflow of the Company and its affiliated companies. They are reported directly to the Audit Committee to ensure that the Company's operations have the adequate, appropriate, and sufficient internal control system, together with risk management within the Company's acceptable level and good corporate governance in order to achieve the goals of the organization's operations. The internal audit department's charters and internal auditors' code of conduct are employed as guidelines on clear-cut work performance. Their duties and responsibilities to cover all 4 assigned missions can be divided as followed:

1) Administrative and Management Checking
2) Regulation Checking
3) Operation Checking
4) Computer Checking

The internal audit department develops the internal audit system to accord with the International Standards for the Professional Practice of Internal Auditing. Self-assessment according to IIA and stakeholder satisfaction assessment with passing a criterion at 80% is established. Moreover, audit competency is imposed to assess the performance quality of internal auditors in order to improve efficiency and effectiveness of the internal audit department continuously and to recognize real conditions and work performance so that problems, obstacles and working limitations related to work performance can be properly analyzed. Also, the internal auditors are developed so that their knowledge, skills, and competency meet an international standard and they can conduct the auditing more efficiently by means of encouraging them to receive training such as professional practice of internal auditing, businesses of the Company Group, knowledge of other professionalism, and taking examinations to get professional certificates.

RISK MANAGEMENT

THE RISK MANAGEMENT COMMITTEE OF MBK GROUP

Duties and responsibilities of the Risk Management Committee

1. To impose MBK Group's policies and guidelines on risk management in order that MBK Group's operations reach its objectives and goals.
2. To analyze and evaluate incurred or possibly incurred risks at a level of MBK Group continuously and annually.
3. To consider, approve, and review risk management plans of MBK Group annually.
4. To review and monitor risk management performance of MBK Group regularly.
5. To report to the Board of Directors and communicate risks and major risk management to the Audit Committee.
6. To support, follow up, and develop risk management of MBK Group regularly.

MBK Public Company Limited realizes the importance of risk management as an important mechanism and tool to help the organization achieve the target objectives and goals. Therefore, the Company has set up a risk management policy that focuses on the improvement of the risk management system according to the good corporate governance guidelines. There is also an integrated risk management that is implemented systematically and consistently throughout the organization.

In 2014, MBK Public Company Limited enforced risk management in all levels - from MBK GROUP level which has 23 risks, Business Unit (BU) with 39 risks, and MBK Center level with 12 risks.

In Sub Business Unit (SBU), risk management has been implemented with MBK Resort Public Company Limited ("MBK-R") in the fiscal year of 2009. In 2012, risk management was being developed for Paradise Park Company Limited ("PDP"), Paradise Retails Company Limited ("PDR"), MBK Guarantee Company Limited ("MBK-G"), T Leasing Company Limited ("TLS"), and Apple Auto Auction (Thailand) Company Limited ("AAA"). In 2013 the risk management system was being processed for Riverdale Golf and Country Club (RDGCC) and Plan Estate Co.,Ltd. (PST) In 2014, the risk system management for MBK Food and Entertainment Company Limited (MBK-FE), MBK Food Island Company Limited (MBK-FI), and MBK Food System Company Limited (MBK-FS) was under development.

Risks in all levels of the organization and may directly affect the business can be divided into 5 aspects:

1. **Strategic Risk** is the risk in important strategies and policies of the Company. It could arise from an appropriate strategy or the operation by the strategy or the inconsistency of the policy, target, strategy, organization's structure, the state of competition, resources, plan implementation and environment. However, the Company has always followed up on important strategies and plans that can affect the Company' strategic goals.

2. **Operational Risk** is the risk that could arise from every operation process. It covers all factors related to the process, tools, IT, and personnel that could affect the operation of the organization. However, the Company has set up a clear operational process and a measure to supervise the work of each unit that could cause damage on the organization so that the operation can be correct and appropriate.

3. **Financial Risk** is the risk that could arise out of the ineffectiveness of budget, financial problems and risks that could affect the performance and financial status of the organization. The Company has always generated sufficient fund in time to reduce the risks that could affect the Company's investments.

4. **Compliance Risk** is the risk that could arise out of the inability to comply by the related rules and laws. It could be that the rules and laws were not appropriate and become an obstacle to the operation. However, the Company has also considered the compliance by the rules within and outside the organization as well as important laws by supervising and examining the strict compliance by the related rules and laws.

5. **Hazard Risk** is the risk that could affect the life safety of customers, tenants, employees and the organization's property. The hazard could come from both internal and external factors. The Company has set up a policy and safety measure to strictly prevent such risk that could cause damage to the Company.

Additionally, in regards to the investments in different projects, the Risk Management Committee (RMC) in each level (MBK GROUP / BU / MBK Center) has implemented a rule stipulating that the request for the approval of the budget exceeding 10 million Baht requires a risk analysis and an approval from the relevant directors. The Risk Management Committee (RMC) must always be informed to prevent any investment risk of the Company.

The Company continues to track the execution of risk management. All levels are required to submit a quarterly risk management report in order to reduce the risk to an acceptable level and allow the risk management plan to be reviewed and updated annually.

CODE OF ETHICS AND CODE OF CONDUCT

The Board of Directors has made available the Code of Ethics and the Code of Conduct for directors, executives and Company's staff. They serve as guidelines for all directors, executives and staff of the Company and its subsidiaries in carrying out their duties in honest, upright and fair manner. The purpose is to ensure that the Company's conduct of business affairs meets with the established objectives, taking into consideration the responsibility towards all groups of stakeholders including shareholders, customers, trading partners, competitors, creditors, staff, society, communities, as well as the environment. The codes also help enhance the positive corporate image that will bring greater stability to the Company. Adhering to the codes is also in line with the Company's good corporate governance principles.

In 2009, the Board of Directors improved the codes, making them clear and in line with the policy on the good corporate governance, which was also improved. The codes have been announced and the related compliance manuals have been prepared. Having been distributed to the directors, executives and employees of the Company as well as its subsidiaries, the compliance manuals serve as guidelines for performing their responsibilities. Newly recruited employees will be provided with training on basic code of ethics and code of conduct, ensuring that they have a correct understanding and are able to put them into practice. The Company also regularly and continuously organizes activities aimed at providing all its employees with the knowledge about the codes and inculcating in them the consciousness of the codes.

The Company had determined to monitor and supervise the committee, the executives and employees to practice in accordance to the business ethic and code of ethics by assigning all the employees to acknowledge and understand the business operation ethics handbook that the Company had established and to use it as a guideline to perform their duties with integrity, honesty, and fairness. Those who refrain will be investigated and appropriate disciplinary punishment will be

made, which may be to the extent of termination of employment and even legal action made be in the case of illegal conduct.

CONFLICTS OF INTEREST

The Board of Directors has adopted a policy and various measures that serve as guidelines for dealing with conflicts of interest. The policy and the measures are in compliance with the guidelines given by the Stock Exchange of Thailand. In this connection, all employees of the Company are required to take into consideration the best interest of the Company when they make business decisions. In addressing conflicts of interest, the employees have to consider carefully and adhere to the principles of honesty, integrity and rationality a well as independence within the framework of good ethics. The Board of Directors also ensures that complete information is disclosed, mainly in the best interest of the Company. In considering and deciding on matters which require approval, those with conflicts of interest or those who are involved in the matters under consideration are prohibited from participating in the process. At the meetings of the Board of Directors in the past year, if there was an agenda item in which a director might have a conflict of interest, the director concerned would refrain from giving opinions or voting on the item. In this connection, the Audit Committee is responsible for giving opinions on the related party transactions or any transactions which might involve a conflict of interest, in an appropriate and careful manner and in compliance with the requirements imposed by the Stock Exchange of Thailand. The information about the transactions has to be disclosed in the annual report.

As regards the transactions which might involve a conflict of interest, the Audit Committee will consider such transactions in an appropriate and careful manner and in compliance with the requirements imposed by the Stock Exchange of Thailand before proposing them to the Board of Directors for consideration and approval. The information about the transactions has to be disclosed in the annual report (Forms 56-1 and 56-2).

To follow the code of efficient Company, committees and executives have to report their advantages and disadvantages according to laws and regulations. Also, they must send documents to the secretary of the Company as crucial information of the benefit control for the committees, executives, administrators and affiliated companies.

In 2014, there was no event that showed inappropriate behavior or practice involving a conflict of interest.

SUPERVISION OF USE OF INSIDE INFORMATION

The Company places strong emphasis on the supervision of use of inside information. As a result, it has adopted a policy on good corporate governance. As well, it has established its Code of Ethics and the Code of Conduct. The directors, executives and staff are prohibited from using inside information for their own benefit by taking advantage of their positions. They are also prohibited from getting involved in either any business that competes with the Company or any other related businesses. As well, they shall not use inside information in trading the company shares for their own or others' benefit. The related details are as follows:

SUPERVISION OF USE OF THE COMPANY'S INSIDE INFORMATION

The Board of Directors, executives or staffs who have access to inside information are prohibited from disclosing it to any third party or person who is not involved in the matter. They are also prohibited from using the information for their own benefit.

CHANGES IN SHAREHOLDINGS

Members of the Board of Directors and executives including their spouses and minor children are required to prepare and disclose reports annually to the Securities and Exchange Commission (SEC) when there are changes in their holdings of shares in MBK Public Company Limited, in compliance with Section 59 of Securities and Exchange Act B.E. 2535.

TRADING OF COMPANY SHARES

They are prohibited from trading the company shares before the financial statements are disclosed to the public. The Company issues a notification prohibiting the share trading every time before the disclosure schedule.

In 2014, there was no event that showed inappropriate behavior's supervision of use of inside information.

PROFILES OF DIRECTORS AND EXECUTIVE MANAGEMENT OF THE COMPANY

THE BACKGROUND AND DESIGNATION DETAILS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT AS OF DECEMBER 31, 2014

NAME-SURNAME/ POSITION	Age (years)	HIGHEST EDUCATION	Shareholding in MBK				Shareholding in MBK includes MBK's shares held by their spouse and minor child				RELATIONSHIP				
			31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares : Increase (decrease) during the year	31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
BOARD OF DIRECTORS															
1 Mr. Banterng Tantivit Chairman	70	- Master of Science (Finance) in Management, Massachusetts institute of Technology (M.I.T.), U.S.A.	-	-	-	-	-	-	-	-	Mr. Banterng Tantivit is the father of Mr. Atipon Tantivit	7	2	-	
2 Mr. Suphadej Poonpipat Vice Chairman and Member of the Compensation and Nomination Committee	64	- Master of Science, University of Wisconsin, U.S.A.	-	-	-	-	-	-	-	-	-	9	4	-	
3 Professor Paichitr Rojanavanich Independent Director and Chairman of the Audit Committee	86	- MGA, Fiscal Policy, University of Pennsylvania, U.S.A. - Higher Diploma in Accountancy (equivalent with the master's degree) Thammasat University - Bachelor of Law, Thammasat University - College Diploma, National Defence Batch 25, Year 1982, National Defence College	-	-	-	-	-	-	-	-	-	2	3	-	

5 YEARS PREVIOUS WORKING EXPERIENCE			DETAILS OF TRAINING PROGRAM FROM IOD				ILLEGAL RECORD
PERIOD	POSITION	NAME OF COMPANY-AGENCY	Do not pass	Passed	IOD Course	Year	
2006 - Present	- Chairman of the Board of Directors	- MBK Public Company Limited ("MBK")		✔	DAP	2004	None
1989 - Present	- Chairman of the Executive Committee	- MBK					
1989 - 2006	- Chairman of the Board of Directors	- MBK					
Present	- Chairman of the Board of Directors and Director	- The subsidiaries and associates of MBK as shown on page 138-139					
Sep 2012 - Present	- Chairman of the Board of Directors	- Thanachart Insurance Public Company Limited					
2003 - Present	- Director	- B.V. Holding Company Limited					
2002 - Present	- Chairman of the Board of Directors	- Thanachart Bank Public Company Limited					
2001 - Present	- Advisor	- Patum Rice Mill and Granary Public Company Limited					
	- Advisor	- Dusit Thani Public Company Limited					
1997 - Present	- Chairman of the Board of Directors	- Thanachart Capital Public Company Limited					
1987 - Present	- Director	- Dee Buk Company Limited					
	- Director	- Thai Farming Company Limited					
2006 - Present	- Vice Chairman of the Board of Directors	- MBK		✔	DAP	2004	None
2003 - Present	- Vice Chairman of the Executive Committee	- MBK		✔	RCC	2012	
2002 - Present	- Member of the Compensation and Nomination Committee	- MBK		✔	RCP	2012	
	- Director	- The subsidiaries and associates of MBK as shown on page 138-139		✔	FGP	2012	
2007 - Present	- Director	- Royal Orchid Hotel (Thailand) Public Company Limited					
2007 - Present	- Director	- Thai Royal Orchid Real Estate Company Limited					
2005 - Present	- Vice Chairman of the Board of Directors and Chairman of the Executive Committee	- Thanachart Bank Public Company Limited					
	- Director and Chairman of the Executive Committee	- Thanachart Insurance Public Company Limited					
Sep 2012 - Present	- Vice Chairman of the Board of Directors	- Thanachart Insurance Public Company Limited					
2003 - Present	- Director	- Siam Piwat Company Limited					
2006 - Present	- Director	- Siam Piwat Holding Company Limited					
2011 - Sep 2012	- Vice Chairman of the Board of Directors	- Patum Rice Mill and Granary Public Company Limited					
Sep 2012 - Present	- Chairman of the Board of Directors and Chairman of the Executive Committee	- Patum Rice Mill and Granary Public Company Limited					
2007 - Present	- Vice Chairman of the Board of Directors and Chairman of the Executive Committee	- Thanachart Capital Public Company Limited					
2010 - Present	- Chief Executive Officer	- Thanachart Capital Public Company Limited					
Present	- Independent Director and Chairman of the Audit Committee	- MBK		✔	ACP	2006	None
				✔	DAP	2004	
	- Independent Director and Chairman of the Audit Committee	- Muramoto Electron (Thailand) Public Company Limited		✔	DCP	2003	
	- Independent Director and Chairman of the Audit Committee	- G Steel Public Company Limited					
1993 - Present	- Chairman of the Board of Directors	- The Far East Law Office (Thailand) Company Limited					
1985 - Present	- Chairman of the Board of Directors	- Karn Jean Company Limited					

NAME-SURNAME/ POSITION	Age (years)	HIGHEST EDUCATION	Shareholding in MBK				Shareholding in MBK includes MBK's shares held by their spouse and minor child				RELATIONSHIP				
			31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares : Increase (decrease) during the year	31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
4 Ms. Prakong Lelawongs Independent Director and Member of the Audit Committee	84	- Master of Business Administration, Pennsylvania University, U.S.A.	2,155,000	0.114%	215,500	-	-	-	-	-	-	1	1	-	
5 Mr. Pracha Jaidee Independent Director and Member of the Audit Committee	59	- Master of Business Administration, Kasetsart University	-	-	-	-	-	-	-	-	-	2	1	-	
6 First Lieutenant Chatrachai Bunya-Ananta Independent Director and Chairman of the Compensation and Nomination Committee	82	- Bachelor of Arts in Economics University of Wales, England - Management Technique Program , Harvard, U.S.A. - College Diploma, National Defence Batch 28, Year 1985/1986, National Defence College	-	-	-	-	-	-	-	-	-	2	4	-	
7 Ms. Panit Pulsirivong Independent Director and Member of the Compensation and Nomination Committee	66	- Honorary Degree of Director of Philosophy Faculty of Journalism and Mass Communication, Thammasat University - Master of Arts Faculty of Journalism and Mass Communication, Thammasat University	404,990	0.021%	40,499	-	-	-	-	-	-	3	1	3	
8 Mr. Piyaphong Artmangkorn Director	57	- Master Degree, Public Administration (Taxation), University of Southern California, U.S.A.	-	-	-	-	-	-	-	-	-	1	1	-	

5 YEARS PREVIOUS WORKING EXPERIENCE				DETAILS OF TRAINING PROGRAM FROM IOD				ILLEGAL RECORD
	PERIOD	POSITION	NAME OF COMPANY-AGENCY	Do not pass	Passed	IOD Course	Year	
	2003 - Present	- Independent Director and Member of the Audit Committee	- MBK		✔	DCP	2005	None
					✔	DAP	2004	
	1993 - Present	- President	- Alpha Business Center Company Limited					
	2007 - Present	- Independent Director and Member of the Audit Committee	- MBK		✔	ACP	2007	None
					✔	DAP	2004	
	2006 - Present	- Director	- Batan Marble Company Limited					
	2004 - Present	- Member of the Audit Committee	- MBK Resort Public Company Limited					
	2004 - Present	- Advisor	- MBK Resort Public Company Limited					
	2006 - Present	- Chairman of the Compensation and Nomination Committee	- MBK		✔	DAP	2005	None
					✔	DCP	2005	
	1998 - Present	- Independent Director	- MBK					
	Present	- Chairman of the Board of Directors	- Royal Orchid Hotel (Thailand) Public Company Limited					
	1998 - Present	- Director	- The subsidiaries and associates of MBK as shown on page 138-139					
	Present	- Director	- Dusit Thani Public Company Limited					
		- Director	- Italian-Thai Development Public Company Limited					
	1998 - 2006	- Member of the Audit Commitee	- MBK					
	2006 - Present	- Independent Director and Member of the Compensation and Nomination Committee	- MBK		✔	RCC	2009	None
					✔	ACP	2006	
	Present	- Chairman of the Board of Directors and General Manager	- Naew Na Newspaper Company Limited		✔	DCP	2005	
					✔	DAP	2004	
	1974 - Present	- Executive Director	- World Express Company Limited					
	1988 - Present	- Managing Director	- Naew Na Network Company Limited					
	2002 - 2005	- Director	- United Way of Thailand, Thailand, National Council on Social Welfare of Thailand					
	2008 - Present	- Honorary Advisor to the Committee	- Committee on Social Development and Children, Youth, Women, the Elderly, the Disabled and the Underprivileged Affairs of the Senate, Kingdom of Thailand					
	2008 - Present	- Advisor	- Administrative Office Bearers of the National Council on Social Welfare of Thailand					
	1998 - Present	- Director	- MBK		✔	DAP	2003	None
	2006 - Present	- Member of the Executive Committee	- MBK					
	2005 - Present	- Executive Vice President	- Thanachart Bank Public Company Limited					
	2005 - Feb. 2009	- Chairman of the Board of Directors and Chairman of the Executive Committee	- Thanachart Securities Public Company Limited					
	2001 - 2008	- Director	- Thai Royal Orchid Real Estate Company Limited					
	2000 - 2008	- Director	- Royal Orchid Hotel (Thailand) Public Company Limited					
	2005 - 2007	- Director and Executive Director	- Thanachart Capital Public Company Limited					

NAME-SURNAME/ POSITION	Age (years)	HIGHEST EDUCATION	Shareholding in MBK				Shareholding in MBK includes MBK's shares held by their spouse and minor child				RELATIONSHIP				
			31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares : Increase (decrease) during the year	31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
9 Mr. Suvait Theeravachirakul Director and CEO	55	- Master of Business Administration, Wagner College, New York, U.S.A. - Chief Executive Program, Class 10, Capital Market Academy (CMA) - Anti-Corruption Strategic Management course for Senior Executives, Class 5 Sanya Dharmasakti Anti-Corruption Institute	1,287,000	0.068%	128,700	-	130,000	0.007%	13,000	-	-	67	6	1	
10 Mr. Hatchapong Phokai Director	53	- Master of Business Administration, Chulalongkorn University	-	-	-	-	-	-	-	-	-	10	1	-	
11 Mr. Atipon Tantivit Director	38	- Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration, Chulalongkorn University	-	-	-	-	6,450,000	0.342%	645,000	-	Mr. Atipon Tantivit is a son of Mr. Banterng Tantivit	10	1	-	
EXECUTIVE MANAGEMENT 1 Mr. Suvait Theeravachirakul President and CEO															
2 Mr. Pongsak Sabdasen Senior Executive Vice President, Office of President	63	- M.S. Industrial Management, Marywood College Scranton P.A., U.S.A.	-	-	-	-	-	-	-	-	-	3	1	-	
3 Mr. Kasemsuk Chongmankhong Senior Executive Vice President, Finance and Administration	55	- Master of Accounting, Thammasat University	-	-	-	-	-	-	-	-	-	59	2	1	
4 Mr. Sakchai Kengkijkosol Senior Executive Vice President, Operation	59	- Master of Business Administration, Chulalongkorn University	-	-	-	-	-	-	-	-	-	14	1	-	

5 YEARS PREVIOUS WORKING EXPERIENCE			DETAILS OF TRAINING PROGRAM FROM IOD				ILLEGAL RECORD
PERIOD	POSITION	NAME OF COMPANY-AGENCY	Do not pass	Passed	IOD Course	Year	
2002 - Present	- Director and CEO	- MBK		✔	SFE	2010	None
2002 - Present	- Member of the Executive Committee	- MBK		✔	ACP	2006	
	- President	- MBK		✔	DCP	2001	
Present	- Chairman of the Board of Directors and Director	- The subsidiaries and associates of MBK as shown on page 138-139					
2011- Present	- Director	- Golden Lime Company Limited					
2007 - Present	- Independent Director and Member of the Audit Committee	- IFS Capital (Thailand) Public Company Limited					
2005 - Present	- Independent Director and Member of the Audit Committee and Member of Risk Management Committee	- Thai Rung Union Car Public Company Limited					
2009 - Present	- Vice Chairman of the Executive Committee	- Patum Rice Mill and Granary Public Company Limited					
2000 - Present	- Director	- Royal Orchid Hotel (Thailand) Public Company Limited					
1994 - Present	- Director	- Vachirachat Company Limited					
2000 - Present	- Director	- MBK		✔	DAP	2004	None
Present	- Director	- The subsidiaries and associates of MBK as shown on page 138-139					
2000 - 2007	- Director	- NFS Asset Management Company Limited					
1999 - 2004	- Director	- Thanachart Securities Public Company Limited					
2003 - Present	- Director	- MBK		✔	DCP	2006	None
2000 - Present	- Managing Director	- B.V.Holding Company Limited					
2000 - Present	- Director	- G.M.R.Company Limited					
2000 - Present	- Director	- Kata Villages Company Limited					
2000 - Present	- Director	- Learmsai Villages Company Limited					
2000 - Present	- Director	- Phuket Development Company Limited					
2000 - Present	- Director	- A.T. Design and Jewelry Company Limited					
2000 - Present	- Director	- Thai Farming Company Limited					
2003 - Present	- Director	- B.V. Company Limited					
2003 - Present	- Director	- S.L.S Holding Company Limited					
Present	- Director	- A.T. Venture Media Company Limited					
The details of Mr. Suvait Theeravachirakul was shown on the part of the Board of Directors' background							
2006 - Present	- Senior Executive Vice President, Office of President	- MBK		✔	DCP	2004	None
Present	- Director	- The subsidiaries and associates of MBK as shown on page 138-139					
2000 - 2006	- Senior Executive Vice President, Operation	- MBK					
2003 - Present	- Senior Executive Vice President, Finance and Administration	- MBK		✔	DCP	2004	None
Present	- Director	- The subsidiaries and associates of MBK as shown on page 138-139					
2006 - Present	- Senior Executive Vice President, Operation	- MBK		✔	DCP	2009	None
Present	- Director	- The subsidiaries and associates of MBK as shown on page 138-139					
2005	- General Manager	- K K World Real Estate Company Limited					

NAME-SURNAME/ POSITION	Age (years)	HIGHEST EDUCATION	Shareholding in MBK				Shareholding in MBK includes MBK's shares held by their spouse and minor child				RELATIONSHIP				
			31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares : Increase (decrease) during the year	31 Dec.* 2014	(%)	31 Dec. 2013	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
5 Ms. Yupapun Paritranun Senior Executive Vice President, Internal Audit	50	- Master of Science, Chulalongkorn University - Certified Internal Auditor (CIA), The Institute of Internal Auditors, U.S.A.	89,000	0.005%	8,300	6,000	-	-	-	-	-	1	1	-	
6 Mr.Somphol Tripopnart Senior Executive Vice President, Sales Division	56	- Master of Business Administration (M.B.A.) Kasetsart University	-	-	-	-	-	-	-	-	-	-	1	-	
7 Mr. Apichat Kamoltham Executive Vice President Legal Division	54	- Master of Law Ramkhamhaeng University - Barrister at Law, Thai Bar Association	-	-	-	-	-	-	-	-	-	38	1	-	
8 Ms. Supissara Thongmalai Executive Vice President Marketing Division	44	- Master of Science in Management State University of New York at Oswego - Bachelor of Political Science and Government Chulalongkorn University	-	-	-	-	-	-	-	-	-	-	1	-	
SECRETARY OF THE COMPANY															
1 Miss Dararat Homrossukhon Secretary of the Company	47	- MA in Applied Economic Policy Analysis, Northeastern University, Boston, MA., USA - MBA in Finance, Kasetsart University - BBA in Finance, Thammasat University - Company Secretary Program (CSP # 32/2009) - Effective Minute Taking (EMT # 19/2011)	1,180,000	0.063%	118,000	-	-	-	-	-	-	-	1	-	

Note *On 9 April 2014, the Annual General Meeting of the Company's shareholders for the year 2014 passed a resolution to approve the changing of the par value of the Company's shares from Baht 10 each to Baht 1 each. Therefore, the registered ordinary shares will be changed from 188,629,100 shares to 1,886,291,000 shares

5 YEARS PREVIOUS WORKING EXPERIENCE				DETAILS OF TRAINING PROGRAM FROM IOD				ILLEGAL RECORD
	PERIOD	POSITION	NAME OF COMPANY-AGENCY	Do not pass	Passed	IOD Course	Year	
	2009 - Present 2000 - 2009 2000 - 2013 2004 - Present 2000 - 2003	- Senior Executive Vice President, Internal Audit - Executive Vice President, Internal Audit - Acting Vice President, Management Audit Department - Director - Acting Vice President, Operational Audit Department	- MBK - MBK - MBK - The subsidiaries and associates of MBK as shown on page 138-139 - MBK		✔	DCP	2005	None
	2013-Present 2008-2013 2002-2008 2006-2007	Senior Executive vice president Sales Division Executive Vice President Marketing director Independent Director	MBK Islamic Bank of Thailand krungthai panich insurance public company limited Ua Withya Public Company Limited		✔	DCP	2006	None
	2010 - Present 2007 - 2010 2005 - 2007	- Executive Vice President, Legal - Acting Vice President, Case & Juristic Person Department - Director - Vice President Case & Juristic Person Department - Vice President of Legal & Debt Collection Department	- MBK - MBK - The subsidiaries and associates of MBK as shown on page 138-139 - MBK - Navaleasing Public Company Limited		✔	DCP	2011	None
	2013 - Present 2010 - 2013 2007 - 2010	- Executive Vice President Marketing - Marketing Director - Senior Marketing Manager	- MBK - Shwe Taung Development - The Mall Shopping Complex					None
	2008 - Present 2005 - Present 2005 - 2009	- Secretary of the Company and Vice President Compliance Department - Secretary of the Executive Committee - Vice President Business Investment	- MBK - MBK - MBK					None

LIST OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT ENTITLED IN MBK'S SUBSIDIARIES AND ASSOSIATES AS OF DECEMBER 31, 2014

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT / COMPANIES	MBK Shopping Center Company Limited	Paradise Park Company Limited	Paradise Retails Company Limited	Siam Delice Company Limited	Glas Haus Building Company Limited	Glas Haus Ratchada Company Limited	MBK Smart Force Company Limited	The nine center Company Limited	MBK Center Company Limited	MBK Bangyai Company Limited	MBK Square Company Limited	MBK Chiangmai Company Limited	PT Retail Corporation Limited	Siam Piwat Company Limited	Siam Piwat Holding Company Limited	MBK Hotels and Tourism Company Limited	MBK Business Company Limited	Tantara Gallery Company Limited	Paemala Spa Company Limited	MBK Hotels and Resorts Company Limited	Supsiriithanee Company Limited	Lanta Land Development Company Limited	MBK Capital Company Limited	Royal Orchid Hotel (Thailand) Public Company Limited	Thai Royal Orchid Company Limited	Sheraton Royal Orchid Company Limited	DMS Property Investment Private Limited	Riverdale Golf and Country Club Company Limited	MBK Resort Public Company Limited	Nasset Property Fund1	Phuket Loch Palm Golf Club Company Limited	Lam Luk Ka Golf and Country Club Company Limited	MBK Real Estate Company Limited	Plan Estate Company Limited	Crystal Lake Properties Company Limited	C L P Management Company Limited	Plan Appraisal Company Limited	Lan Bangna Company Limited
The Board of Directors																																							
Mr. Banterng Tantivit														/	/															x					x				
Mr. Suphadej Poonpipat														/	/									/	/		/		/					/				
Professor Paichitr Rojanavanich																																							
Ms. Prakong Lelawongs																																							
Mr. Pracha Jaidee																														///									
First Lieutenant Chatrachai Bunya-Ananta																								x	/	/													
Ms. Panit Pulsirivong																																							
Mr. Piyaphong Artmangkorn																																							
Mr. Suvait Theeravachirakul	x	x	x	/	x	x	x	x	x	x	x	x		/	/	x	x				x	x	x	x	/	/	/	/	x	/	x	x		x	/	x	x	x	x
Mr. Hatchapong Phokai																													/	/					/	/	/	/	/
Mr. Atipon Tantivit																																							
Executive Management																																							
Mr. Suvait Theeravachirakul	x	x	x	/	x	x	x	x	x	x	x	x		/	/	x	x				x	x	x	x	/	/	/	/	x	/	x	x		x	/	x	x	x	x
Mr. Pongsak Sabdasen																														/		/							
Mr. Kasemsuk Chongmankhong	/	/	/	/	/	/	/	/	/	/	/	/	/			/	/	/	/		/	/	/	/					/	/	/	/		/	/	/	/	/	/
Mr. Sakchai Kengkijkosol	/	/	/	/	/	/	/	/	/	/	/	/																											
Ms. Yupapun Paritranun																																							
Mr. Somphol Tripopnart																																							
Mr. Apichat Kamoltham					/	/	/	/	/	/	/	/					/					/	/	/					/		/			/		/	/	/	/
Ms. Supissara Thongmalai																																							

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT / COMPANIES	Kathu Land Company Limited	MBK Residence Company Limited	MBK Sukhumvit Company Limited	MBK Realty Company Limited	Pathum Rice Mill and Granary Public Company Limited	PRG Granary Company Limited	Ratchasrima Rice Company Limited	MBK Food and Entertainment Company Limited	MBK Food Island Company Limited	Innofood (Thailand) Company Limited	Sima Pac Company Limited	MBK Food System Company Limited	MBK Suki Number One Company Limited	MBK Guarantee Company Limited	Primacy Elegance Investments Limited	MBK Premium Company Limited	T leasing Company Limited	M G 1 Company Limited	M G 3 Company Limited	M G 4 Company Limited	T Consultant Company Limited	Max Asset Management Company Limited	Siam City Life Assurance Public Company Limited	Apple Auto Auction (Thailand) Company Limited	MBK Advanced Company Limited	MBK Training Center Company Limited	MBK Broker Company Limited	MBK Insurance Broker Company Limited	MBK Service Solution Company Limited	X-Gen Premium Company Limited	MBK Asset Company Limited	Absolute Travel Company Limited	MBK Leisure Company Limited	Ma Boonkhrong Silichai Enterprise Company Limited	Puen Pob Paet Company Limited	ICONSIAM Company Limited	The ICONSIAM Residences Corporation Limited	The ICONSIAM Superlux Residence Corporation Limited
The Board of Directors																																						
Mr. Banterng Tantivit																																						
Mr. Suphadej Poonpipat					/																			/													
Professor Paichitr Rojanavanich																																						
Ms. Prakong Lelawongs																																						
Mr. Pracha Jaidee																																						
First Lieutenant Chatrachai Bunya-Ananta																																						
Ms. Panit Pulsirivong																																						
Mr. Piyaphong Artmangkorn																																						
Mr. Suvait Theeravachirakul	×	×	×	×	/	/	/	×	×	/	/	×	×	×	/	×	×	×	×	×																	
Mr. Hatchapong Phokai		/		/																																		
Mr. Atipon Tantivit																																						
Executive Management																																						
Mr. Suvait Theeravachirakul	×	×	×	×	/	/	/	×	×	/	/	×	×	×	/	×	×	×	×	×				/	×	×	×	×	×	×	×	×	×	×	/	/	/	/
Mr. Pongsak Sabdasen																																						
Mr. Kasemsuk Chongmankhong	/	/	/	/	/	/	/	/			/		/	/		/	/	/	/	/					/	/	/	/	/	/	/	/	/	/				
Mr. Sakchai Kengkijkosol														/	/	/	/	/	/	/																	
Ms. Yupapun Paritranun																								/													
Mr. Somphol Tripopnart																																						
Mr. Apichat Kamoltham	/	/	/										/	/		/				/																	
Ms. Supissara Thongmalai																																						

Note x = Chairman / = Director // = Chairman of the Audit Committee /// = Member of the Audit Committee = Subsidiaries = Associates

RELATED TRANSACTIONS

POLICY ON MBK'S RELATED TRANSACTIONS

The board of Directors and the Audit Committee consider and give opinions about related transactions or transactions possibly causing conflicts of interest between MBK and its subsidiaries by holding principles of prudence, rationality, fairness, consideration of stakeholders' involved interest, and disclosure of sufficient information to comply with rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

In the previous year there were related transactions between MBK and subsidiaries and related parties. MBK disclosed the transactions in the notes to the financial statements for the year ended 31 December 2014 (No 6). However, there is additional information to be disclosed as follows:

1. STOCK BUY OF ORDINARY SHARES OF SIAM CITY LIFE ASSURANCE PUBLIC CO., LTD. ("SCI LIFE") BETWEEN MBK PUBLIC CO., LTD. ("MBK") (BUYER) AND THANACHART BANK PUBLIC CO., LTD. ("TBANK") (SELLER)

1. Transaction Date — March 5, 2014
2. Details of Parties

Name of MBK or its subsidiaries' partners of contract and parties related to partners of contract	Relationship		Shareholding Proportion (of paid-in capital)	Name of Interested Director
	Status to MBK	Shareholder		
Thanachart Bank Public Co., Ltd. ("TBANK")	- A direct subsidiary of TCAP which is a major shareholder of MBK	TCAP	50.96 %	1. Mr. Banterng Tantivit 2. Mr. Suphadej Poonpipat 3. Mr. Piyaphong Artmangkorn
Thanachart Capital Public Co., Ltd. ("TCAP")	- A major shareholder of MBK	-	-	

3. Details of disposed share
   - 3.1 Type of share — Ordinary shares of Siam City Life Assurance Public Co., Ltd
   - 3.2 Nature of Business Operation — Life Insurance
   - 3.3 Authorized and paid-up share capital
     - 3.3.1 Registrar capital — 1,000,000,000 Baht
     - 3.3.2 Paid-up capital — 700,000,000 Baht
     - 3.3.3 Ordinary shares — 70,000,000 shares
     - 3.3.4 Par value — 10 Baht per share
   - 3.4 Shareholding structure

Detail	Shareholding before the Transaction			Shareholding after the Transaction		
	Type of Share			Type of Share		
	Ordinary Shares	Preferred Shares	Portion of Shares (%)	Ordinary Shares	Preferred Shares	Portion of Shares (%)
1. TBANK	69,999,994	-	99.99999	-	-	-
2. Minority shareholders	6	-	0.00001	-	-	-
3. TCAP	-	-	-	37,450,000	-	53.50
4. MBK	-	-	-	32,550,000	-	46.50
Total	70,000,000	-	100.00000	70,000,000	-	100.00

4. Source of fund Working capital of the company
5. Connected transaction which calculated from the financial statement as of December 31, 2013
   5.1 Selling price amount of THB 418,500,000
   5.2 The connected transaction size is 2.97% of NTA
6. Need and appropriateness of the transaction

The Board of Directors and the Audit Committee have same opinions of the acquisition of ordinary shares of Siam City Life Assurance Public Company Limited from Thanachart Capital Public Company Limited ("TCAP"), is reasonable and fair because the selling price was calculated by the Discounted Cash Flow model which is an appropriate method.

2. STOCK SALE OF ORDINARY SHARES OF MBK SUKI NUMBER ONE CO., LTD. ("MBK-SK") BETWEEN MBK PUBLIC CO., LTD. ("MBK") (SELLER) AND MBK FOOD AND ENTERTAINMENT CO., LTD. ("MBK-FE") (BUYER)

1. Transaction Date October 13, 2014
2. Details of Parties

Name of MBK or its subsidiaries' partners of contract and parties related to partners of contract	Relationship		Shareholding Proportion (of paid-in capital)	Name of Interested Director
	Status to MBK	Shareholder		
MBK Suki Number One Co., Ltd. ("MBK-SK")	- A direct subsidiary	MBK	100%	1. Mr. Suphadej Poonpipat 2. Mr. Suvait Theeravachirakul
MBK Food and Entertainment Co., Ltd. ("MBK-FE")	- An indirect subsidiary - An indirect subsidiary	PRG PMS	75.00% 25.00%	
Patum Rice Mill and Granary Public Co., Ltd. ("PRG")	- A direct subsidiary - A major shareholder of MBK	MBK PRG	74.52% 26.47%	
Paemala Spa Co., Ltd. ("PMS")	- An indirect associates	MBK-BUS	25.00%	

Name of MBK or its subsidiaries' partners of contract and parties related to partners of contract	Relationship		Shareholding Proportion (of paid-in capital)	Name of Interested Director
	Status to MBK	Shareholder		
MBK Business Co., Ltd. ("MBK-BUS")	- An indirect subsidiary	MBK	99.99%	

3. Details of disposed share
   - 3.1 Type of share: Ordinary shares of MBK-SK
   - 3.2 Nature of Business Operation: Food Business
   - 3.3 Authorized and paid-up share capital
     - 3.3.1 Registered capital: THB 10,000,000 divided into 100,000 ordinary shares at the par value of THB 100
     - 3.3.2 No. of shares: 100,000 ordinary shares or 100% of the paid up capital
     - 3.3.3 Pricing: Trading in Adjusted Book Value as of 30 Sep. 2014 (Value of THB 8,694,665.14)

Summary of shareholding		
Company	Portion of Shares MBK-SK Shareholding before the Transaction (% of paid-up capital)	Portion of Shares MBK-SK Shareholding after the Transaction (% of paid-up capital)
1. MBK	100.00%	-
2. MBK-FE	-	100.00%
Total	100.00%	100.00%

4. Connected transaction which calculated from the financial statement as of June 30, 2014
   - 4.1 Selling price amount of: THB 8,694,665.14
   - 4.2 The connected transaction size is: 0.0587% of NTA

5. Need and appropriateness of the transaction

The Board of Directors and the Audit Committee have same opinions of the MBK has been selling common stock of MBK Suki Number One Co., Ltd. ("MBK-SK") to MBK Food and Entertainment Co., Ltd. ("MBK-FE"), which is a subsidiary of PRG, is reasonable and fair. Due to the selling price was adjusted book value of MBK-SK, it is an appropriate method.

3. LENDING BETWEEN MBK PUBLIC CO., LTD. ("MBK") (LENDER) AND MAX ASSET MANAGEMENT COMPANY LIMITED ("MAX") (BORROWER)

1. Transaction date: December 15, 2014
2. Details of Parties

Name of MBK or its subsidiaries' partners of contract and parties related to partners of contract	Relationship		Shareholding Proportion (of paid-in capital)	Name of Interested Director
	Status to MBK	Shareholder		
MAX Asset Management Co., Ltd. ("MAX")	- An associates - A subsidiary of TCAP	MBK TCAP	16.56% 83.44%	1. Mr. Banterng Tantivit 2. Mr. Suphadej Poonpipat 3. Mr. Piyaphong Artmangkorn
Thanachart Capital Public Co., Ltd. ("TCAP")	- A major shareholder of MAX - A major shareholder of MBK	-	-	

3. Details of loan

3.1 Details of Lending 58.00 Million Baht

The interest rate Based on MLR + 0.5% p.a. of Thanachart Bank Public Company Limited (MLR currently is 7.125%)

3.2 Conditions of Lending

(1) MBK will grant short-term loan to MAX for working capital on call basis.

(2) The interest bases on MLR of Thanachart Bank Public Company Limited.

3.3 Reason of Lending

For MAX working capital

4. Source of Lending Fund

MBK has cash surplus and/or lending ability, which is better than its associate.

5. Connected transaction which calculated from the financial statement as of September 30, 2014

5.1 Total value of transaction 62,132,500 Baht

(Principle and interest of 1 year)

5.2 The connected transaction size is 0.4027% of NTA

6. Need and appropriateness of the transaction

The Board of Directors and the Audit Committee have the same opinions that MBK Public Company Limited ("MBK") had entered to loan with the credit line of 62,132,500 Baht on call basis to MAX Asset Management Company Limited ("MAX"), which the interest rate is based on MLR + 0.5% p.a. of Thanachart Bank Public Company Limited (MLR currently is 7.125%) was fair and reasonable and it was expected to be beneficial for both parties. Therefore, this is a reasonable transaction.

AUDIT COMMITTEE'S REPORT

DEAR SHAREHOLDERS OF MBK PUBLIC COMPANY LIMITED

The Audit Committee of MBK Public Company Limited consists of three following independent directors with qualifications and expertise in accounting, finances, laws and management.

1.	Professor Paichitr	Rojanavanich	Chairman of the Audit Committee
2.	Mrs. Prakong	Lelawongs	Member of the Audit Committee
3.	Mr. Pracha	Jaidee	Member of the Audit Committee

The head of Company's Internal Audit department as the secretary of the Audit Committee.

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period 2014 the Audit Committee had convened a total of 16 meetings, each of which was attended by all members on the Audit Committee together with the management, internal audit team and auditors to discuss relevant issues and report the meeting outcomes to the Board of Directors. The essence of the work performed can be summarized as follows:

FINANCIAL STATEMENT REPORT

The Audit Committee, the auditors, management division and Internal Audit had reviewed the Company's quarterly and the yearly financial statements as well as the consolidated financial statements of the Company and its subsidiaries. By considering from important aspect and consultation is free to ensure that the internal control process of the Company financial budget is accurate and reliable, as well as to ensure that the disclosure of important information is sufficient and timeliness for the financial statement users. Which is also in accordance with the laws and related notices as well as in accordance with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission and in comply with Financial Reporting Standards. In addition, the Audit Committee had a meeting with the auditors without any executives or management attended the meeting for inquiring about various issues of the results of auditing and the auditors did not have any information or special observation from the audit.

RELATED TRANSACTION OR CONFLICT OF INTEREST TRANSACTION

The Audit Committee had considered and given opinions about connected transactions or transactions that may give rise to a conflict of interest with the Company and its subsidiaries. The purpose is caution, rationality and taking into account the interest of the stakeholders and also includes adequate information in line with the conditions imposed by the Stock Exchange of Thailand.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Audit Committee reviewed the adequacy of the Company's and its subsidiaries' Internal Control Systems and Risk Management by making inquiries and considering based on the reports of the Internal Audit Department and the auditors, along with the implementation of solutions and streamline to significant issues or issues with high risk, as well as acknowledge the reports on unusual events in terms of fraudulent or operational error in order to find the causes and approaches to prevent such incidents in the future. The purpose is to assess the appropriateness and the efficiency of the Company's Internal Control System, risk management, and business operations of the management that are in line with the established policies and the delegation of the authority.

REGULATORY COMPLIANCE AND REGULATIONS

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws relation to the business of the Company and acknowledge the changing of regulations which have an effect on the company's business operation.

GOOD CORPORATE GOVERNANCE

The Audit Committee had reviewed and evaluated on Good Corporate Governance to ensure that the Company manages in accordance with the principles of Good Corporate Governance for Listed Company on the Stock Exchange of Thailand, in order to build confidence and reliability to stakeholders.

INTERNAL AUDIT GOVERNANCE

The Audit Committee had annually reviewed the Charter of the Audit Committee and the Internal Audit Department as well as considered the independence of the Internal Audit Department, its scope of responsibilities and annual audit plan. The Audit Committee also considered the audit report and monitored the implementation of solutions to significant issues mentioned in the audit report. Giving advice on how to improve and streamline the audit performance to be more efficient. The committee also considered the appropriateness of the budget, the workforce, training and personnel development. In addition, the committee considered key performance index (KPI) to evaluate the annual performance of the Internal Audit Department and assigned the department to take Internal Control Self Assessment by using the Internal Audit Standard that is in accordance with the International Standard for the Professional Practice of Internal Auditing.

CONSIDERING THE APPOINTED AUDITORS AND COMPENSATION

The Audit Committee had selected and considered the remuneration of the Auditors of EY Office Company Limited by considering auditors qualifications, knowledge, capabilities, experiences, the audit quality of the previous year, and the independence of the auditors which are in accordance with the regulations of The Stock Exchange of Thailand or any other related department. The Audit Committee sees that the auditors from EY Office Company Limited have good understanding of the Company's business and regulary delivered their work in a timely manner, thus the Board of Directors proposed to the Annual General Meeting of Shareholders of the year 2014 to appoint EY Office Company Limited as the Company's auditors. The appointed auditors are:

Ms. Ratana Jala	Certified Public Accountant license number 3734 and/or
Ms. Nonglak Pumnoi	Certified Public Accountant license number 4172 and/or
Ms. Sumalee Reewarabandith	Certified Public Accountant license number 3970

The Audit Committee deemed that during the accounting period ended on 31st December 2014, the company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the company had established procedures that helped build confidence in Company's operation in accordance with the related laws by having good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.

Professor Paichitr Rojanavanich
Chairman of Audit Committee
25th February 2015

REPORT ON THE RESPONSIBILITY OF THE BOARD OF DIRECTORS TOWARDS FINANCIAL REPORTS

The Company's Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as financial information presented in the annual reports. The financial statements for the year end December 31, 2014 have been prepared in accordance with Thailand's Generally Accepted Accounting Principles (GAAP). In preparing the financial statements, appropriate accounting policies have been adopted and regularly adhered to, using careful discretion and reasonable estimates. As well, key information has been adequately disclosed in the notes to the financial statements. The purpose is to ensure that the disclosed information rightly reflect the Company's financial status, performance and cash flows in transparent manner, which are beneficial to the investing public. Importantly, the certified auditor from EY Office Limited has audited the financial statements and issued an unqualified opinion on them. To enable the auditor to conduct the audit and provide the opinion in line with the audit standards, the Company provides the auditor with its support in terms of information and documents.

The Board of Directors has also put in place and maintained risk management systems, internal control systems, internal audit systems as well as appropriate and efficient corporate governance. The purpose is to ensure that the accounting information is accurate, complete and adequate, and that not only the Company's assets and risk protection are properly maintained but also fraud and significant irregular actions are prevented.

In this connection, the Board of Directors has appointed the Audit Committee with all of its members being independent directors. The Committee is responsible for reviewing accounting policies and ensuring the quality of financial reports. It is also responsible for reviewing internal control systems, the internal audit systems, and the risk management systems. As well, it is responsible for ensuring that the disclosure of information about related party transactions is complete, adequate and appropriate. The opinion of the Audit Committee is given in its report which is already included in this Annual Report.

The Board of Directors is of the opinion that the overall internal control systems are adequate and appropriate and gives rise to the reasonable confidence that the separate financial statements of the Company as well as the consolidated financial statements of the Company and its subsidiaries for the year end December 31, 2014 are reliable and in compliance with the Generally Accepted Accounting Principles (GAAP) as well as the related laws and regulations.

BANTERNG TANTIVIT
Chairman of The Board of Directors

SUVAIT THEERAVACHIRAKUL
President and CEO

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Company's Board of Directors approved the establishment of the Nomination and Remuneration Committee on 23rd February 2007. Currently, the Nomination and Remuneration Committee consists of three members as follows:

1.	First Lieutenant Chatrachai	Bunya-Ananta	Chairman of the Nomination and Remuneration Committee, (Independent director)
2.	Mr. Suphadej	Poonpipat	Member of the Nomination and Remuneration Committee,
3.	Mrs. Panit	Pulsirivong	Member of the Nomination and Remuneration Committee (Independent director)

The Nomination and Remuneration Committee is responsible for searching for qualified candidates for directorship and propose them to the Board of Directors or the meeting of shareholders for consideration. It is also responsible for searching for qualified candidates for the position of President and Chief Executive Officer as well as considering the remuneration of the position. The Committee will appraise the performance of the Chief Executive Officer annually.

For the year 2014, the Nomination and Remuneration Committee carried out its duties cautiously, carefully and in a rational manner. To fill vacancies as a result of the retirement of directors by rotation, the Committee held 1 meeting during the period to review and propose names of candidates who were qualified legally and in compliance with the rules and regulations related to directorship. The Committee also considered the remuneration of the Board of Directors and the various committees. The names of the qualified candidates were proposed to the Board of Directors and the meeting of the shareholders for appointment. The shareholders were also provided with an opportunity to propose names of persons whom they considered appropriate for appointment as directors. As regards the consideration of the remuneration of President and Chief Executive Officer, the Committee took into account the position's duties and responsibilities, the assignments given to the Officer as well as the performance of the Company in comparison with the established targets. The Committee also took into account the real economic conditions and the levels of remuneration earned by the same position in similar industries.

FIRST LIEUTENANT CHATRACHAI BUNYA-ANANTA
Chairman Of The Nomination And Remuneration Committee

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

MBK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2014

Analysis of operating results

1. Overall operating results

The operating results of MBK Public Company Limited and its subsidiaries ("the Group") for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	2014	2013	Increase/Decrease	
Operating revenue	9,114	9,272	(158)	(2%)
Operating profit	1,410	1,420	(10)	(1%)
Share of profit from investments in associates	316	294	22	7%
Other income	650	3,564	(2,914)	(82%)
Finance costs	(411)	(344)	(67)	(19%)
Income tax expense	(361)	(805)	444	55%
Non-controlling interests of the subsidiaries	(13)	(21)	8	38%
Net profit – attributable to equity of the Company	1,591	4,108	(2,517)	(61%)
Earnings per share (Baht)	1.19	2.89	(1.70)	(59%)

Net profit from normal business operations

(Unit: Million Baht)

	For the years ended 31 December			
	2014	2013	Increase/Decrease	
Net profit – attributable to equity of the Company	1,591	4,108	(2,517)	(61%)
Less: Gain on sale of investments–net tax	(156)	(1,665)	1,509	91%
Less: Gain on sale of land–net tax	(41)	(797)	756	95%
Net profit - attributable to equity of the Company (Excluded above extra gains)	1,394	1,646	(252)	(15%)

The overall operating revenue for the years ended 31 December 2014 and 2013 were Baht 9,114 million and Baht 9,272 million, respectively, decreased by Baht 158 million or 2%. The significant increases in revenue were from the shopping center business by Baht 98 million and the real-estate business by Baht 210 million whereas, the decrease in revenue were from the hotel business by Baht 91 million, the food solution business by Baht 261 million and the other business by Baht 123 million.

The net profit attributable to equity of the Company ("the net profit") for the years ended 31 December 2014 and 2013 were Baht 1,591 million and Baht 4,108 million, respectively, decreased by Baht 2,517 million or 61%. The major factors were that during the same period of last year, the Group recognised gain on sale of investment in a subsidiary, gain on sale of investments in available-for-sale marketable securities and gain on sale of land located at Amphur Koh Samui in Surat Thani in the amount of Baht 2,462 million, net of related tax impact. Whereas, in the current year the Group recognized gain on sale of investments in available-for-sale marketable securities and gain on sale of the land in Rayong, a total of Baht 197 million, net of related tax impact.

However, if the mentioned gain on sale of investments and land transactions were excluded, the net profit for the years ended 31 December 2014 and 2013 would be Baht 1,394 million and Baht 1,646 million, respectively, which decreased by Baht 252 million or 15%. The major reasons were the recognition of the new lease agreement with Chulalongkorn University which became effective on 22 April 2013. The new rental rate increased significantly and resulted in the recognition of higher expenses related to such lease agreement for the year 2014 when compared to 2013 which recognized expenses only for 8 months, by Baht 346 million, net of related tax impact. Furthermore, the impact of a major political rally during the first quarter of 2014 and the announcement of martial law, MBK Shopping Center reduced the rental and service fees to assist the tenants amounting to Baht 50 million and Pathumwan Princess Hotel's occupancy rate declined resulted in lower revenue by Baht 75 million when compared to the first quarter of 2013.

2. Revenue and operating results by segment

The Groups' business operations are divided into 8 principal segments as follows:

1. Shopping Center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel business engages in providing for lodging, food and drink, and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.
4. Real-estate business engages in residential for sale, property management and asset appraisal.

5. Food Solution business engages in selling rice for both local and export markets, and the food center business.

6. Finance business engages in providing general loan for housing and bridge loan of which the security is marketable property in good location, and motorcycle hire-purchase business.

7. Other business engages in the business of car and motorcycle auction and motorcycle dealer business.

8. Supporting business performs as back office functions for the Group.

The significant movements in operating revenue and operating profit/(loss) by segment, and other income for the year ended 31 December 2014 when compared to the same period of 2013 were as follows:

2.1 Operating revenue – by segment

(Unit: Million Baht)

	For the years ended 31 December			
Segment	**2014**	**2013**	**Increase/(Decrease)**	
Shopping Center	3,895	3,797	98	3%
Hotel	1,124	1,215	(91)	(7%)
Golf	378	382	(4)	(1%)
Real-estate	539	329	210	64%
Food Solution	1,952	2,213	(261)	(12%)
Finance	1,182	1,171	11	1%
Other	37	160	(123)	(77%)
Supporting	7	5	2	40%
Total	9,114	9,272	(158)	(2%)

The operating revenue of the Group for the years ended 31 December 2014 and 2013 were Baht 9,114 million and Baht 9,272 million, respectively, which decreased by Baht 158 million or 2%. The major changes in operating revenue by segment were as follows:

2.1.1 The revenue of shopping center business increased by Baht 98 million or 3%. The major changes were as follows:

- The revenue of MBK Shopping Center increased by Baht 83 million due to the increase in annual rental rate according to the economic conditions. The overall revenue is still better than the same period of last year although there was a reduction in rental and service fees to assist the tenants amounting to Baht 50 million due to the impact of a major political rally during on 9 January – 2 March 2014.

- The Nine Center opened its new building in February 2014 to operate the second branch of Seri Market and car park service. As a result, the revenue increased by Baht 23 million.

- During the second quarter of 2014, Paradise Park Shopping Center closed the partial space for rent to renovate as a new department store, the second branch of Tokyu Department Store, under the joint venture agreement with Bangkok-Tokyu Department Store Co.,Ltd. in order to provide comprehensive products within the shopping center. The new department store is expected to open in the second quarter of 2015. As a result, the revenue dropped by Baht 30 million.

2.1.2 The revenue of hotel business decreased by Baht 91 million or 7% due to the continuous impact of the political rally and the announcement of martial law that resulted in the lower number of foreign tourists. Consequently, the occupancy rate of Pathumwan Princess Hotel was down and the revenue decreased by Baht 126 million in comparison with the same period of last year.

2.1.3 The revenue of real-estate business increased by Baht 210 million or 64% because the number of transferred houses went up by 57 units resulted in higher revenue by Baht 199 million. The major revenue recognition for sale of houses were from the residential project "Sabai Village 2" in Phuket and the project "Baan Rommai Borwin" in Chonburi which was the project of a new subsidiary acquired on 1 November 2013. In addition, the project "Quinn Condominium" is expected to be completed and recognized income in the third quarter of 2015.

2.1.4 The revenue of food solution business decreased by Baht 261 million or 12%. The major factor was a decrease in sale of rice by Baht 288 million because the government rice-pledging scheme has still impacted on the higher cost of raw materials and higher market competition.

2.1.5 The revenue of other business decreased by Baht 123 million or 77% mainly due to the fact that the two subsidiaries who engaged in motorcycle dealer business ceased its operations since June 2014 resulted in lower revenue by Baht 119 million.

2.2 Operating profit (loss) – by segment

(Unit: Million Baht)

	For the years ended 31 December			
Segment	**2014**	**2013**	**Increase/(Decrease)**	
Shopping Center	896	1,165	(269)	(23%)
Hotel	(81)	33	(114)	(345%)
Golf	14	24	(10)	(42%)
Real-estate	146	(30)	176	587%
Food Solution	54	32	22	69%
Finance	394	219	175	80%
Other	(14)	(22)	8	36%
Supporting	1	(1)	2	200%
Total	1,410	1,420	(10)	(1%)

The operating profit of the Group for the years ended 31 December 2014 and 2013 were Baht 1,410 million and Baht 1,420 million, respectively, decreased by Baht 10 million or 1%. In overall, operating results varied according to the movements of revenue, normal economic conditions, the impact or political turmoil. The significant changes were as follows.

2.2.1 The significant changes in expenses related to the new lease agreement

The agreement granting the right to utilize the shopping center at the Pathumwan intersection expired on 21 April 2013 and the Company extended the lease agreement with Chulalongkorn University for another 20 years starting on 22 April 2013 to 21 April 2033 as disclosed in the note to financial statements no.28. The new lease rental increased according to the economic conditions and competition situation, as a result that MBK Shopping Center and Pathumwan Princess Hotel recognized higher expenses in related to the lease agreement (included depreciation for building, land rental, interest expense, and deferred income tax) for the year 2014 when compared to 2013 that recognized the expenses only for 8 months, by Baht 346 million. Therefore, the overall operating profit of the shopping center business and the hotel business dropped in comparison with the same period of last year.

However, the Group has realized the impact of higher cost of rental and intended to maintain the level of growth in revenue and net operating profit by the followings:

- Adjust annual rental rate according to the economic situation.
- Increase new retail tenants to expand its revenue base after the long-term lease agreement with major tenants expired since April 2013.
- Promote the lending business continuously.
- Develop the new shopping center project "Ha Ha" on Srinakarin Road which the educational zone was opened in April 2014, the commercial zone was partially opened in October 2014 and the remaining area is expected to be opened by 2015.
- Develop the project "Quinn Condominium" on Ratchadapisek Road Soi 17 which opened for sales since March 2013 and will be completed and recognized revenue in the third quarter of 2015.
- Study and develop several new investment projects to fulfill the expected revenue and profit for the group.

2.2.2 Paradise Park Shopping Center partially demolished the building improvement and equipment in order to renovate the rental space to a new Tokyu Department Store as mentioned in no. 2.1.1. The net book value of such fixed assets of Baht 27 million was written-off as expense in 2014.

2.2.3 During 2013, the real-estate business incurred marketing and advertisement expenses to promote the new project under "Quinn Condominium" located on Ratchadapisek Road which already opened pre-unit for sale since March 2013. As a result, the marketing and advertisement expenses for the current year decreased by Baht 56 million.

2.2.4 The operating profit of finance business increased by Baht 175 million or 80% which increased more than the growth of revenue. The major factors were that the motorcycle hire-purchase business strengthened its quality control in the lending process according to the conservative credit policy and improved the collection process of outstanding debt. As a result, bad debt and provision for doubtful accounts decreased by Baht 130 million.

2.3 Other income

(Unit: Million Baht)

	For the years ended 31 December			
	2014	2013	Increase/(Decrease)	
Interest income	32	78	(46)	(59%)
Dividend income	250	236	14	6%
Gain on sale of investments	195	2,098	(1,903)	(91%)
Gain on sale of land and equipment	45	996	(951)	(95%)
Other income	128	156	(28)	(18%)
Total	650	3,564	(2,914)	(82%)

Other income for the years ended 31 December 2014 and 2013 were Baht 650 million and Baht 3,564 million, respectively, decreased significantly by Baht 2,914 million or 82% due to the major transactions as follows:

2.3.1 During 2013, the Group recognized gain on sale of investment in a subsidiary that operated land rental service and gain on sale of investments in available-for-sale marketable securities totaling of Baht 2,098 million (Baht 1,666 million, net of related tax impact).

2.3.2 During 2013, the Group recognized gain on sale of the land in Samui, Surat Thani of Baht 996 million (Baht 797 million, net of related tax impact).

2.3.3 During 2014, the Group recognized gain on sale of investments in available-for-sale marketable securities totaling of Baht 195 million (Baht 156 million, net of related tax impact).

2.4 Finance costs

Finance costs for the years ended 31 December 2014 and 2013 were Baht 411 million and Baht 344 million, respectively, increased by Baht 67 million or 19%. Such increase included the amount of Baht 89 million from amortization of deferred interest expense which was a result of the accounted for liabilities under finance lease agreements related to the new lease agreements with Chulalongkorn University as mentioned in no. 2.2.1. The deferred interest expense is amortised over the leased period.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at 31 December 2014 when compared with the balance as at 31 December 2013 were as follows:

(Unit: Million Baht)

	31 Dec. 2014	31 Dec. 2013	Increase/(Decrease)	
Total assets	37,909	37,921	(12)	-
Total liabilities	21,032	21,970	(938)	(4%)
Total shareholders' equities	16,877	15,951	926	6%

3. Assets

3.1 Current investments and long-term investments

Current investments and long-term investments mainly represented investments in equity securities which are classified as available-for-sale marketable securities. The balance as at 31 December 2014 was Baht 5,645 million, increased by Baht 389 million or 7% primarily due to the increase in purchase of available-for-sale marketable securities, net of sales by Baht 283 million and the increase in fair value of the securities on hand at 31 December 2014 by Baht 62 million.

3.2 Loans to customers

Loans to customers (including current portion) balance as at 31 December 2014 was Baht 5,529 million, decreased sharply by Baht 1,505 million or 21%. The major changes were follows:

- The total decrease in loan to Mah Boonkrong Sirichai Enterprise Co., Ltd. by Baht 1,177 million because on 29 December 2014, the Company is able to exercise control over the financial and operating policies of such company and as a result, loans to other company was classified to investment in subsidiary instead.

- The decrease of Baht 169 million in loan receivables due to the fact that during the current year there were major borrowers repaid their loans before maturity dates which the total repayment amount was greater than the increase of loans amount resulted in lower loans portfolio balance.

- The decrease of Baht 136 million in hire-purchase receivables was mainly due to the strict control over the credit policy as described in no. 2.2.4.

3.3 Inventories

Inventories balance as at 31 December 2014 was Baht 3,009 million, increased by Baht 610 million or 25% due to the increase of Baht 662 million in costs of development property for sale in accordance with the progress of construction work under project "Quinn Condominium". On the other hand, the rice business decreased its stock level by Baht 105 million according to the reduction in sale.

3.4 Investment in associates

Investment in associates balance as at 31 December 2014 was Baht 3,305 million, increased by Baht 550 million or 20%. The significant movements were as follows:

a) On 2 June 2014, the Company purchased the ordinary shares of Siam City Life Assurance Public Company Limited, which engages in life insurance business, amounting to Baht 419 million and representing a 46.5% shareholding, therefore such company became a new associate.
b) The increase of Baht 58 million, from the additional investment in an associate who operates the golf business.
c) The increase of Baht 316 million, from the recognition share of profit under equity method.
d) The decrease of Baht 207 million, from the dividend income.
e) The decrease of Baht 71 million, from the decrease in share capital of an associate that operates asset management business.

3.5 Investment in joint venture

In October 2014, a subsidiary entered in to a joint venture agreement with Bangkok-Tokyu Department Store Co.,Ltd., representing 50% shareholding, to establish PT Retail Corporation Limited with registered share capital amounting to Baht 400 million to operate department store in the area of Paradise Park as mentioned in no. 2.1.1. As at 31 December 2014, the subsidiary partially paid share capital in the amount of Baht 150 million. Therefore, investment in joint venture balance was Baht 149 million.

3.6 Investment properties

Investment properties balance as at 31 December 2014 was Baht 11,003 million, increased by Baht 418 million or 4%. The significant movements were as follows:

	Description	Million Baht
1	The construction costs of a new shopping center "Ha Ha" located on Srinakarin Road Soi 55 or next to Paradise Park Shopping Center	567
2	Land and building for rent – from the change in status of investment in Mah Boonkrong Sirichai Enterprise Co., Ltd from other company to a subsidiary as mentioned in no. 3.2	205
3	The costs of renovation MBK Shopping Center	127
4	The construction costs of building for car park and Seri Market at The Nine Center	71
5	The costs of renovation Paradise Park Shopping Center	68
6	Written-off building improvement and equipment related to the renovation for Tokyu Department Store as mentioned in no. 2.2.2	(27)
7	Sale a plot of land in Rayong	(28)
8	Depreciation for the year	(630)
9	Others	65
	Total net movements	**418**

3.7 Property, plant and equipment

Property, plant and equipment balance as at 31 December 2014 was Baht 4,799 million, increased by Baht 814 million or 20%. The significant movements were as follows:

	Description	Million Baht
1	Land and equipment – from the change in status of investment in Mah Boonkrong Sirichai Enterprise Co., Ltd from other company to a subsidiary as mentioned in no. 3.2	1,049
2	The renovation costs of Japanese food restaurants which is the new business of the Group	44
3	The renovation costs of shopping center and food center of MBK Center	54
4	Purchases of other operating equipment	134
5	Depreciation for the year	(498)
6	Others	31
	Total net movements	**814**

3.8 Prepaid rental fee

Prepaid rental fee represented advance payment to Chulalongkorn University for the lease agreements granting the right to utilize the shopping center at Pathumwan intersection as mentioned in 2.2.1. Prepaid rental fee balance as at 31 December 2014 was Baht 1,190 million, decreased by Baht 347 million or 23%. During the current year, there was payment for land rental according to the lease agreement amounting to Baht 410 million whereas, the prepaid rental was amortised as expense for the year on a straight-line basis over the leased period amounting to Baht 757 million.

3.9 Property foreclosed

Property foreclosed balance as at 31 December 2014 was Baht 256 million, increased by Baht 205 million or 405%. The major assets were from the legal transferred under the agreement for sale with right of redemption that the seller did not redeem their assets within the contract period. However, there were the purchase and sale agreements made with the sellers to repurchase their assets within the agreed period of time.

4 Liabilities

4.1 Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions balance as at 31 December 2014 was Baht 778 million, decreased by Baht 612 million or 44% due to the repayments of short-term loans that were due during the current year by using cash flows from operations amounting to Baht 708 million. In addition, a subsidiary increased its borrowing amounting to Baht 100 million for a purpose of investment in a new joint venture as mentioned in no. 3.5.

4.2 Advance rental and service deposits

Advance rental and service deposits (including current-portion) balance as at 31 December 2014 was Baht 2,885 million, decreased by Baht 425 million or 13% mainly due to the realization as income for the current year of Baht 505 million based on a straight-line basis over the long-term lease periods.

4.3 Deposits

The balance of deposits as at 31 December 2014 was Baht 1,350 million, increased by Baht 152 million or 13%. The major increases were from: advance received for sale of units under Quinn Condominium by Baht 89 million, retention money for construction of “Ha Ha”, a new building of Baht 21 million, and deposit received of Baht 31 million for rental space at Ha Ha Shopping Center.

5 Equity attributable to the Company's shareholders

Total shareholders' equity balance as at 31 December 2014 was Baht 16,877 million, increased by Baht 926 million or 6%. The significant movements were as follows:

5.1 Retained earnings increased by Baht 790 million derived from the net profit for the year ended 31 December 2014 of Baht 1,591 million, but a decrease of Baht 801 million from dividend payments.

5.2 The increase of Baht 115 million in other components of shareholders' equity was mainly due to the increase of Baht 85 million in unrealized gains on available-for-sale marketable securities, net of related deferred tax impact.

Analysis of the liquidity

6. Cash flows of the Group for the years ended 31 December 2014 and 2013 are summarised in table below.

(Unit: Million Baht)

	For the years ended 31 December			
			Cash flows	
	2014	2013	Increase/(Decrease)	
Net income from operating activities before changes in operating assets and liabilities	2,202	1,971	231	12%
Net movements in operating assets and liabilities	(305)	(1,546)	1,241	80%
Net cash flows received from (used in) operating activities	1,897	425	1,472	346%
Net cash flow received from (used in) investing activities	(812)	4,108	(4,920)	(120%)
Net cash flows received from (used in) financing activities	(2,178)	(4,609)	2,431	53%
Net increase (decrease) in cash and cash equivalents	(1,093)	(76)	(1,017)	1,338%

6.1 Cash flows from operating activities

The significant movements in cash flows from operating activities and operating assets and liabilities are as mentioned in the analysis of operating results and financial status above.

6.2 Cash flows from investing activities

Net cash flows received from investing activities decreased by Baht 4,920 million or 120% due to the following major reasons:-

Factors in cash increases:

a) In 2013, there was cash paid for investment in M G 1 Company Limited for the share increase amounting to Baht 465 million for a purpose of holding a plot of land in Krabi.

b) In 2013, there was purchase a plot of land at Sukhumvit Road 101/1 amounting to Baht 492 million for development project in the future.

Factors in cash decreases:

c) Cash receipts from sale (net from cash paid for purchase) of investments in marketable securities decreased by Baht 775 million.

d) Cash inflows (net of cash outflows) for short-term loans to related companies decreased by Baht 750 million due to the entire repayment of the group associates' borrowings in December 2013.

e) In 2014, there were cash payments for investment in a new associate, Siam City Life Assurance Public Company Limited and for additional investment in the associate who operates the golf business, as mentioned in no. 3.4, a total of Baht 477 million.

f) In 2013, there was cash receipt from sale of investment in a subsidiary that operated land rental service amounting to Baht 2,348 million.

g) Cash receipts for sale of property, plant and equipment, and investment properties decreased by Baht 1,186 million. Because in the same period of last year, there was cash receipt from sale of land in Samui Island amounting to Baht 1,300 million.

h) In 2013, there was cash receipt amounting to Baht 500 million from the share increase in Siam Delice, a subsidiary, as a source of fund for the construction of "Ha Ha", a new shopping center project.

6.3 Cash flows from financing activities

Net cash flows received from financing activities increased by Baht 2,431 million or 53% mainly due to the following major reasons:-

Factors in cash increases:

a) In 2013, there was cash outflow for the share repurchase project for the financial management amounting to Baht 2,805 million.

b) In 2013, there was debenture issuance amounting to Baht 2,000 million in order to pay the debenture which the maturity date was due in the same period amounting to Baht 3,000 million.

Factors in cash decreases:

c) Cash receipts (net of cash repayments) from short-term and long-term loans from financial institutions decreased by Baht 1,384 million because in the same period of last year, there were borrowings in order to invest in various assets projects, to expand finance business and to purchase the treasury stock.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MBK PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of MBK Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, 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 MBK 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 statementsin accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that arefree 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 conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

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

NONGLAK PUMNOI

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 25 February 2015

STATEMENT OF FINANCIAL POSITION

MBK Public Company Limited and its subsidiaries
As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Current assets					
Cash and cash equivalents	7	571,922,830	1,664,844,320	136,460,556	1,146,343,694
Current investments	6, 8	887,248,142	575,536,360	310,972,400	18,600,000
Trade and other receivables	6, 9	618,297,398	688,663,161	109,859,930	84,885,817
Short-term loans to related companies	6	182,598,480	356,670,390	5,789,674,880	6,115,835,390
Current portion of loans to customers	10	1,544,222,915	3,831,284,710	2,393,798	1,180,943,289
Inventories	11	3,009,132,422	2,398,883,197	40,498,636	43,593,773
Other current assets	12	263,222,543	309,695,767	17,336,160	17,956,395
Total current assets		7,076,644,730	9,825,577,905	6,407,196,360	8,608,158,358
Non-current assets					
Restricted fixed deposits		2,859,247	3,312,877	-	-
Investments in associates	13	3,305,583,575	2,755,227,269	1,730,399,451	1,325,231,709
Investment in joint venture	14	149,248,311	-	-	-
Investments in subsidiaries	15	-	-	13,854,093,940	11,583,295,250
Other long-term investments	6, 16	4,757,775,267	4,680,627,296	4,180,267,273	4,103,641,105
Loans to customers - net of current portion	10	3,984,684,052	3,202,659,290	1,169,970	3,564,346
Investment properties	17	11,002,602,694	10,584,761,544	5,398,196,581	5,657,242,634
Land held for development	18	646,226,866	644,548,536	-	-
Property, plant and equipment	19	4,798,579,192	3,984,585,793	887,527,274	956,598,528
Leasehold rights		314,507,393	340,531,603	-	-
Prepaid rental fee		1,190,086,330	1,537,116,074	1,190,086,330	1,537,116,074
Goodwill	20	72,033,275	72,733,276	-	-
Intangible assets	21	61,866,937	55,041,548	43,597,971	35,437,841
Deferred tax asset	38	282,642,853	178,981,757	200,988,463	100,461,537
Property foreclosed	22	255,883,229	50,598,345	-	-
Other non-current assets		8,168,596	5,259,428	74,896	74,896
Total non-current assets		30,832,747,817	28,095,984,636	27,486,402,149	25,302,663,920
Total assets		37,909,392,547	37,921,562,541	33,893,598,509	33,910,822,278

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

MBK Public Company Limited and its subsidiaries
As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	*23*	778,076,251	1,389,607,878	165,000,000	600,000,000
Trade and other payables	*6, 24*	1,072,052,977	976,028,355	447,444,986	413,358,014
Short-term loans from other company		-	39,000,000	-	-
Short-term loans from related companies	*6*	117,000,000	160,000,000	2,967,257,000	2,778,807,000
Current portion of long-term loans					
from financial institutions	*26*	-	28,000,000	-	-
Current portion of long-term debentures	*27*	-	-	-	-
Current portion of advance rental and service deposits		560,432,378	556,339,681	519,098,844	518,142,201
Current portion of long-term lease payable		-	-	-	-
Corporate income tax payable		182,612,193	250,231,408	116,200,153	88,612,813
Other current liabilities	*6, 25*	527,285,645	577,741,013	192,908,072	195,368,909
Total current liabilities		3,237,459,444	3,976,948,335	4,407,909,055	4,594,288,937
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	*26*	-	-	-	-
Long-term debentures - net of current portion	*27*	8,093,283,587	8,091,960,382	8,093,283,587	8,091,960,382
Advance rental and service deposits - net					
of current portion		2,324,195,134	2,753,290,626	2,529,872,682	2,966,604,203
Long-term liabilities under financial lease agreements	*28*	5,037,552,369	5,032,271,912	5,037,552,369	5,032,271,912
Provision for long-term employee benefits	*29*	153,898,635	137,283,296	59,069,083	53,597,809
Deferred tax liabilities	*38*	821,450,547	771,044,851	493,399,265	484,581,955
Deposits		1,349,687,820	1,197,688,595	803,467,599	763,670,230
Other non-current liabilities	*30*	14,542,815	9,934,640	13,824,073	18,749,472
Total non-current liabilities		17,794,610,907	17,993,474,302	17,030,468,658	17,411,435,963
Total liabilities		21,032,070,351	21,970,422,637	21,438,377,713	22,005,724,900

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

MBK Public Company Limited and its subsidiaries
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Shareholders' equity					
Share capital	*31*				
Registered					
1,886,291,000 ordinary shares of Baht 1 each					
(2013: 188,629,100 ordinary shares of Baht 10 each)		1,886,291,000	1,886,291,000	1,886,291,000	1,886,291,000
Issued and paid-up					
1,886,291,000 ordinary shares of Baht 1 each					
(2013: 188,629,100 ordinary shares of Baht 10 each)		1,886,291,000	1,886,291,000	1,886,291,000	1,886,291,000
Premium on ordinary shares		1,276,037,500	1,276,037,500	1,276,037,500	1,276,037,500
Difference between the lower acquisition cost of business					
and fair value		172,206,406	172,206,406	-	-
Retained earnings					
Appropriated - statutory reserve	*32*	200,000,000	200,000,000	200,000,000	200,000,000
- treasury stock reserve		2,805,280,611	2,805,280,611	2,805,280,611	2,805,280,611
Unappropriated		10,083,714,134	9,293,847,305	7,119,700,717	6,604,441,058
Other components of shareholders' equity		2,170,658,145	2,055,273,122	1,973,191,579	1,938,327,820
Equity attribute to owners of the Company before treasury stock					
and non-controlling interests of the subsidiaries		18,594,187,796	17,688,935,944	15,260,501,407	14,710,377,989
Less: Treasury stock	*33*	(3,517,274,395)	(3,517,274,395)	(2,805,280,611)	(2,805,280,611)
Equity attributable to owners of the Company	*34*	15,076,913,401	14,171,661,549	12,455,220,796	11,905,097,378
Non-controlling interests of subsidiaries		1,800,408,795	1,779,478,355	-	-
Total shareholders' equity		16,877,322,196	15,951,139,904	12,455,220,796	11,905,097,378
Total liabilities and shareholders' equity		37,909,392,547	37,921,562,541	33,893,598,509	33,910,822,278

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

STATEMENT OF COMPREHENSIVE INCOME

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales		2,624,773,194	2,787,756,155	-	-
Service and rental income		4,223,395,695	4,125,503,167	2,754,488,943	2,645,652,699
Revenue from hotel operations		1,123,769,545	1,211,742,520	541,900,229	669,022,878
Revenue from financial business	*35*	1,141,863,092	1,147,379,473	65,889,302	114,556,683
Other income					
Interest income		32,014,910	78,299,369	322,499,849	320,467,907
Dividend income		250,176,236	235,850,945	985,409,582	1,688,969,160
Gain on sale of investments		194,926,009	2,098,356,949	193,794,181	1,534,315,198
Gain on sale of assets		45,177,496	996,329,641	50,863,254	-
Others		128,323,905	155,693,606	70,260,149	64,170,172
Total revenues		9,764,420,082	12,836,911,825	4,985,105,489	7,037,154,697
Expenses					
Cost of sales		2,000,637,280	2,326,958,262	-	-
Cost of service and rental		2,499,241,219	2,222,722,949	1,385,442,193	1,110,266,208
Direct hotel operating expenses		926,138,220	865,318,369	495,075,337	500,812,443
Selling expenses		598,542,383	612,430,656	128,696,355	132,222,151
Administrative expenses		1,411,082,885	1,494,568,484	470,290,373	483,059,330
Total expenses		7,435,641,987	7,521,998,720	2,479,504,258	2,226,360,132
Profit before share of profit from investments in associates and joint venture, finance costs and income tax expenses		2,328,778,095	5,314,913,105	2,505,601,231	4,810,794,565
Share of profit from investments in associates and joint venture	*13.1, 14.2*	315,685,904	293,929,491	-	-
Profit before finance costs and income tax expenses		2,644,463,999	5,608,842,596	2,505,601,231	4,810,794,565
Finance costs		(678,826,861)	(674,892,536)	(823,451,197)	(796,550,377)
Profit before income tax expenses		1,965,637,138	4,933,950,060	1,682,150,034	4,014,244,188
Income tax expenses	*38*	(361,711,963)	(804,518,435)	(142,114,375)	(426,988,759)
Profit for the year		1,603,925,175	4,129,431,625	1,540,035,659	3,587,255,429

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Other comprehensive income - net of income tax:					
Gains (losses) on changes in values of					
in available-for-sale investments		85,056,037	(856,868,125)	33,212,529	(890,860,825)
Unrealised gains on investments in loans		1,651,230	-	1,651,230	-
Gains on changes in values of available-for-sale					
investments of an associate		14,360,422	-	-	-
Unrealised losses on investments in loans of an associate		10,384,812	(2,059,107)	-	-
Actuarial gains		-	434,468	-	-
Translation adjustment of an associate		3,932,522	22,244,988	-	-
Other comprehensive income for the year		115,385,023	(836,247,776)	34,863,759	(890,860,825)
Total comprehensive income for the year		1,719,310,198	3,293,183,849	1,574,899,418	2,696,394,604
Profit attributable to:					
Equity holders of the Company		1,591,412,886	4,107,986,908	1,540,035,659	3,587,255,429
Non-controlling interest of the subsidiaries		12,512,289	21,444,717		
		1,603,925,175	4,129,431,625		
Total comprehensive income attributable to:					
Equity holders of the Company		1,706,797,909	3,271,631,477	1,574,899,418	2,696,394,604
Non-controlling interest of the subsidiaries		12,512,289	21,552,372		
		1,719,310,198	3,293,183,849		
Earnings per share	*39*				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.19	2.89	0.90	2.00

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements															
	Equity attributable to owners of the Company															
							Other components of shareholders' equity									
							Other comprehensive income									
			Difference											Total		
			between the		Retained earnings		Unrealised gain (loss)	Unrealised gain	Unrealised gains	Unrealised		Total other		shareholders'	Equity attributable	
	Issued and		lower acquisition	Appropriated			on changes in	(losses) on	on available-	gains (losses) on	Translation	components		equity	to non-controlling	Total
	paid-up	Premium on	cost of business	Statutory	Treasury stock		values of available-	investments	for-sale securities	investments in loans	adjustment of	of shareholders'		attributable to	interests of	shareholders'
	share capital	ordinary shares	and fair value	reserve	reserve	Unappropriated	for-sale investments	in loans	of an associate	of an associate	an associate	equity	Treasury stocks	of the Company	the subsidiaries	equity
Balance as at 1 January 2013	1,886,291,000	1,276,037,500	172,206,406	200,000,000	-	8,774,576,622	2,829,399,537	(635,585)	-	58,480,858	6,730,556	2,891,955,366	(711,993,784)	14,489,073,110	1,216,457,804	15,705,530,914
Total comprehensive income for the year	-	-	-	-	-	4,108,313,721	(856,868,125)	-	-	(2,059,107)	22,244,988	(836,682,244)	-	3,271,631,477	21,552,372	3,293,183,849
Dividend paid	-	-	-	-	-	(783,762,427)	-	-	-	-	-	-	-	(783,762,427)	(9,639,282)	(793,401,709)
Increase in share capital of subsidiaries from non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	551,107,461	551,107,461
Treasury stocks (Note 33)	-	-	-	-	-	-	-	-	-	-	-	-	(2,805,280,611)	(2,805,280,611)	-	(2,805,280,611)
Transfer of retained earnings to treasury stock reserve	-	-	-	-	2,805,280,611	(2,805,280,611)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	1,886,291,000	1,276,037,500	172,206,406	200,000,000	2,805,280,611	9,293,847,305	1,972,531,412	(635,585)	-	54,401,751	28,975,544	2,055,273,122	(3,517,274,395)	14,171,661,549	1,779,478,355	15,951,139,904
Balance as at 1 January 2014	1,886,291,000	1,276,037,500	172,206,406	200,000,000	2,805,280,611	9,293,847,305	1,972,531,412	(635,585)	-	54,401,751	28,975,544	2,055,273,122	(3,517,274,395)	14,171,661,549	1,779,478,355	15,951,139,904
Total comprehensive income for the year	-	-	-	-	-	1,591,412,886	85,056,037	1,651,230	14,360,422	10,384,812	3,932,522	115,385,023	-	1,706,797,909	12,512,289	1,719,310,198
Dividend paid	-	-	-	-	-	(801,546,057)	-	-	-	-	-	-	-	(801,546,057)	(7,581,849)	(809,127,906)
Increase in share capital of subsidiaries from non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,000,000	16,000,000
Balance as at 31 December 2014	1,886,291,000	1,276,037,500	172,206,406	200,000,000	2,805,280,611	10,083,714,134	2,057,587,449	1,015,645	14,360,422	64,786,563	32,908,066	2,170,658,145	(3,517,274,395)	15,076,913,401	1,800,408,795	16,877,322,196

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements									
						Other components of shareholders' equity				
						Other comprehensive income				
			Retained earnings							
			Appropriated							
	Issued and paid-up share capital	Premium on ordinary shares	statutory reserve	Treasury stock reserve	Unappropriated	Unrealised gains (losses) on available-for-sale securities	Unrealised gains (losses) on investments in loans	Total other components of shareholders' equity	Treasury stocks	Total shareholders' equity
Balance as at 1 January 2013	1,886,291,000	1,276,037,500	200,000,000	-	6,810,856,117	2,829,824,231	(635,586)	2,829,188,645	-	13,002,373,262
Total comprehensive income for the year	-	-	-	-	3,587,255,429	(890,860,825)	-	(890,860,825)	-	2,696,394,604
Dividend paid (Note 46)	-	-	-	-	(988,389,877)	-	-	-	-	(988,389,877)
Treasury stocks (Note 33)	-	-	-	-	-	-	-	-	(2,805,280,611)	(2,805,280,611)
Transfer of retained earnings to treasury stock reserve	-	-	-	2,805,280,611	(2,805,280,611)	-	-	-	-	-
Balance as at 31 December 2013	1,886,291,000	1,276,037,500	200,000,000	2,805,280,611	6,604,441,058	1,938,963,406	(635,586)	1,938,327,820	(2,805,280,611)	11,905,097,378
Balance as at 1 January 2014	1,886,291,000	1,276,037,500	200,000,000	2,805,280,611	6,604,441,058	1,938,963,406	(635,586)	1,938,327,820	(2,805,280,611)	11,905,097,378
Total comprehensive income for the year	-	-	-	-	1,540,035,659	33,212,529	1,651,230	34,863,759	-	1,574,899,418
Dividend paid (Note 46)	-	-	-	-	(1,024,776,000)	-	-	-	-	(1,024,776,000)
Balance as at 31 December 2014	1,886,291,000	1,276,037,500	200,000,000	2,805,280,611	7,119,700,717	1,972,175,935	1,015,644	1,973,191,579	(2,805,280,611)	12,455,220,796

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

CASH FLOW STATEMENT

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	1,965,637,138	4,933,950,060	1,682,150,034	4,014,244,188
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation	1,127,720,349	1,031,241,849	474,887,279	438,092,402
Amortisation	12,296,959	13,366,253	7,675,879	8,872,957
Amortisation of underwriting fee	1,323,205	1,803,805	1,323,205	1,803,805
Amortisation of leasehold right and prepaid rental fee	372,622,417	564,787,439	347,029,744	541,238,888
Interest income and gains on investments in loans	(506,851)	-	(506,851)	-
(Gains) losses on sales of investments				
in subsidiaries and associate	-	(1,701,434,317)	1,180,322	(1,164,778,418)
Gains on sales of investments in available-for-sale securities				
and other investments	(194,926,009)	(396,922,632)	(194,974,503)	(369,536,780)
Gains on disposal of investment properties	(43,832,373)	(994,758,131)	(50,856,160)	(254,472)
Gains on disposal of plant and equipment	(1,749,073)	109,800	(7,094)	485,040
Gains on disposal of property held for development	-	(2,197,461)	-	-
Losses on written-off intangible assets	403,951	516,151	5,994	31,553
Allowance for impairment of investments in subsidiaries	-	-	8,434,154	24,046,361
Allowance for impairment loss on plant				
and equipment (reversal)	(7,845,703)	(9,009,907)	-	-
Allowance for impairment of intangible assets	7,305	-	-	-
Allowance for impairment of property foreclosed	1,222,200	-	-	-
Allowance for impairment of goodwill	700,001	14,775,177	-	-
(Gains) losses on exchange	270,000	25,016,000	(11,865,600)	25,920,000
Allowance for doubtful debts (reversal)	(53,338,059)	99,776,602	(155,845)	(217,808)
Allowance for diminution in value of inventories (reversal)	2,787,828	(737,753)	-	-
Income from rental deposits and revenue received in advance	(581,324,981)	(826,546,542)	(437,323,393)	(786,219,093)
Provision for long-term employee benefits	20,203,196	18,230,553	5,835,874	4,968,488
Interest income	(32,014,910)	(78,299,369)	(322,499,849)	(320,467,907)
Interest expenses	649,548,199	630,312,982	807,074,253	754,387,012
Dividend income	(250,176,236)	(235,850,945)	(985,409,582)	(1,688,969,160)
Share of profit from investments in associates and joint venture	(315,685,904)	(293,929,491)	-	-
Profit from operating activities before changes in				
operating assets and liabilities	2,673,342,649	2,794,200,123	1,331,997,861	1,483,647,056
Net movements in operating assets and liabilities (Note 40)	(305,025,250)	(1,545,902,979)	(11,042,333)	1,405,323,379
Cash flows from operating activities	2,368,317,399	1,248,297,144	1,320,955,528	2,888,970,435
Cash paid for employee benefits	(3,587,857)	(1,882,163)	(364,600)	(1,698,400)
Cash paid for corporate income tax	(467,315,651)	(820,913,201)	(214,952,590)	(516,559,848)
Net cash flows from operating activities	1,897,413,891	425,501,780	1,105,638,338	2,370,712,187

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

CASH FLOW STATEMENT (CONTINUED)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Cash payments for current investments	(1,275,945,916)	(3,100,259,365)	(1,275,668,770)	(3,018,971,818)
Cash receipts from sales of current investments	1,188,082,901	3,786,903,686	1,187,307,936	3,644,424,493
Cash payments for short-term loans to related companies	(107,794,400)	(968,700,000)	(2,709,794,400)	(5,820,955,000)
Cash receipts from short-term loans to related companies	281,941,910	1,892,724,780	3,035,954,910	4,143,782,780
Interest income	32,976,429	77,562,038	322,341,889	324,435,581
Cash payments for purchases of investments in loans	(43,498,399)	-	(43,498,399)	-
Cash receipts from investments in loans	1,921,719	-	1,921,719	-
Cash payments for purchases of investments in subsidiaries	-	(2,616,513)	(1,046,952,844)	(1,068,000,000)
Cash receipts from sales of investments in subsidiaries	-	2,348,369,852	8,819,678	2,656,428,589
Cash receipts from non-controlling interest of the subsidiaries for increase in share capital of subsidiaries	16,000,000	551,451,449	-	-
Cash payments for purchases of investments in associate and joint venture	(623,462,144)	(50,909,171)	(476,210,142)	(50,909,171)
Cash receipts from share capital reduction of an associate	71,042,400	-	71,042,400	-
Cash payments for capital increase in investment in other company	-	(464,973,006)	-	-
Cash receipts from share capital reduction of other companies	279,703	2,857	-	-
Dividend receipts from investments	457,272,458	406,714,896	985,409,582	1,688,969,160
Cash receipts from sale of property held for development	-	2,500,000	-	-
Cash payments for purchases of property held for development	(1,942,428)	(41,737,923)	-	-
Cash receipts from sales of property, plant and equipment and investment properties	124,172,161	1,310,328,001	80,934,041	546,507
Cash payments for purchases of property, plant and equipment and investment properties	(911,886,313)	(1,536,645,150)	(167,640,002)	(121,489,957)
Cash receipts from sales of intangible assets	245	-	-	-
Cash payments for purchases of intangible assets	(20,018,954)	(16,789,500)	(16,120,705)	(12,414,718)
Cash payments for prepaid long-term lease	(1,285,859)	(86,178,485)	-	(85,000,000)
Net cash flows from (used in) investing activities	(812,144,487)	4,107,748,446	(42,153,107)	2,280,846,446

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

CASH FLOW STATEMENT (CONTINUED)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Decrease in bank overdrafts	(3,449,075)	(5,135,012)	-	-
Cash receipts from short-term loans from other company	1,000,000	39,000,000	-	-
Cash payments of short-term loans from other companies	(40,000,000)	(900,000)	-	-
Cash receipts from short-term loans from related companies	14,000,000	241,065,000	774,750,000	2,236,700,000
Cash payments of short-term loans from related companies	(57,000,000)	(320,442,000)	(586,300,000)	(2,098,338,000)
Cash receipts from short-term loans from financial institutions	1,702,000,000	11,347,750,000	165,000,000	9,116,000,000
Cash payments of short-term loans from financial institutions	(2,310,082,552)	(10,341,008,980)	(600,000,000)	(8,516,000,000)
Cash payments of long-term loans from financial institutions	(28,000,000)	(259,000,000)	-	-
Cash payments of liabilities under finance lease agreements	(284,835,200)	(284,835,200)	(284,835,200)	(284,835,200)
Interest paid	(362,696,161)	(424,759,535)	(517,207,169)	(551,848,610)
Dividend paid	(801,546,057)	(713,802,632)	(1,024,776,000)	(988,389,877)
Dividend paid to minority shareholders	(7,581,849)	(79,599,078)	-	-
Cash receipts from long-term debentures	-	1,997,426,530	-	1,997,426,530
Repayment of long-term debentures	-	(3,000,000,000)	-	(3,000,000,000)
Cash payments for treasury stocks	-	(2,805,280,611)	-	(2,805,280,611)
Net cash flows used in financing activities	(2,178,190,894)	(4,609,521,518)	(2,073,368,369)	(4,894,565,768)
Net decrease in cash and cash equivalents	(1,092,921,490)	(76,271,292)	(1,009,883,138)	(243,007,135)
Cash and cash equivalents at beginning of year	1,664,844,320	1,741,115,612	1,146,343,694	1,389,350,829
Cash and cash equivalents at the end of year	571,922,830	1,664,844,320	136,460,556	1,146,343,694
Supplemental cash flows information:				
Operational cash flows from interest	1,138,970,570	1,145,280,702	65,948,891	115,813,875
Non-cash transactions:				
Transfer of property foreclosed from receivable for loans settlement	214,050,000	-	-	-
Transfer of investment from receivable for loans settlement	1,242,280,000	-	1,242,280,000	-
Classification of prepaid rental fee to cost of building and investment properties	-	1,147,140,970	-	1,147,140,970
Record of building and investment properties as assets under financial lease agreements	-	5,116,589,313	-	5,116,589,313

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

1. General information

MBK Public Company Limited (the "Company") is a public company incorporated and domiciled in Thailand and listed on the Stock Exchange of Thailand. Its registered offices is 8th Floor MBK Center Building, 444 Phayathai Road, Pathumwan, Bangkok 10330. The principal business operations of the Company and its subsidiaries ("the Group") are summarised as follows:

- Shopping center business
- Hotel
- Golf business
- Property development business
- Food business
- Finance business
- Other businesses
- Support business

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions 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 MBK Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries")

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			%	%
Directly owned				
Siam Delice Company Limited*	Shopping center and property for lease	Thailand	50.00	50.00
MBK Bangyai Company Limited	Dormant	Thailand	99.97	99.97
Glas Haus Ratchada Company Limited	Lease and real estate	Thailand	100.00	100.00
MBK Square Company Limited	Property for lease and management service	Thailand	99.99	99.99
MBK Smart Force Company Limited	Security service	Thailand	99.97	99.97
MBK Hotels and Resorts Company Limited	Hotel	Thailand	100.00	100.00
Supsinnthanee Company Limited	Hotel	Thailand	100.00	100.00
Lanta Land Development Company Limited	Hotel	Thailand	99.99	99.99
MBK Business Company Limited	Personnel management service	Thailand	99.99	99.99
MBK Hotels & Tourism Company Limited	Hotel management	Thailand	99.99	99.99
Riverdale Golf and Country Club Company Limited	Golf course and real estate	Thailand	99.99	99.99
Patum Rice Mill and Granary Public Company Limited	Processing and packaging rice	Thailand	74.52	74.52
Primacy Elegance Investments Limited	Investment	British Virgin Island	100.00	100.00
MBK Premium Company Limited	Leasing and hire purchase	Thailand	100.00	100.00
T Leasing Company Limited	Motorcycle hire purchase	Thailand	99.99	99.99
X-Gen Premium Company Limited	Motorcycle dealer (Cessation since July 2014)	Thailand	99.99	99.99
MBK Center Company Limited	Dormant	Thailand	99.99	99.99
MBK Asset Company Limited	Dormant	Thailand	99.99	99.99
MBK Shopping Center Company Limited	Investment	Thailand	99.99	99.99
MBK Training Center Company Limited	Training service	Thailand	99.97	99.97
MBK Broker Company Limited	Life assurance and insurance broker	Thailand	99.99	99.99
MBK Insurance Broker Company Limited	Dormant	Thailand	99.99	99.99
MBK Chiangmai Company Limited	Dormant	Thailand	99.97	99.97

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			%	%
Directly owned (continued)				
MBK Suki Number one Company Limited (Formerly known as "M Racing Company Limited")	Restaurant	Thailand	-	99.99
MBK Service Solution Company Limited	Consulting services	Thailand	99.99	99.99
MBK Real Estate Company Limited	Real estate	Thailand	99.97	99.97
Mah Boonkrong Sirichai Enterprise Company Limited	Golf course	Thailand	99.99	-
Indirectly owned				
The Nine Center Company Limited	Shopping center, property for lease and real estate	Thailand	99.98	99.98
Paradise Park Company Limited**	Shopping center and property for lease	Thailand	65.36	65.36
Paradise Retail Company Limited***	Retail business in shopping center	Thailand	65.36	65.36
Glas Haus Building Company Limited	Property for lease	Thailand	99.99	99.99
MBK Food and Entertainment Company Limited	Food center	Thailand	62.14	62.14
MBK Capital Company Limited	Land rental	Thailand	99.99	99.99
Absolute Travel Company Limited	Sale agent of air tickets (Cessation since September 2013)	Thailand	99.99	99.99
MBK Leisure Company Limited	Tour and hotel reservation service (Cessation since September 2013)	Thailand	99.99	99.99
MBK Food Island Company Limited	Food center	Thailand	74.51	74.51
MBK Food System Company Limited	Restaurant	Thailand	44.71	44.71
Tantara Gallery Company Limited	Dormant	Thailand	99.99	99.99
MBK Resort Public Company Limited	Golf course, hotel and real estate	Thailand	72.60	72.60
NASSET PROPERTY FUND1	Property fund	Thailand	72.45	72.45
Phuket Loch Palm Golf Club Company Limited	Dormant	Thailand	72.60	72.60
PRG Granary Company Limited	Warehouse rental	Thailand	74.51	74.51
Ratchsima Rice Company Limited	Rice distribution and plant and machinery for lease	Thailand	74.51	74.51
Sima Pac Company Limited****	Distribution and manufacture of plastic bags	Thailand	37.25	37.25
Innofood (Thailand) Company Limited	Rice distribution and development of rice product	Thailand	74.51	74.51

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			%	%
Indirectly owned (continued)				
Plan Estate Company Limited	Real estate and property management service	Thailand	72.60	72.60
Crystal Lake Properties Company Limited	Real estate	Thailand	72.60	72.60
C L P Management Company Limited	Property management service	Thailand	72.60	72.60
Plan Appraisal Company Limited	Survey and appraisal services	Thailand	72.60	72.60
Lan Bangna Company Limited	Dormant	Thailand	72.60	72.60
MBK Guarantee Company Limited	Lending and debt guarantee business	Thailand	99.98	99.98
Kathu Land Company Limited	Dormant	Thailand	70.36	70.36
MBK Residence Company Limited	Real estate	Thailand	99.96	99.96
MBK Advance Company Limited	Dormant	Thailand	99.89	99.89
MBK Sukhumvit Company Limited (Formerly known as "M G 2 Company Limited")	Dormant	Thailand	99.94	99.94
M G 3 Company Limited	Dormant	Thailand	99.97	-
M G 4 Company Limited	Dormant	Thailand	99.97	-
MBK Realty Company Limited (Formerly known as "Putornwiwata Company Limited")	Real estate	Thailand	54.98	54.98
MBK Suki Number one Company Limited (Formerly known as "M Racing Company Limited")	Restaurant	Thailand	62.14	-
T Consultant Company Limited	Dormant	Thailand	99.99	-

* The Company has the direct holding of 50.00% and the indirect holding of 15.36% through Siam Piwat Company Limited, total direct and indirect holding of 65.36%.

** The Company has the indirect holding of 65.36% through MBK Shopping Center Company Limited of 50.00% and Siam Piwat Company Limited of 15.36%.

*** The Company has the indirect holding of 65.36% through Paradise Park Company Limited.

**** The Group has control over the finance and operating policies of Sima Pac Company Limited, through the Board of Directors of that company.

During the year 2014, there were the following significant changes:

On 31 January 2014, MBK Guarantee Company Limited, a subsidiary, established two new subsidiary companies, named M G 3 Company Limited and M G 4 Company Limited, both with registered share capital amounting to Baht 1 million. MBK Guarantee Company Limited holds 9,997 ordinary shares in each company with par values of Baht 100 per share, representing holdings of 99.97%.

On 24 March 2014, Putornwiwata Company Limited, a subsidiary, changed the name to "MBK Realty Company Limited" and registered with the Ministry of Commerce to conform with the operations of the business.

On 19 August 2014, M G 2 Company Limited, a subsidiary, changed the name to "MBK Sukhumvit Company Limited" and registered with the Ministry of Commerce to conform with the operations of the business.

On 28 August 2014, the Extraordinary General Meeting of the shareholders of MBK Leisure Company Limited, a subsidiary of MBK Business Company Limited, which is a subsidiary of the Company, passed a resolution granting approval for the company to increase its registered capital from Baht 1 million to Baht 150 million, through the issuance of 1,489,500 new preference shares with a par value of Baht 100 each, total amounting to Baht 148.95 million, and all share allocation to MBK Business Company Limited. MBK Business Company Limited paid in the called-up share subscription on 29 August 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 September 2014.

On 28 August 2014, the Extraordinary General Meeting of the shareholders of MBK Bangyai Company Limited, a subsidiary, passed a resolution granting approval for the company to increase its registered capital from Baht 1 million to Baht 5 million, through the issuance of 40,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 4 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 29 August 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 September 2014.

On 28 August 2014, the Extraordinary General Meeting of the shareholders of The Nine Center Company Limited, a subsidiary of Riverdale Golf and Country Club Company Limited, which is a subsidiary of the Company, passed a resolution granting approval for the company to increase its registered capital from Baht 95 million to Baht 3,000 million, through the issuance of 29,050,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 2,905 million, and all share allocation to Riverdale Golf and Country Club Company Limited. Riverdale Golf and Country Club Company Limited paid in the called-up share subscription on 29 August 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 September 2014.

On 28 August 2014, the Extraordinary General Meeting of the shareholders of MBK Residence Company Limited, a subsidiary of Riverdale Golf and Country Club Company Limited, which is a subsidiary of the Company, passed a resolution granting approval for the company to increase its registered capital from Baht 1 million to Baht 420 million, through the issuance of 4,190,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 419 million, and all share allocation to Riverdale Golf and Country Club Company Limited. Riverdale Golf and Country Club Company Limited paid in the called-up share subscription on 29 August 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 September 2014.

On 28 August 2014, the Extraordinary General Meeting of the shareholders of X-Gen Premium Company Limited, a subsidiary, passed a resolution granting approval for the company to increase its registered capital from Baht 50 million to Baht 90 million, through the issuance of 400,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 40 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 29 August 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 September 2014.

On 28 August 2014, the Extraordinary General Meeting of the shareholders of MBK Training Center Company Limited, a subsidiary, passed a resolution granting approval for the company to increase its registered capital from Baht 1 million to Baht 3 million, through the issuance of 20,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 2 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 29 August 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 September 2014.

On 26 September 2014, M Racing Company Limited, a subsidiary, changed the name to “MBK Suki Number One Company Limited” and registered with the Ministry of Commerce to conform with the operations of the business.

On 30 September 2014, the Extraordinary General Meeting of the shareholders of MBK Real Estate Company Limited, a subsidiary, passed a resolution granting approval for the company to increase its registered capital from Baht 1 million to Baht 1,000 million, through the issuance of 9,990,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 999 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 30 September 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 October 2014.

On 30 September 2014, the Extraordinary General Meeting of the shareholders of MBK Sukhumvit Company Limited, a subsidiary of MBK Real Estate Company Limited, which is a subsidiary of the Company, passed a resolution granting approval for the company to increase its registered capital from Baht 1 million to Baht 800 million, through the issuance of 7,990,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 799 million, and all share allocation to MBK Real Estate Company Limited. MBK Real Estate Company Limited paid in the called-up share subscription on 30 September 2014. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 1 October 2014.

On 8 October 2014, a Board of Directors' meeting passed a resolution to approve the disposition of ordinary shares of MBK Suki Number One Company Limited (Formerly known as "M Racing Company Limited"), a subsidiary, to MBK Food and Entertainment Company Limited, which is the Company's indirect subsidiary, owned by Patum Rice Mill and Granary Public Company Limited, total 100,000 ordinary shares at 86.95 Baht per share, or for a total of Baht 9 million.

On 2 December 2014, T leasing Company Limited, a subsidiary, established a new subsidiary company named T Consultant Company Limited, with registered share capital amounting to Baht 5 million. T Leasing Company Limited holds 499,997 ordinary share with par value of Baht 10 per share, representing holding of 99.99%.

On 29 December 2014, the Company has obtained control over Mah Boonkrong Sirichai Enterprise Company Limited. The Company therefore reclassified investment in such company from a secured loan receivable to investment in a subsidiary on the date which the Company obtained control, as discussed in Note 45.

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

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

3.1 Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

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

3.2 Financial reporting standards that will become effective in the future

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

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Group already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

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

At present, the management of the Group is evaluating the impact of this standard to the financial statements in the year when they are adopted.

TFRS 11 Joint Arrangements

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

The management of the Group believes that this standard will not have any impact on the Group's financial statements as the Group has already applied the equity method to an investment in a jointly controlled entity.

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Revenue from hotel and restaurant operations

Revenue from hotel and restaurant operations mainly comprises room sales, food and beverage sales and revenues from auxiliary activities, and is recognised when the services are completed.

b) Rental and service income related with property business

Rental and related services income from units in office buildings, residential buildings and shopping centers are recognised as revenue as time passes.

c) Sales

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

d) Service income

Service income is recognised when services have been rendered taking into account the stage of completion.

e) Revenues from sales of properties

The subsidiaries recognises revenues from sales of land and houses constructed thereon when construction is completed and the significant risks and rewards of ownership have been transferred to the buyers, after receiving full payment.

For sales of land and houses to foreigners, since there are restrictions on land ownership by foreigners, the subsidiaries make legally enforceable agreements in the form of long-term lease contracts with customers with terms of 30 years and with options to renew the leases for a further 30 years or the maximum period permitted by law. The subsidiaries have no involvement with the management of or control over the land and houses sold, either directly or indirectly, and therefore record the revenues from such transactions as sales of properties in order to present the accounting transactions and events based on the substance and economic reality, not the legal form alone, in compliance with the principle of substance over form.

f) Hire purchase income

The subsidiaries recognise interest income under hire purchase contracts under the effective interest method and ceases accruing interest income for hire purchases receivable on which payments have been defaulted for more than three months. The subsidiaries recognise income on an accrual basis until settlement of the overdue debt has been received.

g) Interest income and dividend

Interest income is recognised as income on an accrual basis based on the effective interest rate. Dividends are recognised as income when the right to receive the dividends is established.

4.2 Cash and cash equivalent

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

4.3 Trade receivables and allowance for doubtful accounts

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 based on analysis of debtor aging, current status of receivables outstanding at the end of reporting period, and the likelihood of settlement of debt, on a specific account basis.

4.4 Hire purchase receivable and allowances for doubtful accounts

Hire purchase receivable is stated at the net realisable value of which comprises of contract value of the hire purchase receivable net of unearned income, and allowance for doubtful accounts.

The subsidiaries provide allowance for doubtful accounts at percentages of the outstanding balances of account receivable net of unearned interest income, based on the number of months overdue. For amounts no more than 3 months overdue, the Company sets allowance for doubtful accounts based on the amount of debt remaining after deducting the value of collateral assets.

Any increase (decrease) in an allowance for doubtful accounts is recognised as an expense during the year. In addition, the Company written off receivables as bad debts when the relevant criteria under tax law are met, and the amount written-off is deducted from allowance for doubtful accounts. Bad debts recovery is recognised as income in profit or loss.

4.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost being determined by the weighted average or the first-in, first-out basis. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory. The cost of finished goods comprises direct materials, direct labour, other direct costs and related production overhead, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimates of selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventories for development of commercial building for sales, which comprise land, building and equipment, are valued at the lower of cost and net realisable value. The cost is determined by the specific unit cost method.

Inventories for property development business, which comprise land, land development cost, houses under constructions, are valued at the lower of cost and net realisable value. The costs of inventories are determined by the specific unit cost method.

4.6 Property development costs

Property development costs are stated at cost less allowance for loss of projects. Costs comprise the acquisition costs of land, land development costs, the construction costs of infrastructure and related other costs.

4.7 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair values of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income. The debt securities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity.

c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).

d) Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.

e) Investments in subsidiaries, joint venture and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable security is based on the latest bid price of the last working day of the year. The fair value of debt instrument is determined on based on the yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from unit trust's net asset value.

The Group use weighted average method for computation of the cost of investments.

In the event the Company reclassifies investments in securities, such investments are adjusted to their fair values as at the reclassification date. Differences between the carrying amounts of the investments and their fair values on that date are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment which is reclassified.

On disposal of an investment, the difference between the net disposal proceed and the carrying amount of the investment is recognised in profit or loss.

4.8 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 the profit or loss.

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

Computer software	3 - 10 years

4.9 Leasehold right

a) Leasehold right to land

When a lessee enters into a land lease agreement, making payment to obtain the right to lease the land, or advance lease payments, or key money, under whatever name, the lessee recognises the amount paid as a prepaid rental expenses and amortises it to expenses over the lease term, in accordance with TAS 17 (revised 2012) Leases. This is because a characteristic of land is that it usually has an indefinite economic life and, if title is not expected to pass to the lessee by the end of the lease term, and the lessee does not receive substantially all of the risks and rewards incidental to ownership, the lease agreement is classified as an operating lease. The lessee need to review for impairment at the end of each reporting period, whenever there are indicators that the leasehold right may be impaired.

b) Leasehold right to building

Land lease agreement that requires the lessee to construct a building on the leased land and transfer ownership of this to the landowner when construction is completed or termination of contract, and which have a term shorter than the useful life of building, will have rental rates that are lower than market rates since a part of the rental is embedded in the construction expense paid by the lessee. The lessee is to separate the land and building elements based on the market rental rate, and if the lease term covers the majority of the economic life of the building, the entire lease is classified as a finance lease. The lessee recognises the entire lease as a fixed asset in amount equal to the cost of construction net of the allocation to land rental.

4.10 Goodwill

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

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

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

4.11 Property held for development

Property held for development is presented at the cost less the allowance for loss on impairment of assets (if any).

4.12 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 40 years. Depreciation of the investment properties is included in determining income.

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.

4.13 Property, plant and equipment and depreciation

Land is stated at cost. Land improvement, building and building improvements, and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 20 years
Buildings and building improvements	5 - 30 years and 40 years
Machinery and equipment	5 - 20 years
Furniture, fixture and office equipment	3 - 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation has been 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 is included in profit or loss when the asset is derecognised.

4.14 Property foreclosed

Property foreclosed comprises the property seized from overdue loan receivables. Property foreclosed is stated at the lower of cost (fair value at transfer for loan settlement date, providing this does not exceed the legally claimable amount of debt) or net realisable value, which is determined with reference to the market price/appraisal value less estimated selling expenses.

4.15 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.

4.16 Treasury stock

Treasury stock, which is the Company's ordinary shares purchased by its subsidiaries, is carried at cost and presented as a deduction item from the total shareholders' equity. Gains and losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock" or deducted from "Retained earnings".

4.17 Leases - where the Group is the lessee

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and or 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 of the finance cost 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 or the lease period.

Lease of property, plant and 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.

4.18 Leases - where the Group is the lessor

Lease agreement under which the Company transfers the risks and rewards of ownership to the lessee, excluding legal ownership, is deemed finance lease. The Company recognised income from financial lease by using effective interest rate method over the lease term, except that payments that have been outstanding for 6 consecutive months are recognised as income on a cash basis.

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

4.19 Related party transactions

Related parties comprise enterprises and individuals that control or are controlled by the Group, whether directly or indirectly, or which are under common control with the Group. They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

4.20 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 Group and their employees have jointly established a provident fund. The fund is monthly contributed by employee and the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined 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.

4.21 Provisions

Provisions are recognised when the Group has 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.

4.22 Income tax

Income tax comprised current tax and deferred tax, as follows:

Current tax

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 Group recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 the end of each reporting period, the Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.23 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.24 Derivatives

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

Cross currency swap agreement

Payables and receivables arising from cross currency swap agreements are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss.

4.25 Segment reporting

Business segment provides products or services that are subject to risks and returns that are different from those of other business segments.

Segment information is presented by business segment of the Group.

4.26 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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. 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 values of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, with the calculation performed using an acceptable valuation basis. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Group treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Investment properties

In determining depreciation of investment properties, the management is required to make estimates of the useful lives and residual values of the investment properties and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment properties 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 amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the 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 when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

6. Related party transactions

In addition to nature of relationship between the Company and related companies except its associates as stated in Note 13, and its subsidiaries as stated in Note 15 which are summarised as follows:

Company's name	Relationship
Thanachart Capital Public Company Limited and its subsidiaries	A major group of shareholders of the Company which holds ordinary shares representing for a total of 19.90% and related by the way of common directors.
Dusit Thani Public Company Limited	11.67% shareholding held by the Group and related by the way of common directors
The ICONSIAM Residences Corporation Limited	49% shareholding held by an associate of the Company
The ICONSIAM Superlux Residence Corporation Limited	49% shareholding held by an associate of the Company
ICONSIAM Company Limited	51% shareholding held by an associate of the Company
Siam Piwat Holding Company Limited	A subsidiary of an associate of the Company

During the year, the Company and its subsidiaries had the significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

Transactions with related parties

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Rental income	-	-	47	30	Market prices
Consulting fees	-	-	4	3	The same rates as the third parties
Dividend income	-	-	560	1,318	As declared
Guarantee income	-	-	2	3	0.5% per annum of loan guarantee amounts
Personnel expenses	-	-	151	155	115% of salary of hotel staff paid by a subsidiary for parent company
Hotel management fee	-	-	33	33	Contract price
Security expenses	-	-	49	52	115% of the cost of security services paid by a subsidiary for parent company

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
Debt guarantee fee	-	-	12	11	1% of loan drawdown amounts
Interest income	-	-	310	262	MOR rate less a fix percentage
Interest expenses	-	-	148	159	MOR rate less a fix percentage
Transactions with associated companies					
Shared service income	2	2	2	2	Market prices
Management fee	4	-	4	-	Contract price
Dividend income	-	-	191	154	As declared
Project management and sales commission income	6	9	-	-	The same rates as the third parties
Interest income	2	4	2	3	MOR rate less a fix percentage
Interest expenses	7	7	-	-	MOR rate less a fix percentage
Transactions with related companies					
Rental income	186	199	106	109	Market prices
Dividend income	223	210	208	195	As declared
Project management and sales commission income	81	92	-	-	The same rates as the third parties
Hotel franchise fee	1	1	1	1	The same rates as the third parties
Insurance expenses	-	2	1	1	The same rates as the third parties
Interest income	-	63	-	51	4.25% per annum

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Current investments - Available-for-sales securities	*8*				
Related companies		575	555	-	-
Trade and other receivables	*9*				
Subsidiaries		-	-	9	4
Associated companies		5	7	1	1
Related companies		17	22	-	1
Total trade and other receivables		22	29	10	6
Other receivables - prepaid insurance premium	*9*				
Related companies		1	2	1	1
Short-term loans to					
Subsidiaries		-	-	5,711	6,085
Associated companies		183	357	78	31
Total short-term loans to		183	357	5,789	6,116

(Unit: Million Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Long-term investments - available-for-sales securities	*16*				
Related companies		4,233	4,199	4,125	4,092
Short-term loans from					
Subsidiaries		-	-	2,967	2,779
Associated companies		113	153	-	-
Related companies		4	7	-	-
Total short-term loans from		117	160	2,967	2,779
Trade and Other payables	*24*				
Subsidiaries		-	-	64	55
Related companies		3	4	-	1
Total trade and other payables		3	4	64	56
Current liabilities - advance rental deposits and rental deposits	*25*				
Related companies		65	70	45	46
Advance rental and service deposits					
Subsidiaries		-	-	228	251
Deposits					
Subsidiaries		-	-	11	11
Long-term liabilities under finance lease agreements					
Subsidiaries		-	-	10	14

As at 31 December 2014, the Company and its subsidiaries have loans to associates that are unsecured and due at call, consisting of Baht loans bearing interest at the MOR of a local commercial bank less fixed percentages of 5.43% - 7.38% per annum (2013: 5.43% - 7.38% per annum) and a US dollar loan bearing interest at a fixed rate of 4.13% per annum (2013: 4.13% per annum).

The loans from related companies represent short-term loans for working capital and repayable at call. The loans bear interest at MOR rate less a fixed percentage of a local commercial bank which is 5.43% per annum (2013: 5.43% per annum).

Liabilities under finance lease agreements represent financial lease liabilities for the lease motor vehicles from a subsidiary for 72 monthly installments. Interest rates are 5.68% - 7.94% per annum (2013: 5.68% - 7.94% per annum).

The movements on short-term loans to and short-term loans from related companies are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at 31 December 2013	During the year		Balance as at 31 December 2014
		Addition	Settlement	
Short-term loans to				
Paemala Spa Company Limited	5	-	-	5
Lam Luk Ka Golf and Country Club Company Limited	31	-	(11)	20
Siam Piwat Holding Company Limited	308	-	(263)	45
Max Asset Management Company Limited	-	58	-	58
DMS Property Investment Private Limited	13	-	(8)	5
Royal Orchid Hotel (Thailand) Public Company Limited	-	50	-	50
Total	357	108	(282)	183
Short-term loans from				
Siam Piwat Holding Company Limited	153	14	(54)	113
Directors	7	-	(3)	4
Total	160	14	(57)	117

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2013	During the year		Balance as at 31 December 2014
		Addition	Settlement	
Short-term loans to				
Riverdale Golf and Country Club Company Limited	2,967	1,518	(1,465)	3,020
MBK Hotels and Resorts Company Limited	823	128	(261)	690
T Leasing Company Limited	1,630	310	(625)	1,315
Glas Haus Ratchada Company Limited	3	624	(3)	624
MBK Training Center Company Limited	1	-	(1)	-
MBK Real Estate Company Limited	546	50	(596)	-
X-Gen Premium Company Limited	15	-	(15)	-
MBK Shopping Center Company Limited	100	22	(60)	62
Lam Luk ka Golf and Country Club Company Limited	31	-	(11)	20
Max Asset Management Company Limited	-	58	-	58
Total	6,116	2,710	(3,037)	5,789

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2013	During the year		Balance as at 31 December 2014
		Addition	Settlement	
Short-term loans from				
Supsinnthanee Company Limited	390	14	-	404
MBK Premium Company Limited	561	19	(13)	567
MBK Asset Company Limited	463	10	(122)	351
MBK Business Company Limited	587	166	(154)	599
MBK Center Company Limited	1	-	-	1
Primacy Elegance Investments Limited	184	13	-	197
Lanta Land Development Company Limited	68	28	(17)	79
MBK Suki Number One Company Limited	5	-	(5)	-
MBK Insurance Broker Company Limited	2	-	-	2
MBK Broker Company Limited	2	1	-	3
MBK Smart Force Company Limited	2	12	(10)	4
MBK Chiangmai Company Limited	1	-	-	1
MBK Hotels and Tourism Company Limited	2	-	-	2
MBK Service Solution Company Limited	151	6	(1)	156
MBK Square Company Limited	52	7	(1)	58
Siam Delice Company Limited	308	-	(263)	45
X-Gen Premium Company Limited	-	55	-	55
MBK Training Center Company Limited	-	2	-	2
MBK Bangyai Company Limited	-	4	-	4
MBK Real Estate Company Limited	-	437	-	437
Total	2,779	774	(586)	2,967
Long-term liabilities under finance lease agreements				
MBK Premium Company Limited	14	-	(4)	10

Share sale and purchase transactions with related parties

On 1 March 2013, Glas Haus Ratchada Company Limited, a subsidiary, sold 75% of shares in MBK Food and Entertainment Company Limited to Patum Rice Mill and Granary Public Company Limited, a subsidiary.

On 31 May 2013, the Company sold all ordinary shares in Paradise Park Company Limited, a subsidiary, total 3.5 million shares (or equivalent to 50% of its registered capital) at 72.66 Baht each, for total amounting to Baht 254 million to MBK Shopping Center Company Limited, a subsidiary. In this regard, the Company eliminated loss on sale of investments which is relevant to such related party transaction from the consolidated financial statements.

On 8 October 2014, the Company sold all ordinary shares in MBK Suki Number one Company Limited (Formerly known as "M Racing Company Limited"), a subsidiary, representing 100% of its registered capital to Patum Rice Mill and Granary Public Company Limited, a subsidiary, as discussed in Note 2.2.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Group had employee benefit expenses of their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	86,211,350	75,533,949	65,017,294	58,940,900
Post-employment benefits	2,929,206	2,303,786	2,428,609	1,804,506
Total	89,140,556	77,837,735	67,445,903	60,745,406

Guarantee for subsidiaries

The Company entered into Corporate Guarantee Agreements for loans of its associates as described in Note 43.3.2 to the financial statements. There were no guarantee fees because the loans were guaranteed by all shareholders based upon shareholding proportion.

The Company entered into Corporate Guarantee Agreements for loans of its subsidiaries as described in Note 43.3.3 to the financial statements. The guarantee fees are charged at 0.5 percent per annum of loan guarantee amounts.

The Company entered into Corporate Guarantee Agreements for debt commitments according to cross currency and interest rate swap agreement, as discussed in Note 43.3.4. There were no guarantee fees because the agreements were guaranteed by all shareholders.

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	10,625,109	14,906,684	3,484,982	6,127,284
Cash at banks	531,340,247	555,954,578	132,975,574	60,216,410
Bills of exchange with maturity not over 3 months	29,957,474	1,093,983,058	-	1,080,000,000
Cash and cash equivalents	571,922,830	1,664,844,320	136,460,556	1,146,343,694

As at 31 December 2014, bank deposits in savings accounts, fixed deposits and bills of exchange carried interests between 0.10 and 2.60 percent per annum (2013: between 0.13 and 3.20 percent per annum).

8. Current investments

(Unit: Baht)

	Consolidated financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Equity securities	709,497,582	886,251,200	426,162,245	574,041,600
Add: Unrealised gains on changes in values of investments	176,753,618	-	147,879,355	-
	886,251,200	886,251,200	574,041,600	574,041,600
Held-to-maturity within 1 year debt securities				
Debt securities	996,942	996,942	1,494,760	1,494,760
Current investments	887,248,142	887,248,142	575,536,360	575,536,360

(Unit: Baht)

	Separate financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Equity securities	301,972,836	310,972,400	18,637,499	18,600,000
Add: Unrealised gains (losses) on changes in values of investments	8,999,564	-	(37,499)	-
Current investments	310,972,400	310,972,400	18,600,000	18,600,000

The movements on current investments during the year are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
Opening net book value	575,536,360	1,096,186,929	18,600,000	576,126,927
Increase in investments	1,275,945,916	3,098,614,972	1,275,668,770	3,018,971,818
Sales of investments	(1,188,082,901)	(3,747,902,711)	(1,187,307,936)	(3,644,424,493)
Repayment	-	(39,000,000)	-	-
Changes in fair values of available-for-sale securities	223,848,767	167,637,170	204,011,566	67,925,748
Closing net book value	887,248,142	575,536,360	310,972,400	18,600,000

During the year 2014, the Company and its subsidiaries sold available-for-sale securities with book values totaling Baht 1,188 million (the Company only: Baht 1,187 million) and recognised gains (after tax) on the sales amounting to Baht 156 million in profit or loss (the Company only: Baht 156 million). This amount is gains transferred from gain on valuation of available-for-sale securities in other comprehensive income, during the year.

During the year 2013, the Company and its subsidiaries sold available-for-sale securities with book values totaling Baht 3,787 million (the Company only: Baht 3,644 million) and recognised gains (after tax) on the sales amounting to Baht 323 million in profit or loss (the Company only: Baht 296 million). This amount is gains transferred from gain on valuation of available-for-sale securities in other comprehensive income, during the year.

9. Trade and other receivables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	17,106,346	16,887,375	8,247,474	2,689,882
Past due				
Overdue 1 - 30 days	1,514,251	3,736,972	1,209,193	1,609,228
Overdue more than 30 - 60 days	497,810	86,000	104,989	329,886
Overdue more than 60 - 90 days	13,275	20,600	79,472	-
Overdue more than 90 days	363,443	604,080	519,994	506,787
Total	19,495,125	21,335,027	10,161,122	5,135,783
Less: Allowance for doubtful accounts	-	(198,128)	-	(198,128)
Total trade receivables - related parties, net	19,495,125	21,136,899	10,161,122	4,937,655

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	305,826,488	191,035,314	6,389,386	12,319,397
Past due				
Overdue 1 - 30 days	74,925,365	133,604,150	29,830,209	20,973,262
Overdue more than 30 - 60 days	10,491,148	17,857,152	5,522,326	3,631,855
Overdue more than 60 - 90 days	13,263,760	8,478,259	10,159,498	1,270,269
Overdue more than 90 days	53,192,309	30,742,813	29,028,588	3,399,848
Total	457,699,070	381,717,688	80,930,007	41,594,631
Less: Allowance for doubtful accounts	(19,608,115)	(20,905,501)	(2,721,525)	(2,679,242)
Total trade receivables - unrelated parties, net	438,090,955	360,812,187	78,208,482	38,915,389
Total trade receivables - net	457,586,080	381,949,086	88,369,604	43,853,044
Other receivables - related parties				
Interest receivable	1,163,729	2,125,248	285,598	127,638
Prepaid expenses	70,262	1,728,301	1,432	858,160
Other receivables	2,937,550	3,765,533	-	-
Total other receivables - related parties	4,171,541	7,619,082	287,030	985,798
Other receivables - unrelated parties				
Advances	3,704,440	8,774,241	-	-
Interest receivable	13,626,974	10,734,452	-	59,589
Prepaid expenses	62,232,790	200,744,878	14,174,610	33,777,051
Other receivables	76,975,573	78,841,422	7,028,686	6,210,335
Total other receivables - unrelated parties	156,539,777	299,094,993	21,203,296	40,046,975
Total other receivables	160,711,318	306,714,075	21,490,326	41,032,773
Trade and other receivables - net	618,297,398	688,663,161	109,859,930	84,885,817

10. Loans to customers

10.1 Classified by loans to customers type

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loans	3,604,509,929	4,951,023,583	-	1,177,380,000
Installment receivables	25,647,867	47,882,506	3,563,768	7,127,635
Hire purchase receivables	2,630,867,038	2,868,902,546	-	-
Less: Deferred revenue	(630,042,391)	(679,946,614)	-	-
Total loans to customers	5,630,982,443	7,187,862,021	3,563,768	1,184,507,635
Less: Allowance for doubtful accounts	(102,075,476)	(153,918,021)	-	-
Total	5,528,906,967	7,033,944,000	3,563,768	1,184,507,635
Less: Current portion of loans to customers	(1,544,222,915)	(3,831,284,710)	(2,393,798)	(1,180,943,289)
Loans to customers - net of current portion	3,984,684,052	3,202,659,290	1,169,970	3,564,346

10.2 Classified by aging from the maturity date

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Not yet due	5,148,994,058	6,537,230,922	3,563,768	1,184,507,635
Overdue 1 - 3 months	339,143,132	469,013,962	-	-
Overdue more than 3 - 6 months	103,366,068	140,540,703	-	-
Overdue more than 6 - 12 months	22,150,985	31,340,941	-	-
Overdue more than 12 months	17,328,200	9,735,493	-	-
Total	5,630,982,443	7,187,862,021	3,563,768	1,184,507,635
Less: Allowance for doubtful accounts	(102,075,476)	(153,918,021)	-	-
	5,528,906,967	7,033,944,000	3,563,768	1,184,507,635

10.3 Loans and installment receivables

The Group has finance business segment which operated in lending business with secured short-term and long-term loans. Details are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loans	3,604,509,929	4,951,023,583	-	1,177,380,000
Installment receivables	25,647,867	47,882,506	3,563,768	7,127,635
Total	3,630,157,796	4,998,906,089	3,563,768	1,184,507,635
Less: Current portion	(426,380,455)	(2,638,237,495)	(2,393,798)	(1,180,943,289)
Net of current portion	3,203,777,341	2,360,668,594	1,169,970	3,564,346

a) As at 31 December 2013, Part of long-term loans amounting to Baht 1,177 million is secured loan to Mah Boonkrong Sirichai Enterprise Company Limited ("Mah Boonkrong") as follows:

(Unit: Million Baht)

	Interest rate	Due date	Principle
Loan to totaling Baht 800 million	MOR - 2%	At call	800
Loan to totaling Baht 124 million	MOR - 2%	At call	124
Loan to totaling Baht 253 million	MOR - 2%	At call	253
			1,177

Loans amounting to Baht 800 million have been restructured under restructure agreement. The Company acquired all 800,000 ordinary shares of Mah Boonkrong from the previous shareholders at a price of Baht 1 per share, or for total of Baht 800,000. As a result, the Company's shareholding in Mah Boonkrong is 100%. Mah Boonkrong has assets, which comprise of land, golf course infrastructure, club house and a hotel building. On 5 October 2009, the Company has also made an agreement to sell or to buy the shares of Mah Boonkrong, whereby the former shareholders are able to buy back the shares at the prices set in the agreement by 30 September 2014.

As a result of the Company purchasing shares of Mah Boonkrong with an agreement to sell back, as mentioned above, the previous group of shareholders is entitled to derive economic benefits from the use of assets and has obligations to repair and maintain the assets in good condition, and to insure the assets until they buy back the shares per the timetable above. Given these factors the substance of this transaction is still a secured loan receivable and so the Company classifies the purchase of

shares in Mah Boonkrong amounting to Baht 800,000 as part of secured loans to other company.

On 29 September 2014, the former shareholders sent a letter requesting a 3 month extension of the period to buy back the shares of Mah Boonkrong, from 30 September 2014. On 29 December 2014, the former shareholders and the Company entered into an additional agreement to extend the period to buy back the shares of Mah Boonkrong, until 31 October 2016. The former shareholders have transferred the golf course to the Company and agreed that service income from the golf course belongs to the Company from 30 December 2014. As a result, the Company derives economic benefit from the use of the assets and Mah Boonkrong is therefore classified as a subsidiary of the Company, as discussed in Note 45.

b) The remaining of short-term and long-term loans, are loans to persons and companies secured by the pledged/mortgaged of assets specified in the loan agreements and carried interest at rates of a commercial bank. Long-term loans are mature between 2-30 years. As at 31 December 2014, the overdue loan over 3 months amounting to approximately Baht 26 million, however, no allowance for doubtful account was required because the value of collateral of these loans was higher than the outstanding balance.

10.4 Hire purchase receivables

The average contract period of hire purchase receivables are 2 - 3 years with interest charged at the fixed rate as specified in the contracts. The remaining hire purchase receivables classified by due date are as follows:

(Unit: Baht)

	Consolidated financial statements			
	31 December 2014			
	Amounts due under the agreements			
	Less than 1 year	1 - 5 years	Non-performing loans[3]	Total
Gross investment in the agreements	1,547,903,519	956,674,410	126,289,109	2,630,867,038
Unearned financial income[1]	(426,356,158)	(175,767,699)	(27,918,534)	(630,042,391)
Minimum payments over the hire purchase term	1,121,547,361	780,906,711	98,370,575	2,000,824,647
Less: Allowance for doubtful accounts[2]				(102,075,476)
Hire purchase receivables - net				1,898,749,171
Less: Current portion of hire purchase receivables				(1,117,842,460)
Hire purchase receivables - portion due more than 1 year				780,906,711

(Unit: Baht)

	Consolidated financial statements			
	31 December 2013			
	Amounts due under the agreements			
	Less than 1 year	1 - 5 years	Non-performing loans[3]	Total
Gross investment in the agreements	1,654,896,527	1,016,959,620	197,046,399	2,868,902,546
Unearned financial income[1]	(457,380,008)	(174,968,924)	(47,597,682)	(679,946,614)
Minimum payments over the hire purchase term	1,197,516,519	841,990,696	149,448,717	2,188,955,932
Allowance for doubtful accounts[2]				(153,918,021)
Hire purchase receivable - net				2,035,037,911
Less: Current portion of hire purchase receivables				(1,193,047,215)
Hire purchase receivable - portion due more than 1 year				841,990,696

(1) After deduction of commission and deferred initial direct costs of hire-purchase

(2) Because the Group is unable to separate allowance for doubtful accounts into that for the current portion (due within 1 year) and that for the long-term portion, all allowance for doubtful accounts is presented as a deduction against the current portion of hire purchase receivables.

(3) Non-performing loans are loans that cease revenue recognition on the accrual basis, presenting the current portion of receivables.

Hire purchase receivables were classified by aging from the maturity date as stated in the contract as follows:

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Not yet due or overdue less than 1 month	1,673,030,140	1,755,553,362
Overdue 1 - 3 months	229,423,933	280,341,969
Overdue more than 3 - 6 months	73,397,926	126,034,167
Overdue more than 6 - 12 months	22,150,984	25,440,941
Overdue more than 12 months	2,821,664	1,585,493
Total	2,000,824,647	2,188,955,932
Less: Allowance for doubtful accounts	(102,075,476)	(153,918,021)
Hire purchase receivables - net	1,898,749,171	2,035,037,911

11. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Decrease to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Property development for sale	2,725,233,680	1,984,408,291	-	-	2,725,233,680	1,984,408,291
Finished goods	71,020,098	100,709,440	(1,679,574)	(2,364,522)	69,340,524	98,344,918
Raw materials	103,192,610	190,473,290	(1,400,000)	(464,224)	101,792,610	190,009,066
Supplies and equipment for operations	98,630,577	108,430,161	(4,131,000)	(1,594,000)	94,499,577	106,836,161
Food and beverage	16,371,674	16,357,182	-	-	16,371,674	16,357,182
Work in process	1,894,357	2,916,699	-	-	1,894,357	2,916,699
Good in transit	-	10,880	-	-	-	10,880
Total inventories	3,016,342,996	2,403,305,943	(7,210,574)	(4,422,746)	3,009,132,422	2,398,883,197

(Unit: Baht)

	Separate financial statements					
	Cost		Decrease to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Supplies and equipment for operations	34,978,415	38,541,698	-	-	34,978,415	38,541,698
Food and beverage	5,520,221	5,052,075	-	-	5,520,221	5,052,075
Total inventories	40,498,636	43,593,773	-	-	40,498,636	43,593,773

During the current year, the Group reduced cost of inventories by Baht 4 million, to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 1 million (2013: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

As at 31 December 2014, a subsidiary has pledged inventories of approximately Baht 141 million (2013: Baht 227 million) to secure a loan facility from a financial institution, as discussed in Note 23.

12. Other current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deposit and advance	10,237,690	6,805,106	2,318,072	1,815,220
Loan to cooperative	4,132,700	8,391,545	4,132,700	8,391,546
Value added tax refundable	30,704,773	145,602,897	5,596,088	5,565,396
Withholding deducted at source	71,727,262	55,321,969	-	-
Others	146,420,118	93,574,250	5,289,300	2,184,233
Other current assets	263,222,543	309,695,767	17,336,160	17,956,395

13. Investments in associates

13.1 Investments in associates as at 31 December 2014 and 2013 comprise the following:

	Nature of business	Country of incorporation	Shareholding percentage both directly and indirectly owned	
			2014	2013
			%	%
Listed company				
Royal Orchid Hotel (Thailand) Public Company Limited	Hotel	Thailand	29.86	29.86
Nonlisted companies				
Siam Piwat Company Limited	Shopping center and property for lease	Thailand	30.72	30.72
Max Asset Management Company Limited	Asset management	Thailand	16.56	16.56
Paemala Spa Company Limited	Spa	Thailand	25.00	25.00
Puen Pob Patt Company Limited	Dormant	Thailand	36.29	36.29
Apple Auto Auction (Thailand) Company Limited	Vehicle broker	Thailand	49.99	49.99
DMS Property Investment Private Limited	Hotel	Maldives	30.00	30.00
Lam Luk Ka Golf and Country Club Company Limited	Golf course	Thailand	44.29	35.66
Siam City Life Assurance Public Company Limited	Life insurance	Thailand	46.50	-

(Unit: Baht)

	Consolidated financial statements					
	Investment at cost method		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the years ended	
	2014	2013	2014	2013	2014	2013
Listed company						
Royal Orchid Hotel (Thailand) Public Company Limited	731,903,292	731,903,292	359,013,449	408,802,913	(32,990,633)	(1,713,424)
Nonlisted companies						
Siam Piwat Company Limited	947,012,157	947,012,157	1,625,936,840	1,525,994,673	220,854,167	247,151,248
Max Asset Management Company Limited	23,680,800	94,723,200	117,477,714	227,110,258	13,314,233	16,440,865
Paemala Spa Company Limited	1,250,000	1,250,000	-	-	-	-
Puen Pob Patt Company Limited	479,530	479,530	-	-	-	-
Apple Auto Auction (Thailand) Company Limited	45,000,000	45,000,000	79,887,425	54,590,318	29,797,107	11,511,008
Innofood (Thailand) Company Limited	-	-	-	-	-	(104,889)
DMS Property Investment Private Limited	347,667,876	347,667,876	315,108,683	303,630,420	6,562,610	15,271,557
Lam Luk Ka Golf and Country Club Company Limited	296,206,494	238,496,352	300,442,388	235,098,687	7,633,559	5,373,126
Siam City Life Assurance Public Company Limited	418,500,000	-	507,717,076	-	71,266,549	-
Investments in associates	2,811,700,149	2,406,532,407	3,305,583,575	2,755,227,269	316,437,592	293,929,491

(Unit: Baht)

	Separate financial statement			
	Investment at cost method		Dividend received for the years ended	
	2014	2013	2014	2013
Nonlisted companies				
Siam Piwat Company Limited	947,012,157	947,012,157	120,912,000	120,912,000
Max Asset Management Company Limited	23,680,800	94,723,200	64,885,392	33,153,120
Puen Pob Patt Company Limited	479,530	479,530	-	-
Apple Auto Auction (Thailand) Company Limited	45,000,000	45,000,000	4,500,000	-
Lam Luk Ka Golf and Country Club Company Limited	296,206,494	238,496,352	-	-
Siam City Life Assurance Public Company Limited	418,500,000	-	-	-
Investments in associates	1,730,878,981	1,325,711,239	190,297,392	154,065,120
Less: Allowance for impairment of investments	(479,530)	(479,530)		
Investments in associates - net	1,730,399,451	1,325,231,709		

13.2 The movements on investments in associates during the year are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	Investment at equity method		Investment at cost method	
	2014	2013	2014	2013
Book value at beginning of year	2,755,227,269	2,557,727,540	1,325,231,709	1,274,322,538
Reclassify Investments in associates to investments in subsidiaries	-	(2,146,617)	-	-
Increase in investments in associates	476,210,142	50,909,171	476,210,142	50,909,171
Share capital reduction of an associate	(71,042,400)	-	(71,042,400)	-
Share of profit from investments in associates	316,437,593	293,929,491	-	-
Dividend received from associates	(207,096,223)	(170,863,951)	-	-
Other changes in investments in associates	35,847,194	25,671,635	-	-
Book value at the ending of year	3,305,583,575	2,755,227,269	1,730,399,451	1,325,231,709

On 5 March 2014, the Company and Thanachart Capital Public Company Limited entered into a Share Purchase Agreement with Thanachart Bank Public Company Limited to purchase 32.55 million ordinary shares of Siam City Life Assurance Public Company Limited. The transaction value is Baht 900 million, of which the Company's portion is Baht 418.50 million at a price of Baht 12.86 per share, representing a 46.50 percent shareholding. On 2 June 2014, ownership of the shares was transferred to the Company and classified the investment as an associate.

13.3 Fair value of investment in associate which is listed company on the Stock Exchange of Thailand.

(Unit: Million Baht)

	Fair value as at 31 December	
	2014	2013
Royal Orchid Hotel (Thailand) Public Company Limited	647	577

13.4 Summarised financial information of associates

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the years ended		Profit (loss) for the years ended	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Listed company										
Royal Orchid Hotel (Thailand)										
Public Company Limited	937.50	937.50	937.05	1,142.27	255.56	260.42	666.55	892.50	(144.12)	(14.22)
Nonlisted companies										
Siam Piwat Company Limited	174.00	174.00	14,545.32	14,295.66	9,015.62	9,368.82	4,245.03	4,386.80	760.06	903.98
Max Asset Management Company										
Limited	143.00	572.00	739.10	946.33	526.73	43.02	37.63	153.06	130.07	103.24
Paemala Spa Company Limited	5.00	5.00	20.61	23.71	29.40	32.54	7.19	12.83	0.04	6.20
Puen Pob Patt Company Limited	1.00	1.00	0.06	0.17	0.06	0.04	-	-	(0.05)	(0.05)
Apple Auto Auction (Thailand)										
Company Limited	90.00	90.00	288.42	193.73	128.65	84.47	303.10	213.31	59.54	23.02
DMS Property Investment Private										
Limited	1,157.53	1,157.53	2,259.79	2,391.18	1,210.79	1,383.88	702.65	700.37	25.77	(3.32)
Lam Luk Ka Golf and Country Club										
Company Limited	1,454.00	1,454.00	1,352.41	1,345.93	31.87	40.92	128.01	128.62	15.53	20.21
Siam City Life Assurance Public										
Company Limited	700.00	-	11,347.81	-	9,984.21	-	1,291.37	-	239.64	-

14. Investment in joint venture

14.1 Detail of investment in joint venture:

Investment in joint venture represents investment in entity which is jointly controlled by the subsidiary and other company. Detail of this investment is as follows:

(Unit: Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements		
		Shareholding percentage	Cost	Carrying amounts based on equity method
		2014	2014	2014
		(%)		
Indirectly owned				
PT Retail Corporation Company Limited	Shopping center	32.67	150,000,000	149,248,311
Total			150,000,000	149,248,311

On 21 October 2014, Paradise Retail Company Limited, a subsidiary of the Group, established of a new company, named PT Retail Corporation Limited, under the joint venture agreement, dated 16 September 2014, with registered share capital 40 million shares with par value of Baht 10 per share, total amounting to Baht 400 million. The Company has the indirect holding of 32.67% of such company through Paradise Retail Company Limited. Paradise Retail Company Limited holds 20 million ordinary shares of such company with par value of Baht 10 per share, representing a 50 percent shareholding. During the year 2014, Paradise Retail Company Limited partially paid share capitals of Baht 7.50 per share, totaling amount Baht 150 million.

14.2 Share of profit/loss and dividend received

During the years, the Company recognised its share of profit/loss from investments in the joint venture in the consolidated financial statements as follows:

(Unit: Baht)

Jointly controlled entities	Consolidated financial statements Share of profit (loss) from investments in joint ventures during the year 2014
PT Retail Corporation Company Limited	(751,689)
Total	(751,689)

14.3 Summarised financial information of jointly controlled entities

PT Retail Corporation Company Limited

The Company's proportionate shares of the assets, liabilities, revenue and expenses of PT Retail Corporation Company Limited, according to proportion under joint venture agreement, is as follows:

(Unit: Million Baht)

	As at 31 December 2014
Current assets	73
Non-current assets	27
Total assets	100
Current liabilities	(1)
Non-current liabilities	(2)
Total liabilities	(3)
Net assets	97

(Unit: Million Baht)

	For the year ended 31 December 2014
Administrative expenses	(1)
Losses for the year	(1)

15. Investments in subsidiaries

Investments in subsidiaries as at 31 December 2014 and 2013 comprise the following:

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	2014	2013	2014	2013
	Thousand Baht	Thousand Baht	%	%
Listed company				
Patum Rice Mill and Granary Public Company Limited	600,000	600,000	74.52	74.52
Nonlisted companies				
Riverdale Golf and Country Club Company Limited	4,000,000	4,000,000	99.99	99.99
MBK Hotels and Resorts Company Limited	2,200,000	2,200,000	100.00	100.00
Glas Haus Ratchada Company Limited	1,083,500	1,083,500	100.00	100.00
MBK Business Company Limited	570,000	570,000	99.99	99.99
MBK Premium Company Limited	528,319	528,319	100.00	100.00
Supsinnthanee Company Limited	505,325	505,325	100.00	100.00
MBK Asset Company Limited	300,000	300,000	99.99	99.99
Primacy Elegance Investments Limited	111	111	100.00	100.00
MBK Smart Force Company Limited	1,000	1,000	99.97	99.97
MBK Center Company Limited	2,000	2,000	99.99	99.99
MBK Shopping Center Company Limited	300,000	300,000	99.99	99.99
MBK Square Company Limited	100,000	100,000	99.99	99.99
MBK Hotels & Tourism Company Limited	5,000	5,000	99.99	99.99
T Leasing Company Limited	500,000	500,000	99.99	99.99
X-Gen Premium Company Limited	90,000	50,000	99.99	99.99
Siam Delice Company Limited	1,020,000	1,020,000	65.36	65.36
Lanta Land Development Company Limited	340,000	340,000	99.99	99.99
MBK Bangyai Company Limited	5,000	1,000	99.97	99.97
MBK Training Center Company Limited	3,000	1,000	99.97	99.97
MBK Insurance Broker Company Limited	2,000	2,000	99.99	99.99
MBK Broker Company Limited	4,000	4,000	99.99	99.99

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	2014	2013	2014	2013
	Thousand Baht	Thousand Baht	%	%
Nonlisted companies (continue)				
MBK Chiangmai Company Limited	1,000	1,000	99.97	99.97
MBK Suki Number One Company Limited (Formerly known as "M Racing Company Limited")	-	10,000	-	99.99
MBK Service Solution Company Limited	150,000	150,000	99.99	99.99
MBK Real Estate Company Limited	1,000,000	1,000	99.97	99.97
Mah Boonkrong Sirichai Enterprise Company Limited	80,000	-	99.99	-

The details of investment in subsidiaries is presented in separate financial statement, are as follows:

(Unit: Baht)

	Investment at cost method		Dividend received for the year ended	
	2014	2013	2014	2013
Listed company				
Patum Rice Mill and Granary Public Company Limited	422,235,195	422,235,195	212,387,225	201,208,950
Nonlisted companies				
Riverdale Golf and Country Club Company Limited	3,999,992,100	3,999,992,100	180,000,000	104,999,790
MBK Hotels and Resorts Company Limited	2,200,000,000	2,200,000,000	48,400,000	50,600,000
Glas Haus Ratchada Company Limited	1,000,015,000	1,000,015,000	5,000,000	22,000,000
MBK Business Company Limited	570,000,000	570,000,000	42,625,000	34,925,000
MBK Premium Company Limited	528,319,300	528,319,300	25,000,000	25,000,000
Supsinnthanee Company Limited	500,005,325	500,005,325	4,000,000	2,000,000
MBK Asset Company Limited	300,000,000	300,000,000	30,000,000	750,000,000
Primacy Elegance Investments Limited	110,900	110,900	-	-
MBK Smart Force Company Limited	1,344,939	1,344,939	3,900,000	2,000,000
MBK Center Company Limited	2,000,000	2,000,000	-	-
MBK Shopping Center Company Limited	300,000,000	300,000,000	6,750,000	10,800,000
MBK Square Company Limited	100,000,000	100,000,000	2,000,000	1,500,000
MBK Hotels & Tourism Company Limited	5,000,000	5,000,000	-	-

(Unit: Baht)

	Investment at cost method		Dividend received for the years ended	
	2014	2013	2014	2013
Nonlisted companies (continued)				
T Leasing Company Limited	533,000,000	533,000,000	-	112,500,000
X-Gen Premium Company Limited	90,000,000	50,000,000	-	-
Siam Delice Company Limited	507,236,552	505,283,708	-	-
Lanta Land Development Company Limited	420,101,235	420,101,235	-	-
MBK Bangyai Company Limited	5,000,000	1,000,000	-	-
MBK Training Center Company Limited	3,000,000	1,000,000	-	1,000,000
MBK Insurance Broker Company Limited	2,000,000	2,000,000	-	-
MBK Broker Company Limited	4,000,000	4,000,000	-	-
MBK Chiangmai Company Limited	1,000,000	1,000,000	-	-
MBK Suki Number One Company Limited (Formerly known as "M Racing Company Limited")	-	10,000,000	-	-
MBK Service Solution Company Limited	150,000,000	150,000,000	375,000	-
MBK Real Estate Company Limited	1,000,000,000	1,000,000	-	-
Mah Boonkrong Sirichai Enterprise Company Limited	1,242,280,000	-	-	-
Investments in subsidiaries	13,886,640,546	11,607,407,702	560,437,225	1,318,533,740
Less: Allowance for impairment of investments	(32,546,606)	(24,112,452)		
Investments in subsidiaries, net	13,854,093,940	11,583,295,250		

The movements on investments in subsidiaries in the separate financial statements during the years are as follows:

(Unit: Baht)

	Separate financial statements	
	Investment at cost method	
	2014	2013
Book value at beginning of year	11,583,295,250	12,030,991,782
Increase in investments in subsidiaries	1,046,952,844	1,068,000,000
Increase in investments in subsidiaries - transfer from loans to customers	1,242,280,000	-
Dispose of investments in subsidiaries	(10,000,000)	(1,491,650,171)
Impairment of investments	(8,434,154)	(24,046,361)
Closing book value at the end of year	13,854,093,940	11,583,295,250

16. Other long-term investments

Other long-term investments as at 31 December 2014 and 2013 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Long-term investment - related companies	4,232,732,200	4,199,403,600	4,124,782,200	4,092,303,600
Investments in loans	44,696,087	548,519	44,696,087	548,519
Investments in other companies	480,346,980	480,675,177	10,788,986	10,788,986
Other long-term investments	4,757,775,267	4,680,627,296	4,180,267,273	4,103,641,105

16.1 Long-term investment - related companies

Long-term investment - related companies as at 31 December 2014 and 2013 comprise the following:

(Unit: Baht)

	Consolidated financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
			(restated)	
Available-for-sale securities				
Equity securities	1,825,322,736	4,232,732,200	1,825,322,736	4,199,403,600
Add: Unrealised gain on changes in value of investment	2,407,409,464	-	2,374,080,864	-
Long-term investment - related companies	4,232,732,200	4,232,732,200	4,199,403,600	4,199,403,600

(Unit: Baht)

	Separate financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Equity securities	1,668,561,845	4,124,782,200	1,668,561,845	4,092,303,600
Add: Unrealised gain on changes in value of investment	2,456,220,355	-	2,423,741,755	-
Long-term investment - related companies	4,124,782,200	4,124,782,200	4,092,303,600	4,092,303,600

The movements on long-term investments - related companies during the year are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Book value at the beginning of year	4,199,403,600	5,029,218,600	4,092,303,600	4,904,268,600
Changes in fair values of available-for-sale securities	33,328,600	(829,815,000)	32,478,600	(811,965,000)
Book value at the end of year	4,232,732,200	4,199,403,600	4,124,782,200	4,092,303,600

16.2 Investments in other companies

Investment in other company of Baht 466 million in the consolidated financial statements as of 31 December 2014, is an investment in the ordinary shares (100%) of M G 1 Company Limited (MG1) which is held by another subsidiary, MBK Guarantee Company Limited. The Company has obligations in respect of this investment under the agreement to purchase and to sell.

On 20 December 2014, MBK Guarantee Company Limited (MBK-G) entered into an agreement to sell and to purchase shares, whereby it grants an option to purchase shares of M G 1 Company Limited (MG1) to unrelated parties, for a period of 2 years from the agreement date, at the net book value of the investment plus future interest and some additional expenses. MBK-G has certain commitments under the agreement, including an undertaking not to sell, transfer, or allow creation of lien over any assets in MG1. As a result of this, the Company does not have control over MG1, and therefore reclassified the investment in MG1 from “investment in subsidiary” to “investment in other company” in the consolidated financial statements.

Assets and liabilities of MG1 as at 31 December 2014 and 2013 are as follows:

(Unit: Million Baht)

Assets		
Cash and cash equivalents	32	2
Investment in land - cost method	431	425
Loan	-	39
Others	3	-
Total assets	466	466
Liabilities and shareholder’s equity		
Equity	466	466
Total liabilities and shareholder’s equity	466	466

17. Investment properties

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

(Unit: Baht)

	Consolidated financial statements					
	Land awaiting sales	Land and land improvement for rent	Building for rent	Assets under financial lease	Construction in progress	Total
As at 31 December 2014						
Cost	581,180,696	1,198,345,105	8,890,217,913	5,606,038,602	151,575,876	16,427,358,192
Less: Accumulated depreciation	-	(11,970,709)	(4,908,335,863)	(474,177,448)	-	(5,394,484,020)
Less: Allowance for impairment	-	-	(30,271,478)	-	-	(30,271,478)
Net book value	581,180,696	1,186,374,396	3,951,610,572	5,131,861,154	151,575,876	11,002,602,694
As at 31 December 2013						
Cost	609,869,656	963,705,766	7,468,510,283	5,606,038,602	719,815,868	15,367,940,175
Less: Accumulated depreciation	-	(8,054,135)	(4,550,719,789)	(193,875,508)	-	(4,752,649,432)
Less: Allowance for impairment	-	-	(30,529,199)	-	-	(30,529,199)
Net book value	609,869,656	955,651,631	2,887,261,295	5,412,163,094	719,815,868	10,584,761,544

(Unit: Baht)

	Separate financial statements				
	Land awaiting sales	Building for rent	Assets under financial lease	Construction in progress	Total
As at 31 December 2014					
Cost	476,000	2,788,251,261	5,606,038,602	26,380,539	8,421,146,402
Less: Accumulated depreciation	-	(2,548,772,373)	(474,177,448)	-	(3,022,949,821)
Net book value	476,000	239,478,888	5,131,861,154	26,380,539	5,398,196,581
As at 31 December 2013					
Cost	28,676,000	2,720,577,653	5,606,038,602	63,914,579	8,419,206,834
Less: Accumulated depreciation	-	(2,568,088,692)	(193,875,508)	-	(2,761,964,200)
Net book value	28,676,000	152,488,961	5,412,163,094	63,914,579	5,657,242,634

A reconciliation of the net book value of investment properties for the years ended 31 December 2014 and 2013 is presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	10,584,761,544	5,139,877,397	5,657,242,634	231,295,836
Acquisition of assets	851,601,379	1,234,596,370	126,788,956	69,445,327
Acquisition of the subsidiaries	205,504,510	-	-	-
Assets under financial lease	-	5,606,038,602	-	5,606,038,602
Disposals - net book value	(58,625,412)	(229,227,805)	(29,466,801)	(80,907)
Decrease from disposals of investment in a subsidiary	-	(664,325,308)	-	-
Reclassified	49,807,544	38,293,450	(55,343,829)	(7,419,616)
Depreciation charged	(630,446,871)	(540,491,162)	(301,024,379)	(242,036,608)
Net book value at end of year	11,002,602,694	10,584,761,544	5,398,196,581	5,657,242,634

The fair value of the investment properties, including leasehold rights, with total book value as at 31 December 2014 and 2013 is stated below:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Land awaiting sales	954,623,489	949,663,999	544,000	53,544,000
Land and land improvement for rent	2,049,268,642	1,485,733,056	-	-
Building for rent	4,981,657,129	4,141,256,050	1,054,000,000	1,116,000,000
Assets under financial lease	5,131,861,154	5,412,163,094	5,131,861,154	5,412,163,094

The fair values of the above investment properties have been determined based on appraisal values performed by an independent appraiser. The fair value of the land awaiting sale and land/land improvement for rent have mainly been determined based on market approach, while that of the building for rent has been determined using income approach. Main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2013, its subsidiaries have mortgaged parts of the investment properties with aggregate net book value in consolidated financial statements of Baht 2,010 million with local financial institutions as collateral for long-term credit facilities granted by these financial institutions. At present the mortgage assets have been redeemed, as discussed in Note 26.

18. Land held for development

Land held for development as at 31 December 2014 and 2013 comprises land of the following companies.

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Riverdale Golf and Country Club Company Limited	509,069,293	509,069,293
The Nine Center Company Limited	104,829,068	104,829,068
Plan Estate Company Limited	19,211,604	17,269,176
MBK Residence Company Limited	13,116,901	13,380,999
	646,226,866	644,548,536

19. Property, plant and equipment

(Unit: Baht)

	Consolidated financial statements							
	Land and land improvement	Buildings and building improvements	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Cost								
1 January 2013	1,888,285,330	3,095,369,175	-	889,182,306	1,670,320,089	120,155,034	123,291,212	7,786,603,146
Acquisitions	585,180	11,757,792	-	48,259,868	83,719,457	10,243,204	116,661,342	271,226,843
Acquisition of the subsidiaries	-	1,576,806	-	2,474,825	319,626	28,734	-	4,399,991
Assets under financial lease	-	-	657,691,681	-	-	-	-	657,691,681
Disposals	(11,306,526)	(166,236,880)	-	(247,017,639)	(59,118,853)	(17,241,324)	(7,826,000)	(508,747,222)
Transfers	7,011,987	113,851,623	-	28,926,117	14,196,947	-	(163,986,674)	-
Reclassification	(664,042)	6,922,420	-	15,452,723	3,827,826	52,800	(10,587,512)	15,004,215
31 December 2013	1,883,911,929	3,063,240,936	657,691,681	737,278,200	1,713,265,092	113,238,448	57,552,368	8,226,178,654
Acquisitions	12,357,853	10,054,930	-	60,574,827	55,369,024	3,941,610	84,824,255	227,122,499
Acquisition of the subsidiaries	1,007,964,215	17,138,759	-	11,889,469	430,800	11,215,472	-	1,048,638,715
Disposals	-	(9,033,483)	-	(12,577,691)	(27,308,043)	(11,367,695)	(8,612,777)	(68,899,689)
Transfers	71,366	5,975,114	-	33,377,107	13,520,198	1,050,261	(53,994,046)	-
Reclassification	-	19,530,070	-	45,425,952	(49,142,908)	36,266	(19,149,671)	(3,300,291)
31 December 2014	2,904,305,363	3,106,906,326	657,691,681	875,967,864	1,706,134,163	118,114,362	60,620,129	9,429,739,888

(Unit: Baht)

	Consolidated financial statements							
	Land and land improvement	Buildings and building improvements	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Accumulated depreciation								
1 January 2013	297,890,756	1,840,517,537	-	696,725,265	1,122,850,984	79,863,809	-	4,037,848,351
Depreciation for the year	69,888,406	147,024,576	22,745,171	61,533,305	176,580,241	12,978,988	-	490,750,687
Depreciation - transfer to property development	-	-	-	142,195	-	-	-	142,195
Accumulated depreciation on disposals	(11,089,499)	(102,786,066)	-	(237,690,007)	(49,730,222)	(17,234,382)	-	(418,530,176)
Reclassification	(251,876)	2,553,565	-	6,784,419	(2,317,853)	69,228	-	6,837,483
31 December 2013	356,437,787	1,887,309,612	22,745,171	527,495,177	1,247,383,150	75,677,643	-	4,117,048,540
Depreciation for the year	70,850,235	126,489,516	32,884,584	67,356,600	188,958,277	10,813,269	-	497,352,481
Depreciation - transfer to property development	-	-	-	114,817	-	-	-	114,817
Accumulated depreciation on disposals	-	(3,569,001)	-	(10,683,531)	(23,387,655)	(11,294,200)	-	(48,934,387)
Reclassification	-	(15,546,116)	-	(11,484,538)	(24,343,388)	11,266	-	(51,362,776)
31 December 2014	427,288,022	1,994,684,011	55,629,755	572,798,525	1,388,610,384	75,207,978	-	4,514,218,675
Allowance for impairment of asset								
1 January 2013	10,558,231	112,028,433	-	-	155,380	-	9,881,525	132,623,569
Increase (decrease) during the year	-	(9,150,159)	-	-	-	-	140,252	(9,009,907)
Reclassification	-	930,659	-	-	-	-	-	930,659
31 December 2013	10,558,231	103,808,933	-	-	155,380	-	10,021,777	124,544,321
Increase (decrease) during the year	-	14,318	-	800,000	(47,244)	-	(8,612,777)	(7,845,703)
Reclassification	-	243,403	-	-	-	-	-	243,403
31 December 2014	10,558,231	104,066,654	-	800,000	108,136	-	1,409,000	116,942,021

(Unit: Baht)

	Consolidated financial statements							
	Land and land improvement	Buildings and building improvements	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Net book value								
31 December 2013	1,516,915,911	1,072,122,391	634,946,510	209,783,023	465,726,562	37,560,805	47,530,591	3,984,585,793
31 December 2014	2,466,459,110	1,008,155,661	602,061,926	302,369,339	317,415,643	42,906,384	59,211,129	4,798,579,192
Depreciation for the year								
2013 (Baht 421 million include in costs of service and rental, and the remaining balance included in selling and administrative expense)								490,750,687
2014 (Baht 415 million include in costs of service and rental, and the remaining balance included in selling and administrative expense)								497,352,481

(Unit: Baht)

	Separate financial statements						
	Building	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Cost							
1 January 2013	1,042,731,187	-	159,667,647	962,404,103	38,405,665	10,353,780	2,213,562,382
Acquisition	-	-	18,585,673	22,969,817	3,129,400	3,458,701	48,143,591
Assets under financial lease	-	657,691,681	-	-	-	-	657,691,681
Disposal	-	-	(3,111,562)	(5,458,281)	(2,892,220)	-	(11,462,063)
Transfer	-	-	-	687,570	-	(687,570)	-
Reclassification	-	-	7,435,492	(15,206)	-	-	7,420,286
31 December 2013	1,042,731,187	657,691,681	182,577,250	980,588,003	38,642,845	13,124,911	2,915,355,877
Acquisition	-	-	28,176,960	20,552,718	-	1,043,422	49,773,100
Disposal	-	-	(1,687,432)	(7,215,265)	(9,346,800)	-	(18,249,497)
Transfer	-	-	-	5,151,855	-	(5,151,855)	-
Reclassification	-	-	52,919,528	2,703,004	-	-	55,622,532
31 December 2014	1,042,731,187	657,691,681	261,986,306	1,001,780,315	29,296,045	9,016,478	3,002,502,012
Accumulated depreciation							
1 January 2013	1,011,133,269	-	117,446,843	625,989,814	18,896,854	-	1,773,466,780
Depreciation for the year	31,597,915	22,745,171	12,742,069	122,766,873	6,203,766	-	196,055,794
Accumulated depreciation - disposal	-	-	(2,579,345)	(5,294,332)	(2,892,218)	-	(10,765,895)
Reclassification	-	-	670	-	-	-	670
31 December 2013	1,042,731,184	22,745,171	127,610,237	743,462,355	22,208,402	-	1,958,757,349
Depreciation for the year	-	32,884,584	19,409,597	117,277,040	4,291,679	-	173,862,900
Accumulated depreciation - disposal	-	-	(1,684,410)	(6,614,302)	(9,346,799)	-	(17,645,511)
31 December 2014	1,042,731,184	55,629,755	145,335,424	854,125,093	17,153,282	-	2,114,974,738

(Unit: Baht)

	Separate financial statements						
	Building	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Net book value							
31 December 2013	3	634,946,510	54,967,013	237,125,648	16,434,443	13,124,911	956,598,528
31 December 2014	3	602,061,926	116,650,882	147,655,222	12,142,763	9,016,478	887,527,274
Depreciation for the year							
2013 (Baht 158 million include in costs of service and rental, and the remaining balance included in administrative expense)							196,055,794
2014 (Baht 144 million include in costs of service and rental, and the remaining balance included in administrative expense)							173,862,900

As at 31 December 2014 and 2013, certain plant and equipment items have been fully depreciated, but these items are still in active uses, the amounts would be as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Original cost before accumulated depreciation of plant and equipment	2,252,288,692	2,315,378,527	1,382,280,816	1,460,568,971

20. Goodwill

Goodwill as at 31 December 2014 and 2013 comprise goodwill on business combination in the following associates and subsidiaries:

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Siam Piwat Company Limited	64,579,128	64,579,128
Absolute Travel Company Limited	-	700,001
Crystal Lake Properties Company Limited	7,214,050	7,214,050
Innofood (Thailand) Company Limited	240,097	240,097
Total	72,033,275	72,733,276

Goodwill represents the excess of the cost of investment over the fair value of assets acquired and liabilities assumed at acquisition date. Since 1 July 2008, the Group has discontinued the amortisation of goodwill and tested impairment, in compliance with TFRS 3 (revised 2012) Business Combinations.

21. Intangible assets

Net book value of intangible assets which are computer software as at 31 December 2014 and 2013 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost	151,375,305	133,204,456	96,249,599	80,439,409
Less: Accumulated amortisation	(89,501,063)	(78,162,908)	(52,651,628)	(45,001,568)
Less: Allowance for Impairment	(7,305)	-	-	-
Net book value	61,866,937	55,041,548	43,597,971	35,437,841

A reconciliation of the net book value of intangible assets for the years ended 31 December 2014 and 2013 is presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	55,041,548	51,078,352	35,437,841	31,927,633
Acquisition of computer software	20,018,954	16,848,856	16,120,705	12,414,718
Acquisition of the subsidiaries	-	23,970	-	-
Reclassification	(485,105)	972,774	(278,702)	-
Amortisation	(12,296,959)	(13,366,253)	(7,675,879)	(8,872,957)
Write off during the year	(404,196)	(516,151)	(5,994)	(31,553)
Impairment	(7,305)	-	-	-
Net book value at end of year	61,866,937	55,041,548	43,597,971	35,437,841

22. Property foreclosed

(Unit: Baht)

	Consolidated financial statements		
	Land	Buildings	Total
Cost			
As at 1 January 2013	16,020,000	17,209,653	33,229,653
Increase (decrease)	19,472,135	(372,135)	19,100,000
As at 31 December 2013	35,492,135	16,837,518	52,329,653
Increase	205,328,815	1,178,269	206,507,084
As at 31 December 2014	240,820,950	18,015,787	258,836,737
Allowance for impairment			
As at 1 January 2013	-	442,482	442,482
Increase	-	1,288,826	1,288,826
As at 31 December 2013	-	1,731,308	1,731,308
Increase	-	1,222,200	1,222,200
As at 31 December 2014	-	2,953,508	2,953,508
Net book value			
As at 31 December 2013	35,492,135	15,106,210	50,598,345
As at 31 December 2014	240,820,950	15,062,279	255,883,229

25. Other current liabilities

Other current liabilities as at 31 December 2014 and 2013 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred income	24,376,707	15,906,872	-	-
Current portion of unearned installment income	12,600,049	12,600,049	-	-
Deposit - property development project	60,923,690	72,113,165	-	-
Unearned property tax	130,224,084	116,132,107	87,523,217	77,542,478
Unearned output tax	21,289,991	11,174,320	6,008,013	4,531,744
Unearned interest	71,874,969	130,145,544	-	-
Accrued dividend	91,144,535	80,898,969	91,144,535	80,898,969
Others	114,851,620	138,769,987	8,232,307	32,395,718
Total other current liabilities	527,285,645	577,741,013	192,908,072	195,368,909

26. Long-term loans from financial institutions

(Unit: Baht)

			Consolidated financial statements	
	Interest rate	Due date	2014	2013
Loans from financial institution	MLR less a fixed percentage	August 2015 and June 2016	-	28,000,000
Total			-	28,000,000
Less: Current portion			-	(28,000,000)
Total long-term loans - net of current portion			-	-

As at 31 December 2013, a subsidiary has long-term loans from financial institutions amounting to Baht 28 Million. During the year, a subsidiary repayment loan in the total amount. The loan is guaranteed by the Company and an associated company and the mortgage of leasehold rights with net book value as at 31 December 2013 of Baht 26 million and investment properties of a subsidiary with net book value in consolidated financial statement of Baht 2,010 million, as described in Note 17.

27. Long-term debentures

(Unit: Baht)

Type of debentures	Interest rate (per annum)	Period	Due date	Consolidated/Separate financial statements 2014	2013
Unsubordinated and unsecured debentures					
- 1/2011	4.05%	5 years	9 March 2016	2,000,000,000	2,000,000,000
- 2/2011	5.00%	7 years	9 August 2018	300,000,000	300,000,000
- 3/2011	4.95%	7 years	24 August 2018	400,000,000	400,000,000
- 1/2012	4.93%	10 years	24 July 2022	500,000,000	500,000,000
- 2/2012	4.70%	10 years	7 September 2022	400,000,000	400,000,000
- 3/2012	4.72%	10 years	20 September 2022	1,000,000,000	1,000,000,000
- 4/2012	5.10%	15 years	7 November 2027	1,500,000,000	1,500,000,000
- 1/2013	4.75%	7 years	17 July 2020	1,700,000,000	1,700,000,000
- 2/2013	4.75%	7 years	25 July 2020	300,000,000	300,000,000
Total				8,100,000,000	8,100,000,000
Less: Underwriting fee on debenture issuance				(6,716,413)	(8,039,618)
				8,093,283,587	8,091,960,382
Less: Current portion				-	-
Long-term debentures - net of current portion				8,093,283,587	8,091,960,382

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

28. The agreement granting the right to utilise the shopping center at the Pathumwan intersection / Liabilities under finance lease agreements

On 21 April 1983, the Company entered into agreements with Chulalongkorn University ("the University") to lease and develop land at the Pathumwan intersection for a period of 30 years, expiring on 21 April 2013. At the end of the agreements, the Company agreed to transfer all rights in property development constructed on the land under the lease agreements to the university.

On 16 October 2007, the Company and the university signed lease agreements granting the right to utilise the shopping center at Pathumwan intersection for a period of 20 years (from 22 April 2013 to 21 April 2033), under which the Company is required to pay annual rental as stipulated in the lease agreements. In addition, the Company paid Baht 2,519 million for the first right of refusal to enter into agreements with the university, and on 15 July 2009, the Company paid Baht 279 million for the registration of leasehold rights - land and building with the Department of Lands. These prepaid amounts of Baht 2,798 million are recorded as prepaid rental fee under non-current assets in the statement of financial position as at 31 December 2012. However, the prepaid rental is reclassified as cost of land and building rental as at the effective date of the lease agreement.

On 22 April 2013, the effective date of the new lease agreement, the Company considered the materiality of the terms and conditions of the lease agreement, in accordance with TAS 17 (revised 2009) - Leases, and concluded that the Company should separate the land and building elements based on the income approach and the market rental rate for the land as determined by an independent appraiser. The land rental element is classified as an operating lease, for which the rental payments are recognised as an expense on a straight-line basis over the lease period. Meanwhile, the building rental element is classified as assets under financial lease at the present value of the lease payments. It is then depreciated over the lease period. The assets under financial lease are presented in investment properties (Note 17), and property, plant and equipment (Note 19). In addition, the outstanding rental obligations, net of deferred interest expense, presented as liabilities under finance lease agreements and the deferred interest expense is amortised over the lease period.

Under the terms and conditions of the lease agreements, the Company has to comply with certain conditions and restrictions relating to matters such as renovation of the building and related infrastructure under a budget and within a timeframe set forth in the lease agreement, the arrangement of insurance coverage for the assets, the repair and maintenance of the assets in good condition, and the pledge of a bank guarantee of Baht 112 million in respect of certain performance bonds. In addition, if the total revenue of the Company every 5 years is higher than the estimated revenue as defined in the lease agreement, the Company is required to pay revenue sharing at the rate 5% of the excess estimated revenue within 90 days after the end of the accounting period of every fifth year.

(Unit: Baht)

	Consolidated/Separate financial statements	
	2014	2013
Liabilities under finance lease agreements	8,803,017,750	9,087,852,950
Less: Deferred interest expenses	(3,765,465,381)	(4,055,581,038)
Total	5,037,552,369	5,032,271,912
Less: Current portion	-	-
Liabilities under finance lease agreements - net of current portion	5,037,552,369	5,032,271,912

Future minimum lease payments required under finance lease agreements were as follows:

(Unit: Baht)

	As at 31 December 2014			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	694,720,000	3,221,481,000	17,554,574,000	21,470,775,000
Less: Portion of land lease which is operating lease	(409,884,800)	(1,900,673,790)	(10,357,198,660)	(12,667,757,250)
Future minimum lease payments for finance lease	284,835,200	1,320,807,210	7,197,375,340	8,803,017,750
Less: Deferred interest expenses	(284,835,200)	(1,152,030,443)	(2,328,599,738)	(3,765,465,381)
Present value of future minimum lease payments	-	168,776,767	4,868,775,602	5,037,552,369

(Unit: Baht)

	As at 31 December 2013			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	694,720,000	3,039,133,000	18,431,642,000	22,165,495,000
Less: Portion of land lease which is operating lease	(409,884,800)	(1,793,088,470)	(10,874,668,780)	(13,077,642,050)
Future minimum lease payments for finance lease	284,835,200	1,246,044,530	7,556,973,220	9,087,852,950
Less: Deferred interest expenses	(284,835,200)	(1,160,279,026)	(2,610,466,812)	(4,055,581,038)
Present value of future minimum lease payments	-	85,765,504	4,946,506,408	5,032,271,912

29. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2014 and 2013, which is compensations on employees' retirement, was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Book value at beginning of year	137,283,296	121,472,838	53,597,809	50,327,721
Increase of investment in subsidiary	-	5,153	-	-
Current service cost	15,251,415	13,902,810	4,086,854	3,395,591
Interest cost	4,951,781	4,327,743	1,749,020	1,572,897
Benefits paid during the year	(3,587,857)	(1,882,163)	(364,600)	(1,698,400)
Actuarial gain	-	(543,085)	-	-
Balance at the end of year	153,898,635	137,283,296	59,069,083	53,597,809

Long-term employee benefits expenses included in the profit or loss was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	15,251,415	13,902,810	4,086,854	3,395,591
Interest cost	4,951,781	4,327,743	1,749,020	1,572,897
Total expense recognised in profit or loss	20,203,196	18,230,553	5,835,874	4,968,488

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Line items in profit or loss under which such expenses are included:				
Cost of sales or service	8,023,184	7,717,073	1,389,406	1,298,223
Selling expenses	1,530,875	1,376,351	503,444	462,764
Administrative expenses	10,649,137	9,137,129	3,943,024	3,207,501
	20,203,196	18,230,553	5,835,874	4,968,488

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4%	4%	4%	4%
Future salary increase rate	4% - 7%	4% - 7%	4% - 7%	4% - 7%
Staff turnover rate (depending on employee's age)	Age < 55 years: 5 - 30% Age > 55 years: 0%	Age < 55 years: 5 - 30% Age > 55 years: 0%	Age < 55 years: 6 - 20% Age > 55 years: 0%	Age < 55 years: 6 - 20% Age > 55 years: 0%

30. Other non-current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Unearned installment income	-	1,609,162	-	527,417
Others	14,542,815	8,325,478	13,824,073	18,222,055
Other non-current liabilities	14,542,815	9,934,640	13,824,073	18,749,472

31. Share capital

On 9 April 2014, the Annual General Meeting of the Company's shareholders for the year 2014 passed a resolution to approve the changing of the par value of the Company's shares from Baht 10 each to Baht 1 each. Therefore, the registered ordinary shares will be changed from 188,629,100 shares to 1,886,291,000 shares and the company has a paid-up capital Baht 1,886,291,000 ordinary shares and the amount paid. On 22 April 2014, the company registered with the Ministry of Commerce.

32. 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 income 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.

33. Treasury stock

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Treasury stocks held by the Company	2,805,280,611	2,805,280,611	2,805,280,611	2,805,280,611
Treasury stocks held by subsidiary	711,993,784	711,993,784	-	-
	3,517,274,395	3,517,274,395	2,805,280,611	2,805,280,611

Treasury stocks held by the Company

On 28 February 2013, the Board of Directors meeting passed a resolution to approve in principle of the Share Repurchase Project for the financial management buy on The Stock Exchange of Thailand during 15 March 2013 to 14 September 2013 in the amount of not exceeding Baht 2,800 million amounting up to 18.9 million shares (2014: the changing of the par value 188.6 million shares) or 10% of total paid-up shares of the Company.

During 2013, the Company has total repurchased shares of 17.8 million shares (2014: the changing of the par value 178.3 million shares), or a total of Baht 2,805 million including commission fee (total repurchased shares as 9.45% of paid-up shares capital) for the Share Repurchase Project for the financial management as mentioned above. The Company has fully set aside retained earnings to treasury stock reserve.

Treasury stocks held by subsidiaries

Treasury stocks represented the Company's shares held by subsidiaries totaling 499.2 million shares with a par value of Baht 1 each (2013: 47.4 million shares with a par value of Baht 10 each) which have been presented in the consolidated financial statements by applying the cost method, apportioned accounting to holding of the Group.

As at 31 December 2014, a subsidiary has pledged and entered into a negative pledge agreement on the treasury stock of 348 Million shares with a par value of Baht 1 each (31 December 2013: 34.8 million shares with a par value of Baht 10 each), with book value (cost method) amounting to Baht 666 million to secure bank overdraft and short-term loan facilities from banks, as discussed in Note 23.

34. Equity attributable to the Company's shareholders

According to the accounting treatment guidance for the treasury stock of the entity, the main content of presentations and the disclosures is concluded that the treasury stock is not an asset but the reduction of the obligations over the entity's assets. The entity should present the treasury stock as a deducting item from the shareholders' equity. In case a subsidiary acquires its parent company's stocks, the parent company should present such share acquisition on the same basis as if it purchases its own shares.

However, as if the above interpretation of such guidance is required for the separate financial statements, the reconciliation of shareholders' equity and the investments in subsidiaries is presented as follows:

(Unit: Baht)

	Separate financial statements	
	2014	2013
Total shareholders' equity - as stated in statements of financial position	12,455,220,796	11,905,097,378
Less: Treasury stock held by a subsidiary	(711,993,784)	(711,993,784)
Equity attributable to the Company's shareholders - after less treasury stock held by a subsidiary	11,743,227,012	11,193,103,594
Investments in subsidiaries - as stated in statements of financial position	13,854,093,940	11,583,295,250
Less: Treasury stock held by a subsidiary	(711,993,784)	(711,993,784)
Investments in subsidiaries	13,142,100,156	10,871,301,466

35. Revenue from financial business

Revenue from financial business for the year ended 31 December 2014 and 2013 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loan to customers	434,632,109	451,478,008	65,889,302	114,556,683
Hire purchase and financial lease	707,230,983	695,901,465	-	-
Total revenue from interest	1,141,863,092	1,147,379,473	65,889,302	114,556,683

36. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate 3 - 10% of basic salary. The fund, which is managed by Thanachart Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 December 2014, the Group contributed Baht 42 million (2013: Baht 41 million) to the fund.

37. Expenses by nature

Significant expenses by nature for the year ended 31 December 2014 and 2013 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of sales of properties	319,272,921	133,914,879	-	-
Salaries and wages and other employee benefits	1,446,272,533	1,394,778,941	483,370,208	472,161,714
Depreciation	1,127,720,349	1,031,241,849	474,887,279	438,092,402
Amortisation expenses	12,296,959	13,366,253	7,675,879	8,872,957
Allowance for impairment of investments in subsidiaries	-	-	8,434,154	24,046,361
Allowance for impairment loss on plant and equipment (Revesal)	-	(9,009,907)	-	-
Loss on exchange	270,000	25,016,000	-	25,920,000
Transportation expenses	66,331,227	51,453,657	-	-
Brokerage and promotion expenses	291,624,957	300,614,300	40,913,049	21,044,792
Power supply expenses	417,121,138	343,123,500	75,198,385	66,616,342
Rental expenses	1,517,668,793	1,084,901,208	1,360,216,725	940,671,039
Repair and maintenance operating expenses	129,654,374	125,341,153	43,924,106	47,672,138
Raw materials and consumables used	1,301,876,034	1,727,266,653	-	-
Changes in inventories of finished goods and work in progress (increase)	7,049,654	(3,511,536)	-	-

38. Income tax expenses

Corporate income taxes of the Company and its listed subsidiary for the year ended 31 December 2014 have been calculated on taxable income at rates of 20% on income before income tax after adding back provisions and certain expenses which are disallowed for tax computation purposes, deducting dividends exempted from income tax and adjusting deferred tax expenses (2013: 20%).

Corporate income taxes of its other subsidiaries for the year ended 31 December 2014 have been calculated at the rates of 15% - 20% on income before income tax, after adding back provisions and certain expenses which are disallowed for tax computation purposes, deducting dividends exempted from income tax, and adjusting deferred tax expenses (2013: 15% - 20%).

The income tax expenses of the Company and the subsidiaries for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge for the year	392,079,741	927,450,612	243,057,350	545,179,992
Adjustment in respect of current income tax of previous year	(204,701)	647,460	(517,420)	2,331,892
Deferred tax:				
Relating to origination and reversal of temporary differences	(30,163,077)	(123,579,637)	(100,425,555)	(120,523,125)
Income tax expense reported in the statement of comprehensive income	361,711,963	804,518,435	142,114,375	426,988,759

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Unrealised gains (losses) on investments in available-for-sale securities	12,270,573	(203,875,756)	8,303,132	(222,715,206)
Unrealised gains on investments in loans	412,806	-	412,807	-
Unrealised gains on investments in available-for-sale securities of an associate	3,590,105	-	-	-
Unrealised gains (losses) on investments in loans of an associate	2,596,203	(514,777)	-	-
Translation adjustment of an associate	983,131	5,561,247	-	-
Actuarial gains	-	108,617	-	-
Income tax expense reported in the statement of other comprehensive income (income)	19,852,818	(198,720,669)	8,715,939	(222,715,206)

Reconciliations between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit before corporate income tax	1,965,637,138	4,933,950,060	1,682,150,034	4,014,244,188
Applicable tax rates	15 - 20%	15 - 20%	20%	20%
Accounting profit before income tax multiplied by tax rates	545,423,899	1,161,427,459	336,430,007	802,848,838
Adjustment in respect of current income tax of previous year	(204,701)	647,460	(517,420)	2,331,892
Effects of non-deductible expenses and income exempted from income tax	(183,507,235)	(357,556,484)	(193,798,212)	(378,191,971)
Income tax expenses reported in the statement of comprehensive income	361,711,963	804,518,435	142,114,375	426,988,759

The details of deferred tax assets and deferred tax liabilities as at 31 December 2014 and 2013 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax asset				
Allowance for impairment of assets	23,441,059	22,850,357	-	-
Provision for long-term employee benefits	18,797,264	15,262,020	6,613,002	5,518,748
Actuarial loss	12,273,830	12,273,830	5,200,814	5,200,814
Actuarial loss of associates	776,270	776,270	-	-
Timing differences of depreciation of buildings	11,375,250	17,062,875	11,375,250	17,062,875
Finance lease agreement	177,799,397	72,679,100	177,799,397	72,679,100
Timing differences of accounting and taxable income recognition	38,179,783	38,077,305	-	-
	282,642,853	178,981,757	200,988,463	100,461,537
Deferred tax liabilities				
Timing differences of depreciation of buildings	14,098,037	13,467,041	-	-
Costs of business acquired - a subsidiary	84,115,062	84,115,062	-	-
Unrealised gains for investments in available-for-sale securities	526,594,795	514,324,222	493,043,984	484,740,851
Unrealised gains (losses) for investments in loan	253,910	(158,896)	253,910	(158,896)
Gains on interest income under effective interest method	101,371	-	101,371	-
Unrealised gains for investments in loans of an associate	16,196,641	13,600,438	-	-
Unrealised gains for investments in available-for-sale securities of an associate	3,590,105	-	-	-
Translation adjustment of an associate	8,227,016	7,243,885	-	-
Share of profit from investments in associates	168,273,610	138,453,099	-	-
	821,450,547	771,044,851	493,399,265	484,581,955

As at 31 December 2014 the Group has deductible temporary differences, unused tax losses and unused tax credits totaling Baht 429 million (2013: Baht 395 million), on which deferred tax assets have not been recognised as the Group believes that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses before expiry date.

39. Earnings per share

Basic earnings per share is calculated by dividing net income attribute to equity holders of the parent for the year (not included other comprehensive income) by the weighted average number of ordinary shares in issue during the year as held by third parties.

The weighted average number of ordinary shares for the year ended 31 December 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013 (restated)	2014	2013 (restated)
Ordinary shares issued and paid-up (shares)	1,886,291,000	1,886,291,000	1,886,291,000	1,886,291,000
Less: Treasury stock held by the Company (shares)	(178,331,000)	(92,723,930)	(178,331,000)	(92,723,930)
Less: Treasury stock held by a subsidiary (shares)	(372,040,750)	(372,040,750)	-	-
Weighted average number of shares held by third parties (shares)	1,335,919,250	1,421,526,320	1,707,960,000	1,793,567,070
Profit for the year (Baht)	1,591,412,886	4,107,986,908	1,540,035,659	3,587,255,429
Weighted average number of ordinary shares (shares)	1,335,919,250	1,421,526,320	1,707,960,000	1,793,567,070
Earnings per share (Baht/share)	1.19	2.89	0.90	2.00

40. Net movements in operating assets and liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
(Increase) decrease in operating assets				
Trade and other receivables	(39,157,867)	(59,136,429)	(21,166,391)	64,684,055
Loan to customers	100,549,578	(2,154,302,001)	(61,336,133)	(57,018,122)
Inventories	(706,163,552)	(627,470,438)	3,095,137	(1,822,929)
Other current assets	46,001,258	(89,303,795)	620,234	7,021,905
Restricted fixed deposits	453,630	1,102,657	-	-
Property foreclosed	7,542,916	-	-	-
Other assets	(2,909,168)	(5,038,322)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(83,027,118)	(374,534,025)	37,279,090	(430,024,556)
Other current liabilities	(51,312,509)	127,390,135	(2,460,837)	41,238,403
Rental revenues received in advance	85,050,739	1,405,528,119	-	1,589,153,652
Rental revenues received in advance refund to customer	(8,667,103)	(13,103,543)	(1,945,403)	-
Rental deposits	1,159,250,025	858,439,041	805,741,494	746,197,626
Rental deposits refund to customers	(817,244,254)	(616,839,520)	(765,944,125)	(553,507,629)
Other liabilities	4,608,175	1,365,142	(4,925,399)	(599,026)
Net movements in operating assets and liabilities	(305,025,250)	(1,545,902,979)	(11,042,333)	1,405,323,379

41. Promotional privileges

Sima Pac Co., Ltd. has received promotional privileges from the Board of Investment for the manufacturer of film plastics pursuant to the promotion certificate No. 2104 (2)/2549 issued on 5 October 2006. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (23 March 2007).

The subsidiary's revenues for the years ended 31 December 2014 and 2013 in consolidated financial statements are divided according to promoted and non-promoted operations as below.

(Unit: Baht)

	Consolidated financial statements	
	2014	2013
Revenues from sales - promoted activities	27,111,044	45,404,550
Revenues from sales - non promoted activities	1,918,108,089	2,142,928,067
Total	1,945,219,133	2,188,332,617

42. 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. The chief operating decision maker has been identified as the Company's Board of Directors.

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

1. Shopping Center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel business engages in providing for lodging, food and drink, and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.
4. Real-estate business engages in residential for sale, property management and asset appraisal.

5. Food solution business engages in producing and selling rice for both local and export markets, the food center business and restaurant.

6. Finance business engages in providing general loan for housing and bridge loan of which the security is marketable property in good location, and motorcycle hire purchase business.

7. Other business engages in the business of car and motorcycle auction and motorcycle dealer business.

8. Supporting business performs as a back office functions for the Group.

No operating segments have been aggregated to form the above reportable operating segments.

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. However, the Group financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2014									
	Shopping center	Hotel	Golf	Real Estate	Food solution	Finance	Other	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	3,894,897	1,123,420	378,220	538,755	1,952,151	1,181,868	37,022	7,469	-	9,113,802
Inter-segment revenues	153,047	259,643	775	43,108	3,821	(18,534)	-	22,578	(464,438)	-
Total revenues	4,047,944	1,383,063	378,995	581,863	1,955,972	1,163,334	37,022	30,047	(464,438)	9,113,802
Segment operating profit (loss)	896,929	(80,515)	14,157	145,619	54,435	393,715	(14,473)	939		1,410,806
Unallocated income and expenses:										
Interest income										32,015
Dividend income										250,176
Gain on sales of investments										194,926
Gain on sale of assets										45,177
Other income										128,324
Share of profit from investments in associates										315,686
Finance costs										(411,473)
Income tax expenses										(361,712)
Non-controlling interest of the subsidiaries										(12,512)
Profit for the year - attributable to equity holders of the Company										1,591,413

(Unit: Thousand Baht)

	For the year ended 31 December 2013									
	Shopping center	Hotel	Golf	Real Estate	Food solution	Finance	Other	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	3,796,570	1,214,965	382,025	328,970	2,214,429	1,170,840	160,015	4,567	-	9,272,381
Inter-segment revenues	125,547	276,981	1,333	15,701	2,985	10,523	-	11,791	(444,861)	-
Total revenues	3,922,117	1,491,946	383,358	344,671	2,217,414	1,181,363	160,015	16,358	(444,861)	9,272,381
Segment operating profit (loss)	1,165,333	32,884	24,298	(29,833)	32,046	218,077	(21,925)	(1,299)		1,419,581
Unallocated income and expenses:										
Interest income										78,299
Dividend income										235,850
Gain on sales of investments										2,098,357
Gain on sale of assets										996,330
Other income										155,694
Share of profit from investments in associates										293,930
Finance costs										(344,091)
Income tax expenses										(804,518)
Non-controlling interest of the subsidiaries										(21,445)
Profit for the year - attributable to equity holders of the Company										4,107,987

(Unit: Thousand Baht)

	Shopping Center	Hotel	Golf	Real Estate	Food solution	Finance	Other	Supporting	Unallocated assets	Total
Segment assets										
As at 31 December 2014	11,410,893	1,896,360	3,276,471	3,930,315	1,091,607	5,882,596	116	2,610	10,418,425	37,909,393
As at 31 December 2013	11,740,430	2,124,166	2,131,922	3,303,687	894,830	7,378,266	32,551	560	10,315,151	37,921,563

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2014	2013
Revenue from external customers		
Thailand	8,688,379	8,978,268
United States/Canada	211,813	110,618
Europe	87,181	107,445
Asia Pacific	126,430	76,050
Total	9,113,803	9,272,381

Major customers

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

43. Commitments and contingent liabilities

43.1 Capital commitments

As at 31 December 2014 and 2013, the Group had capital commitments for construction relating to shopping center, hotel, property development projects and golf course by segment as follows:

(Unit: Million Baht)

	2014	2013
Shopping center	60	101
Hotel	11	19
Golf business	34	65
Property development business	391	1,461
Other business	4	-
Total	500	1,646

43.2 Long-term service commitments

As at 31 December 2014 and 2013, the Group has future minimum lease payments required under these non-cancellable operating leases contracts are as follows:

(Unit: Million Baht)

	2014	2013
Payable within:		
Less than 1 year	215	76
1 to 5 years	171	99
More than 5 years	482	95
Total	868	270

In addition, as at 31 December 2014, the Company has future minimum lease payments under the agreement granting the right to utilise the shopping center at the Pathumwan intersection for the portion of land lease which is classified as operating lease (as mentioned in Note 28) as follows:

(Unit: Million Baht)

	2014	2013
Payable within:		
Less than 1 year	410	410
1 to 5 years	1,901	1,793
More than 5 years	10,357	10,875
Total	12,668	13,078

43.3 Guarantees

43.3.1 As at 31 December 2014, there are outstanding bank guarantees of approximately Baht 235 million (2013: Baht 258 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

43.3.2 On 5 September 2011, the Company entered into Corporate Guarantee Agreement and Pledge of Shares Agreement with a local commercial bank to guarantee the borrowing of DMS Property Investment Private Limited, an associate, in proportion to its shareholding, which represents 30 percent of the registered capital of that company. The associate has total loan facilities total USD 44 million and the outstanding loan as at 31 December 2014 was USD 33 million or equivalent to Baht 1,066 million (2013: USD 38 million or equivalent to Baht 1,231 million).

43.3.3 On 23 June 2010, the Company entered into a loan guarantee contract with a local commercial bank, to guarantee loans of Paradise Park Company Limited, a subsidiary, in proportion to its shareholding, which represents 50 percent of the registered capital of that company. The subsidiary's loan facilities total Baht 600 million and the outstanding balance as at 31 December 2013 was Baht 28 million. During the year, a subsidiary repayment loan in the total amount and expiate collateral.

43.3.4 On 8 September 2014, the Company entered into a guarantee contract with a local commercial bank, to guarantee debt commitments according to cross currency and interest rate swap agreements, of MBK Hotels and Resorts Company Limited, a subsidiary, amounting to Baht 400 million as discussed in Note 43.3.2

43.4 Commitment to provide services to golf members

A subsidiary has a commitment to provide services to golf members, which were transferred from the previous owner with the golf course at the acquisition date. The details of membership contracts are as follows:

	Number of contracts	Membership fee range (Baht per contract)
Permanent contracts	265	200,000 - 630,000

Under the terms and conditions of membership contracts, the subsidiary will not receive any additional membership fee from all transferred members until the periods of such contracts have been expired including not receiving the green fee from transferred permanent members perpetually on the acquisition date. The subsidiary could not estimate the present value of all relevant costs that may occur from providing services to those permanent members. However, such costs were considered to reduce projected net cash flow in the future that reflects in the fair value at the acquisition date, and to determine the current range of rental fee of the golf course.

43.5 Litigation

As at 31 December 2014, the subsidiaries were defendant in certain lawsuits involving compensation of approximately Baht 31.4 million (2013: Baht 36.2 million). The cases were not yet finalised; nevertheless, the subsidiaries' management believe they will not suffer material losses from these suits.

As at 31 December 2013, the Company and its subsidiaries were defendant in certain lawsuits involving assets reclamation of approximately Baht 8.8 million. During the year 2014, the cases were finalised and the Company and its subsidiaries were not liable for claim compensation.

44. Financial instruments

44.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables, loans to, investments loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The exposures of the Group to interest rate risk relate primarily to their deposits with financial institutions, loans to overdrafts, debentures and loans from.

Significant financial assets and liabilities as at 31 December 2014 and 2013 classified by type of interest rates are summarised 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)

	Consolidated financial statements						
	31 December 2014						
	Fixed interest rates			Floating			
	Within 1 year	1 - 5 years	5 - 10 years	interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash equivalents (excluding cash)	30	-	-	531	-	561	0.10 - 2.60
Trade and other receivables	-	-	-	-	618	618	-
Installment receivables	5	7	-	14	-	26	6.09 - 9.38
Hire purchase receivables	1,118	781	-	-	-	1,899	1.99 - 2.30
Short-term loans to related company	-	-	-	183	-	183	3.25 - 7.63
Short-term loans	253	-	-	-	-	253	9.13 - 13
Long-term loans	758	1,524	-	1,069	-	3,351	9.13 - 13
	2,164	2,312	-	1,797	618	6,891	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	778	-	-	-	-	778	2.18 - 7.43
Trade and other payables	-	-	-	-	1,072	1,072	-
Short-term loans from related companies	-	-	-	117	-	117	5.43 - 6.75
Long-term debentures	-	2,699	5,394	-	-	8,093	4.05 - 5.10
	778	2,699	5,394	117	1,072	10,060	

(Unit: Million Baht)

	Consolidated financial statements						
	31 December 2013						
	Fixed interest rates			Floating			
	Within 1 year	1 - 5 years	5 - 10 years	interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash equivalents (excluding cash)	1,094	-	-	556	-	1,650	0.13 - 3.20
Trade and other receivables	-	-	-	-	689	689	-
Installment receivables	3	6	-	39	-	48	6.15 - 9.38
Hire purchase receivables	842	1,193	-	-	-	2,035	1.99 - 2.30
Short-term loans to related company	-	13	-	344	-	357	4.13 - 7.38
Short-term loans	1,053	-	-	1,177	-	2,230	5.43 - 13.13
Long-term loans	1,558	290	2	870	-	2,720	9.00 - 13.00
	4,550	1,502	2	2,986	689	9,729	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	1,390	-	-	-	-	1,390	2.64 - 9.00
Trade and other payables	-	-	-	-	976	976	-
Short-term loans from related companies	-	-	-	160	-	160	5.43 - 7.00
Short-term loans from Other company	-	-	-	39	-	39	5.43
Long-term loans from financial institutions	-	-	-	28	-	28	5.38 - 5.50
Long-term debentures	-	2,698	5,394	-	-	8,092	4.05 - 5.10
	1,390	2,698	5,394	227	976	10,685	

(Unit: Million Baht)

	Separate financial statements						
	31 December 2014						
	Fixed interest rates			Floating			
	Within 1 year	1 - 5 years	5 - 10 years	interest Rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash equivalents (excluding cash)	-	-	-	133	-	133	0.10 - 1.5
Trade and other receivables	-	-	-	-	110	110	-
Installments receivables	-	-	-	4	-	4	9.13 - 9.38
Short-term loans to related companies	-	-	-	5,789	-	5,789	5.43 - 7.63
	-	-	-	5,926	110	6,036	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	165	-	-	-	-	165	2.18 - 2.21
Trade and other payables	-	-	-	-	447	447	-
Short-term loans from related companies	-	-	-	2,967	-	2,967	5.43
Long-term liabilities under financial lease agreements - related companies	4	6	-	-	-	10	5.68 - 6.40
Long-term debentures	-	2,699	5,394	-	-	8,093	4.05 - 5.10
	169	2,705	5,394	2,967	447	11,682	

(Unit: Million Baht)

	Separate financial statements						
	31 December 2013						
	Fixed interest rates			Floating			
	Within 1 year	1 - 5 years	5 - 10 years	interest Rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash equivalents (excluding cash)	1,080	-	-	60	-	1,140	0.13 - 3.20
Trade and other receivables	-	-	-	-	85	85	-
Installments receivables	-	-	-	7	-	7	9.25 - 9.38
Short-term loans to related companies	-	-	-	6,116	-	6,116	5.43 - 7.38
Short-term loans	-	-	-	1,177	-	1,177	5.43 - 5.55
	1,080	-	-	7,360	85	8,525	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	600	-	-	-	-	600	2.82
Trade and other payables	-	-	-	-	413	413	-
Short-term loans from related companies	-	-	-	2,779	-	2,779	5.43
Long-term liabilities under financial lease agreements - related companies	3	10	-	-	-	13	5.68 - 6.40
Long-term debentures	-	2,698	5,394	-	-	8,092	4.05 - 5.10
	603	2,708	5,394	2,779	413	11,897	

Foreign currency risk

The Company and its subsidiary are exposed to foreign exchange risk which arises from trading transactions and loans denominated in foreign currencies are summarised below.

	Foreign currency	Financial assets/liabilities as at 31 December 2014	Average exchange rate as at 31 December 2014
		(Unit)	(Baht per 1 foreign currency unit)
Trade receivables	US Dollar	1,058,546	32.720
Investment in associate (foreign country)	US Dollar	11,550,000	32.720

	Foreign currency	Financial assets/liabilities as at 31 December 2013	Average exchange rate as at 31 December 2013
		(Unit)	(Baht per 1 foreign currency unit)
Trade receivables	US Dollar	642,862	32.580
Investment in associate (foreign country)	US Dollar	11,550,000	32.580

A subsidiary has sold forward exchange contracts for expose foreign exchange risk which arises from trading transactions. Outstanding balances on 31 December 2014 and 2013 are summarised below.

2014			
Foreign currency	Sold amount	Contractual exchange rate	Maturity date
	(Unit)	(Baht per 1 foreign currency unit)	
US Dollar	3,572,354	32.402 - 33.095	18 March 2015 - 30 June 2015

2013			
Foreign currency	Sold amount	Contractual exchange rate	Maturity date
	(Unit)	(Baht per 1 foreign currency unit)	
US Dollar	1,992,214	30.391 - 32.688	6 February 2014 - 24 June 2014

A subsidiary has option contract outstanding at 31 December 2014 and 2013 are summarised below.

2014			
Foreign currency	Sold amount	Contractual exchange rate	Maturity date
	(Unit)	(Baht per 1 foreign currency unit)	
US dollar	-	-	-

2013			
Foreign currency	Sold amount	Contractual exchange rate	Maturity date
	(Unit)	(Baht per 1 foreign currency unit)	
US dollar	500,000	30.300	13 January 2014

44.2 Derivatives

As at 31 December 2014 and 2013, the Company has the following financial derivative instruments.

44.2.1 Cross currency and interest rate swap agreements

The Company entered into cross currency interest rate swap agreements with a local bank to manage the risk associated with investment in an associate under foreign currency, which the mature date is on 9 September 2014 and extends such contract by a subsidiary, who is the shareholder of the associate since 2012, which the mature date is on 9 September 2016. Under the terms and conditions of the swap agreements are agreed as follows:

(1) Cross currency swap

As at 31 December 2014, a subsidiary entered into cross currency swap agreement to exchange the currency between Baht and US dollar. The contractual exchange rate is Baht 31.95 to 1 US dollar. The subsidiary has commitments with the bank counterparty at the initial date and terminated date of the agreement as follows:

	At initial date	At terminated date
The subsidiary received from / (paid to)	USD 11.52 million	(USD 11.52 million)
the bank counterparty	(Baht 368 million)	Baht 368 million

As 31 December 2013, the Company entered into cross currency swap agreement to exchange the currency between Baht and US dollar. The contractual exchange rate is Baht 30.70 to 1 US dollar. The Company has commitments with the bank counterparty at the initial date and terminated date of the agreement as follows:

	At initial date	At terminated date
The Company received from / (paid to)	USD 11.52 million	(USD 11.52 million)
the bank counterparty	(Baht 354 million)	Baht 354 million

(2) Interest rate swap

As at 31 December 2014, a subsidiary entered into interest rate swap agreement to manage the risk associated with its interest-bearing financial liabilities. The partial amount of short-term loans equivalent to the same amount of the currency swap as above mentioned, to be exchanged its interest rate from fixed rate to another fixed rate as the agreement. Under the agreement, a subsidiary will receive interest income from the bank counterparty that calculated the interest based on the partial of short-term loans amounting to Baht 368 million, bearing interest at the fixed rate 1.25% per annum. However, a subsidiary has to pay interest expense to the bank counterparty by calculation the interest based on the principal amount of USD 11.52 million, bearing interest at a fixed rate at 0%.

As 31 December 2013, the Company entered into interest rate swap agreement to manage the risk associated with its interest-bearing financial liabilities. The partial amount of long-term debenture equivalent to the same amount of the currency swap as above mentioned, to be exchanged its interest rate from fixed rate to floating rate. Under the agreement, the Company will receive interest income from the bank counterparty that calculated the interest based on the partial of long-term debenture amounting to Baht 354 million, bearing interest at the fixed rate 4.05% per annum. However, the Company has to pay interest expense to the bank counterparty by calculation the interest based on the principal amount of USD 11.52 million, bearing interest at the 6-month LIBOR plus a premium.

(3) The fair value of the derivative

(Unit: Thousand Baht)

	Fair value gain (loss) as at 31 December	
	2014	2013
Cross currency interest rate swap agreements	9,059	(21,738)

44.2.2 Interest rate swap

The Company entered into interest rate swap agreement with local commercial bank to manage the risk associated with its interest-bearing financial liabilities. The partial amount of long-term debenture to be exchanged its interest rate from fixed rate to floating rate. Under the agreement, the Company will receive interest income from the bank counterparty that calculated the interest based on the partial of long-term debenture amounting to Baht 1,000 million, bearing interest at the fixed rate 5.10% per annum. However, the Company has to pay interest expense to the bank counterparty by calculation the interest based on interest at the MLR minus a premium.

(Unit: Thousand Baht)

	Fair value gain (loss) as at 31 December	
	2014	2013
Interest rate swap agreements	53,888	(12,683)

44.3 Fair values of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statements of financial position approximate their fair value.

b) For debts and equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

c) For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

d) For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximates their fair value.

Fair value of traded long-term debentures has been determined based on quoted bid price from the Thai Bond Market Association at the statements of financial position date.

As at 31 December 2014 and 2013, the carrying amount and fair value of long-term debentures are as follows:

(Unit: Million Baht)

	Consolidated/separate financial statements			
	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debentures	8,093	8,600	8,092	8,108

45. Business acquisition Purchase of ordinary shares of Mah Boonkrong Sirichai Enterprise Company Limited

On 29 December 2014, the Company is able to exercise control and entitled to derive economic benefit from use of assets and received all of the ordinary shares in Mah Boonkrong Sirichai Enterprise Company Limited, acquiring 800,000 ordinary shares at a price of Baht 1,552.85 per share, for a total of Baht 1,242.28 million representing 99.99% holding by the debt conversion as noted in the share purchase agreement. The Company is able to exercise control over the financial and operating policies of this company, therefore the Company classified such company as a subsidiary.

The Company's management has estimated fair value of assets, liabilities and contingent liabilities of Mah Boonkrong Sirichai Enterprise Company Limited, as at the investment date as follows:

(Unit: Thousand Baht)

	As at 29 December 2014
	Carry amount
Cash and cash equivalent	2,748
Other receivables	10
Inventories	1,430
Other current assets	17
Investment properties - net	205,478
Property, plant and equipment - net	220,368
Trade and other payables	(15,132)
Other current liabilities	(857)
Net asset values	414,062
Transfer of investment from receivable for loans settlement	1,242,280
Cost of business acquisition higher than net book value	828,218

	(Unit: Thousand Baht) Consolidated financial statements 29 December 2014
Debt conversion for share capital	1,242,280
Less: Cash and cash equivalent in acquired subsidiary	(2,748)
Cash paid for subsidiary acquisition - net of cash in acquired subsidiary	1,239,532

However, the Company has 12 months from the purchase date, or until 28 December 2015, to adjust the estimated fair value of the above transactions and the allocation of the purchase price of the business combination.

46. Dividends paid

	Approved by	Total dividend (Million Baht)	Dividend (Baht per share)	Dividend payment date
Final dividends on the six-month period ended 31 December 2013	Annual General Meeting of the shareholders on 9 April 2014	512	3.00	28 April 2014
Interim dividends on the six-month period ended 30 June 2014	Board of Directors' Meeting on 8 October 2014	512	0.03	6 November 2014
Total		1,024		
Final dividends on the six-month period ended 31 December 2012	Annual General Meeting of the shareholders on 5 April 2013	519	2.75	3 May 2013
Interim dividends on the six-month period ended 30 June 2013	Board of Directors' Meeting on 3 October 2013	469	2.75	30 October 2014
Total		988		

47. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's Debt to Equity Ratio was 1.25: 1 (2013: 1.55: 1) and the Company's was 1.72: 1 (2013: 1.85: 1).

48. Events after the reporting period

On 5 January 2015, the Company acquired additional 1.75 million ordinary shares of Siam City Life Assurance Public Company Limited from Thanachart Capital Public Company Limited at a price of Baht 12.86 per share, totaling amount Baht 23.17 million, representing a 2.50 percent shareholding. The Company's shareholding interest in such company arose from 46.50 percent to 49.00 percent, and classified the investment as an associate.

On 13 February 2015, PT Retail Corporation Limited, a joint venture of the Company, through its indirect subsidiary paid in the called-up share according to the investment of a subsidiary, 25.0 percent of the shares of the company as a resolution of the Board of Directors' meeting. Which held partially paid share capitals of 20.00 million ordinary shares of such company with par value of Baht 2.5 per share, totaling amount Baht 50 million.

49. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 25 February 2015.

GENERAL INFORMATION AND REFERENCE PERSONS

COMPANY NAME	MBK Public Company Limited
SYMBOL	MBK
CORE BUSINESS	Shopping Center and Real Estate
COMPANY LOCATION	444, 8th Floor, MBK Center Building,
	Phayathai Road, Wang Mai, Pathumwan, Bangkok 10300
REGISTRATION NUMBER	No. 0107537001102
REGISTERED AND PAID-UP CAPITAL	THB 1,886,291,000
TYPE OF SHARE	Ordinary Share
NUMBER OF PAID-UP SHARES	1,886,291,000 Shares
PAR VALUE	THB 1.00 Per Share
TELEPHONE	0-2620-9000
FAX	0-2620-7000
E-MAIL	mbk@mbk-center.co.th
WEBSITE	www.mbkgroup.co.th
THAILAND SECURITIES DEPOSITORY COMPANY LIMITED	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2229-2800 Fax. 0 2654-5427 E-mail : TSDCallCenter@set.or.th Website : www.tsd.co.th

REFERENCE PERSONS

DEBENTURE REGISTRAR	Bank of Ayudhya Public Company Limited	
LOCATION	1222 Rama3 Road, Bangphongphang, Yan Nawa,	
	Bangkok 10120	
TELEPHONE	0-2296-2000, 0-2683-1000	
FAX.	0-2683-1304	
WEBSITE	www.krungsri.com	
DEBENTURE REGISTRAR	CIMB Thai Bank Public Company Limited	
LOCATION	44 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330	
TELEPHONE	0-2638-8000, 0-2626-7000	
FAX.	0-2657-3333	
WEBSITE	www.cimbthai.com	
AUDITOR	Ms. Ratana Jala,	C.P.A. (Thailand) No. 3734 and/or
	Ms. Nonglak Pumnoi,	C.P.A. (Thailand) No. 4172 and/or
	Ms. Sumalee Reewarabandith,	C.P.A. (Thailand) No. 3970
LOCATION	EY Office Limited	
	193/136-137, 33rd Floor, Lake Rajada Office Complex	
	Rajadapisek Road, Klongtoey, Bangkok 10110	
TELEPHONE	0-2264-9090	
FAX.	0-2264-0789-90	

DISCLOSURE OF INFORMATION IN ANNUAL REPORT ACCORDING TO FORM 56-2

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SUSTAINABLE DEVELOPMENT REPORT 2014

REPORT FRAMEWORK

The sustainable development report of MBK Public Company Limited covers only the operation of MBK Public Company Limited and does not extend to the operation of the subsidiaries, joint businesses and partnerships. The report covers the information from January 1, 2014 to December 31, 2014. The report will be presented in line with the main objectives of the organization in 2014 in the scope of economics, environment and society. The report will present information with transparency and focus on every group of stakeholders. The key topics in this report are as follows :

ECONOMICS : Economic results

ENVIRONMENT : Energy efficiency and biological diversity

SOCIETY : Employment; labor relation; safety and occupational health; training and education; diversity and equality in opportunities; equal pay among men and women; prohibition of child labor, conscript labor and forced labor; local community; public policy; health and safety of customers

The information in the report was collected from internal departments and outside stakeholders of the company, which include institutions in compliance, finance, human resources, occupational safety and environment, public sectors, educational institutions, etc. The information from stakeholders obtained directly through projects and social activities. The sustainable development report is generated and revised so that it is clear and easy to understand so that it can lead to the efficient operation that can achieve the company's goals, visions and missions.

ECONOMIC OPERATION

In 2014 the company and its subsidiaries generated the total revenue of THB 10,080 millions or an decrease of 23% compared to the total revenue from the previous year.

ENVIRONMENTAL OPERATION

1. THE MANAGEMENT OF WASTEWATER BEFORE RELEASING IT TO PUBLIC WATERWAYS (ACCORDING TO THE ENERGY CONSERVATION PROMOTION ACT 1992 (B.E. 2535))

1.1 THE DEEP SHAFT WASTEWATER TREATMENT FROM THE BUILDING

From 1996 to the present, MBK Shopping Center has installed the deep shaft wastewater treatment system which is an activated sludge process that treats sewage by using biological sludge. During the treatment process, staff will continuously test and report the operation of the process. Wastewater samples are collected and sent to a laboratory every month in order to check the quality of the water before releasing it to public sewers. The wastewater is treated to meet the quality control standard for wastewater from a building (Type A). Sewage sludge from the treatment, which amounts to 2 tons per week, is sanitarily removed and disposed by a contractor hired by MBK Shopping Center.

1.2 EXPENSES OF WASTEWATER MANAGEMENT (WASTEWATER TREATMENT SYSTEM)

YEAR	WASTWATER TREATMENT SYSTEM		
	ELECTRIC EXPENSES	MAINTAINANCE EXPENSES	TOTAL (THB INCLUDING VAT)
2009	3,325,403.00	1,730,341.00	5,055,744.00
2010	3,475,525.00	1,789,027.00	5,264,552.00
2011	3,237,825.00	2,275,174.00	5,512,999.00
2012	3,142,922.00	2,662,847.00	5,805,769.00
2013	4,041,236.00	1,146,160.00	5,187,396.00
2014	6,438,676.00	1,428,700.00	7,867,376.00
Total	**23,661,587.00**	**11,032,249.00**	**34,693,836.00**

1.3 THE PROJECT ON IMPROVING THE WASTEWATER TREATMENT SYSTEM

YEAR	WASTEWATER TREATMENT SYSTEM	
	LIST OF IMPROVING WASTEWATER TREATMENT SYSTEM	INVESTMENT (THB INCLUDING VAT)
2011	• Project on improving the ventilation system of a wastewater treatment pond	1,647,846.00
	• Project on changing fine screens	1,600,000.00
2012	• Project on changing sweepers' chains at a sedimentation pond	983,062.50
2013	• Project on changing effluent pumps at Sump-3	187,250.00
	• Project on improving a wastewater treatment pond area	2,525,000.00
2014	• Project on changing effluent pumps at SCP-01	405,262.50
	Total	**7,348,421.00**

Because of well realizing the safety of tap water used by tenants and customers within the shopping center, MBK Shopping Center then checks the quality of tap water every 3 months by randomly collecting samples of tap water at various spots. The quality of drinking water is also tested once a year - in comparison with the quality of drinking water in tightly sealed containers - which consistently meets the required standard.

2. THE QUALITY MANAGEMENT OF AIR QUALITY WITHIN MBK SHOPPING CENTER

2.1 TO MONITOR THE INDOOR AIR QUALITY

At present, the engineering staff realizes and places emphasis on the building's air quality by having an air conditioning system and a ventilation system purified by using cleaning solutions to clean air conditioners' coils, washing air conditioners' air ducts, and checking indoor air quality twice a year regularly. MBK Shopping Center also has more measures:

2.1.1 The use of sanitizing spray after cleaning air conditioners helps to reduce the accumulation of bacteria in air coils, air vents, and other parts.

2.1.2 The use of ozone sterilizers in central areas and air conditioners helps to reduce the accumulation of bacteria in air coils, air vents, and other parts.

As a result of these measures, MBK Shopping Center's indoor air quality always maintains standards which are examined and certified by accredited professional company.

2.2 EXPENSES OF THE QUALITY MANAGEMENT OF AIR QUALITY WITHIN MBK SHOPPING CENTER (AIR CONDITIONING AND AIR VENTILATION SYSTEMS)

YEAR	AIR CONDITIONING SYSTEM AND AIR VENTILATION SYSTEM				TOTAL (THB INCLUDING VAT)
	AIR QUALITY AND LEGIONELLA BACTERIA MONITORING EXPENSES	GEL AND DISINFECTANT EXPENSES	CLEANING AIR DUCT EXPENSES (CENTRAL)	CLEANING FAN COIL UNIT EXPENSES (CENTRAL)	
2009	136,960.00	171,200.00	516,500.00	-	687,700.00
2010	261,600.00	60,000.00	737,000.00	-	797,000.00
2011	84,000.00	27,100.00	716,220.00	1,786,686.00	2,530,006.00
2012	280,340.00	30,446.00	1,087,024.52	1,193,054.28	2,310,524.80
2013	273,540.00	74,686.00	1,301,280.00	-	1,375,966.00
2014	242,890.00	46,545.00	1,451,120.00	2,080,000.00	3,577,665.00
Total	**1,279,330.00**	**409,977.00**	**5,809,144.52**	**5,059,740.28**	**11,278,861.80**

2.3 MEASURES OF INVESTMENTS TO IMPROVE AIR QUALITY WITHIN MBK SHOPPING CENTER

YEAR	AIR CONDITIONING SYSTEM AND AIR VENTILATION SYSTEM	
	LIST OF IMPROVING THE SYSTEMS	INVESTMENTS (THB INCLUDING VAT)
2009	• Project on improving restrooms' air-to-air ventilators within MBK Shopping Center (Air to Air)	4,654,500.00
	• Project on purchasing air disinfectant ozonizers	205,440.00
	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	4,107,730.00
2010	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	7,043,404.00
2011	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	3,259,800.00
	• Project on repairing Main Exhaust 6th- 22nd floors (MBK Tower)	404,460.00
	• Project on cleaning air ducts of Air to Air Heat Exchangers	432,850.00
2012	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	10,500,000.00
	• Project on repairing insulators for chilled water pipes within MBK Shopping Center	663,901.00
2013	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	5,000,000.00
	• Project on installing chambers of Air Handling Units (AHU) within MBK Shopping Center	1,249,500.00
	• Project on changing Air Handling Units (AHU) and Fan Control Units (FCU) around MBK Tower's elevator halls	1,011,800.00
	• Project on repairing insulators for chilled water pipes within MBK Shopping Center	2,810,000.00
2014	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	7,393,507.94
	• Project on repairing insulators for chilled water pipes within MBK Shopping Center	5,835,780.00
	Total	**54,572,672.94**

3. THE ENERGY MANAGEMENT (ACCORDING TO THE ENERGY CONSERVATION PROMOTION ACT 1992 (B.E. 2535))

3.1 THE ENERGY MANAGEMENT

At present, the energy consumption within MBK Shopping Center is determined as a large designated building having energy consumption for over 3,000 MW or total energy consumption for over 60,000,000 MJ. Therefore, the company has to comply with the energy conservation promotion act 1992 (B.E. 2535) and then sets its internal committee on energy management in order to run operations to conform to its policies, action plans, and the law.

3.2 MEASURES AND GOALS FOR ENERGY CONSERVATION

YEAR	PROJECT ON REDUCING ENERGY CONSUMPTION WITHIN MBK SHOPPING CENTER						
	LIST	INVESTMENTS (THB INCLUDING VAT)	SAVINGS IN ENERGY (KW/HR PER YEAR)	SAVINGS IN MONEY (THB PER YEAR)	PAYBACK PERIOD (YEAR)	CARBON DIOXIDE REDUCTION (KG PER YEAR)	EQUIVALENT TO PLANT TREES (PER YEAR)
2009	• Project on increasing the efficiency of chillers	99,500,000.00	5,390,389.00	16,818,012.00	5.92	1,067,297	180,999
	• Project on changing fluorescent lamps and electronic ballasts	220,800.00	28,788.00	266,335.00	0.83	5,700	967
2011	• Project on installing energy-saving devices for efficient lighting	3,136,000.00	314,530.73	1,063,113.87	2.95	62,277	10,561
	• Project on turn lights off during a lunch break on the office's 8th floor	-	5,760.00	19,468.80	-	1,140	193
2012	• Project on replacing Halogen lamps with LED lamps	235,400.00	60,480.00	205,027.20	1.15	11,975	2,031
	• Project on installing Motion sensors to control the workings of lamps	133,750.00	20,750.25	70,343.35	1.90	4,109	697
	• Project on installing AC voltage stabilizers	3,355,520.00	430,682.20	1,460,012.66	2.30	85,275	14,461
2013	• Project on changing fan blades and a cooling tower's control units.	3,200,000.00	1,026,328.05	3,807,677.05	0.84	203,213	34,462
	• Project on changing aerators for a wastewater treatment system	3,644,940.00	43,800.00	162,498.00	22.43	8,672	1,471
	• Project on balancing chilled water in an air-conditioning system of MBK Shopping Center	1,650,000.00	1,798,997.40	6,674,280.35	0.25	356,201	60,407
	• Project on changing water pumps used in a chilled water supply system	5,700,000.00	254,040.00	942,488.40	6.05	50,300	8,530

YEAR	PROJECT ON REDUCING ENERGY CONSUMPTION WITHIN MBK SHOPPING CENTER						
	LIST	INVESTMENTS (THB INCLUDING VAT)	SAVINGS IN ENERGY (KW/HR PER YEAR)	SAVINGS IN MONEY (THB PER YEAR)	PAYBACK PERIOD (YEAR)	CARBON DIOXIDE REDUCTION (KG PER YEAR)	EQUIVALENT TO PLANT TREES (PER YEAR)
	• Project on changing sweepers' chains in a grease trap used in a wastewater treatment system	3,959,000.00	61,320.00	306,600.00	12.91	12,141	2,059
	Total	**124,735,410.00**	**9,435,865.63**	**31,795,856.68**	**-**	**1,868,301**	**316,838**

Notes : 1. To save electricity consumption of 1 kWh (1 Unit) can reduce 0.198 kg of Carbon dioxide.
2. To reduce 5.8967 kg. of Carbon dioxide can decrease planting 1 tree.

3.3 TRAINING AND ACTIVITIES TO PROMOTE THE ENERGY CONSERVATION

The company annually provides training courses not only for its employees, but also for tenants in the shopping center. These training courses are, for example, the Statistical Analysis of Information about Energy Consumption, Energy Saving to Increase Profits and Decrease Costs, Building Consciousness and Motivation for Energy Conservation. Also, activities to promote energy conservation are organized such as a visit to observe energy efficiency and green buildings, having a smile with an electricity bill, and MBK Energy Day in which a lot of the company's staff participates annually.

4. THE RECYCLING MANAGEMENT (3 R)

4.1 TO REUSE THE TREATED WASTEWATER (RECYCLE)

MBK Shopping Center has a project on reusing wastewater that is already treated in order to consume resources efficiently by using recycled water to clean areas around car parks and use in a cooling tower system. Before reusing it, the wastewater is processed to remove unwanted suspensions through sand filters and to kill germs through Chlorine Dioxide disinfection in order that the quality of recycled water is suitable and safe to use. Particularly, the recycled water used in a cooling tower system is randomly checked. Its samples are collected and sent to a laboratory to find Legion Ella Bacteria every 4 months. Therefore, the water recycling is safe for the indoor air quality within MBK Shopping Center and complies with best practices for Good Corporate Governance.

4.2 EXPENSES OF RECYCLING MANAGEMENT

YEAR	RECYCLED WATER SYSTEM				AMOUNT OF RECYCLED
	ELECTRIC EXPENSES	MAINTAINANCE EXPENSES	TOTAL		WATER TREATED (UNIT)
2009	114,720.00	180,917.00	295,637.00	=	57,403
2010	125,082.00	243,846.00	368,928.00	=	51,332
2011	174,500.00	149,238.00	323,738.00	=	15,045
2012	72,030.00	273,197.00	345,227.00	=	11,311
2013	84,505.00	681,820.00	766,325.00	=	20,753
2014	159,812.00	304,800.00	464,612.00	=	29,783
Total	**730,649.00**	**1,833,818.00**	**2,564,467.00**	**=**	**185,627.00**

▶ EARTH HOUR 2014 ACTIVITY

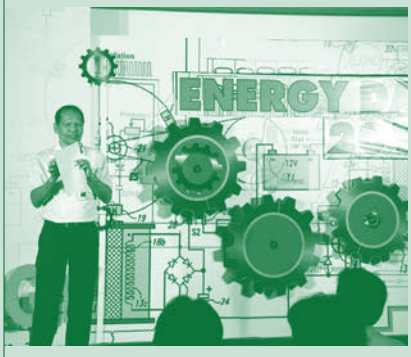
MBK Public Company Limited, in cooperation with Pathumwan Princess Hotel, organized the "Earth Hour 2014" activity in order to persuade customers to be aware of a need for energy saving. It also participated in "60+ Earth Hour 2014 – 1 Hour Lights-off Event", organized by Bangkok Metropolitan Administration (BMA), Foundation for Environmental Education for Sustainable Development (FEED) (Thailand) or in a previous name as Word Wide Fund for Nature (WWF) (Thailand), many public and private agencies. This is to reduce energy consumption and decrease global warming problems nowadays leading to natural disasters which have an impact on many living creatures.

▶ MBK ENERGY (WE) CARE ACTIVITY TO BUY USED VEGETABLE OILS TO PRODUCE BIODIESEL

MBK Public Company Limited, in cooperation with Bangchak Petroleum Public Company Limited, organized the MBK Energy (we) Care activity to buy used vegetable oils in order to produce biodiesel. A pilot project began with buying cooking oils from restaurants in MBK Food and Entertainment Company Limited and MBK Food System Company Limited in order to emphasize and ensure its policies on business development, together with social development and sustainable environment, by producing goods and providing services that are safe and friendly to environment.

▶ MBK ENERGY DAY 2014 ACTIVITY TO CONSUME SUSTAINABLE AND EFFICIENT ENERGY

MBK Public Company Limited organized MBK Energy Day 2014 under the concept of "Free Energy" run by the committee on energy management. MBK Energy Day is an activity that aims to promote the awareness of efficient and effective energy use among employees. It is expected that employees will become accustomed to energy saving routines, raising awareness, understanding of the energy situation as well as building good consciousness of energy saving. Such awareness will lead to a strong cooperation among employees to save energy.



▶ GROWING TREES IN HONOR OF HIS MAJESTY THE KING AT BAN RA MAT (KRABI) ACTIVITY

MBK Public Company Limited, along with other 3 agencies - Layana Resort and Spa, a hotel and tourism business group, and Thanachart Bank Public Company Limited - organized "Growing trees in honor of His Majesty the King at Ban Ra Mat (Krabi)" activity in order to offer him as a charity to celebrate his auspicious occasion of his 87th birthday on December 5th, 2014. This activity was also aimed to cultivate the awareness of local people to love trees, cherish natural resources and preserve the environment. The trees were planted along the road for more than 1 kilometer long between Ban Ra Mat pier and Ban Ra Mat School.

SOCIAL OPERATION

With the awareness of one of important roles of the private sector that can support the development of society, MBK Public Company Limited is determined to repay to its customers, employees, stakeholders, communities and the society in the areas around its business locations in every chance available. In 2014, the company participated in developing the society for the sustainability by giving the manpower, financial, location and product support through many operations useful to the public. These social operations were set as activities as follows:

▶ NATIONAL CHILDREN'S DAY 2014 ACTIVITY

MBK Public Company Limited, together with Department of Physical Education (Ministry of Tourism and Sports), organized the "National Children's Day 2014" activity to encourage children and the youth to understand and appreciate the worth of the activity, sports, recreations, sports science, as well as to use what they learned from the activity to improve themselves, their families, and their society.

▶ SONGKRAN FESTIVAL TO INHERIT THAI TRADITION 2014

MBK Public Company Limited, along with Department of Physical Education (Ministry of Tourism and Sports), held the "Songkran Festival to inherit Thai tradition 2014" activity to conserve and continue meritorious and gracious Thai tradition and culture as well as to develop good relationships with people of all ages in communities and the society around its business locations.

▶ A SHOW TO RAISE FUNDS FOR JOINING THE INTERNATIONAL COMPETITION

MBK Public Company Limited, together with Harmonize Team, arranged the "Show of Harmonize Team to raise funds" activity by running its Hip Hop dancing performance in order to raise funds for joining world - class competition called "World Hip Hop Dance Competition 2014", which was held in Las Vegas, Nevada, U.S. Moreover, the company and MU Horn Ensemble - classical ensemble (wind instruments) of students from College of Music, Mahidol University - held the "Funds raising to support MU Horn Ensemble (Horn Pure)" in order to participate in world-class music performance called "46th International Horn Symposium" in London, U.K.

▶ PROJECT ON RAMATHIBODI FOUNDATION'S BUILDING DEVELOPMENT AND THE PROCUREMENT OF MEDICAL DEVICES FOR DESTITUTE PATIENTS

MBK Public Company Limited and Ramathibodi Foundation and Faculty of Medicine Ramathibodi Hospital operate a project on bettering a building and procuring medical devices for destitute patients. With the aim of improving an existing building which is in use for more than 44 years, the "Booth for donation and souvenir on sale" has been arranged. Proceeds will be donated to the destitute patients of Ramathibodi Hospital.

▶ POURING LIQUID BEE WAX TO FORM BIG CANDLES USED BUDDHIST LENT 2014 ACTIVITY

MBK Public Company Limited, together with Pathumwan Distrcit Offce, Pathumwan Cultural Council, and agencies from the public and private sectors, arranged pouring liquid beewax to form big candles used in Buddhist Lent 2014 in order to promote and conserve meritorious Thai tradition as well as to encourage the unity of people from all walks of life in Pathumwan District.

▶ DOG SURVIVOR DAY 2014 ACTIVITY

MBK Public Company Limited and Soi Dog Foundation (SDF) organized a charity activity named “Dog Survivor Day 2014” in order to help disadvantaged dogs to have their better lives and to find new houses for them. This activity consisted of providing knowledge, understanding, and an attitude towards feeding a dog; entertaining time hosted by the society’s celebrities; and selling pet-related products. This was aimed to raise funds to help the dogs.

▶ FINANCIAL SUPPORT TO HOLD A CAMP FOR NEW FRESHERS FROM THE FACULTY OF ENGINEERING (CHULALONGKORN UNIVERSITY) ACTIVITY

MBK Public Company Limited and the Faculty of Engineering, Chulalongkorn University, held the 12nd engineering camp to welcome and congratulate new freshers of the faculty. This camp helped cultivate unity between batchmates and build a good relationship between them and their different years' batch mates. Also, living a proper student life was taught in this camp.

▶ CHEERLEADING IN ROTATING PLACES FROM THE FACULTY OF FINE AND APPLIED ARTS (CHULALONGKORN UNIVERSITY) ACTIVITY

MBK Public Company Limited and the Student Union from the Faculty of Fine and Applied Arts, Chulalongkorn University, arranged cheerleading in rotating places around the university by singing songs belonging to the faculty and cheering other students on with creative costumes. This activity encouraged new freshers to have self-confidence in creative expression and build the mutual unity.

▶ BREATHE WITH FULL USE OF THE LUNGS ACTIVITY

MBK Public Company Limited and Youth Network against Smoking, No Smoking Club, held the "Breathe with full use of the lungs" activity on World No Tobacco Day 2014 in order to give the youth an opportunity to creatively launch a campaign for promoting Thai people and the youth to realize the danger of smoking.

▶ WALKING TO RECEIVE DONATIONS FOR PATIENTS OF SIRIRAJ HOSPITAL ON MAHIDOL DAY ACTIVITY

MBK Public Company Limited, in cooperation with Public Relations and Special Affairs Division, Faculty of Medicine Siriraj Hospital, organized the "Walking to receive donations for underprivileged patients of Siriraj Hospital on Mahidol Day" activity. Mahidol University's students from Mahidol Bangkok Noi Campus and performers walked to receive donations and give a Mahidol Day flag as a souvenir to each tenant or customer in MBK Shopping Center. This encouraged people in general to realize the significance of providing help for the society.

▶ RONG MUEANG WITH SMILES: WALL OF HUA LAMPONG WITH SMILES ACTIVITY

MBK Public Company Limited, together with Foundation for Child Development, public agencies, and communities around MBK Shopping Center, held the "Rong Mueang with smiles: Wall of Hua Lampong with smiles" activity in order to improve surroundings to be good, clean, beautiful, and safe for the sake of the mental and physical well-being of urban children and local people in the area.

▶ STILL SMILE AND BE HAPPY WITH THE CULTURAL COUNCIL ACTIVITY

MBK Public Company Limited and Department of Cultural Promotion organized the "Still smile and be happy with the Cultural Council" activity in order to promote love, unity, and peace to exist in Thai society; and to encourage the conservation, revival, and propagation of local and national art and culture existed in Bangkok areas to be well-recognized which was useful to the general public.

▶ DONATION BOXES FOR THE FOUNDATION FOR THE WELFARE OF THE MENTALLY RETARDED OF THAILAND ACTIVITY

MBK Public Company Limited, together with the Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of H.M. the Queen, arranged the "the foundation's walking to receive donations due to the coming of a year's ending (2014) and the a new year's beginning (2015)" activity in order to rehabilitate the mentally retarded lacking physical abilities so that they could live their routine lives without being a burden on their families and the society. School and university students were volunteers carrying donation boxes for receiving donations within MBK Shopping Center.

▶ FINANCIAL SUPPORT FOR BUYING WHEELCHAIRS FOR THE INSTITUTE OF DISABLED PEOPLE'S CAPABILITY PROMOTION AND REHABILITATION OF THAILAND

MBK Public Company Limited gave financial support to the Institute of Disabled People's Capability Promotion and Rehabilitation of Thailand in order to buy wheelchairs for the physically handicapped who were underprivileged and poor so that they could use them in their daily life.

▶ THE PLAY BY FACULTY OF COMMUNICATION ARTS (CHULALONGKORN UNIVERSITY) ACTIVITY

MBK Public Company Limited and Faculty of Communication Arts, Chulalongkorn University, held a yearly play called "INWHITE", aiming that students could properly apply theoretical knowledge to performance as well as learning from performing experience as it was evident to the public.

▶ INHERITING, CREATING, AND PROMOTING THAI ART AND CULTURE ACTIVITY

MBK Public Company Limited, along with Student Union, Faculty of Architecture, Silpakorn University, arranged the "Inheriting, creating, and promoting Thai art and culture" activity by providing recreation activities, singing the faculty's cheering songs, and being in Thai costume belonging to King Rama V's reign. This activity was to build a relationship between new freshers, different years' batchmates, and the faculty's alumni, which was a useful activity for the youth.

LABOR OPERATION

As the company continues to expand, it is important to select and recruit knowledgeable and efficient personnel to join the company. There is also a workforce planning that will be in accordance with the business growth. The planning is also consistently reviewed to ensure that it is suitable for the real demand.

OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENT POLICY

The company realized the importance and necessity of occupational health and safety system that needs to be implemented along with the business operation in order to ensure safety of employees and all relevant personnel and prevent occupational accidents and diseases. As a result, the company has stipulated the occupational health, safety and environment policy that will be adopted by all departments. The details of the policy are as follows:

1. The company gives the first priority to the occupational safety of employees in all levels and ensures that every employee follows the rules to ensure the safety of themselves and other people.
2. The company aims to operate a legal business that complies with the occupational health and safety regulations.
3. The company provides trainings about occupational health and safety to promote awareness of this issue among employees and all stakeholders.
4. The company gives financial support and resources such as human resources, tools, prevention tools and others to ensure the maintenance of good health and to prevent occupational accidents and diseases for every employee.
5. The company follows and revises the implementation of occupational health and safety policy so that it can be consistently improved and developed.

In addition to the effective implementation of occupational health, safety, and environment policy, the company also appointed the Occupational Health, Safety and Environment Committee by selecting the committee members from the management level and electing members from the operation level. The committee will review policies and plans in regards to occupational safety and general safety with the aim to prevent and reduce accidents and illnesses from working for employers.

In 2014 the company provided trainings about occupational health and safety to employees and related parties so that they could be more educated about safety that can prevent occupational accidents and illnesses. The training courses are as follows :

- First Aid and CPR Training" for employees to learn and understand about correct first aid procedures.
- Personal Hygiene Training" for employees to learn and be aware about sanitation and hygiene related to their works.
- Prevention of Disaster and Danger from Explosives Training" for employees to learn about and understand different types of explosives, danger from explosives that can cause losses in lives and assets, and the prevention, inspection, search and the basic ways to dispose explosives.
- Fire Prevention and Control Training" for employees to learn about and understand dangers from fire as well as how to prevent and control fire. No less than 40% of employees needed to be able to use fire extinguishers and fire drill must be done at least once a year.

In addition, the company recruited a team of doctors from a top hospital to provide the annual health check-up for employees of all levels to ensure their good occupational health.

In 2014, no employee of the company became sick or had an accident in the workplace.

HUMAN RIGHTS MANAGEMENT

The company respects the human rights of all employees and treats every employee with fairness. Laws concerning human rights and recruitment are strictly followed. There is a clear recruitment policy. At the same time, the company follows the policy of the fund for empowerment of person with disabilities and corporates with public sectors, educational institutes and foundations for people with disabilities in recruiting people with disabilities.

RETURNS AND FRINGE BENEFITS MANAGEMENT

The company has a policy to offer many forms of payments and returns to employees according to their performances and abilities such as salary raise, bonus, financial rewards or commission fee. The company's remuneration policy is in line with the company's goal to focus on the performance in order to motivate employees to perform well and achieve the company's goals. The company implements the principles of BSC (Balance Scorecard) and KPI (Key Performance Indicator) as instruments for performance-based management, including defining Core Competency for the company's consistency and Functional Competency for goal-and-objective-achieved performance. Also, performance assessment and competency assessment are used to calculate for consistent and fair remuneration which leads to a good relationship between employees and the company. Moreover, the performance evaluation is also used in an Independent Development Plan (IDP) for each individual in order that employees can develop themselves so that their work performance is efficiency and effectively which will lead to the overall work performance of the company.

On July 1, 1992, the company established the provident fund for MBK Group employees through Thananchart Fund Manangement Company Limited. In 2014, the company's contribution to the fund in the rate of 5-10% totals THB 18,579,044.84. There is a total of 407 fund members out of 511 employees and management staff.

In addition, the company formed the Fringe Benefits in Workplace Committee by selecting representatives from employees to be a part of the committee that will be responsible for ensuring the efficiency of the company's fringe benefit management. Fringe benefit management should ensure fair and equal benefits to all employees and their families. The committee will also ensure that employees receive the benefits that are higher than the minimum standard. The benefits include medical costs for employees and families, employee uniforms, funding in case of death, provident fund, funding for public utilities, tuition fees for employees' children, life insurance, health and accident insurance, annual scholarships for employees in the undergraduate and postgraduate levels to support the development of employees. The available fringe benefits are provided to all employees equally and fairly without gender, ethnic, age and religious discrimination.

Moreover, the company arranged activities to promote the good health, virtuous and gracious tradition, quality of life; to form a good relationship with employees; and the commitment and love in the organization. These activities held throughout the year are as follows :

1. Happy and Cheerful MBK on Songkran activity - To maintain gracious and virtuous Thai tradition. Every employee had an opportunity to pour water on the hands of top executives and ask of blessing. Also, they all could talk and closely participated in the activity.
2. A ceremony to grant commemorative certificates to employees - an activity to honor the employees who love and commit to the organization. There is 4 types.

2.1 Any employee who dedicates himself/herself to work with the organization for 10, 15. 20, 25, and 30 years completely.

2.2 Any employee who saves medical expenses for the company.

2.3 Any employee who holds a good working record.

2.4 Any employee who does good deeds for the organization and protects the organization's property and reputation, regardless of the risks involved.

3. MBK Singing Contest - An opportunity open to employees who are encouraged to creatively perform on stage. This singing activity is to form a good relationship between contestants from different lines of work, to entertain their cheering teams, and to relieve stress very well.

4. Family Day - The company organized a day trip for employees and their families to visit interesting tourist attractions. Along the trip, entertaining activities to tighten a relationship between them were arranged all day long.

5. MBK Birthday Party - A birthday party for every employee who has his/her birthmonth in that month which makes them feel good and happy with the organization.

6. Activities on special occasions all year long. Father's Day, Mother's Day, and New Year's Day, for example.

7. The company, together with Suksawat Hospital, provided a free Pap test (Pap Smear) and training in cervical cancers for the company's female employees.

8. A project on providing a flu vaccination and a vaccination to prevent cervical cancers for any employee who is interested at a special price.

9. The organizational culture activity to cultivate employees' working behavior which is consistent in the organization's core values - SMOOTH© as follows :

- Service Mind
- Merit and Integrity

- Ownership
- Openness
- Teamwork
- High Commitment
- Continuous Learning

The company encourages the organizational culture through many activities. For example,

- To encourage 'Service Mind' - The company established service standards "MBK Service Way" for employees to follow practice guidelines on service providing in order to improve to be excellent service provided to tenants and customers.
- To encourage 'Continuous Learning' - Through Book Briefing done by executives and employees within the organization in order to promote everyone to read good and useful books, in terms of points of view and working experience. What they learn from reading can be shared among them, taught, and built up into thoughts and knowledge to help work efficiently. It also reflects a value of Teamwork.
- To encourage 'Openness' - By holding a postcard writing activity in order to praise his/her colleagues for their behavior or events consistent in the organization's core values through SMOOTH© & LDP Postcard which promotes the good work atmosphere in the organization.

Apart from activities stated above, the company encourages employees to spend their free time usefully, including providing clubs for employees from different lines of work who like similar activities to join a club of their same interest together as follows:

1. Football Club to encourage employees to keep good health and to strengthen the relationship among employees of the company and the subsidiaries which will have a positive influence on their operation
2. Health Club to encourage employees to use their free time exercising which will not only benefit in their good health but also better performance at work
3. Book Club to encourage employees to spend their free time reading and learning, which will not only expand their knowledge but will also improve their brain function, concentration, and memorization
4. Travel and Photo Club to be the center of employees who like photography and travel to come together and exchange their experience and knowledge that will improve their photography skill
5. Music Club to be the center of employees who have musical abilities to come together and share their knowledge and experience about music as well as engage in the activities within the organization
6. We Love Movie Club to support employees who love films and cinema to come together and share their knowledge about movies, which will also cultivate good friendship among employees in the organization

EMPLOYEE DEVELOPMENT AND TRAINING POLICY

The company has a clear policy in regards to the development of employees' competencies so that they can achieve their full potential in their performance. Moreover, there is a policy to support the promotion and progress of employees in their line of work. Therefore, there is a complete process and planning for employee trainings and developments for every unit and department. Human Resources Department is responsible for analyzing the demands and necessities of trainings for different sections within the company. Part of the analysis is on the responsibility of each position. Because different positions have different responsibilities, the analysis will have to be based on functional competency which includes skills, knowledge, and qualities of employees. Every employee will go through the process of competency assessment twice a year so that there can be suitable and individual planning for every position and work. The progress of employees who support or are consistent in the organization's strategic objectives is also taken into consideration.

Employee development and training is provided to employees of all level. The trainings also include the preparation of new employees and newly promoted employees to ensure that they can use their full capacities in their work and in providing good services to both internal and external customers. In addition, the knowledge and skills that employees learn from the training can be utilized in the future and even after retirement.

The company provides annual trainings for developments in each line of work. The training courses are available in both lecture-based and workshop formats. In addition, the company supports the coaching culture with a systematic and clear framework. The company provides flexibility for supervisors to adjust themselves to the new employees and situations so that both supervisors and employees can work together effectively.

In 2014 Human Resources Department provided in-house trainings and public trainings for employees in the total of 467 courses or an average of 39 courses per month. The trainings cover the needs of employees in every field and aim to help employees to perform effectively, efficiently and consistently with the objectives of the company that aim to provide satisfactory and happiness services to all customers. The company organized training to employees according to the company's policy as follows:

Training courses are provided for all levels of employees in order to develop their potential to suit their work and to build united and harmonious work culture. For instance - the Building MBK Culture: SMOOTH© activity, MBK Service Standards, Building and Managing Corporate Innovation, Marketing Strategy Innovation, Strategy for Training Road Map, English for Reception, Knowledge about Quality Management Principles of ISO 9001:2008, and Knowledge Management in Practice.

The Leadership Development Program is provided for executives in order to develop their competency. For instance - MBK Future Leader: Rope Course, Techniques of Lean Process, Coaching and Feedback, Problem Solving and Decision Making, HR for non HR, and 7 Habits of Highly Effective Leader.

In order to promote the policy and guidance on anti-corruption, Human Resources adds policies, visions, and code of conduct, to the New Employee Induction Program. Moreover, HR and the company's internal audit co-provide training in Good Corporate Governance that Ms.Yupapun Paritranun, Senior Executive Vice President (Internal Audit Division) has continuously trained employees both at operational and executive levels every year. In 2014, she put emphasis on the company's anti-corruption policy in order to improve every employee's awareness.

In 2014, employees and executives attended the training to develop their competency. Their average training hours as follows :

LEVELS OF EMPLOYEES	AVERAGE TRAINING HOURS PER PERSON
Employee at executive level (Level 12 and up)	78 Hours
Employee at operational level (Level 1-11)	41 Hours

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.set.or.th or in the website of MBK Public Company Limited www.mbkgroup.co.th

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