ANNUAL REPORT 2015

Our ultimate goal is delivering happiness to our customers.

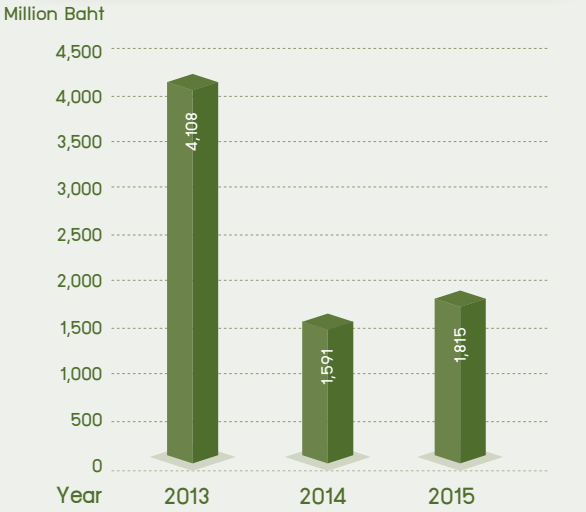
Outstanding, Strong and Sustainable Growth

ONE
FIRM FIRMS
"United as one"

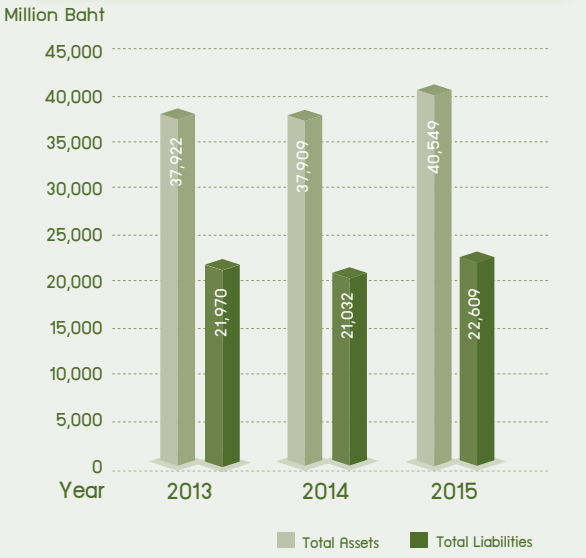
MBK PUBLIC COMPANY LIMITED

MBK
GROUP
Happiness for All

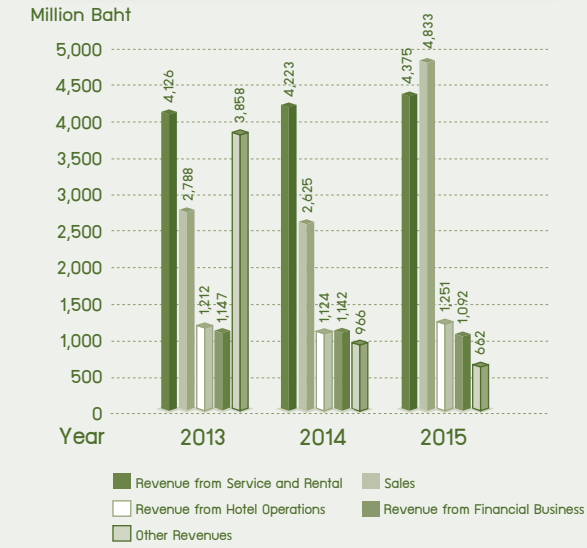
NET PROFIT



TOTAL ASSETS & TOTAL LIABILITIES



REVENUE STRUCTURE OF BUSINESS GROUP



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FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS OF MBK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Thousand Baht)

	31/12/2013	Percentage	31/12/2014	Percentage	31/12/2015	Percentage
STATEMENT OF FINANCIAL POSITION						
Total Assets	37,921,563	100.00	37,909,392	100.00	40,549,382	100.00
Total Liabilities	21,970,423	57.94	21,032,070	55.48	22,608,741	55.76
Total Shareholders' Equity	15,951,140	42.06	16,877,322	44.52	17,940,642	44.24

	For the years ended 31 December					
	2013	Percentage	2014	Percentage	2015	Percentage
INCOME STATEMENTS						
Revenue from Service and Rental	4,125,503	31.42	4,223,396	41.90	4,374,712	35.82
Sales	2,787,756	21.23	2,624,773	26.04	4,832,696	39.57
Revenue from Hotel Operations	1,211,743	9.23	1,123,770	11.15	1,250,929	10.24
Revenue from Financial Business	1,147,379	8.74	1,141,863	11.33	1,091,900	8.94
Other Revenues	3,858,460	29.38	966,304	9.58	662,646	5.43
Total Revenues	13,130,841	100.00	10,080,106	100.00	12,212,883	100.00
Gross Profit	3,546,458	38.25	3,437,054	37.71	4,301,127	37.24
Net Profit attributable to equity holder of the parent	4,107,987	31.29	1,591,413	15.79	1,815,185	14.86

THE FINANCIAL RATIOS OF MBK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		For the years ended 31 December		
	(Unit)	2013	2014	2015
Net Profit / Total Revenues	%	31.29	15.79	14.86
Return on Average Equity [A]	%	28.67	10.88	11.61
Return on Average Assets	%	11.76	4.20	4.63
Earnings Per Share [B]	(THB)	2.89 [D]	1.19 [C]	1.36
Dividend Per Share	(THB)	0.575 [D]	0.60 [C]	0.63 [E]
Book Value Per Share [A / B]	(THB)	9.97 [D]	11.29 [C]	12.13

Note
A Shareholders' equity represented equity attributable to the Company's shareholders (excluding equity attributable to non-controlling interest of the subsidiaries)
B Calculated from the number of ordinary shares which deducted by treasury stocks held by the Company and its subsidiaries.
C 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.
D The adjustment of the par value of the Company's shares from Baht 10 each (188,629,100 shares) to Baht 1 each (1,886,291,000 shares) for comparable.
E Propose to the shareholders for approval in respect of the allocation of profit from retained earnings for dividend payments for the second-half-year operations of 2015 at the rate of Baht 0.33 per share. The total 2015 dividend will be Baht 0.63 per share, including the interim dividend for the first-half-year operations of 2015 at the rate of Baht 0.30 per share. Dividend will be paid to the shareholders listed in the list of the shareholders with th rights to receive dividends as of March 17, 2016 and the book closing date for collecting th shareholders' name list according to Securitis and Exchange Act section 225 will be on March 18, 2016 and the dividend will be paid on May 9, 2016. However, the entitlement to receive the dividend is uncertain because it has yet to be approved by the shareholders.

ONE
Firm Firms...

United as one for the happiness of all ages.

Brand Awareness

MBK GROUP – the brand of happiness that delivers services for every customer's needs and lifestyles.

Service Excellence

Because the customers are the most important, we continuously improve our excellent service, to create impression and sustained relationship.

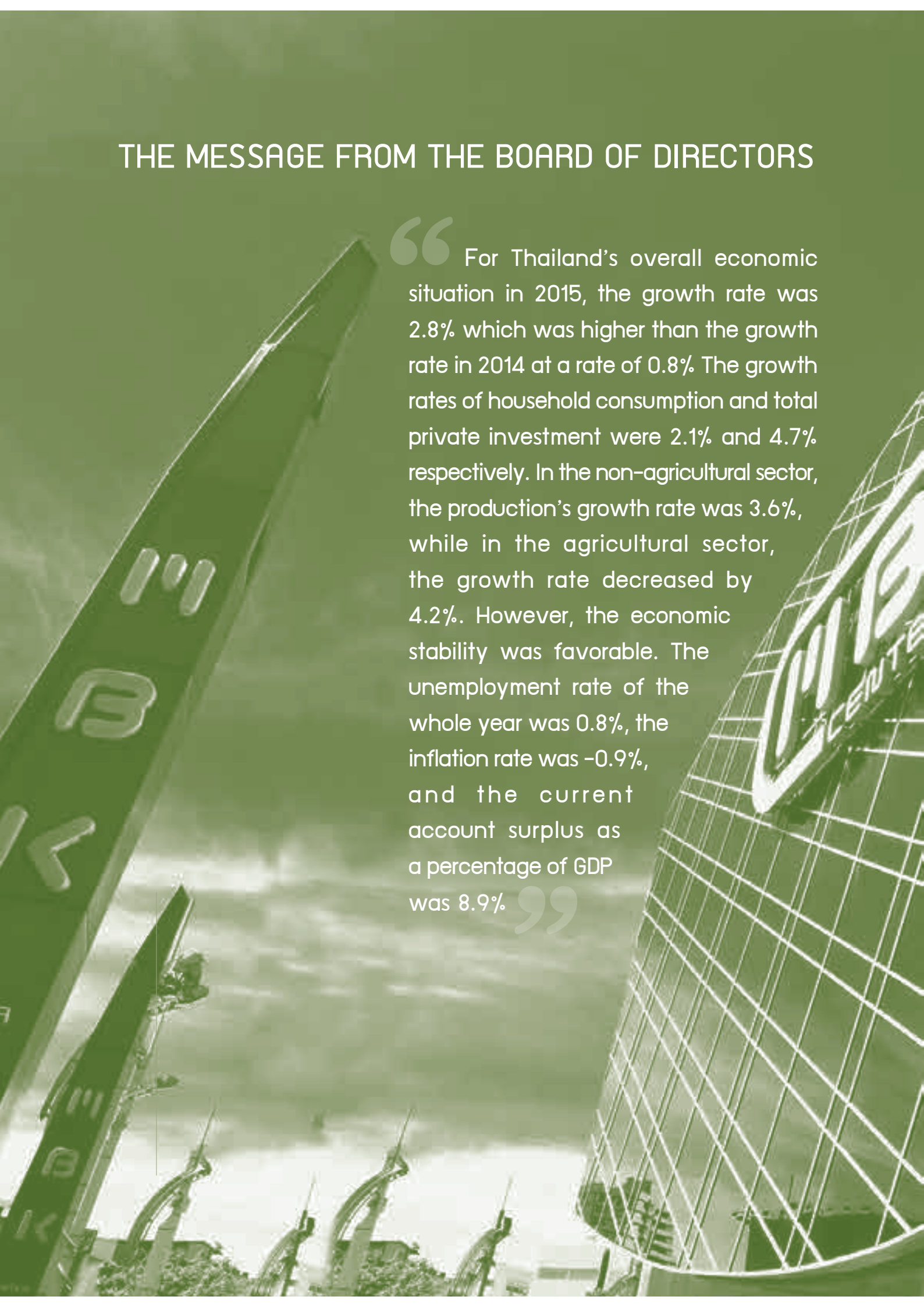
Process Excellence

Our operation and processes are customer-centric and customer satisfaction is what drives us at MBK GROUP.

Synergistic Excellence

Emphasis on resource sharing and development, from human resources, products and services, generates highest efficiency for the synergistic excellence.

THE MESSAGE FROM THE BOARD OF DIRECTORS



"For Thailand's overall economic situation in 2015, the growth rate was 2.8% which was higher than the growth rate in 2014 at a rate of 0.8% The growth rates of household consumption and total private investment were 2.1% and 4.7% respectively. In the non-agricultural sector, the production's growth rate was 3.6%, while in the agricultural sector, the growth rate decreased by 4.2%. However, the economic stability was favorable. The unemployment rate of the whole year was 0.8%, the inflation rate was -0.9%, and the current account surplus as a percentage of GDP was 8.9%"

For an economic tendency for 2016, the growth rate of 2.8% - 3.8% was forecasted and projected to be higher than the growth rate in 2015. Factors to support the economic growth in 2016 were the acceleration of the public expenditure and investment according to a budget framework, more stimulus measures which the government announced from September 2015 to January 2016, a tendency towards depreciation of Baht which helped the export expansion and oil prices expected to be lower than oil prices in 2015 which increased purchasing power, and a continuous expansion of tourism.

For the performance's results of MBK Public Company Limited ("MBK") and its subsidiaries ("the Group") for the year 2015 ended on 31st December 2015, compared with the year 2014, their revenues in total were 12,213 million Baht. They rose by 21% or 2,133 million Baht, compared with the previous year. Net profits on the shareholders' equity were 1,815 million Baht. They rose by 14% or 224 million Baht. Overall, every business of the MBK Group had better business profits, particularly the Real Estate Business which its business profit was much better because the Quinn Condominium project was completed and had revenue recognition when conveyancing had been carried out since August 2015 as a total of 1,856 million Baht. The MBK Group's financial status on 31st December 2015, compared with the year 2014, had major changes. The MBK Group had total assets as a total of 40,549 million Baht. They rose by 7% or 2,640 million Baht. It had total liabilities as a total of 22,609 million Baht. They rose by 7% or 1,577 million Baht. Its total shareholders' equity was 17,490 million Baht. It rose by 6% or 1,063 million Baht.

In 2015, MBK Public Company Limited ("MBK") and its subsidiaries ("the Group") had major operations as follows:

THE SHOPPING CENTER BUSINESS. In 2015, MBK Shopping Center had changes and renovation inside MBK Shopping Center building a sky walk which connects BTS's National Stadium station to MBK Center Building, a project to renovate the 5th floor area (Zone D) to be an outlet in the center of Bangkok, a project to renovate the 6th floor near the food court (Zone A) to be a center of various restaurants in downtown of Bangkok where it is a new meeting point for people in the city, and improvement in landscape architecture for areas around the newly-renovated restaurant zone. Moreover, in accordance with improvement on new areas, a total of 20 restrooms for both men and women on every floor inside MBK Shopping Center are also improved. All mentioned projects were worth approximately 500 million Baht.

For the Shopping Center Business, MBK's investment through Siam Piwat Company Limited, in 2015, Siam Discovery Shopping Center had major improvements which will be finished in Q2 of the year 2016. For the joint-venture project for Charoen Nakorn area with its business alliance, the ICONSIAM Project had positive advancement. Moreover, in 2016, feasibility studies will be conducted for joint ventures in 2 mega-projects.

THE HOTEL AND TOURISM BUSINESS. In 2015, the Hotel and Tourism Business focused on satisfying customers' needs by increasing the efficiency of operations At Pathumwan Princess Hotel in Bangkok, some rooms, mainly ExecuPlus Suites, have been partly sold as timesharing. More rooms in other hotels will be sold in the future. At Layana Resort & Spa in Krabi, 6 rooms were renovated and newly built. From the former 51 rooms,

there are 57 rooms in total. Another swimming pool was built and areas around swimming pools were expanded in order to provide the complete wellness service. Furthermore, its brand in Krabi managed under the brand, DUSIT was changed to be DUSIT THANI KRABI BEACH RESORT that aims to help increase marketing potential, which could also develop the MBK's team to be sophisticated in organizing all hotels owned by the MBK in order to improve the hotel business and be able to expand its business in future. This change of the brand could be ensured it will to lead to further and better improvement.

THE GOLF BUSINESS. Nowadays, the Golf Business has provided services with 5 golf clubs which are divided into 2 golf clubs in Phuket the Loch Palm Golf Course and the Red Mountain Golf Course and 3 golf clubs in Pathumthani Riverdale Golf Club and Country Club and Bangkok Golf Club. The Bangkok Golf Club, run by the Company in 2015, has offered a night golf service for the convenience of golfers living in Bangkok and surrounding areas. Moreover, in the previous year, the Company ran one more golf club called Lum Luk Ka Country Club where located in Prathumthani as well a standard golf club with 36 holes which acquired a 45% shareholding. Also, the Company formed a business alliance with leading international golf clubs. As a result, the MBK Group's Golf Business has had a business alliance golf clubs in many countries.

THE REAL ESTATE BUSINESS. It has done business about land development for sale, property management, consulting and property assessment, by a team with expertise and skill in the real estate business. For the "Quinn Condo" project the first project of high-rise condominiums of the MBK Group which 2 condominiums are located on Ratchadapiksek Road near MRT's Sutthisan station. In 2015, this project's revenue recognition over 1,800 million Baht was realized. This project was successful both in sales and conveyancing volumes, together with a warm welcome given by customers. Moreover, in 2016, the MBK Group has a plan for 3 more horizontal and vertical development projects in Bangkok and its surrounding areas. These projects are expected to launch for sale from the middle of the year 2016 onwards.

THE FOOD SOLUTION. It has done business about food through expanding investment in the food business continuously. In 2015, the rice business had major development PRG was a rice producer for the Department of Foreign Trade, Ministry of Commerce, which was a representative of the Thai government for negotiations on rice trade on a Government-to-Government basis (G to G). In the previous year, rice was exported to different countries China, Philippines, and Indonesia. In 2016, PRG has still been in operation continuously in order to support aforementioned policy of the government. Moreover, it cooperated with Eureka Agro Machinery Co., Ltd., to develop "an eliminator of moths and their eggs by dielectric heat" which is an innovation revolutionizing the Thai packed rice industry that moths and their eggs are eliminated and this leads to a reduction in chemicals used. For the restaurant business, 3 branches of the "Sukiyaki Number One" restaurant, which offers its original recipe for sukiyaki which has continued for over 50 years, have opened up in order to have more access to customers.

THE FINANCIAL BUSINESS. It has done business about individual loans to buy condominiums and business loans holding real estate which is good value, has a good location, has potential to be commercially developed, and is in the market's demand, as collateral. The Financial Business has also given loans to buy new motorcycles in order to support the expansion of the Financial Business. Furthermore, the Financial Business still focuses on continuously develop products and services in order to enhance potential for more efficient business operations.

For the Financial Business directly run by the MBK Group, the Company has expanded its investment to the banking industry by means of shareholdings in Bangkok Bank Public Co., Ltd., Kasikornbank Public Co., Ltd., and Siam Commercial Bank Co., Ltd. The investment approximately totals 3,600 million Baht. The Company's source of investment funds is the issue of long-term bonds with an interest rate lower than a dividend rate nowadays which can increase the Company's potential to make profits reasonably and regularly every year throughout the time of these shareholdings. These profits are interesting at a certain point.

THE AUTO AUCTION BUSINESS. In 2015, car parks were expanded in provinces in order to support an increase in a number of cars repossessed from sellers of the Finance Business. Nowadays, the car parks cover 13 provinces nationwide. Moreover, a system to check auto prices in order that buyers and sellers can compare the prices with cost estimates has been developing. Fees will be charged for utilizing this system to check information. It is expected that the system will be completely developed by Q2 of the year 2016.

THE SUPPORTING BUSINESS. It has encouraged major development of utilizing technology in the organization in order to increase the organization's potential and competence in supporting activities, reduce costs and improve the Back Office system through management, lay the foundation for being the Shared Services Center to share resources, enhance competitive advantage— to develop and install the IT system for preparing consolidated financial statements, set the same accounting standards for the MBK Group, manage the financial liquidity and increase the efficiency of financial transactions of the MBK Group, prepare a database for Human Resource Information System (HRIS) with the aim of improving the management and developing human resources and human capital sustainably, and provide with e-Procurement focusing on strategic management of the procurement as well as maintaining the quality of products and services provided by sellers.

"WITH ALL DETERMINATION, DEDICATION AND COMMITMENT TO CONDUCT BUSINESS OPERATIONS ACCORDING TO GOOD CORPORATE GOVERNANCE AND PARTICIPATION IN THAILAND'S PRIVATE SECTOR COLLECTIVE ACTION COALITION AGAINST CORRUPTION, ON BEHALF OF THE COMPANY'S BOARD OF DIRECTORS, WE WOULD LIKE TO THANK YOU OUR SHAREHOLDERS, CUSTOMERS, BUSINESS ALLIANCES, COMMUNITIES, EXECUTIVES, AND ALL EMPLOYEES, WHO HAVE PARTLY SUPPORTED AND MADE SUCCESSES TOGETHER. THE MBK GROUP IS DETERMINED, DEDICATED, AND COMMITTED TO DEVELOP PRODUCTS AND SERVICES FOR THE SAKE OF HAPPINESS FOR ALL, SUSTAINABLE GROWTH OF THE ORGANIZATION, AND MAKING SECURE RETURNS FOR EVERY SHAREHOLDERS IN THE LONG TERM."

MR. BANTERNG TANTIVIT
CHAIRMAN

MR. SUPHADEJ POONPIPAT
VICE CHAIRMAN

MR. SUVAIT THEERAVACHIRAKUL
CEO

Mr. Banterng Tantivit (1)
Chairman

Mr. Suphadej Poonpipat (2)
Vice Chairman and Chairman of
the Compensation and Nomination Committee

Professor Paichitr Rojanavanich (3)
Independent Director and
Chairman of the Audit Committee

Ms. Prakong Lelawongs (4)
Independent Director and Member
of the Audit Committee

Mr. Pracha Jaidee (5)
Independent Director Member of
the Audit Committee and Member of
the Compensation and Nomination Committee

1

2

6

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The Board of Directors

3

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10

Ms. Panit Pulsirivong (6)
Independent Director and Member of the Compensation and Nomination Committee

Mr. Piyaphong Artmangkorn (7)
Director

Mr. Suvait Theeravachirakul (8)
Director and President

Mr. Hatchapong Phokai (9)
Director

Mr. Atipon Tantivit(10)
Director

1 2 3 4

Executive Management

5 6 7

Mr. Suvait Theeravachirakul (4)
President and CEO

Mr. Pongsak Sabdasen (5)
Senior Executive Vice President
President Office

Mr. Kasemsuk Chongmankhong (3)
Senior Executive Vice President
Finance & Administration Division

Ms. Yupapun Paritranun (6)
Senior Executive Vice President
Internal Audit Division

Mr. Somphol Tripopnart (7)
Senior Executive Vice President
Sales Management Division and Acting
Senior Executive Vice President
Marketing Division

Mr. Apichat Kamoltham (2)
Executive Vice President
Legal Division

Mr. Satit Saisorn (1)
Acting Executive Vice President
Operation Division

NOTE Mr. Somphol Tripopnart has been appointed into acting senior executive vice president marketing division on January 1, 2016.
Mr. Satit Saisorn has been appointed into acting executive vice president, operation division on January 1, 2016.

President Office

Sitting

Mr. Suvait Theeravachirakul
President and CEO

Standing (left to right)

Mr. Wijarn Heebphorn
Assistant Senior Executive
Vice President
President Office

Mr. Sakchai Suthipipat
Senior Vice President
President Office 1

Mrs. Chaninchorn Predeeprompan
Senior Vice President
Strategic & Operation System
Management Department

Ms. Dararat Homrossukhon
Vice President Compliance Department
and Company Secretary

Mr. Charoon Punyachatporn
Senior Vice President
Project Management Department

Management

Finance & Administration Division

Sitting

Mr. Kasemsuk Chongmankhong
Senior Executive Vice President
Finance & Administration Division

Standing (left to right)

Mr. Surapon Senachakr
Acting Assistant Senior Executive Vice President Finance & Administration Division, Information Technology Department
Senior Vice President Information Technology Department

Ms. Kanchana Panyarattanakul
Senior Vice President
Finance Department

Mrs. Kanya Subboonrawd
Senior Vice President
Human Resources Development Department

Ms. Patcharin Pintunun
Vice President
Human Resources Management Department

Ms. Grissanee Dejworachai
Vice President
Procurement and Administration Department

Ms. Wanpen Rungrojchanathip
Assistant Senior Executive Vice President Finance & Administration Division, Accounting Finance, Procurement Department and Acting Vice President Accounting & Budget Department

NOTE
- Mr. Surapon Senachakr has been appointed into acting assistant senior executive vice president finance & administration division on January 1, 2016.
- Ms. Wanpen Rungrojchanathip has been appointed into assistant senior executive vice president finance & administration division, in accounting , finance, procurement department and acting vice president accounting & budget department on January 1, 2016.
- Mrs. Kanya Subboonrawd has been appointed into senior vice president human resources development department on June 16, 2015.

Operation Division

Sitting

Mr. Satit Saisorn
Acting Executive Vice President
Operation Division

Standing (left to right)

Mr. Satawat Laklaem
Assistant Senior Executive
Vice President
Operation Division

Ms. Praiyaporn Khaengraeng
Senior Vice President
Service Department

Mr. Pongwikarn Wisarutchotikul
Vice President
Security Management Department

Mr. Purim Prachantasen
Vice President
Engineering Department

Management

Internal Audit Division

Sitting

Ms. Yupapun Paritranun
Senior Executive Vice President
Internal Audit Division

Standing (left to right)

Mrs. Chatchamas Luengsaksri
Vice President
Operational Audit Department

Ms. Chonlada Ngamnikulchalin
Vice President
Management Audit Department

Business Development Division

Sitting

Mr. Suvait Theeravachirakul
Acting Senior Executive Vice President
Business Development Division

Standing (left to right)

Mr. Soomboon Prasobpiboon
Senior Vice President
Business Development Department

Mr. Pongtip Pongkham
Vice President
Business Investment Department

Marketing Division

Sitting

Mr. Somphol Tripopnart
Acting Senior Executive Vice President Marketing Division

Standing (left to right)

Mr. Chaidole Krairiksh
Vice President
Decoration Department

Ms. Karnokrat Chuthanondha
Vice President
Corporate Communications Department

Ms. Phaknipat Chuenjittsiri
Vice President
Marketing Department

NOTE Ms. Phaknipat Chuenjittsiri has been appointed into vice president marketing department on April 20, 2015.

Management

Sales Management Division

Mr. Somphol Tripopnart
Senior Executive Vice President Sales Management Division and Acting Vice President Sales Department

Legal Division

Sitting

Mr. Apichat Kamoltham
Executive Vice President
Legal Division

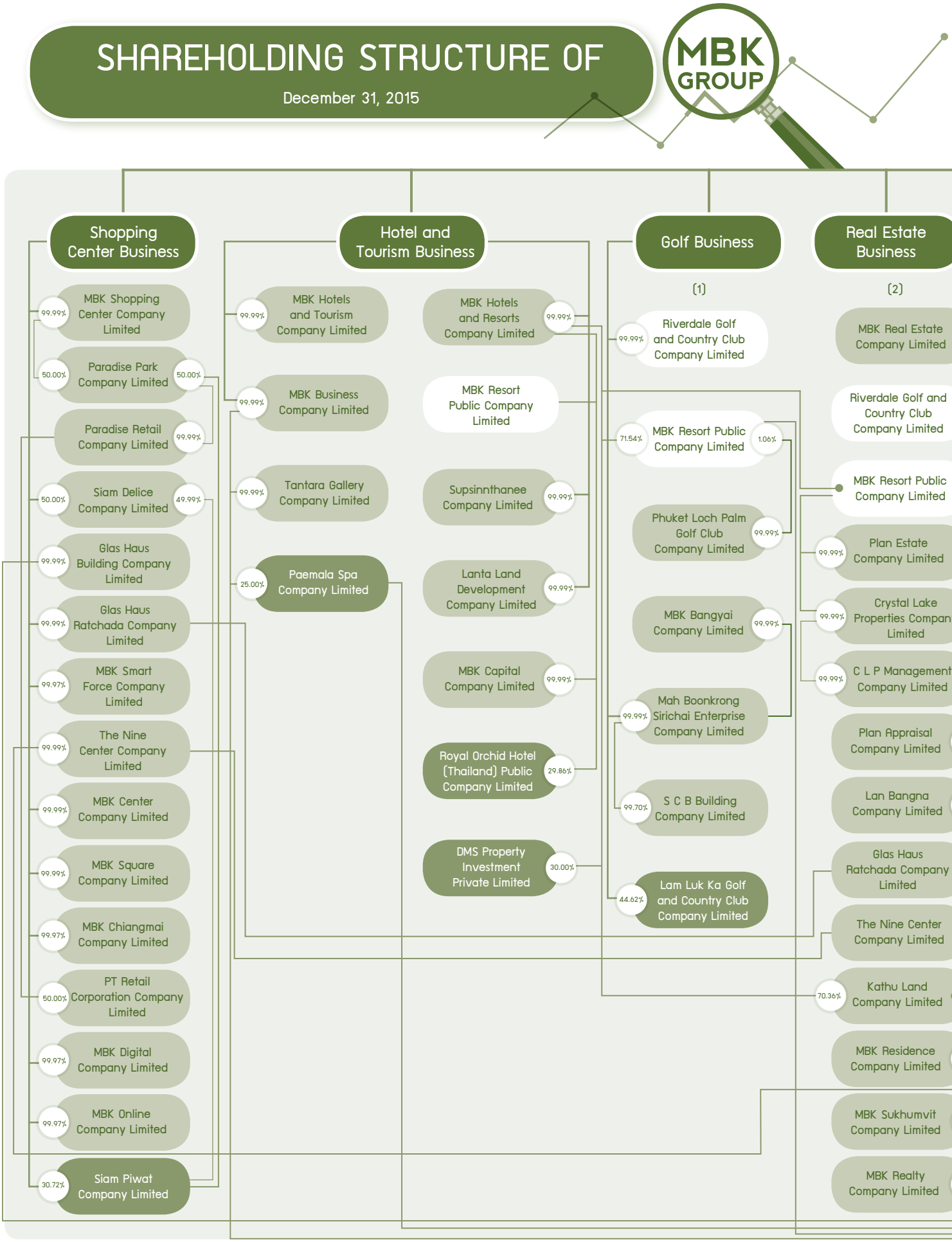
Standing (left to right)

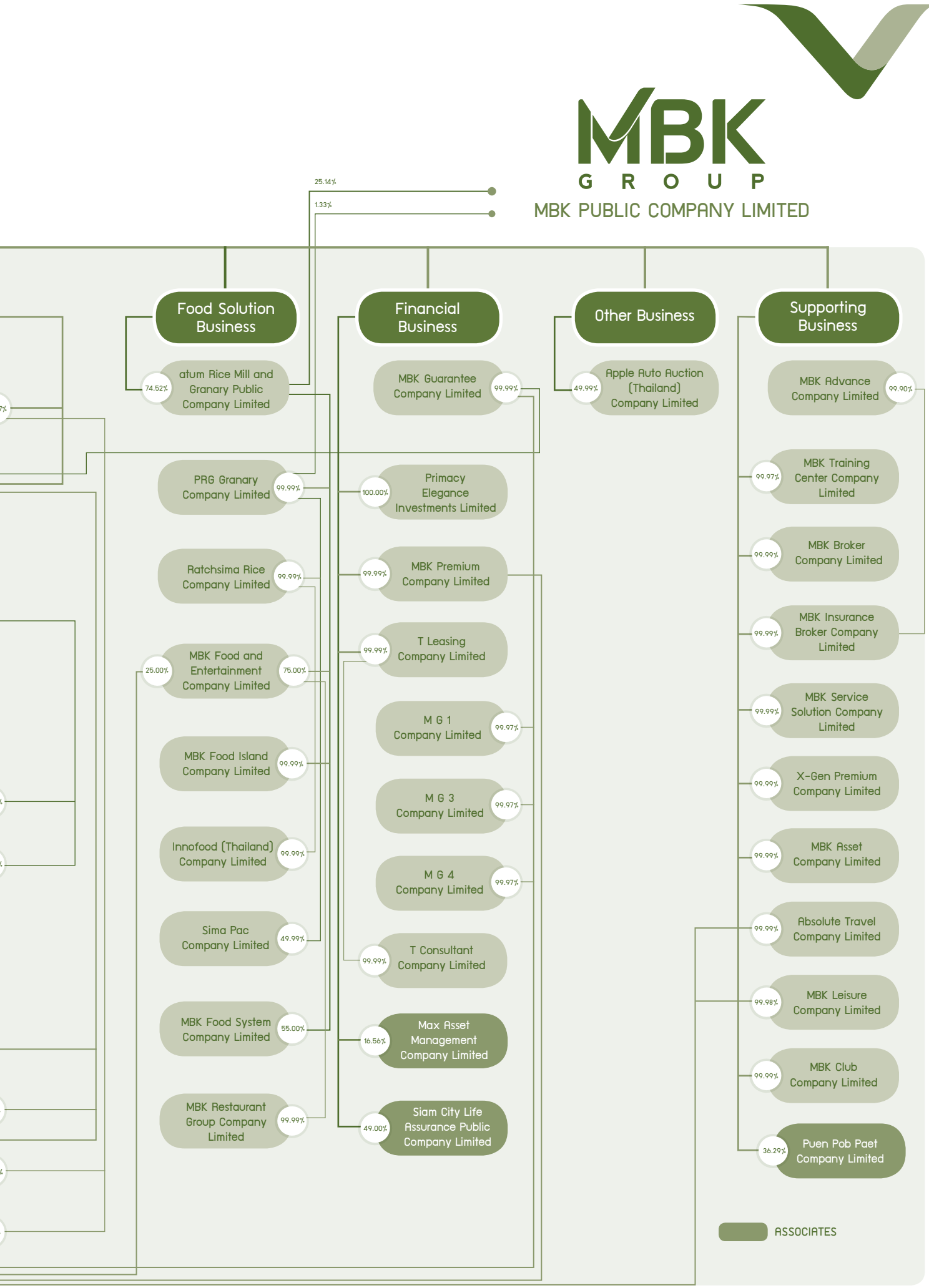
Mr. Oukrit Pitakpracha
Vice President
Case & Juristic Person Department

Mr. Sutthilerk Bumrungchat
Vice President
Juristic Act Department

SHAREHOLDING STRUCTURE OF

December 31, 2015




MBK GROUP
MBK PUBLIC COMPANY LIMITED
25.14%
1.33%
Food Solution Business
Financial Business
Other Business
Supporting Business
74.52% atum Rice Mill and Granary Public Company Limited
PRG Granary Company Limited 99.99%
Ratchsima Rice Company Limited 99.99%
25.00% MBK Food and Entertainment Company Limited 75.00%
MBK Food Island Company Limited 99.99%
Innofood (Thailand) Company Limited 99.99%
Sima Pac Company Limited 49.99%
MBK Food System Company Limited 55.00%
MBK Restaurant Group Company Limited 99.99%
MBK Guarantee Company Limited 99.99%
100.00% Primacy Elegance Investments Limited
99.99% MBK Premium Company Limited
99.99% T Leasing Company Limited
M G 1 Company Limited 99.97%
M G 3 Company Limited 99.97%
M G 4 Company Limited 99.97%
99.99% T Consultant Company Limited
16.56% Max Asset Management Company Limited
49.00% Siam City Life Assurance Public Company Limited
49.99% Apple Auto Auction (Thailand) Company Limited
MBK Advance Company Limited 99.90%
99.97% MBK Training Center Company Limited
99.99% MBK Broker Company Limited
99.99% MBK Insurance Broker Company Limited
99.99% MBK Service Solution Company Limited
99.99% X-Gen Premium Company Limited
99.99% MBK Asset Company Limited
99.99% Absolute Travel Company Limited
99.98% MBK Leisure Company Limited
99.99% MBK Club Company Limited
36.29% Puen Pob Paet Company Limited
ASSOCIATES

MBK GROUP

ความสุขของทุกวัย
Happiness for All

VISION

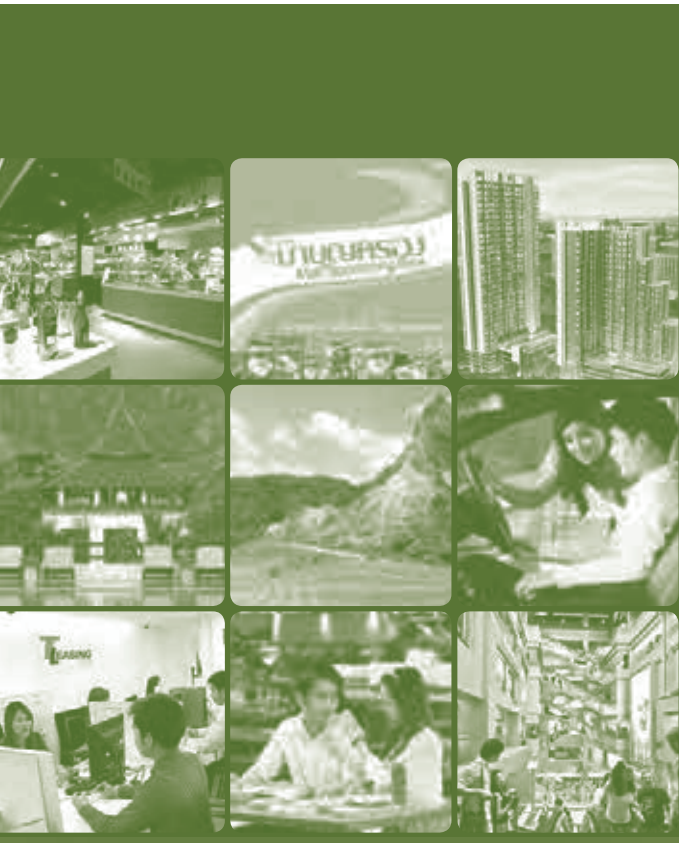
A LEADING GROUP OF COMPANIES IN THAILAND, WHICH PRODUCES ROBUST GROWTH, CONCENTRATES ON INVESTMENT AND ENGAGES WITH BUSINESSES THAT GENERATE SUSTAINABLE RETURNS.

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.

ONE
FIRM FIRMS
"United as one"

Every business unit of MBK GROUP is committed, with its highest potential, to create unity in our organization to create "One Firm Firms" that is strong and sustainable, while spreading happiness to everyone of all age.



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")
   - Glas Haus Ratchada Company Limited ("GHR") etc.
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")
   - Lanta Land Development Company Limited ("LLD") etc.
3. **Golf Business** – operated by MBK's subsidiaries:
   - MBK Resort Public Company Limited ("MBK-R")
   - Riverdale Golf and Country Club Company Limited ("RDGCC")
   - Mah Boonkrong Sirichai Enterprise Company Limited ("MBKS-E") etc.
4. **Real Estate Business** – operated by MBK's subsidiaries:
   - MBK Real Estate Company Limited ("MBK-RE")
   - Plan Estate Company Limited ("PST")
   - Crystal Lake Properties Company Limited ("CLP") etc.
5. **Food Solution Business** – operated by MBK's subsidiaries: Patum Rice Mill and Granary Public Company Limited ("PRG") and PRG's subsidiaries :
   - MBK Food & Entertainment Company Limited ("MBK-FE")
   - MBK Food Island Company Limited ("MBK-FI")
   - MBK Food System Company Limited ("MBK-FS")
   - MBK Restaurant Group Company Limited ("MBK-RG") etc.
6. **Financial Business** – operated by MBK's subsidiaries:
   - MBK Guarantee Company Limited ("MBK-G")
   - T Leasing Company Limited ("TLS") etc.
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")
   - MBK Broker Company Limited ("MBK-B") etc.

Major changes and developments in the past year

MBK Public Company Limited ("MBK") and its subsidiaries

Year 2015

- *In January, 2015* MBK has invested in buying common stocks of Siam City Life Assurance Public Company Limited from Thanachart Capital Public Company Limited, in additional investment proportion to be 49.00% of total shares in order to operate a life insurance business.
- *In September, 2015* MBK has invested in establishing new companies as follows :
  - MBK Digital Company Limited ("MBK-DT") in an investment proportion of 99.97% of total shares in order to operate an electronic commerce business.
  - MBK Online Company Limited ("MBK-OL") in an investment proportion of 99.97% of total shares in order to operate an electronic commerce business.
- *In November, 2015* MBK has invested in establishing a new company called MBK Club Company Limited, in an investment proportion of 99.99% of total shares in order to operate a recreation providing services excepts tourism

NATURE OF BUSINESS OPERATIONS

SHOPPING CENTER BUSINESS

MBK CENTER

MBK Public Company Limited operates MBK Center.

PRODUCTS AND SERVICES

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 31st December 2015

MBK Center Building has a total area of 270,917.94 square meters with space allocation as follows:

▸ Shopping center	142,473.50	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) 142,473.50[1] Square Meters.

These areas consist of:

▸ Area rented out to shops	81,872.28[2]	Square Meters
▸ Common area	60,601.22	Square Meters

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	Square Meters
▸ Common area	7,642.92	Square Meters

[1] The total spaces of the building expand as a result of improving areas of 29 PLAZA Building to become A LA ART Project.

[2] Spaces in the shopping center section decrease/ increase between 1st of January 2015 - 31st December 2015, which are equivalent to 1,487.27 square meters due to the renovation of spaces in Zone D on 4th floor, Zone D on 5th floor, Zone A on 6th floor, and Zones A-B on 7th floor.

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 CENTER 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 calculated into 22% 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 calculated into 78% of the area rented.

THE SIGNIFICANT CHANGE AND IMPROVEMENT IN THE PAST YEAR

In 2015, the change and development were made to the spaces inside MBK Center. The change and improvement are as follow:

- To build a sky walk to connect BTS's National Stadium station to MBK Center Building from Pathumwan intersection, along Phaya Thai Road, to Soi Chula 12; and to connect the Building, along Soi Chula 12, to Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- To improve and renovate a rental space and a central area in Zone D on 5th floor with an area of approximate 5,900 square meters.
- To improve and renovate a rental space and a central area in Zone A on 6th floor with an area of approximate 2,100 square meters.
- To improve the landscape architecture of the building's roof-deck, a food court area and a rental space in Zone A on 6th floor with an area of approximate 1,000 square meters.
- To improve a total of 20 restrooms for both men and women on 1st- 7th floors of the shopping center.

THE TARGET CUSTOMERS OF THE 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 selects 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 31st December 2015 (unit: Square Meters)

1	SF Corporate Public Company Limited	14,993.75
2	Bangkok Tokyu Department Store Company Limited	12,000.00
3	MBK Food and Entertainment Company Limited	2,395.99
4	MBK Food Island Company Limited	2,310.00
5	Central Food Retail Company Limited	1,361.00
6	Big Cut Company Limited	652.84
7	Central Restaurants Group Company Limited	457.47
8	Pena House Public Company Limited	420.12
9	AV Value Company Limited	398.22
10	Bata Shoe of Thailand Public Company Limited	394.28

- **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.

THE MARKETING AND COMPETITION

1. The selling and distribution channels of MBK Center

MBK makes use of the direct sales approach to promote the sales of rental spaces 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

For the whole picture of retail business in 2015, although it faced all-round risk factors from the world's and the country's economic situations which slowed down, the country's unclear political situation, and a general election which will be held in the future, competition of retail business was fierce as existing and new entrepreneurs

hastened to expand branches and launch new projects in potential areas increasingly and continuously in forms of mega malls, community malls, and hypermarkets such as Central Plaza West Gate (Bang Yai), Central Festival East Ville, Emquartier, Suan Lumpini Night Bazaar, the Street Ratchada, Zpell @ Future Park Rangsit, and community malls. Therefore, the whole picture of retail business had more than 220,000-square-meter increasing areas in total which led to the 7.2-million-square-meter supply of retail areas in Bangkok and its surrounding areas. However, an average rent in every location in Bangkok was still higher than an average rent in its surrounding areas and some community malls which today good locations are harder to find.

In 2015, the whole picture of retail business for the whole year grew by only 3%, similar to the growth rate in 2014. Consumers had more confidence. Also, the public sector had measures to continuously stimulate the economy such as investment in a public utility system, financial support for village funds, and the issuance of tax measures and marketing strategies to stimulate people's buying of products and services. Theses helped increase domestic circulation of the private sector which had a good impact on retail business. Moreover, entrepreneurs sought business alliances in order to enhance competitiveness advantage. These alliances were formed by 5 business groups as follows:

1. Ratchaprasong Bangkok Downtown (from Ratchaprasong Square Trade Association)
2. Ploenchit City (from 5 business groups around Ploenchit - Wireless Road)
3. The Em District (from Emporium, Emquartier, and Emsphere)
4. Central Bangkok (from 4 branches of Central Department Stores - Central Chidlom, Central Embassy, Central World, and Zen)
5. The Siam Synergy (from 3 shopping centers around the Siam Square - MBK Shopping Center, the Siam Piwat Group, and Siam Square Business Group)

Apart from the business alliances of downtown business groups, several entrepreneurs penetrated the retail market in provinces having potential to have more economic growth and special border economic zones such as Nakorn Sawan, Pitsanulok, Tak, Udon Thani, Sri Saket, Ubon Ratchathani, Nong Khai, Mukdahan, Sakaeo, and Trad.

In 2015, several entrepreneurs turned to more focus on Customer Relationship Management (CRM) along with other strategies by presenting products which directly match a target group, increasing channels to have access to products and services, improving branches to be more modern branches provided with complete services with a style of a lifestyle mall in order to fully satisfy consumers' needs. Apart from existing marketing strategies through main channels of selling such as a reduction in prices, period expansion of 0% interest installment payment, and launches of campaigns of special offers which were main strategies to stimulate purchasing power and sales volumes to reach the set goals, nowadays, several entrepreneurs utilized technology in order to enhance convenience and be a new channel to sell products and services. Consumer behavior changed to use smart phones and tablets in a daily life quite highly. Online marketing then played an important role in business operations in order to meet consumers' needs requiring convenience and rapidness by means of E-Commerce and Omni-Channel marketing such as buying products and services through a smart phone. Customers' information was analyzed on insight behavior in order to satisfy their needs exactly what they needed. Because of various lifestyles of consumers who were students, teenagers, and a new generation, a new "retail" form of buying was created through new trend markets such as the Train Park flea market and Truck Shop and Art Box market— a flea market provided with containers. Products on sale were so unique that customers did not get bored. It was considered as recreation and relaxation with art and performances in such markets. This new trend, which made consumers want to have a try, drew a market share from ordinary shopping centers quite a lot.

Among the competition of retail business, MBK Center has emphasized the importance of listening to customers' opinions or recommendations through various channels, marketing research in order to study behavior of both Thai and foreign customers and regularly assess their satisfaction in order to find information about changing needs and expectations of each target group. This useful information then will be used to formulate the organization's strategies each year. For the product and service strategies, there is a process of selecting shops in order to sell products to match customers' needs and quality is reasonably related to prices. For the marketing

event strategy, MBK Center organize new marketing events to catch up with consumers' trends such as flea markets which meet customers' needs, sell handmade-styled products, and Food Truck-styles booths. Marketing events emphasizing the uniqueness of MBK Center are also organized such as the Thai boxing show. Moreover, MBK Center has stressed the importance of providing services of every level of employees through cultivating the organization's every employee to be service-minded and mainly focus on customers. As aforementioned, all partly contribute to impressive experiences so that customers have to have services again and are pleased to share their impressions by word of mouth. Nowadays, MBK Center is still a leading shopping center where more than 13 million foreign tourists came to have services in 2015, compared with 2014 which increased by 8% Also, MBK Center is still the largest and the most modern center of mobile phones and electronics. To be part in the Siam Synergy and co-organize new marketing events with it, MBK Center is reinforced to be able to attract both Thai and foreign customers.

3. The industry trend and future competition of the Shopping Center Business

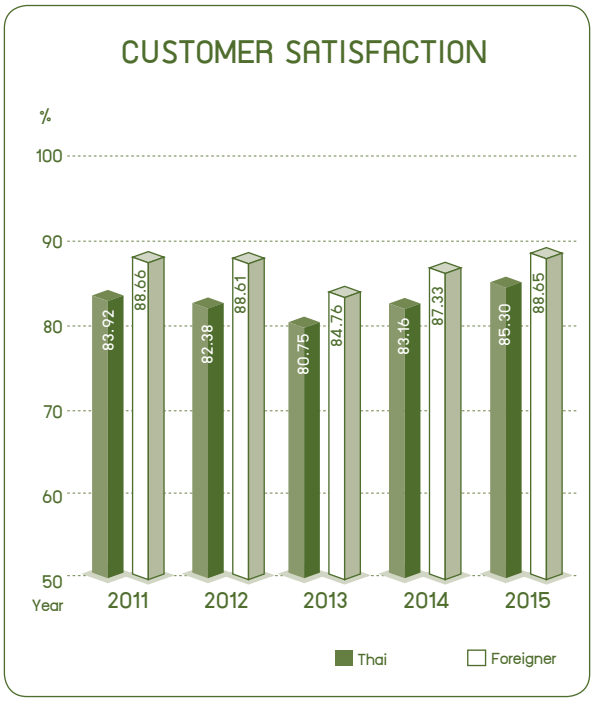
Although in 2015 the consumer's purchasing power was suppressed by a cost of living problem and household debts which remained high and not much different from the year 2014, retail entrepreneurs had plans to continuously expand every form of investment in both domestic and international markets— shopping centers, department stores, hypermarkets, or even small retail shops like convenient stores. Therefore, since 2016 onwards, including a several years ahead, the whole picture of retail business has continuously grown.

When fully entering the ASEAN Economic Community (AEC), Thai retail entrepreneurs are alert and active increasingly in expanding investment in ASEAN in order to have its market share with a total volume of USD 320 million or approximately 6-fold growth of Thailand's retail market. The main factor promoting the expansion of retail business in ASEAN is the change of consumption which diversifies and matches the environment of the modern society leading to urbanization because more incomes affect more purchasing power. The expansion of ASEAN's tourism which there is a growing tendency for not less than 120 million tourists to come to ASEAN countries, is a key factor to stimulate retail business' increasing growth because shopping is a popular activity among foreign tourists as well as benefits of free trade. This is a tendency and opportunity for retail entrepreneurs as seen in the plans of continuous expansion of investment— not only in potential areas in Bangkok and ASEAN, but also in provinces having potential to have more economic growth and special border economic zones such as Nakorn Sawan, Pitsanulok, Tak, Udon Thani, Sri Saket, Ubon Ratchathani, Nong Khai, Mukdahan, Sakaeo, Trad, and Chiang Rai. Retail business along the borders gains popularity from ASEAN consumers— particularly Laos, Cambodia, and Myanmar— which have increasing consumption in Thailand.

Moreover, a tendency of competition of retailing in electronic commerce (E-Tailing) is increasingly fierce. Most mega department stores have an online channel for digital marketing which increasingly expands because there is 4G technology and a number of internet users and wireless IT users such as notebooks computer, tablets, smart phones, in Thailand is more than 20 million users and a number of users is increasing every year. Consumers have more confidence in buying online products than before because of their trust in a more secured payment system. These factors all encourage a tendency towards retail business to increasingly grow.

4. The information on customer satisfaction

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 customers both the tenants as well as Thai and foreign customers. The overview of satisfaction for the year 2015 showed that the tenant satisfaction was at 84.60%, compared with 79.24% in 2014. Thai customer satisfaction was at 85.3% and foreign customer satisfaction was at 88.65% The level of satisfaction of both groups increased, compared with 2014, as shown in the illustrated details.



The customer satisfactions reflect the services given by various aspect of MBK Center. Listening to voices of customers allows MBK Center to use it as guidelines to establish marketing strategy in order to develop and improve the services. These will also lead to giving services in various aspects that will create the highest satisfaction and appropriately meet the tenants and the customers' demand.

THE PRODUCT OR SERVICE PROCUREMENT

THE PROCUREMENT OF PRODUCTS TO BE DISTRIBUTED

- None -

THE PROCESS OF REDUCING ENVIRONMENTAL IMPACTS

As shown in the report on the sustainable development for the year 2015, page 279

THE ENVIRONMENTAL CONFLICTS

- None -

THE NATURE OF BUSINESS OPERATIONS OF OTHER SHOPPING CENTERS

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 Siam Piwat 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

PRODUCTS AND SERVICES

Paradise Park manages a long-term and short-term lease shopping mall business whose focus is on management to earn from renting out shopping areas to entrepreneurs, earn from renting out spaces for billboards, earn from new product launch activities etc. Moreover, Paradise Park has core management's intention 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 fees, which will increase in next term of contracts and to increase incomes in a long term.

The major change and development in the past year

1. The establishment of a new company that deals with Department Store Business.

Paradise Retails Company Limited which is the subsidiaries of Paradise Park Company Limited 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 13,244 square meters. The decoration were made during September 2014 – May 2015 and launched in June 2015.

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

In 2015, Paradise Park had a budget of more than 30 million baht to renovate spaces on different zones. The purpose of renovation for the shopping center was to modernize and increases more products, services and facilities, which were:

- To improve the landscape architecture by increasing more seats in front of the building
- To increase LED light bulbs around stairs and move escalators and the information counter at the entrance 1
- To improve and trim trees at the Vertical Garden in the Royal Park Zone
- To install blinders around halls on the 2nd and 3rd floors, above the entrances
- To increase lighting around the Home & Living Zone on the 3rd floor
- To improve and increase a system of air conditioning inside the shopping center
- To improve all direction signs and electronic directories inside the shopping center
- To increase escalators from the G floor to the 1st floor of Tokyu Department Store, around the entrance 9

THE MARKETING AND COMPETITION SITUATION

1. The selling and distribution channels of Shopping Center 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. The competitive situation of Shopping Center Business

In 2015 there were competitions from the following competitors:

1. Seacon Square 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 since 2014. The bank zone was renovated and the 14 banks were drawn together as done before in the Paradise Park. More food courts and car parks were constructed.

2. Central Bangna 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 in 2014; along with moving all the bank to the 3rd floor and has an improving other spaces in 2015 such as Facade water park in the frontal area of the building.

3. Talad Rod Fai Night Market has more shops and customers in the year 2015. 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.

THE PROCUREMENT OF PRODUCTS OR SERVICES

THE NATURE OF THE PROCUREMENT OF PRODUCTS TO BE DISTRIBUTED

-None-

THE PROCESS OF REDUCING ENVIRONMENTAL IMPACTS

The water treatment

Paradise Park has used 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 cubic meters per day, wastewater volumes of building 2 and 3 of 1,500 cubic meters per day.

For operating and controlling wastewater treatment, the Paradise Park has all recorded data, the operational results are reported regularly, water samples are collected to the operating rooms every month for water quality tests. The reports then are 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 (referring to the Enhancement and Conservation of National Environmental Quality Act, B.E. 2535).

Moreover, Paradise Park installed a system of water reuse treatment in order to treat waste water so that it can be reused. Completely installed and ready for use on 1st October 2015. As a result, approximate 22,500 cubic meters of treated water could be reused for an air conditioning system in a cooling tower and approximate 4,500 cubic meters of treated water could be reused to water plants. In total, approximate 27,000 cubic meters of waste water were not carried away from the buildings and reused in Q4 of the year 2015.

1. The 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. The 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. The indoor air quality

The Paradise Park has improved the indoor environmental quality through designing the installation of aspirating aerators in order to control the amount of carbon dioxide so that it will not exceed 1,000 ppm and clean 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. The 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

The sustainable environment project

In 2015, Paradise Park proposed 2 environmental and energy savings projects which were:

1. Changing 1,797 parking lot light tubes from fluorescent tubes into LED tubes in order to reduce energy consumption, which helped save 5,279 unit of electricity per month or 63,351 units per year.

2. Changing Chiller number 3. One chiller with the size of 1,000 tons was changed for Plant Mall 2, which was expected to save 33,000 units per month and 396,000 units per year. The project installed the 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 going through the Water Reuse Treatment System was reused in the Cooling Tower of the air conditioner system, which was 91,250 cubic meters per year and for watering the trees at the amount of 3,650 cubic meters per year. When combining together, the Company was able to reduce wastewater that was discharged from the building at the amount of 94,900 cubic meters per year.

For the year 2016, more projects will be carried out as follows:

1. The project to change 4,000 recessed light tubes inside Paradise Park— replacing fluorescent tubes with LED tubes— which energy will be saved for approximate 29,040 units per month or approximate 348,480 units per year.

2. The project to save energy of the chill water pump of Mall 1 by grinding 5 pumps' blades which energy will be saved for approximate 3,300 units per month or approximate 39,600 units per year.

THE NINE CENTER

PRODUCTS AND SERVICES

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 was done with the purpose of creating varieties and meeting the service users' needs. The Nine Center changed from

spaces for shops to spaces for financial transactions by adding Government Savings Bank on the 1st floor of Building B and Kasikorn Securities Public Company Limited on the 1st floor of Building D. More restaurants— YOU & I Premium Suki Buffet, DAIICHI Shop, the Barber & Shop, Warate's No.2 and AIKO Premium Sushi Buffet— were opened. 20 Kiosks were changed into standard rooms in various zones of the Nine Center in order to provide a variety of buying in the Nine Center. An empty space on the mezzanine floor of Thanachart Insurance Public Company Limited was divided into 3 rooms for rent.

2. The entrance to the Nine Center, in front of Seri Market on Rama IX Road, was opened during rush hours from 5 pm to 7 pm every day for the sake of customers' convenience and traffic relief in front of the Nine Center.

3. The Nine Center added on the completeness to the service users by expanding a parking lot for motorcycles on the 2nd floor of Building A which supported more than 200 motorcycles in order to satisfy customers' needs and increase more facilities to service users.

THE MARKETING AND COMPETITION CONDITIONS

1. The distribution and distribution channels of The Nine Center Business

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

2. The competitive situation of Shopping Center Business

The 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 a radius of 10 kilometers.

The indirect competitors

The market conditions 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 convenient to travel.

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

The Shoppes Grand Rama 9 is located in New CBD, the Grand Rama9 projects, in the area of 73 rai or 1.2 square meters on Rama 9 Road – Ratchadapisek road. G floor and the 2nd floor of every building in New CBD, the Grand Rama 9, are provided for retail stores which link every building together to Rama 9 MRT; in the area of more than 35,000 square meters. 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 condominium, is located in the heart of the city that has 8 buildings located in the area of 8 Rai 1 ngan. The condominium consists 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 main target customers are customers on Rama 9 Road who prefer convenience in transportation and want to avoid a traffic jam. Therefore, customers from Rama 9, Ramkamhang, Srinagarindra and Suan Luang areas still come to the Nine Center continuously.

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 mini shops 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 focuses 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 restaurants against non-restaurant stores is 80:20.

4. The 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: the 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 a 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 decided to go to community malls because they were located in locations 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 customers' needs and are located near the working places or residential areas. The main targets are those who reside near the mall and are convenient to do the purchasing with adequate parking spaces. 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 has become better known and a number of customers increase. Marketing activities are organized where media show continuous interest. Besides, The Nine Center is the only community mall on Rama 9 road that greatly answers all the needs of the locals. The Nine Center has then renovated the center area to have color themes 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 answers to every lifestyles with variety of activities on a relaxing day under the homely atmosphere that everyone can experience.

THE PROCUREMENT OF PRODUCTS OR SERVICES

THE NATURE OF THE PROCUREMENT OF PRODUCTS 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 the 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 principles. 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 bio-pesticides which consisted of organic substances, are used to remove pest in the shopping center. Earthworms are used to improve the soil conditions to prevent any impacts on resources and service users.

GLAS HAUS BUILDING COMPANY LIMITED

PRODUCTS AND SERVICES

Glas Haus Building Co., Ltd. manages "real estate leasing" business which has a long-term and short-term rent building with the rental spaces of 13,000 square meters. 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.

The major change and developments in the past year

- None-

THE MARKETING AND COMPETITIVE SITUATION

1. Selling and distribution channels of Glas Haus Building Business

Glas Haus Building Co., Ltd. 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. The competitive situation of Glas Haus Building Business

The whole picture of Glas Haus Building Co., Ltd. in 2015 was derived from formulated strategies that could be carried out as the set goal— a rate of space rental in 2015 was 98% This rate came from new tenants who mostly were foreigners and started their business in Thailand. Glas Haus Building had to maintain present tenants by establishing better measures for service management in order that office tenants were satisfied to the utmost.

3. The industry trend and future competition of Glas Haus Building Business

Because of an increasing number of new competitors entering the market and instability of business operations which affects an increase in space rental fee, in 2015, Glas Haus Co., Ltd. had operational performance according to strategies by means of managing an empty space on each floor to be smaller so that it was rented at a rate 98%, and arranging the size of an area of Zone D to match the market's demand which attracted new tenants for the sake of enhancing the potential of the office building. Moreover, Glas Haus Company Limited adapted its strategies to increase the competitive advantage to find new tenants so that the rate of a number of tenants was not less than 98% in 2015 and also expand its base of new tenants.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of the procurement of products for selling

Glas Haus Building Co., Ltd. has a 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 Co., Ltd. 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 by testing water entering into a system of the building, in every area, every 6 months for the sake of the quality.
- **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 can affect the respiratory system.
- **Security Measure:** There are installations of the following security equipment:
  - 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

PRODUCTS AND SERVICES

Glas Haus Ratchada Co., Ltd. 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.

The major change and developments in the past year

- None -

THE MARKETING AND COMPETITIVE SITUATION

1. Selling and distribution channels of Glas Haus Ratchada Building Business

At present, Glas Haus Ratchada Building is fully 100% rented which Thanachart 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. The competitive situation of Glas Haus Ratchada Building 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 area at A level. Moreover, the communication and transportation nowadays is more convenient while there are also more shopping centers 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.

THE PROCUREMENT OF PRODUCTS OR SERVICES

The nature of the procurement of products for selling

Glas Haus Ratchada Co., Ltd. has a 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.

The measures against environmental effects

Glas Haus Ratchada Building well realizes the impacts on the environment— surrounding areas of the building or impacts in general. It is the Company's policy to operate business and significantly focus on the environment.

1. 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.

2. 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 6 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 6 months. Glas Haus Ratchada Building also hires Din Dang District Office to either get rid of or recycle the residues from waste water.

3. 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 on monthly basis so that there will be a minimum of noises interfering the work of the tenant.

4. 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 BUSINESS

HOTEL BUSINESS

Hotel business is managed and supervised by MBK Hotels and Tourism Company Limited ("MBK-HT"), MBK Hotel and Resorts Company Limited ("MBK-HR"), MBK Business Company Limited ("MBK-BUS"), Supsinthanee 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, in Bangkok, is operated by MBK-HT. It has been opened for business since 1996.
2. Dusit Thani Krabi Beach Resort, in Krabi, which has been operated since early 2003, has changed its name from "Sheraton Krabi Beach Resort" to "Dusit Thani Krabi Beach Resort" since July 2015.
3. Tinidee Hotel@Ranong (former Royal Princess Ranong Hotel), in Ranong, 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 has been opened since April 2011.
5. Tinidee Golf Resort@Phuket Hotel is located in Phuket, is operated by MBK-HT. The hotel has been opened since November 2010. (changed the name from the Tinidee Phuket Hotel since 2014)
6. Layana Hotel is located on Lantayai Island in Krabi, is operated by MBK-HT. The hotel had 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 has also managed 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

PRODUCTS AND SERVICES

Pathumwan Princess Hotel is located in Bangkok and operated by MBK Hotels and Tourism Company Limited ("MBK-HT"). The hotel has commenced operations since 1996. The hotel offers services in several accommodations such as 455 guestrooms which are all non-smoking, banquet rooms, seminar rooms and ballrooms, meeting rooms, fitness centers and the spas.

The major change and development in the past year

- To change a new escalator at the hotel's lobby with a budget of THB 4 million.
- To increase the function and dining room called PISA at the 8th floor next to a swimming pool and the LOOP Restaurant.
- To improve a new outdoor bar terrace called VISTA BAR.
- To enhance the efficiency of WIFI by increasing wireless access points inside every guestroom with a budget of THB 6.9 million.
- Marketing : Marketing plans of the group in 2015
    - To aim to promote sales in markets with high growth potential.
    - To maintain the stability and requirements of the major markets by creating promotional and sale-promotion plans periodically.
    - To aim to sale in the European market group through agencies that have call centers in such regions and expect to increase the food and beverage consumption from these markets.
    - To aim to offer more sales of catering, conferences, seminars— both at the hotel or outside the hotel, including MICE and Incentive Groups because seminar rooms were increased and renovated. A variety of menus and themes were also added.
    - To improve the appearance of the hotel's website to be more modern, convenient and easier to book a room and consider the use of Booking Engine to be more compliant with the competitive conditions, including an increase in communication technology for customers and prospects.
    - To optimize the increasing use of online media and developing the Digital and Social media system.
    - To cooperate and build an alliance with other organizations in order to encourage sales such as sports associations and leading tourist magazines— both domestic and international magazines.
    - To develop a system to control an occupancy and price rate for the utmost benefit.
    - To increase an occupancy rate through TIME SHARE sales (Guestrooms will be sold in advance for 5 years or 10 years.)

THE TARGET CUSTOMERS OF PATHUMWAN PRINCESS HOTEL

The main customers are travelers from Australia, Singapore and Europe such as Germany Switzerland and U.K., Asia and Middle East. These countries still have strong potential in terms of financial and economic growth.

The minor customers

- Customers that have a certain traveling season of the year such as customers from Scandinavia and Customers from Middle East.
- Customers that use hotel services less but have the efficiency in paying such as China, India, Japan, Malaysia, Israel, the Eastern European countries, and U.S.

THE MARKETING AND COMPETITION

1. The selling and distribution channels of Pathumwan Princess Hotel

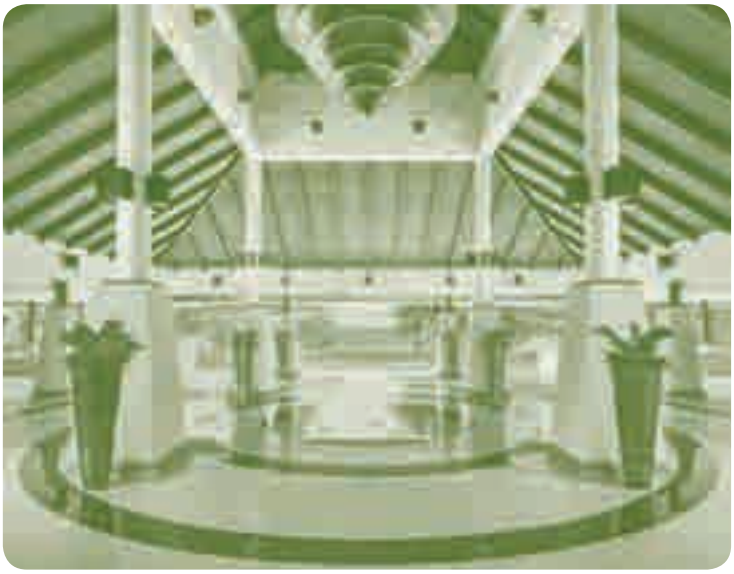
Pathumwan Princess Hotel has established the following channels of distribution:

- To sell directly to companies and commercial establishments.
- To sell through local travel agents and overseas tour operators in different regions of the world.
- To sell through electronic media or website by focusing on hotel's website.
- To sell through leading airlines' systems.
- To sell through press, advertisement and public relations.
- To sell during tourism promotion events.
- To sell through the hotel's network channels, i.e. those of the Dusit Princess Group.
- Direct sales to government sector, public enterprise and other associations.
- To sell through partners.
- To organize promotion with travel agencies, associations, and banks, for an occasional reason and a need for new customers.
- To prepare package with affiliated businesses.

2. The competitive situation of Pathumwan Princess Hotel

Nowadays, there are an increasing number of hotels and hotel's guestrooms in Bangkok, particularly an increasing number of budget hotels and hostels, including an increasing number of guestrooms of illegal hotels. The Hotel necessarily has to adapt its sales strategy by increasingly focusing on a new tourist groups and groups for meetings, incentive travels, conventions, and exhibitions from abroad (MICE). The Hotel uses its competitive advantage of a number of guestrooms in order to compete with small hotels and budget hotels which are all around.

Moreover, tourists' behavior towards room booking has changed as last-minute bookings are made increasingly. The Hotel has to adapt its strategies and increase a number of the personnel in order to follow the change of occupancy all the time. A Revenue Management system is used for the management. In the year 2015, the hotel emphasized on organizing both indoor and outdoor catering. The hotel was capable of handling large size Outside Catering. The hotel 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 is still able to attract tourists from the main target group. Owning to these reasons, the hotel is able to maintain the market share when compared with its competitors.

3. Pathumwan Princess Hotel's industry outlook and competitive situation in the future

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

- The economic situations and depreciation of the Australian currency which is a big market, together with tourists increasingly turn to travel inside the country for a short term.
- The overall economic situation of the European countries.
- The international terrorism and rumors about terrorism.
- The policy to cut down the prices of competitors and newly-opened hotels.
- The problem of the nation's security and political stability.
- The fluctuation in the world's main currencies.

As aforementioned factors, the Hotel has to adapt its sales strategy by focusing on potential countries and maintaining the stable market at the same time.

The third languages such as Chinese and German are used to publicize in various media channels of the Hotel.

THE PROCUREMENT OF PRODUCTS OR SERVICES

THE NATURE OF THE PROCUREMENT OF PRODUCTS TO BE DISTRIBUTED

-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.

DUSIT THANI KRABI BEACH RESORT HOTEL

PRODUCTS AND SERVICES

Dusit Thani Beach Resort Hotel is located in Krabi Province. 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.

The major change and developments in the past year

Sales and marketing:

- To receive warm welcome continuously after the hotel operator from Starwood to Dusit International since July 2015 which was during a low season. Therefore,

there was not much marketing impact. Marketing for seminars, wedding parties, and independent tourists were continuously arranged by having co-promotion with travel agencies. As a result, the Hotel could have an increasing customer base and focus on E-Commerce marketing.

- To introduce Dusit Thani Krabi Beach Resort by being a host to welcome both domestic and foreign press and travel agencies possessing potential in every market after the change of its hotel operator.
- To expand a customer base through social media channels, increasing its business alliance with online companies, developing its customer base through the Hotel's website directly, improve and add more information of the Hotel in order to meet today's needs.
- There was a continued agreements and sales strategies with German, UK and Scandinavian markets to encourage advance reservations during high and peak seasons.
- To participate in international sales and promotion events organized by Tourism Authority of Thailand and Dusit International.
- To participate in "Thailand Travel Expo" to stimulate FIT domestic market.
- To participate in the sales promotion with airlines.
- To support the launching of Loyalty Program by Dusit International "Dusit Gold" in order to expand its new customer base.
- To participate in marketing and sales promotion to various newspapers.
- To participate in marketing and sales promotion with different credit cards.
- To put advertisements in both domestic and foreign potential magazines.
- To review the Hotel through bloggers from various countries.
- To put advertisements on websites and other online media.

Engineering works:

- To change a wooden floor of the Deck pool.
- To change tile grout of the Deck pool and the Malati pool
- To change from common light tubes to LED light tubes for the entire Hotel.
- To improve the front area of Malati Bar in order to set the Sand Bar
- To add a ground wire system of the Landscape Lighting
- To produce weed compost in the Hotel.
- To retouch all new guestrooms of the Hotel.
- To decorate the interior of guestrooms according to Dusit Thani's concept.

Food and beverage:

- To arrange a Bar-B-Q buffet at the Italian restaurant every Friday in order to support guests who like to have Bar-B-Q food.
- To arrange a dinner buffet at MALATI every Monday and Thursday and having Khim— Thai musical instrument— performance from 7 pm to 9 pm everyday which received a warm welcome from customers.
- To emphasize selling a private dinner for honeymoon or anniversary couples, under the program "Just for You".
- To open the Sand Bar in order to be a new choice for guests to drink cocktails in the evening at sunset.
- To have live music performance at the Martinis Bar every day in order that guests can sit and relax before or after a dinner, or before going to bed.

IT works:

- To increase the efficiency of internet service providing and reduce software license and maintenance costs for the year 2015.
- To increase the efficiency of using Wi-Fi, in the year 2014, the hotel had double the Wireless Access Point into every building. Thus, Wi-Fi signals were strong and covered more areas in the rooms and had more stability in connection. From the aforementioned plan to increase the efficiency of Wi-Fi service, a number of wireless access points increased from 42 to 84 points which a result was very satisfactory. However, in 2016, the Hotel plans to increase the efficiency of Wi-Fi signal in many areas such as from the lawn around the Malati pool to the beginning of the beach, and bars and restaurants, for the sake of more Wi-Fi signal coverage.
- At present, there is an increase in the amount of internet usage, moreover, all the contents on internet have bigger files. Therefore, to prevent the problems of insufficient bandwidth, the hotel approves the adding of Internet Bandwidth from 16 Mbps to 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. Because the Hotel

realized that the customers' internet usage was increasing. Around the end of the year 2015, the Hotel increased Internet Bandwidth from 35 Mbps to 80 Mbps again.

THE TARGET CUSTOMERS OF DUSIT THANI KRABI BEACH RESORT HOTEL

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

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

THE MARKETING AND COMPETITIVE SITUATION

1. The selling and distribution channels of Dusit Thani Krabi Beach Resort Hotel

Dusit Thani Krabi Beach Resort Hotel has established the following channels of distribution:

- To sell directly to companies and commercial establishments.
- To sell through local travel agents and overseas tour operators in different regions of the world.
- To sell through electronic media or websites.
- To sell through leading airlines' systems.
- To sell through press, advertisements and public relations.
- To sell during tourism promotion events.
- To sell through the hotel's network channels, i.e. those of the Dusit International.

2. The competitive situation of Dusit Thani Krabi Beach Resort Hotel

The Hotel's occupancy rate for the first half of the year generated incomes close to estimated budget. However, the change of the hotel operator and the hotel's name had an impact on incomes from the first 4 months of the second half of the year. The rest 2 months could generate a sales volume to close to the estimated goal. At the same time, advanced bookings for January and February 2016 were at a very good level and ensured that the operational performance's incomes would reach the set goal.

The cause that the operational performance's incomes did not reach the goal was because of a decrease in a number of Russian customer groups due to drastic depreciation of the Russian currency and Russia's domestically politic problems. These affected not only a drop in a number of Russian guests in Krabi, but also a drop in a number of Russian tourists coming to Thailand. However, by way of compensation the Hotel welcomed quite a lot of Chinese tourist groups coming by charter flights during a low season because Phuket International Airport closed between 24 pm to 5 am and airplanes had to land at Krabi International Airport instead.

However, Dusit Thani Krabi Beach Resort hotel has its long-term competitive potential because Dusit Thani Hotel is on a top-level leading hotels and well known for the quality and standards in terms of location and services. Importantly, the size of the Hotel is large and able to accommodate big groups of customers or many groups at the same time. Moreover, videos to promote tourist attractions of Krabi, made by Italian National Tourist Board, German National Tourist Board, and French Government Tourist Office, were supported by the Hotel. Together with cooperation with Tourism Authority of Thailand, occupancy of celebrities, a lot of online media's followers, and good word of mouth spread in wide circles— all have well helped advertise the Hotel. Furthermore, guests' good impressions of services provided by receptionists and food and beverage personnel have helped promote the Hotel so that the Hotel has gained much popularity.

3. Dusit Thani Krabi Beach Resort Hotel's industry outlook and competitive situation in the future

The factors which impact to Dusit Thani Krabi Beach Resort Hotel's industry outlook and competitive situation 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 may 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 a number of flights and the scheduling of flights to Krabi and are not in line with a 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 are not very fond of this because they 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 obstacles that decrease tourist potential. This limitation causing customers' inconvenience in many aspects was already reported to the Department of Civil Aviation.

THE PROCUREMENT OF PRODUCTS OR SERVICES

THE NATURE OF THE PROCUREMENT OF PRODUCTS TO BE DISTRIBUTED

-None-

THE PROCESS OF REDUCING ENVIRONMENTAL IMPACTS

Dusit Thani Krabi Beach Resort Hotel 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 bio-fertilizers to reduce the quantity of garbage
3. Noise pollution

The appointment of a committee to manage the environment and energy conservation. To grow trees in front of the Hotel in order to reduce noise pollution which may affect the guests.

4. The Hotel already made a report of performance according to preventive measures and solutions to environmental impacts, and measures to follow-up the quality of the environment between July to December 2015.

TINIDEE HOTEL@RANONG AND TINIDEE INN HOTEL

PRODUCTS AND SERVICES

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.

The major change and development in the past year

Tinidee Hotel@Ranong

- To renovate rooms on 4th floor, which is the highest floor of the Main Wing, after the rooms on 3rd, 5th, 6th, and 7th floors were completely renovated.
- To change the File Alarm system and Fire Detector system entirely for the sake of the efficiency of the safety with a budget of THB 1 million.
- To overhaul the Fire Pump system in order to increase the work efficiency.
- To change the waste water treatment system entirely in order to increase the efficiency of waste water treatment in compliance with law enforcement. Also, treated waste water could be reused which could save

quite a lot of water each month, with a budget of THB 577,327.77.

- To improve a drain system for both sides of the Hotel so that water on the road around the Hotel could be drained easily when it rained.
- To improve the Cooling Tower system by changing blades and filters in order to increase the efficiency of cooling the chillers' heat down and cut costs of the electrical energy.
- To overhaul 1 chiller in order to increase the work efficiency, with a budget of THB 266,355.17.
- To change the elevators' sling system completely for the sake of the safety because the old system's date was due to be changed.
- To expand the Fitness room's size in order to support increasing needs.
- Marketing and marketing plans of the Group in 2015:
  - To focus more on parties, conferences, and seminars from customers of neighboring provinces.
  - To continuously expand the development of sales channels through websites by building an alliance with online companies more.
  - To attend the event to promote "Thais travel in Thailand." in order to stimulate the domestic FIT market.

Tinidee Inn Hotel

- To improve the local restaurant to be the sukiyaki restaurant called "Rienthong Sukiyaki" using the same concept and standards as Suki Number One Retautrant.

THE TARGET CUSTOMERS OF TINIDEE HOTEL@RANONG AND TINIDEE INN HOTEL

The 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 start to become more fond of domestic travel.
- The healthy tourists
- The group of sales representatives in Ranong, Phuket and Chumporn.

THE MARKETING AND COMPETITIVE SITUATION

1. The selling and distribution channels of Tinidee Hotel@Ranong and Tinidee Inn Hotel

- To sell 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.
- To sell through an intermediary, such as Thai Hotels Association and Association of Thai Travel Agents.
- To sell directly to companies and commercial establishments.
- To sell by distributing leaflets on special occasions which take place at different periods of the year.
- To sell in tourism promotion events.
- To sell through both domestic and overseas travel agencies.
- To sell through online travel agencies.
- To sell through electronic media or websites by focusing on hotel's website.

- To offer advertisements on billboards on Petchkasem Road, which is the main road to Ranong.
- To sell through partners.

2. The competitive situation 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 operational result of the hotel, in terms of its revenue was below the estimated due to both domestic and international economic situations which did not recover. Myanmar also prohibited fishing in its territorial waters. Law was also enforced to control fishing licenses and then caused the fishing industry drastically collapsed. This had an impact on the Hotel's operational result because the fishing industry was the main purchasing customers. Together with a continuous drop in rubber prices, the economic situation of Ranong was sluggish. From the aforementioned factors, several entrepreneurs of fishing business turned to run tourist business instead, particularly hotels and accommodation. As a result, there was an increase in competitions and market shares which affected Tinidee Hotel@Ranong to some degree but directly affected Tinidee Inn Hotel.

In 2015, the Hotel improved some systems as follows:

1. Environment: To improve a waste water treatment system. The new system could help the Hotel reuse the treated water more efficiently.

2. Safety: Focusing on the safety of customers and the personnel, the Hotel had improvement as follows:

2.1 To improve all the Fire Alarm system.

2.2 To change 3 elevators' sling system for the sake of the safety.

2.3 To install the Auto Transfer Switch (ATS)— a system to switch between backup power and electric utility.

3. Energy conservation: To partly improve the Cooling Tower system in order to increase the efficiency of cooling the heat down and to save the energy.

In order to maintain the Hotel's standards, the rest of guestrooms were all renovated in 2015.

This was due to the renovation of the coffee shop, the pool, the bathrooms in the lobby area, the catering room and the conference in 2013. The hotel changed an air conditioner to a Split Type model, which could control temperature and save the energy. The hotel has received a good response after receiving a concession to take care of Raksawarin Mineral Spring, the feedback is still in good shape.

▸ Tinidee Inn Hotel

Many small hotels have emerged from commercial buildings and offer low prices to customers, causing the decrease in monthly customers. Because Tinidee Hotel@Ranong has been acknowledged as having standards and security, the newly open Tinidee Inn thus received good feedback from customers with limited budgets. Moreover, the hotel has opened an OTOP shop, a RAMEN restaurant, a bubble tea shop, and an area for rent for restaurants and travel agencies inside Tinidee Inn Hotel which gets good feedback, especially for the OTOP shop.

Tinidee Hotel@Ranong and Tinidee Inn Hotel's industry outlook and competitive situation in the future

The tendencies of industrial in Ranong is growing in the future

- To know that mineral water in Ranong province is the best in Thailand and is one of the best three mineral water in the world.
- To know more about Payam Island which is the new popular tourist attraction.
- To discover more tourist attractions such as the Cocks Comb Island, Kam Island, and Kam Klang Island (the Japanese Island), together with dinner cruises around islands.
- To expand roads to facilitate more convenience to travel and transportation.
- To expand the habour to increase opportunities in shipping goods from the Andaman coast.
- Private sector projects that are constructing border market to attract more tourists.

- NOK AIR reopene direct flight to Ranong, offering 2 flights a day and the flights are available every day, NOK Airlines daily flights.
- As being the border city that have the opportunities to welcome tourists 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 terminals in the area.

The competitive situation of Tinidee Ranong Hotel and Tinidee Inn Hotel

- At present, more row houses are renovated into small hotels, which do not have direct effect in terms of competition with Tinidee Ranong but directly affect Tinidee Inn Hotel.
- For competition in seminar and catering services, competitors have competitive advantage in terms of the size of venue. The Hotel has adjusted its strategy as follows:
  - To focus on quality and service standards and convenient car parks.
  - Meeting types are stylish and various.
  - To focus on target customer groups whose size of the group is suitable for the size of the banquet room.
- To 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.
  - To open an OTOP shop selling products which are 95% of consignment.
  - Restaurant and a bubble tea shop for the first time in Ranong province.
  - To add improvements to the Ice Bar to enhance potential in the competition.
  - To improve aforementioned systems in order to build the security and gain customers' confidence.
  - To improve guestrooms in accordance with standards.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of procurement of products or services for selling

- OTOP products in the form of consignment.

2. The actions taken by Tinidee Hotel@ Ranong and Tinidee Inn Hotel to reduce the environment impact

1. Wastewater
   - 1.1 To put in place a wastewater treatment pond.
   - 1.2 To check the quality of water every quarter.
   - 1.3 To improve the entire system of wastewater treatment in order to increase the treatment. Moreover, the new wastewater treatment system enables the Hotel to reuse already treated wastewater more efficiently.
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. The elimination of smoke from burning fuels produced by steam engines
   - 3.1 To maintain the steam engines annually.
   - 3.2 Engineers regularly test and certify the efficiency of the burning process.
4. Energy saving by partly improving the Cooling Tower system in order to increase the efficiency of cooling the heat down and help chillers save the energy

In addition, the Hotel has taken the following measures aimed at preventing problems which may affect the environment in other areas.

1. To establish a special committee responsible for managing safety, bio-sanitation, and workplace environment.

2. To promote communication systems using emails in order to reduce paper use.

TINIDEE GOLF RESORT @ PHUKET HOTEL

PRODUCTS AND SERVICES

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 30 minutes from Phuket International Airport and 15 minutes from Patong Beach. It is surrounded by beautiful scenery and fresh atmosphere and with 24-hour security. The hotel added Centric Life is a new club house that offers a fitness center, which the name of Centric Life Fitness, 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 privilege in paying for the service at a special rate.

The major change and development in the past year

- To improve a guestroom type. For a Deluxe guestroom type, facilities were added and the size of a bathroom was expanded to be more convenient and modern.
- To provide necessary items for sale for the Hotel's guests (Minimart).
- Marketing and the marketing plan of group in 2015

- To welcome athletes who were students of international schools abroad for their annual sports competition.
- To expand the transportation service for customers, who made bookings through a website, to Patong Beach and department stores in Phuket.
- Expand and develop sales channels on websites continuously. To have an alliance with more online companies in 2015, and bookings through the Hotel's website directly with an increasing booking rate in 2015.
- To offer a special guestroom rate for members of golf clubs which were the Hotel's domestic and international alliances (affiliates).
- To arrange a package for a guestroom and a golf club which received warm welcome.

- To expand a customer base and have promotions for credit cards' holders.

The target customers of Tinidee Golf Resort @ Phuket Hotel

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

Minor Customers are from government agencies, state enterprises, independent organizations, students and parents from various schools, and customers who make direct bookings and through websites.

THE MARKETING AND COMPETITIVE SITUATION

1. Selling and distribution channels of Tinidee Golf Resort @ Phuket Hotel

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

- To sell directly to companies and commercial establishments.
- To sell through local travel agents and overseas tour operators in different regions of the world.
- To sell through electronic media or websites, particularly the Hotel's website.
- To sell through leading airlines' systems.

- To sell through press, advertisements and public relations.
- To sell during tourist promotion events.
- To sell through the Hotel's network channels, i.e. those of the MBK-HT Group.
- To sell through partners.
- To sell as a package with a golf club.
- Via golf agencies.
- To offer Group Series to tour companies.
- To offer rooms to parents, students, and teachers, through leaflets and brochures of international schools in Phuket.

2. The competitive situatuion of Tinidee Golf Resort @ Phuket Hotel

For a trend and marketing competition in hotels in Phuket, customers tend to mostly make online reservations because they can find and choose hotel with a reasonable price. The Hotel then aims to offer a lot of promotions on its website. Mostly, customers still prefer seaside locations. Buildings are adapted to be hotels and guest rooms increase significantly in Pathong area. Commercial buildings have become budget hotels and offer services and facilities as well. Therefore, the Hotel must target customers who mainly like to play golf or tour groups having a package already included in order to enhance its competitive potential, along with adding the Club Hose— having both a fitness center and a swimming pool— in order to provide facilities for customers.

3. The industry's outlook and competitive situation of Tinidee Golf Resort @ Phuket Hotel in the future

Real estate business in this Phuket province has grown considerably. Foreigners increasingly like to buy real estate and rent out, especially villa-styled houses and condominiums. Tinidee Golf Resort @ Phuket Hotel then sells Member Centric Life to residents in villa houses or condominiums that do not have facilities such as a fitness center or a swimming pool due to a sharp decrease in a number of tourists from Europe, particularly from Russia. Guestroom discounts are continuously offered. A number of new hotels increase very much. A number of days for the stay of the European customer groups in 2015 were much less than a number of days for the stay in 2014. It was found that the customers stayed at several hotels

per trip, the Hotel then offered to make a contract to sell guestrooms as the Group Tour Series in order to maintain an occupancy rate at a regular level all year round.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of the procurement of products to be distributed

- To offer miscellaneous and necessary items for sale in a Mini Mart for inexpensive prices.

2. The actions taken by Tinidee Golf Resort @ Phuket Hotel to reduce the environmental impact

1. Wastewater
   - 1.1 To put in place a wastewater treatment pond.
   - 1.2 To check the quality of water every quarter.
   - 1.3 To use the treated water in using in gardens.
   - 1.4 To add natural microorganisms in a sewage pond every month.
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 To promote communication systems using emails in order to reduce paper use.
   - 2.4 To proceed with using recycled paper policy strictly.
3. Energy saving
   - 3.1 To install a key for an electricity shut-off system inside every guestroom in order to save the energy.

LAYANA RESORT AND SPA

PRODUCTS AND SERVICES

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 57 guestrooms in 6 room types.

The major change and development in the past year

- ► The Hotel was closed for 50 days, between 10th June 2015 to 31st July 2015, in order to build 6 more guestrooms, the Wellness pool, the Wellness Zone, the Fitness room, the White Bar, the Yoga Platform, and a connecting corridor to the Linger Longer Spa, with a total budget of THB 40,000,000. As a result, a number of guestrooms increase from 51 rooms to 57 rooms as follows:
  - Garden Pavillon : 44
  - Grand Garden Pavillon : 4 (New)
  - Terrace Suite : 2 (New)
  - Ocean Deluxe Villa : 3
  - Beach Villa 3
  - La Maison : 1
- ► To build a wall surrounding the Sand Bar in order to keep the privacy of customers.
- ► To expand the wall on the left side of the Hotel in order to increase customers' security and reduce noise pollution from neighboring bars.
- ► A project to install more closed-circuit television (CCTV) cameras around the Hotel in order to increase customers' security, which will be completed in early 2016.
- ► Marketing and a marketing plan of the group in 2015
  - To increase sales strategies on websites of online companies and the Hotel's website.
  - Sales presentation of new packages on the Hotel's website and special promotions in order to increase attractions and a variety to the customers.

- To sign more contracts with Asian travel agencies in order to increase an occupancy rate in a low season.
- More participation in domestic and foreign Trade Shows.
- To have a website in Chinese in order to draw attractions of Chinese customers to stay at the Hotel during a low season.
- The new harbor to enhance the privacy and convenience for the Hotel's guests, which will be ready for the service in early 2016.
- Food promotions— Thai food, buffets, Thai Night, and set menu. The food was well-prepared by Thai food experts in recipes from the royal court. These promotions were offered during a high season which received warm welcome from both the Hotel's guests and customers from outside.
- To maintain a customer base of the European customers to be number 1 and service standards. The Hotel received many awards such as
  - Asia's Leading Spa Resort 2015
  - Thailand's Leading Spa Resort 2015
  - World Luxury Hotel Awards 2015
  - World Luxury Spa Awards 2015
  - Seven Star Awards 2015
  - Tripadvisor.com Hall of Fame 2015
  - #1 Top Hotel in all of Thailand
  - #2 Romance Destination in Thailand
  - #4 Best Luxury Destination in Thailand
  - Position#1 HolidayCheck 2015

The target customers of Layana Resort and Spa

▸ **Main Customers** are from the European countries such as U.K. and Germany, who are likely to come during a 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 the Asian countries who make an online reservation. They will come to stay during a low season (May – October).

THE MARKETING AND COMPETITIVE SITUATION

1. The selling and distribution channels of Layana Resort and Spa

- To sell via travel agencies in regions around the world, both in the country and foreign countries.
- To sell through websites, particularly the Hotel's website.
- To sell through representative agents in other countries such as Australia, U.K., German or through Social Media channels.
- To sell packages with affiliated hotels.
- To offer special packages for customers who come back repeatedly.

2. The competitive situation of Layana Resort and Spa

Due to the fact that the Hotel has clearly set target groups such as not accepting customers whose age is below 18 in order to maintain a target group that comes for a honey moon or the elderly who need peaceful and quiet environment as well as the privacy. Therefore, the Hotel is the leading hotel on Lanta Island. The operational result for the year 2015 was similar to the year 2014 because the Hotel was closed in order to build more guestrooms and a new swimming pool.

3. Layana Resort and Spa's industry outlook and competitive situation 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 a low season, by using Pathumwan Princess Hotel which is quite well known to recommend new customers and increasing Honey Moon customers. However, limitations of the flights to Krabi must be studied because some countries do not have a direct flight to Krabi. As a result, some customers view that it is inconvenient. Layana Resort and Spa needs time to promote the destination of Lanta Island to be known for a wider circle. Because tourists feel enough of Phuket, it is a good opportunity for Krabi province and the Lanta Island.

THE PROCUREMENT OF PRODUCTS OR SERVICES

The nature of procurement of products or services for selling

- Goods and products in the Gallery.

Reducing the environment impact

Layana Resort and Spa has worked 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 for 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 publicizes to all personnel for encouraging them to participate in the Hotel's energy saving.

3.5 The Hotel uses energy-saving bulbs to reduce a global warming and save energy.

3.6 The Hotel has automatic light control switches to reduce an energy loss.

3.7 The Hotel does not allow to start a car engine while waiting in the Hotel in order to reduce the loss of fuel.

4. Environmental management outside the Hotel

4.1 To encourage the personnel to take care of the beach in front of the Hotel where 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.

THE GOLF BUSINESS

PRODUCTS AND SERVICES

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. They include the Loch Palm Golf Course ("LPGC") and the Red Mountain Golf Course ("RMGC") and are located in Kathu district, Phuket province.

LPGC has opened since 1993 and MBK Group has operated it from 2002 until now. RMGC is 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. It includes 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.

For the management of Bangkok Golf Club (BKGC) run by Ma Boonkrong Sirichai Enterprise Co., Ltd., BKGC has its reputation for a long time. Adjacent to RDGC, it is a golf course with 18 holes and par 72, which provides both Day Golf and Night Golf services. It used to be managed for the Golf Championship's Asian Tours. Facilities are completely provided for golfers— restaurants, lockers, pro shops, and banquet rooms— in order to completely offer services to golfers. The Golf Club's strengths are that green speed is fast which challenges golfers, and the golf course is not too long but designed for golfers to enjoyably play with its design of neither too difficult nor too easy to play. Therefore, it is popular among golfers.

In 2015 the golf business renewed the reciprocal agreement with leading golf courses in both of domestic and foreign countries and made new contracts with several golf courses. The new contracts made MBK Group's golf business to have business alliances with different 15 golf courses as follows:

1. The Empire Hotel & Country Club, Brunei
2. Montgomerie Links, Vietnam
3. Mount Lawley Golf Club, Australia
4. Karntaka Golf Association, India
5. Tanah Merah Country Club, Singapore
6. Singapore Island Country Club, Singapore
7. Orchid Country Club, Singapore
8. Bintan Lagoon Resort, Indonesia
9. Macau Golf & Country Club, Macau

10. The Royal Selangor Golf Club, Malaysia
11. Pacific Links Int., U.S.A.
12. Seletar Country Club, Singapore
13. Krungthep Kreetha Association, Thailand
14. Ostravice Golf Club, Czech Republic
15. The Eastern Golf Club, Czech Republic

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 39 courses in 9 countries, resulting in an increase in revenue from golf members under the provisions of a reciprocal agreement. Furthermore, the members also receive the privileges from our business alliances. We have planned to further expand the number of international alliances in order to increase the number of golfers visiting the course.

The major change and development in the past year

For the management of Bangkok Golf Club, run by Ma Boonkrong Sirichai Enterprise Co., Ltd., the Night Golf service was provided for the sake of convenience of golfers who lived in Bangkok and surrounding areas.

For operating the golf business, the distribution channels of sales is divided into each golf course as follows:

LPGC GOLF COURSE AND RMGC GOLF COURSE'S DISTRIBUTION CHANNELS ARE DIVIDED BY CUSTOMER GROUPS INTO TWO CATEGORIES AS FOLLOWS:

- *Overseas Customers*

Most foreign customers of RDGC are tourists from Asia, particularly Japanese tourists. A number of Australian golfers are increasing. The distribution channels are as follows:

- Through travel agencies which are both domestic and international representative agents of RDGC.
- Through online media such as websites and e-mails.
- 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 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 6 types of membership as follows:

- Permanent individual membership (only at LPGC)

- Permanent juristic person membership (only at LPGC)
- Annual membership for local residents (only at LPGC)
- Annual membership for civil servants (only at LPGC)
- 30-year membership for the house owner within LPGC and RMGC project
- One-year and two-year short-term membership (only at RMGC)

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

The distribution channels of RDGC are similar to those of LPGC and RMGC. There are 2 types as follows:

- *Overseas 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-mails.
- 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 domestic customers are from Bangkok and its surrounding areas, both Thai residents and foreigners having business or working in Thailand. Customers who have a member card of Riverdale Golf Club get a special discount for card-holding members, and walk-in customers. Moreover, there are customers who book tee-time scheduled all day long for competition that generates an income for RDGC by 10 percent of the total green fee.

The distribution channels of BKGC are similar to those of RDGC. There are 2 types as follows:

- *Overseas Customers*

Most overseas customers of BKGC are tourists from Asia, particularly Korean golfers. The distribution channels to sell are as follows:

- Through travel agencies which are representative agent of BKGC.
- Through electronic media such as websites or e-mails.

- *Domestic Customers*

Most of domestic customers are from Bangkok and its surrounding areas, both Thai and foreigners having business or working in Thailand. This group's need is to play golf with not too high fees but the high frequency of golf playing, particularly public officials. Vouchers are issued for public officials with a special fee. Moreover, customers who get the Night Golf service are the ones who generate main revenues for the golf club.

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

The Golf Business' 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 quality and good taste food, providing customers with the services of attentive and friendly personnel.

THE MARKETING AND COMPETITIVE SITUATION

1. The competitive situation of the Golf Business

- **Phuket**

In 2015, the overall situation of the Golf Business was quite not good and probably long until 2016 because of a drop in foreign golfers coming to Phuket to play golf. Meanwhile, a number of Chinese tourists coming to Phuket increased but they came to travel, not to play golf. As a result, golf courses in the area turned to focus on Phuket residents— who are a small number— by using a quite-low-fee strategy for local golfers.

LPGC and RMGC also have advantage over the competitors in Phuket, which are the locations of the golf course as they are located near the central area 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 has received good feedback from both Thai and foreign golfers due to the features of the course, which are designed to challenge, accompanying with the beauty of the landscape. This also includes a regular maintenance of the golf course and 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 organize the world competition. It is a well-recognized course where foreign and Thai golfers recommend that RMGC is a must visit golf course if travelling to Phuket.

▸ Bangkok and its surrounding provinces

In 2016, RDGC will have been opened for 6 years and business competitions are increasing, by both new golf courses and other golf courses that have renovated their layout to be more interesting and challenging. Marketing events with fees as incentives are organized. There are also nearly-opened golf courses nearby. Golfers then have a 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 courses.

2. Golf Business's industry outlook and competitive situation in the future

▸ Phuket

Both golf courses of MBK-R— formerly focused mainly on tourists— have to adapt themselves because of today's situation. They have turned to focus on local golfers and domestic golfers more.

For the competitors in the future, there are 1 new golf course in the neighboring province called Pang Nga and 1 nearly-opened golf course in Krabi but they both are not direct competitors. The direct competitors are rather golf courses within the area. It cannot overlook golf courses in Malaysia because world-class tournaments were organized. As a result, golfers have headed to the golf courses in this country instead of coming to Phuket. Therefore, both golf courses have adapted their strategies in order to support more local and domestic golfers. However, marketing for foreign golfers are continuously organized in order that a number of golfers will reach the goal through fee types and an online booking system.

▸ Bangkok and Surrounding Provinces

RDGC and BKGC aims primarily at Thai and foreigner customers that operate their business or work in Thailand, as they are 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 and BKGC's income in the future.

Thus, the future of RDGC and BKGC's industry trend and competitive situation 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 surrounding provinces. Both new golf course and existing golf courses have improvement. There are already competitors in the same area, making the market highly competitive. However, RDGC and BKGC are still competitive for its outstanding design, easy access and good service, with the clear target groups that can provide a variety of marketing types. Marketing plans are prepared to increase distribution channels to sell through agencies such as tour and travel agencies. They also emphasize organizing competitions both in groups and tournaments, which are still on high demand.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of procurement of products or services for selling

-None-

2. The environmental impact

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 regular fertilizers and chemical substances. Nevertheless, LPGC, RMGC, RDGC and BKGC have realized the impact on the environment as mentioned above. We have set the policy to reduce the use of fertilizers and chemical substances in maintaining the golf courses and try to use the organic fertilizers and natural alternatives 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.

THE REAL ESTATE BUSINESS

The Real Estate Business has operated the business as follows:

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

PROPERTY DEVELOPMENT FOR SALE BUSINESS

Products and Services

MBK-RE operates business by developing vacant land for sale, which is single home residential project that is divided into 2 types: pre-built houses and built-to-order houses.

The major change and development in the past year

In 2015, the Group began to recognize the revenue gained from the project called QUINN Condo of over THB 1,800 million from the project's total value of THB 3,200 million. QUINN Condo was the Company's first project of high-rise condominiums which succeeded in the volume of sales and conveyancing. Also, warm welcome was well received from customers.

Moreover, MBK-RE has developed low-rise residential area in Phuket as a continued project from 2 original projects which are Sabai Village Project 2, Khatu district, after the success in selling Sabai Village 1 project. The project was developed into single house, 2-storey single house and 2-storey twin house on a location near the nature with peaceful and quiet atmosphere. It is located on a 25 Rai land. The project value is THB 515 million. 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 the British International School. The nature of this project is to be 32 residential 2-storey twin houses with project value of THB 160 million. The 2 project are expected to be closed within 2016.

For the year 2016, MBK-RE plans to continuously develop high and low rise residential area projects, both in Bangkok, its surrounding areas, and Phuket; such as utilizing empty land located at the end of golf courses in Pathum Thani and developing into residential areas. MBK-RE will gradually split phases to develop and sell the project. For the first phase, the land at the end of the golf course will be improved and developed in order to sell empty plots of land with house plans. It is expected to be opened for sale within the midyear of 2016. This also includes a plan to develop a condominium project on Rama 9 road, which at present is in between information researching and designing. It is expected to be available for sale within the midyear of 2016 as well.

THE MARKET GROUP OF PROPERTY DEVELOPMENT FOR SALE BUSINESS

1. The house buyer group who needs the first house. This group has upper-middle and above income This group needs a house located in the Central Business District (CBD) or community areas.
2. The house buyer group who needs the second house upcountry for the leisure purpose. This group has middle to high income.
3. The investor group who buys houses for the purpose of renting them out.

THE MARKETING AND COMPETITIVE SITUATION

1. The selling and distribution channels of property development for sale

1. Through MBK-RE and 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 The competitive situation of property development for sale business

Since 2015 onwards to 2016, most entrepreneurs have slowed down investment in new projects, particularly the projects in provinces, and placed the importance of managing a lot of real estate still in stock. As a result, the entrepreneurs compete with marketing strategies or sales promotion events used to stimulate a sales volume of the real estate. MBK-RE has increased distribution channels to sell it and arranged marketing events to match target customer groups and stimulate the customers to make a faster decision to buy it.

3. Property development for sale business's industry outlook and competitive situation in the future

In 2016, a trend towards the housing marketing slows down because the nation's unrecovered economic situation, household debts, the outflow of capital, and the fluctuation in the world's economic situations— particularly, the Chinese economy which begins to slow down. Therefore, entrepreneurs have to be careful with investment in new projects in locations which are in demand and match the target customer groups who have purchasing power. The entrepreneurs have to emphasize the importance of management of real estate in stock as their first priority.

THE PROPERTY MANAGEMENT BUSINESS

PRODUCTS AND SERVICES

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 provide services, including improvement, and 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 institution 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 maintenance, marketing and selling to increase the real estate value that are in the Company's care. Projects and communities 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.

The 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.

THE MARKETING AND COMPETITIVE SITUATION

1. The selling and distribution channels of property management business

The distribution channels of PST's property management business consist 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 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. The 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. The property management business's industry outlook and competitive situation in the future

Second hand real estate trend for the year 2016, shows the there are opportunities and great choices, as purchasers 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 increasing costs.

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 their marketing strategies and the quality of their services. As well, they should continuously organize sales promotion activities.

THE ASSET APPRAISAL AND ADVISORY SERVICE BUSINESS

PRODUCTS AND SERVICES

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

1. To appraise the value of residential properties for projects.
2. To appraise the value of assets in general, such as houses, apartments, and hotels.
3. To give advice on valuation and use of properties, taking into account the legal constraints.
4. To conduct feasibility studies of property development projects.
5. To give opinions on the management of foreclosed properties for sale.

The target market of asset appraisal and advisory service business

1. Financial institutions.
2. Property development operators or real estate developers.
3. The general public.

THE MARKETING AND COMPETITIVE SITUATION

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

2. The asset appraisal and advisory service business's industry outlook and competitive situation 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. This development 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.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of procurement of products or services for selling

-None-

2. The process of reducing environmental impacts

The actions taken by the property development business to reduce the environmental impact

Actions to reduce the impact on the environment are mainly concerned with the property development business operated by MBK-RE. 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 of each project.

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

THE FOOD SOLUTION BUSINESS

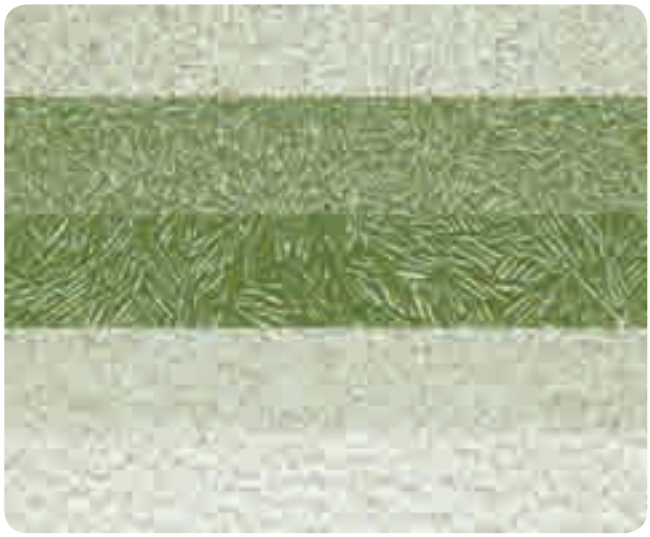
The Rice Business is operated by Patum Rice Mill and Granary Public Company Limited ("PRG") and its subsidiary. Their main business includes producing and selling rice both in the local and overseas markets. The details about their rice products and distribution channels are as follows:

PRODUCTS AND SERVICES

Main products

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

- Jasmine rice is the rice that has won plates of award for the production of quality packaged rice for 8 consecutive years and it is the first Company in Thailand that has been awarded the standard certificate (with a picture of hands together in a praying position inside a square), and the excellent standard certificate (with a picture of hands together in a praying position with a star—★), Granted by the Department of Internal Trade, the Ministry of Commerce. This can assure that every bag of Mah Boonkrong Jasmine Rice always holds the constant standards. Jasmine rice can be divided into several types as follows:
  - Jasmine Rice 100% (a red foil bag), consisting of new 100% jasmine rice from an early season. This comes in the package size of 5 kilograms.
  - Jasmine Rice 100% (a red bag), consisting of 100% jasmine rice. This comes in the package size of 200 grams, 2, 5, and 15 kilograms.
  - Jasmine Rice 100% (a green bag), consisting of old 100% jasmine rice. It comes in the package size of 1, 5, 15, 45, 49 and 50 kilograms.
  - Jasmine Rice 5%, consisting of 95% whole grain jasmine rice and 5% broken jasmine rice. It comes in the package size of 5 kilograms.



- Jasmine Rice 10%, consisting of 90% whole grain jasmine rice and 10% broken jasmine rice. It comes in the package size of 5, 15, 48, 49 and 50 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 a vacuum bag with the package size of 2 kilograms.

▶ Homtip Rice is a mixture of 70% of 100% jasmine rice and 30% of 100% white rice. Package size of Homtip Rice (a yellow bag) is 5 kilograms, Homtip Rice (a pink bag) is 5 kilograms, and Homtip Rice (an orange sack) is 15, 48, and 50 kilograms.

▶ Hompatum Rice 100% is the aromatic rice that is developed from Jasmine rice's species. The package size of Hompatum rice (an orange bag) is 5 kilograms and Hompatum rice (a green bag) is 5 kilograms.

▶ White Rice 100% (a blue bag), with the package size of 5 kilograms and Ruangkaew rice (a dark blue bag), with the package size of 1 and 5 kilograms.

▶ White Rice (Saohai) 100%, consisting of 100% white rice (a blue sack) with the package size of 15, 48, 49 and 50 kilograms.

▶ White Rice 15% (a brown bag), with the package size of 5 kilograms and Ruangtip rice (a purple bag) with the package size is 5 kilograms.

▶ Mah Boonkrong Plus is Thai jasmine rice with nutritive value from vegetables and grains and no additives. 6 types of Mahboonkrong Plus are as follows:

1. Grains Rice, consisting of sunflower seeds, black sesame and pumpkin. The package size is 450 grams.
2. Garlic Rice with Chinese mushrooms, consisting of garlic, Chinese mushrooms and carrots. The package size of 450 grams.
3. Five Color Rice, consisting of corn, carrots, taros and green peas. The package size is 450 grams.
4. GABA Rice (Germinated brown rice), Nutra Gaba rice is 100% brown jasmine rice which goes through natural process to add more nutritive value which are fiber, vitamins, magnesium and antioxidants such as GABA that gives nutrition 30 times more 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 1 kilogram.
5. Riceberry is a new species of jasmine rice, the cross-bred species of black rice and jasmine rice. It contains protein 2 times more than jasmine rice and high antioxidants— anthocyanin, beta-carotene, gamma oryzanol, vitamin E, tannin, zinc, and folate— but a low level of sugar. The package size is 1 kilogram.

6. 4 Hearty Rice is suitable for anyone who likes healthy food for a good health or begins to eat brown rice. It consists of 100% jasmine rice which is a specially selected grade, 100% brown jasmine rice, 100% riceberry, and red brown jasmine rice. It is an excellent cross-bred species which provide utmost nutritious benefits under a special formula of Mah Boonkrong rice. Therefore, already cooked rice has its constant quality and looks delicious. The package size is 1 kilogram.

- Nutra Oris 10 Rice Bran Oil is produced from fresh organic rice bran which is cold-pressed immediately within 24 hours after being milled. Specific oil extractors are used, the oil is pure, fragrant, fresh, long kept, not rancid, and containing all nutrients. It ensures that the rice bran oil is fee of chemical contamination and its organic agriculture standards are certified by the International Federation of Organic Agriculture Movements (IFOAM).
- Pure Rice Bran Oil is produced from fresh rice bran and rice germ by a cold press method. The rice bran oil's quality is the best. Also, the oil press factory is clean in accordance with the standards.

THE BY-PRODUCTS

Broken milled-rice, white rice bran, and rice rejection is broken rice resulting from an improvement process of rice quality. It is used to mix with other rice species for a formula for inferior grades as required. Moreover, broken milled-rice which is small is sold to animal feed manufacturers in order 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 ("RR") (PRG-G holds 99.99% of its paid-up capital.)

RR 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-kilogram and 5-kilogram bags for the local market under "Mah Boonkrong" trademark.

Approved on 24th February 2006, RR abolished investment promotion and allowed other rice packing company to rent the factory for 1 year. Nowadays, PRG is the major producer to improve the quality of jasmine rice— by selecting and improving the quality of rice so that the rice is bag-packaged for PRG and other domestic and international buyers. Moreover, RP has also run business about buying rice for PRG and ordinary people.

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

SMP was approved and promoted by Board of Investment (BOI) and on 27th August 1997. There was 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 has worked on packaging business development by investing on purchasing a 8-color Gravure printing machine, a bag making machine and a grinder and a cutter machine to support in manufacturing varieties of packaging for the market which consumers demand.

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

INF manufactures rice for the health. At present, the Company manufactures germinated brown jasmine rice to strengthen health called Nutra GABA Rice, rice bran oil and organic rice germ in capsules, under "Mahboonkrong Plus" and jasmine rice bran oil which is not organic, under "INNO FOOD". There are other types of rice for health such as Riceberry or 4 Hearty Rice trademarks. INF has also run business by buying rice for PRG and ordinary people.

MBK Food and Entertainment Company Limited ("MBK-FE") (PRG holds 75.00% of its paid-up capital.)

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 500 seats and 22 food kiosks, where various types of international cuisine are offered. The food court is grand, clean, hygienic 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")

(PRG holds 99.98% of its paid-up capital.)

MBK-FI operates food court business by making a long term rent of the 6th floor spaces of MBK to operate a food court under the name MBK Food Island. A dinning place with 1,000 seats and 52 food stores, where various types of food are offered. Both Thais and foreigner are the customers. With the reputation for having good taste, delicious and reasonable prices making this food 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")

(PRG holds 55% of its paid-up capital.)

MBK-FS is the joint venture with Fujio Food System Company Limited from Japan, which operates 2 brands of the Japanese restaurant: "Fujio Shokudo" which distributes local and family-styled Japanese food and focuses on food's freshness; and "Tsurumaru Udon Honpo" which distributes types of food like Udon that are freshly made in the restaurant.

At present, Fujio Shokudo is opened for service on the 6th floor of MBK Center and Tsurumaru Udon Honpo has 3 branches, which are:

1. MBK Center, 6th floor (next to Fujio Shokudo)
2. HaHa Shopping Center, Srinakarin
3. Plus Mall, Amata Nakorn

MBK Restaurant Group Company Limited ("MBK-RG") (MBK-FE holds 99.99% of its paid-up capital.)

MBK-RG operates the suki-yaki, traditional Teo-chew style restaurant. It was opened on 19th October 2014 at the Nine Center, on Rama 9 Road. It has had considerable success because Suki Number One has been recognized by customers for a long time, together with original taste which is delicious and impressive immediately when customers taste the food. The sales volume is very good and a lot of customers come back again to the restaurant. At present, the restaurant expanded 2 more branches in 2015 on the 6th floor of MBK Center and Glas Haus Ratchada. Moreover, MBK-RG plans to expand more branches in the future.

THE MAJOR CHANGE AND DEVELOPMENT IN THE PAST YEAR

THE RICE BUSINESS

In 2015, the Rice Business had important development as follows:

PRG is the rice producer for the Department of Foreign Trade— Ministry of Commerce— which is the government's representative to negotiate by means of Government to Government (G2G). In the previous year, rice were exported to different countries— China, Philippines, and Indonesia. In 2016, PRG has continuously supported such policy of the government. Moreover, PRG cooperated with Eureka Agro Machinery Co., Ltd. in order

to create the innovation of "the machine of eliminating moths and their eggs by dielectric heating" which was the innovation to revolutionize Thailand's rice packaged bag industry. It helped eliminate moths and their eggs in order to reduce chemicals. PRG received the national award's silver plate for the national project of disease-free, danger-free physically and mentally safe workplace, run by Department of Disease Control, Ministry of Public Health. This award indicated the care of employees with the focus on encouraging and supporting employees to have the good health, a decrease in non-communicable diseases and injuries, a decrease in diseases which were public problems of such areas, occupational and environmental safety, and good mental health.

The change of PRG's policy— from producing and distributing products to focusing on sales and marketing— was carried out in order to promote the products' image under the rice brand "Mah Boonkrong" and "Mah Boonkrong Plus" both domestically and internationally for the sake of building the confidence of the quality of the MBK's products. Therefore, operational guidelines were adapted to be suitable for policies' directions. The sale distributions were divided into 2 main domestic and overseas channels as follows:

The domestic sale had 3 separate channels

1. Modern trade channels included all modern retailers such as Tesco Lotus, Macro, Big C, Tops Supermarket, Max Valu, 7-eleven, convenience stores etc.
2. General wholesale and retail channels included wholesale shops and grocery stores across the country.
3. Direct sales channel included hotels, hospitals, restaurants and factories etc.

The overseas sale had 4 sale zones.

1. Europe and America
2. The Asian and Middle Eastern Countries
3. Africa
4. Australia, New Zealand and the Pacific Islands

The distribution channels were divided into 2 channels as follows:

1. Distribution through the Company's distribution center in Pathum Thani, Surat Thani, and Si Kew district.
2. Direct distribution from a producer to buyers in order to reduce transportation costs.

Moreover, PRG has managed assets stored in warehouse buildings and ports in Pathum Thani for rent in order to increase incomes and efficiently occupy the area.

For the policy for the year 2016, PRG wants to be the center of every type of food products in accordance with the word "Food Solution". Therefore, PRG focuses on expanding more food business in terms of various styles of restaurants, a variety of food— apart from rice— for example, tamarind juice which was experimentally exported to the foreign market, and other food in order to satisfy consumers' needs.

PRG has continuously developed its business operations in order to support the sustainable growth for the business and increase the value added to the business as well.

THE FOOD COURT AND RESTAURANT BUSINESS

Apart from producing and selling rice, the Company has run business about restaurants and food courts as follows:

1. The international food court called THE FIFTH Food Avenue ("THE FIFTH")

THE FIFTH, run by MBK Food and Entertainment Co., Ltd., has operated since May 2006. With the concept of "THE FIFTH Food Avenue, New Definition of International Food Hall— the new style of an international food court you can feel satisfied." The convenience and a variety of food are offered for customers. Whatever customers like to taste, everything can be found here at THE FIFTH. A variety of international food— Thai, Japanese, Italian, Vietnamese, Indian, vegetarian, Arabic, Greek, Teppanyaki, and seafood— is offered. Also, an excellent gourmet-styled service is provided here. Moreover, a credit card with a limit of THB 1,000 is provided so that customers can freely choose what to eat. THE FIFTH has a dining place with over 500 seats and its areas are divided into the Dining zone and the Open Kitchen for various international food.

In 2015, THE FIFTH was renovated and decorated in order to enhance its modern image.

2. The food court called MBK Food Island ("MBK-FI")

MBK-FI, run by MBK Food Island Co., Ltd., is situated on the 6th floor of MBK Center. It is a dining place with over 1,000 seats available, with the concept of the food court provided with a variety of food, freshness, cleanness, and inexpensive prices.

More than 50 shops which are selected to be part of MBK Food Island are famous and well recognized in order to satisfy both Thai and foreign customers' needs.

In 2015, MBK-FI was decorated and renovated by expanding its takeaway and dining areas in order to increase a variety of shops and food.

3. The Japanese restarants branded as "Fujio Shokudo" and "Tsurumaru Udon Honpo"

The Japanese restaurants are a joint venture between PRG and Fuji Food System Co., Ltd. which is the famous company for possessing more than 13 brands of the restaurants from Japan. In 2015, PRG operated to open a total number of branches as follows:

- Fujio Shokudo Restauratn offers Osaka authentic Japanese food. There is 1 branch on the 6th floor of MBK Center.
- Tsurumaru Udon Honpo Restaurant offers Osaka-styled udon noodles. Emphasizing making fresh udon noodles at the restaurant, together with a various side dishes, it has 3 branches— the 6th floor of MBK Center, the 1st floor of HaHa Center, and the 1st floor of Plus Mall in Amata Nakorn.

4. Sukiyaki Number One Restaurant

Sukiyaki Number One Restaurant, run by MBK Restaurant Group Public Co., Ltd., is operated with the concept of Teo-chew styled sukiyaki. This brand has been recognized for more than 50 years. Sukiyaki Number One is opened again for customers to have a classic taste of the original Teo-chew recipe. The restaurant has modern decoration but with the Chinese atmosphere all around. Its distinguished menu is a set of meat— pork, beef, chicken, and seafood— which are mingled with marinated sauce according to the original recipe in the proper temperature until the meat is well saturated. The softness of the meat is unique like nothing else.

In 2015, Sukiyaki Number One had 3 branches— the 1st floor of the Nine Center, the 6th floor of MBK Center, and the 2nd floor of Glas Haus Ratchada Building.

Because both restaurants have clearly different target customer groups, PRG can satisfy the needs of every customer group. The Company also plans to expand more food courts in several areas in order to expand a customer base according to a growth rate of retail business and office buildings.

Apart from the food court business, PRG has viewed an opportunity of the restaurant business to grow as considering from the opening of the Japanese restaurants and Sukiyaki Number One Restaurant. A growth rate of consumers who like to dine out, PRG has a policy to expand restaurants in several areas in order to respond to the market's growth.

For the policy for the year 2016, PRG still focuses on the expansion of food business by considering the opening of various styles of restaurants which respond to consumer behavior and continuously maintaining the improvement in different aspects in order to support the sustainable growth.

The customer character and target groups of the Rice Business

For the reputation of products under the brand "Mah Boonkrong Rice", PRG still maintains standards to form a relationship as partnership with customers which both parties reciprocally support each other in many aspects— information on marketing, customers' needs, and corporate responsibility for customers. Then, PRG can have business operations in order to respond to customers' needs immediately.

In the past 3-4 years, the sales volume sold to the first 10 major customers were calculated as 35% of the total sales volume and no one had the sales volume that was higher than 30% of the sales volume for 3 consecutive years.

THE MARKETING AND COMPETITIVE SITUATION

1. The selling and distribution channels of the Food Business

1.1 distribute rice packed in bag under the trademarks "Mah boonkrong Rice" and "Mah Boonkrong Plus" in Bangkok and its surrounding areas. At approximate 75% is the distribution of rice in Bangkok and its surrounding areas, and the remaining 25% is distributed in other areas around the country.

PRG has divided channels of distribution into 3 channels, which are:

▸ **Wholesale and Traditional Retail Stores.** PRG has the sales volume of 46% of the total sales volume of rice in the country. Most stores have a long term trade relationship with PRG. For the year 2016, the Company set a goal to expand the distribution to the northern and northeastern areas, and focus on the more distribution for wholesale shops, retail shops adapted itself to be half-supermarkets in order to distribute PRG's packaged rice to consumers across all areas entirely.

▸ **Modern wholesale and retail stores, a supermarket network and co-operatives.** PRG has a sales volume of 47% of all the rice distributed in the whole country. At present, consumer behavior changes and switch to use service from modern retails, wholesale stores and supermarkets more, because of the convenience and many branches are available for services. PRG plans to expand the market into those increasing branches of every network around the country.

▸ **Direct sales,** PRG has sales volume of 7% of all the rice distributed in the whole country by distributing to a network of restaurants, industrial plants, hotels, hospital and etc. In 2016, PRG plans to expand more distribution into educational institutes and a chain of restaurants in order to expand the market.

1.2 Export: In the previous year, PRG joined the Thai Rice Exporters Association and exported white rice according to a quota received by the government and allocated to the Thai Rice Exporters Association. Therefore, the export volume was higher than the year 2014. Jasmine rice was exported to main customers and a number of customers were increased. In 2015, the export volume of rice was 53% of the Company's whole sales volume of rice.

2. The market condition of the Food Business

In 2015, Thailand's rice situation was better in terms of competitive advantage because rice prices in the country were cheaper. This made Thailand regain its potential to compete in the market. This year, Thailand came back as the world's number 2 rice exporter, next to India. However, as a result of the world's economy which slowed down and a drop in purchasing power of the world market, entrepreneurs much focused on competition in prices. The economic situations of the world market— oil prices or wars in some countries— have been continuously considered onwards until 2016 about factors that may affect the market of rice export.

3. The competitive potential of the Food Business

PRG realizes the importance of continuously provide information for customers in order to stress the potential and image of the brand in the fierce

price competition nowadays. PRG's policy focuses on consumers' health resulting from safe consumption. From the marketing survey's information, consumers have had confidence and trust in the Company's brand— the first packaged rice producer who pioneered the market since 1984. The Company is also the first company in Thailand to be certified for the excellent standard (with a picture of hands together in a praying position with a star) of packaged rice, granted by the Department of Internal Trade, the Ministry of Commerce. Mah Boonkrong rice has still captured consumers' hearts and has a good growth rate constantly. As a result, the Company has potential to be the leading distributor.

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

To set good standards in order to produce quality products and services and strategies adapted to catch up with the rapid change of the market situations in order to immediately respond to consumers' needs are key factors in the Company's success.

4. The industrial trend of the market of rice packed in plastic bags

The domestic market of rice packed in plastic bags for the year 2016 has a tendency towards fierce competition in prices and a variety of products. Because of the world's slowed-down economy, there is a tendency that in early 2016 demand in the market is high, therefore, the price strategy will be used in the competition. However, if the forecast of drought in 2016 is correct, the demand situation will be a twist that has an impact on the rice's both volumes and prices.

Meanwhile, a trend towards health care is increasing all the time as a result of today's environmental situations. Consumer behavior is changing in terms of consumption types and consumed food. Therefore, new products are offered. Forms of product presentation are various. Media to promote sales events increase. Products are distributed through different distribution channels. These factors help consumers have more options. Therefore, operational strategies have to be adapted and changed all the time in order to catch up with the competitive situation of the market.

5. The industry's outlook and competitive situation of the Food Court and Restaurant Business in the future

Restaurants in 2015 had the market value of THB 385,000 million. It grew with a growth rate of 4.0 – 6.8%, leading to fiercer competition in the food business. PRG placed the importance of operational strategies in order to increase competitive advantage— changing from a focus on expanding a lot of branches in locations where department stores, large retail shops, and community malls were situated with the aim of making the restaurants' brands to be outstanding and able to provide services for customers more thoroughly than competitors; to a focus on selecting locations of prospective branches in order to specifically have access to target customer groups. The Company also focused on new and special menus in accordance with the target customer groups' dining-out styles— the food's taste, differentiation and variation of the food, restaurants' decoration, services provided— were factors affecting decision making of choosing a restaurant, apart from promotions and prices.

THE PROCUREMENT OF PRODUCT OR SERVICES

The nature of procurement of products or services for selling

Patum Rice Mill and Grainer Public Company Limited

The Head Office is located at 88 Moo 2, Tiwanont Road, Tumbol Bangkadee, Amphur Mueng, Pathum Thani 12000.

The plant's location is 109/3 Moo 14 Mitraparp Road 199th KM., Tumbol Lardbuakhow Amphur Sikhiu Nakorn Ratchsima 30340. Its production capacity is as follows:

- To pack rice into bags with the production capacity of 175,000 tons per year.
- The base of producing packing rice in bags and improving the quality of rice packed in every size of bags for both domestic and international market was moved to be in Nakorn Ratchasima.

PRG Granary Company Limited

The Head Office is located at 88 Moo 2, Tiwanont Road, Tumbol Bangkadee, Amphur Mueng, Pathum Thani 12000. The Company's assets which are for rent are as follows:

1. 5 rice storage warehouses with the total storage capacity of 30,000 tons.
2. A port to upload and unload goods at the size of 3,000 tons per day.

Ratchasima Rice Company Limited

The plant's location is at 109 Moo 14 Mitraparp Road 199th KM., Tumbol Lardbuakhow, Amphur Sikhiu, Nakorn Ratchasima 30340. Production Capacity is as follows:

- To pack rice into the bags with the capacity of 100,000 tons per year.

Simapac Company Limited

The plant's location is at 109/2 Moo 14 Mitraparp Road 199th KM., Tumbol Lardbuakhow, Amphur Sikhiu, Nakorn Ratchasima 30340. Production capacity is as follows:

- To manufacture plastic bags, 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 with the production capacity of 60 tons per year.

The raw materials and suppliers

At present, the Company has closed down rice mill business and maintained only the quality improvement of rice and rice packing warehouses, therefore primary raw materials are then changed into rice and brown rice, which can be divided into main categories as follows:

1. *In-season rice* or Napee rice is rice that derived from polished or milled Napee paddy rice which can be planted during May-October and can be harvested as well as distributed to the market from December to February. Napee paddy rice has very good taste. In consuming, when Napee rice is milled into rice, when cooked, it becomes soft and not wet. It is good for storage as it has low moist content. The rice's feature is heavy (rice with harvest age of 120 days or more, counting from the seedling cultivation). It is the most popular for 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 the 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 the central region such as Nakhon Sawan, Phichit, Phitsanulok, Suphanburi, Phra Nakhon Si Ayutthaya and etc. However, the source of Jasmine rice comes from the northeast region such as Buriram, Khon Kaen, Roi Et, Sisaket, Maha Sarakham and etc.; as well as rice mill in the central region which is mentioned earlier.

Since rice is an agricultural product, which generally agricultural products' fluctuation in prices is high. Moreover, the nature of rice is a seasonal product, that is in-season rice during December and February is the high yield harvest interval, the price is then lower than other periods. However, as a result from government's 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, etc.

To purchase the rice, the Company mostly purchases rice directly from the rice mill and purchases through 2-3 agents. The Company has always researched and analyzed rice situations in order to reduce price risks and prevent the shortage of raw materials that are used in production.

THE ENVIRONMENTAL IMPACTS

The operations to reduce impacts related to the environment of the Food Business

From previous operational performance, PRG is still determined to reduce environmental impacts by following the formulated policy on the environment. Every step of operational activities is well realized and determined in order to solve environmental problems and prevention of pollution. Previously, PRG set the significant plan to deal with the environmental problems— the management of toxic waste such as returning all packages of already used toxic chemicals to their producers in order to be repackaged, the promotion of use resources efficiently by reusing big bags for packaging rice as well as setting the big bags' useful life for 3 years for the sake of safety, the energy reduction by improving the lighting system appropriately, and standard criteria for usage in each event which could decrease an electric bill of THB 30,000 per month— better than the former goal set as THB 26,000 per month. Moreover, the environmental management was elevated by means of participating in the project to promote the governance of industrial environment in order that communities could have access to information about the plants' environmental management and participation in solving problems according to transparency principles and the rule of law. Moreover, the Company was certified to receive Green Industry level 2, issued by the Ministry of Industry.

THE FINANCIAL BUSINESS

PRODUCTS AND SERVICES

The Financial Business is operated by MBK's subsidiaries— MBK Guarantee Company Limited ("MBK-G") and T Leasing Company Limited ("TLS").

The major change and development in the past year

-None-

The customer groups of the Financial Business

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

1) The general loan is operated by MBK Guarantee Co., Ltd. ("MBK-G") whose primary business is to give condominium loans to individuals and business loans with asset finance which the security is a marketable property in good location, has potential for commercial development that comply with the MBK Group perform live 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 purchases 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.

THE MARKETING AND COMPETITIVE SITUATION

1. The marketing situation of the Financial Business

The 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 credit 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 quick bridging loans to expand their business or continue its operations. 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. TLS needs to develop its products and services continuously and expands the branches and motorcycle dealerships to increase coverage areas of customer services.

2. The competition in the Financial Business's industry outlook and competitive situation 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 2016, a number of registered motorcycles nationwide will increase by 2%, compared with the year 2015 which its number decreased.

In the future, the competition in the motorcycle hire purchase business will be quite high. 7-8 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's strength is fast loan approval and in the future TLS aims to develop a more convenient and more efficient online credit approval system. Moreover, TLS has a project to give credit of new products in order to respond to various needs of the motorcyclist group in the future.

In regards to the business loans with properties as securities, MBK Guarantee Co., Ltd. develops a procedure and process of fast credit approval with regard to customers' needs as their main priority and increase the flexibility in designing appropriate credit limits and credit conditions to meet customers' needs more in order that the Company can compete in the business and maintain the Company's customer base through providing services with understanding and care.

For the whole picture of the competition in business, new competitors begin to increase in the market because this business makes a good profit and has a tendency to grow because of the mentioned limitation. MBK-G sets a goal to maintain its existing customer base, make these customers receive the services again, recommend other people to receive the services, offer more credit through expanding its customer base of foreign customers who want to invest in assets in Thailand such as condominiums

through the channels of real estate operators, agents and real estate agents. As for short term credit, the strategy is to give credit with valuable and marketable properties as securities. However, financial institutes cannot give credit to every customer and this is considered as a limitation.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of procurement of products or services for selling

-None-

2. The environmental impact

-None-

OTHER BUSINESS

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

THE USED-CAR AUCTION BUSINESS

The 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's revenue comes from commission from participants that place their cars into auction and operation fees from buyers which are charged at the rate specified in the contract. In 2015, more than 61,000 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 begins to use the country's number 1 modern

online auction program. The program provides sounds and vision from the auction places so that the users feel like being there in the auction places. The stock and product management system is also developed so that sellers can manage the product data faster and more accurately that time and cost is saved through the AAA's system.

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

PRODUCTS AND SERVICES

AAA offers a service of car and motorcycle auction which the Company obtains the cars or motorcycles from the sellers to test their vehicles, compile the profiling of the vehicles and store them in garages. When receiving an order from an auctioneer, the vehicle will be placed into auction and the auctioneer may announce prices to start the auction. When a bidder wins a bid, the auctioneer will collect money and deliver it to the seller on schedule and act as a coordinator in delivering and alienating the vehicle. The Company will earn an operational fee from the buyer and seller as specifed in the contract.

The major change and development in the past year

Car parks were increased in provinces in order support an increasing number of cars confiscated by sellers of the finance group. Nowadays, the car parks cover 13 provinces nationwide.

AAA has built confidence to both buyers and sellers by developing a vehicle inspection system through tablet, which is expected to complete in early 2016.

Moreover, the Company has developed a price check system in order that buyers and sellers can compare the auctioned vehicles' prices with cost estimates. A service fee is charged for this checking. This mentioned system is expected to be completed within Q2 of the year 2016.

THE MARKETING AND COMPETITIVE SITUATION

The competition in the car auction business is quite fierce due to the fact that there are only 2-3 main dealers that give hire purchase and place a lot of cars into auction. Meanwhile, there are several auction companies in Thailand and only 2-3 auction companies that are well-known and gain trust from the sellers. Due to this fact, competitors try to use all the marketing strategies to get the marketing share. AAA has used the developed

operating system as a strategy to attract sellers to this system which the Company's competitors cannot develop aforementioned system.

THE PROCUREMENT OF PRODUCTS OR SERVICES

1. The nature of procurement of products or services for selling

-None-

2. The environmental impact

-None-

THE SUPPORTING BUSINESS

PRODUCTS AND SERVICES

Apart from the 7 main business, the MBK Group runs the Supporting Business that serves as the consulting and business support unit for the Group's main business operations. With employees of various types of business expertise and experience, the Supporting Business is as follows:

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

To 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 the 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")

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

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

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

The major change and development in the past year

- None -

THE NATURE OF SERVICES, MARKETING CONDITIONS AND COMPETITION OF SUPPORTING BUSINESS

Due to its nature, the Supporting Business emphasizes providing services in internal management of the organization in transfer pricing and reflecting the actual costs of business operations. Thus, no comparison of the competition condition is made and there is no industry to reference the business operation capability of the Supporting Business.

THE PROCUREMENT OF PRODUCTS OR SERVICES.

1. The nature of procurement of products or services for selling

-None-

2. The environmental impact

As the nature of the business emphasizes providing services in organization management and expertise in the professions, therefore, none of the evaluated project causes environmental issues that need to be administered to reduce today's impacts.

THE UNDELIVERED PRODUCTS OR SERVICES

The Shopping Center Business, the Hotel and Tourism Business, the Golf Business, the Food Solution Business, the Financial Business, Other Business and the Supporting Business have no undelivered products or services.

For the Real Estate Business, some jobs are undelivered, which are as follow:

As 31st December 2015, Subsidiaries had obligations to deliver products to buyers of houses and condominiums as specified in the sale contract. The obligations were separated into each project, as follows:

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	18	72.00
2	Sabai Village 2**	Kathu, Phuket	11	68.70
3	Quinn Condo Project***	Ratchadapisek Rd., Bangkok	286	1,353.00
	Total		**315**	**3,538.96**

Remarks

* The project of Subsidiary (Plan Estate Company Limited)

** The project of Subsidiary (MBK Resort Public Company Limited)

*** The project of Subsidiary (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")
  Glas Haus Ratchada Company Limited ("GHR") etc.

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")
  Lanta Land Development Company Limited ("LLD") etc.

3. GOLF BUSINESS

- operated by MBK's subsidiaries:
  MBK Resort Public Company Limited ("MBK-R")
  Riverdale Golf and Country Club Company Limited ("RDGCC")
  Mah Boonkrong Sirichai Enterprise Company Limited ("MBKS-E") etc.

4. REAL ESTATE BUSINESS

- operated by MBK's subsidiaries:
  MBK Real Estate Company Limited ("MBK-RE")
  Plan Estate Company Limited ("PST")
  Crystal Lake Properties Company Limited ("CLP") etc.

5. FOOD SOLUTION BUSINESS

- operated by MBK's subsidiaries:
  Patum Rice Mill and Granary Public Company Limited ("PRG")
  and PRG's subsidiaries :
  MBK Food & Entertainment Company Limited ("MBK-FE")
  MBK Food Island Company Limited ("MBK-FI")
  MBK Food System Company Limited ("MBK-FS")
  MBK Restaurant Group Company Limited ("MBK-RG") etc.

6. FINANCIAL BUSINESS

- operated by MBK's subsidiaries:
  MBK Guarantee Company Limited ("MBK-G")
  T Leasing Company Limited ("TLS") etc.

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

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

(Unit : Thousand Baht)

PRODUCT/SERVICE	TYPE OF BUSINESS	OPERATED BY	FOR THE YEARS ENDED 31 DECEMBER					
			2013		2014		2015	
			Revenues	%	Revenues	%	Revenues	%
1. Revenue from service and rental	- Shopping center and property for lease	MBK Public Company Limited Paradise Park Company Limited The Nine Center Company Limited Glas Haus Building Company Limited Glas Haus Ratchada Company Limited Siam Delice Company Limited	4,125,503	31.42	4,223,396	41.90	4,374,712	35.82
	- Golf	MBK Resort Public Company Limited Riverdale Golf and Country Club Company Limited Mah Boonkrong Sirichai Enterprise Company Limited						
2. Sales	- Processing and packaging rice	Patum Rice Mill and Granary Public Company Limited PRG Granary Company Limited Innofood (Thailand) Company Limited	2,787,756	21.23	2,624,773	26.04	4,832,696	39.57
	- Property development	MBK Resort Public Company Limited Plan Estate Company Limited Crystal Lake Properties Company Limited MBK Realty Company Limited Glas Haus Ratchada Company Limited						
	- Food center and restaurant	MBK Food and Entertainment Company Limited MBK Food Island Company Limited MBK Food System Company Limited MBK Restaurant Group Company Limited						
3. Revenue from hotel operations	- Hotel	MBK Public Company Limited MBK Hotels and Resorts Company Limited Supsinnthanee Company Limited Lanta Land Development Company Limited MBK Resort Public Company Limited	1,211,743	9.23	1,123,770	11.15	1,250,929	10.24
4. Revenue from financial business	- Lending and debt guarantee business - Motorcycle hire purchase	MBK Guarantee Company Limited T Leasing Company Limited	1,147,379	8.74	1,141,863	11.33	1,091,900	8.94
5. Other revenues	- Interest income - Dividend income - Gain on sale of investments - Gain on sale of assets - Share of profit from investments in associates and joint venture	MBK Public Company Limited and its subsidiaries	3,858,460	29.38	966,304	9.58	662,646	5.43
Total revenues			**13,130,841**	**100.00**	**10,080,106**	**100.00**	**12,212,883**	**100.00**

RISK FACTORS

1. THE RISK FACTORS OF THE SHOPPING CENTER BUSINESS

MBK CENTER

- **The risk from the economic situation**

The overall picture of the economy still slowed down as a result of a drop in export, a problem of agriculturalists' income, and a slump in trade, so that the government had to continuously lower the growth rate, together with a global economic factor which drastically fluctuated in 2015- For example, the depreciation of the Euro, an economic problem in the European Union which did not efficiently recover such as Russia facing an economic crisis. These factors affected a number of tourists coming from Europe in 2015, a sharp fall in oil prices, a 20-60% drop in commodity prices so that the GDP of the emerging market decreased and led to problems of bad debts, trade deficits, budget deficits, currency depreciation, an increase in unemployment, decreased gold prices, a stock crisis in Shanghai, the Dow Jones Industrial Average plunged to its lowest level which inevitably affected business operations, together with political conflicts in the country which had direct impacts on the country's overall economy - particularly on consumer confidence which consumers still worried 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 had to pay in long-term installments causing a decline in the consumers' purchasing power. However, around the end of 2015, the public sector took tax measures and marketing strategies to stimulate people's goods and services spending between 25th – 31st December 2015 which their tax invoices not exceeding THB 15,000 could be calculated for tax deductions of personal income tax for the year 2015. This encouraged spending in circulation in the economic system, although it was a short-term measure.

MBK Shopping Center has set and employed marketing strategies to apply to situations continuously, through online publicity and new events which meet target customers' lifestyle needs in order to draw more customers and stimulate more spending. The company's policy has

also actively 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 customers are satisfied and have a long-term attachment to MBK Shopping Center.

◆ The risk from the political situation

Under the control of the National Council for Peace and Order (NCPO) which has followed 3 phases of the Road Map. The first phase was to have sovereignty and manage reconciliation which was already done; the second phase was to seek for the prime minister, appoint the cabinet to run the public administration, draft a constitution, and establish a reform council in order to make reforms of every problem. However, a process of a constitutional draft was not run as expected, leading to an unfinished constitutional draft within the Road Map's time frame. This affected the third phase of the Road Map - a democratic election - to be postponed.

Although the second phase of the Road Map was not as expected but Thailand's political atmosphere in 2015 was stable. There was no violence like some years before. The country was in order. Movements of several political groups were limited in scope. People were happy and not worried about political unrest. However, people's expenses, rice farmers and rubber planters' slump in product prices are problems which the government had to resolve urgently in order to regain people's confidence. In relation to an international aspect, the public sector stressed the significance of the country's tourism industry by means of taking measures to stimulate the tourism, developing a better understanding with tourists from different countries, cooperating with both domestic and international private sectors which led to a much better understanding and recognition of the situations in Thailand. In addition, the public sector's proactive marketing through organizing activities and continuous publicity encouraged Thailand's tourist atmosphere to be more vigorous and helped revitalize the market of foreign tourists in 2015.

MBK Shopping Center has a policy on the cooperation with the public sector, travel agencies, and a network of tour guides in order to generate publicity through several activities with the aim of promoting a positive image of the country's tourism and regaining the confidence of the tourists.

◆ The risk of terrorism

The violent blast in the middle of 2015 at the Ratchaprasong intersection where is an economic center in the heart of Bangkok, caused a lot of casualties. It reflected on the fact that terrorism was no longer distant. Today's terrorism is boundless. It can be committed everywhere in every country around the world. The blast at the Ratchaprasong intersection certainly had a direct impact on lives and properties. It caused tourists worries and had an impact on an image of Thailand's tourism in the eyes of the world very much. It also had an impact on the confidence of investors. Moreover, it had an indirect impact on a drop in the economic growth which was caused by decreased consumption and investment. From this incident, the public sector tried to regain the confidence and hasten to recover the tourist atmosphere by emphasizing publicity for foreign tourists' acknowledgement, increasing tighter security measures, and cooperating with relevant agencies in order to find ways to support the security in the long term.

MBK Shopping Center has a strict security policy. A number of security guards and the frequency of security checks in areas inside the shopping center were increased. Also, security guards received training in operations when dealing with terrorism or political rallies. Moreover, the Company's security policy is to cooperate with the public sector's relevant agencies when emergencies take place.

◆ The risk from increasing competition

The competition of retailing nowadays has intensified. New projects are continuously launched in several potential areas in Bangkok in order to meet and respond to consumers' lifestyles and needs which are changing all the time. Several entrepreneurs have adapted themselves by attaching significance to creation of the new

projects' identities and uniqueness. Some long-operated projects are renovated in order to change their images to be modern and more satisfy consumers. New marketing strategies are utilized in order to gain direct access to consumers.

MBK Shopping Center has stressed importance to research on target groups' behavior and lifestyles constantly in order to use them as a database to develop the project on selecting shops which suit the target groups' 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.

◆ The risk from changes of 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 has focused on organizing the marketing mix which uses digital marketing as a medium of communicating information and marketing activities in order to gain access to consumers, stimulating publicity by word of mouth via the online society, and running Omni-channel marketing before setting communication types for each target group in each channel. Moreover, MBK Shopping Center's online society is a 2-way communication channel with customers in order to be informed of the customers' problems and opinions which are used as a road map to develop goods and services to enhance quality and satisfaction at the utmost level.

Paradise Park Shopping Center

◆ The risk from the political situation

Since the coup d'état in 2014, people have lacked confidence in the country's political situation which has had an impact on the economic situation causing people to decrease their spending, particularly for fashionable products and luxuries. Paradise Park Shopping Center has been obviously affected since Q3 of 2014. However, Paradise Park Shopping Company has continuously employed sales promotion strategies through organizing activities and special promotions in order to draw customers to come to Paradise Park Shopping Center.

◆ The risk from temporary closing for the renovation

Because of Paradise Park Shopping Center has been officially opened for many years, it was 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. However, the large areas of the shopping center which had temporarily closed were completely renovated in Q2 of 2015. Only some small shops have been temporarily closed for renovation because they are being changed to be new and interesting shops.

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

For the risk factor of space rental business inside the Glas Haus Building on Sukhumwit Road around the end of 2015 to 2016, there is a number of 55% of tenants whose date is due to renew a contract. In comparison with other buildings' prices and conditions of space rental, together with the unstable economic situation, some tenants decline to further rent the space.

However, a strategy to adjust the size of rental space to satisfy the tenants' needs nowadays has maintained a rate of tenants of the Glas Haus on Sukhumwit Road at 98% continuously.

Glas Haus Ratchada Company Limited

The risk factor of space rental business of the Glas Haus Ratchada Building in 2015 did not have an impact on space rental inside the Glas Haus Ratchada Building. The 7,509 square meter space of office for rent was still fully occupied at 100% because the building's major tenant was Thanachart Bank Public Co.,Ltd. Also, the extended space of the Glas Haus's retail project, with the area of 1,332.94 square meters, has continuously rented at a rate of 98% occupancy until 2016. A tendency towards office-for- rent business on Ratchada Road will be rather high in the future because of the expansion of real estate and easy access to such area by MRT public transportation.

2. THE RISK FACTORS OF THE HOTEL AND TOURISM BUSINESS

The impacts affected hotels and tourism mainly came from external factors due to both domestic and international economic situations, an increasing number of new hotels, a fluctuation in foreign currency exchange and oil prices in the global market, and terrorist situations around the world and in the south of Thailand. These factors affected the hotels' occupancy rate. However, they are external factors which are beyond MBK Group's control and may have a direct impact on the Company's business operations significantly. Therefore, the MBK Group has to make strategic, marketing, and risk management plans by stipulating its policies for conformity and adaptation to catch up with situations all the time.

3. THE RISK FACTORS OF THE GOLF BUSINESS

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

- **The seasonal risk**

The Loch Palm Golf Course (LPGC) and the Red Mountain Golf Course (RMGC) 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.
- Special promotion for golfers. A group of 5 golfers and a special fee rate on the 5th anniversary of the golf courses' operation.
- Point Reward for regular customers to receive special benefits and privileges from the course.
- Add more distribution channels through more distributors

◆ The risk from the political situation

The risk from domestic political situations still has a direct impact on tourism. The Golf Business is also affected with differences between the golf courses in Bangkok's peripheral area and in Phuket. However, the first half of the year, RDGC had an increased number of golfers, compared to previous year, because its location near Bangkok. More golfers from Bangkok and surrounding areas returned to the golf course because the situation was well controlled within the areas. Meanwhile, LPGC and RMGC had a decreased number of golfers, compared to the previous year, because of their customers were more foreigners. When the country was in control by National Council for Peace and Order (NCPO), foreigners were reluctant. Some of them cancelled their trips to Thailand, leading to a decreased number of golfers too. On the contrary, RDGC had a lot of golfers coming from Bangkok and its surrounding areas because the areas' security was strictly controlled.

◆ The risk from natural disasters

In 2015, there were no severe natural disasters 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.

◆ The risk from the global economy

Many leading countries in the world, including the United States and European countries, have undergone economic crisis. Many countries have faced financial problems or increase in unemployment rate just like in the 2014, together with unrest and terrorism in European countries. The situation, however, seemed to be slightly improved. Some of the unemployed used to be tourists visiting Thailand. Such problems, therefore, directly affected tourism including golf business. Golf courses in Phuket during the high season mainly entertain golfers from Europe and America 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.

4. THE RISK FACTORS OF THE REAL ESTATE BUSINESS

◆ The risk from the related law amendments

Real estate business operations have risks from improvement, amendments, and addition of laws and regulations related to real estate business - changing rules of land allocation according to Land Allocation Act, urban planning, expropriation boundaries, improvement in a public transportation system, or laws related to environment conservation, for example. All these are factors beyond the control of real estate business.

However, to decrease such risks, real estate business has carefully checked real estate-related restrictions prior to make a decision on investment as well as closely followed situations and moves for any issue all the time with the aim of preparation for residential development in conformity with such changes. Moreover, the company sets a policy on completing permission requesting before launching a project for sale - providing a report of Environmental Impact Assessment (EIA) and requesting for permission of construction, for example - in order to boost customers' confidence that a project can definitely developed.

◆ The risk from fluctuation in construction material prices and project development cost

To efficiently reduce and control the risk from the fluctuation, the real estate business aims to purchase some 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 increasing price risk. Contractors selection is proceeded 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 paces of housing development and condominium markets by means of watching an economic tendency closely, building quality-oriented 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.

◆ The risk from a shortage of skilled workers and quality contractors

A shortage of skilled workers and quality contactors causes unfinished projects as already planned or may affect the work quality and possibly increases operational costs. However, real estate business has measures to reduce such risks by the following ;

- 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 projects quality 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.

◆ The risk from the 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. In 2015, the 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 real estate 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 organization continuously developed to be used as a decision tool.
- Studying changing behavior and needs of customers as information 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 brand communication of "MBK Real Estate" 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.

◆ The risk from the economic situation

The overall picture of the real estate business in 2015 was that, although the market was supported by a decreased lending interest rate and measures to stimulate the real estate business set by the public sector at the end of the year, since the economic situation gradually recovered. Consumers slowed down to purchase houses. Meanwhile, the purchasing power did not recover to a potential level because of increasing daily expenses and household debts at a high level. Housing prices were also increased according to the mechanism of the market, while the consumers' incomes did not increase according to the mechanism of the market. These factors much affected the purchasing power or investing power for the real estate business.

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 less affected by an economic fluctuation than lower-class customers. Plus financial security and prudent business operations of 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.

5. THE RISK FACTORS OF THE FOOD SOLUTION BUSINESS

The Rice Business

◆ The risk arising from prices of raw materials

Fluctuations of agricultural products can normally happen all the time. Factors affecting the fluctuations are from many factors such as demand and supply, weather conditions, the government's policies in each country, the economy of the global market, etc. In 2015, the government's policy was the distribution of rice in warehouses, while a lot of supplies were available in the market. Therefore, Thai rice's prices were forced to decrease which led to both pros and cons - Thai rice prices were decreased so that they could compete with other countries in the market competition. At the same time, demand in the market did not much increase and this led to price competition both in domestic and international markets very much. From these situations, PRG had to establish measures to reduce risks of prices of raw materials and competition in the market as follows:

For a measure of raw materials, PRG still maintained a measure of restoring raw materials sufficient for needs for the use. However, a suitable quantity of some raw materials was increased such as Jasmine rice during this raw material's lowest price by considering statistical data and market information. This was inventory for the production throughout the year of 2016.

For the international market, a measure of purchasing raw materials was the same as the previous year. Purchasing orders were placed according to purchasing quantity in order to reduce the risk of prices of inventory raw materials when compared to the market.

◆ The risk arising from price fluctuations

Because of an economic slowdown, purchasing power of both domestic and international consumers decreased. In 2015, price competition highly increased in order to expand market share and competition among producers of national brands and local brands. Therefore, consumers had more options for buying goods.

In 2015, PRG focused on stimulating sales volume through traditional trade because this channel had a growth rate continuously. Strategies of prizes according to sales volume and increased returns on sales for shops were utilized. Because a growth rate through modern trade was not high, the Company implemented strategies by continuously promoting marketing in each shopping center in order to maintain market share the most and costs in every dimension were taken into consideration properly.

◆ The risk arising from rice export

According to the public sector's policy on rice distribution to foreign market, rice prices in the markets decreased and led Thailand to regain its price potential to compete in the global market. Meanwhile, there was fierce competition of prices in the global market.

Thai Rice Exporters Association participated in the public sector's project on rice distribution to foreign markets by means of Government to Government (G2G) trade. As a member of Thai Rice Exporters Association, the Company had an opportunity to take part in the project as a producer and deliverer. As a result, the Company's sales volume for foreign markets was higher, compared to the previous year.

Moreover, the main market of PRG which focuses on production standards and the quality of goods and services still had confidence in the Company's standards. Therefore, the Company could export goods. The Company's policy to reduce risk from export followed the same standards 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.

◆ The risk in value of THB currency

PRG does not have a policy on speculative currency trading. If the Company has to import goods and pay in other currencies, PRG will prevent fluctuations in THB by booking advance exchange rates every time.

◆ The risk from natural disasters

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.

THE FOOD COURT AND RESTAURANT BUSINESS

◆ The risk of business competition

The social, economic and cultural changes have affected consumer behavior. The consumers prefer to dine out increasingly and this leads to an increasing number of food business entrepreneurs in order to meet increasing needs, product diversity, and quality and price competition. Therefore, PRG has to compete with a lot of the food business entrepreneurs from local and international chains, including new entrepreneurs who seek the opportunity from the social change. Moreover, for the consumer behavior towards openness to information from the mainstream media and social network that has an effect on responding to new goods and services which are profound, PRG then focuses on competitive strategies, quality, diversity, value for money of food, and the significance of the service quality, menu visions development, and marketing events in order to build a barrier to entry for other competitors.

PRG stresses the significance of management in order to enhance the competitiveness of the quality of goods and services, promote marketing and public relations, and organize marketing events with a focus on consumers' needs mainly.

◆ The risk from inability to expand branches in target areas

Nowadays, the restaurant business is quite highly competitive and entrepreneurs from other types of restaurants are continuously increasing. According to criteria, rental space which has potential to expand PRG's branches is harder to find and may increase the risk of inability to open new branches as the goal set. However, the Company has managed the risks by emphasizing the importance of forming business alliances with agencies of rental space management which belong to rental space entrepreneurs and broker firms of rental space, and preparing the Company's internal database of rental space in Bangkok and its surrounding areas as the Company's strategy planned in order to reduce a risk from inability to find rental space as a goal set which may have an impact on the Company's business profits.

For branches of the restaurant business which have been running, PRG signs a rental contract for 3 years per time and the contract can be renewed for 3 times. Each time is for 3 years. PRG realizes the importance of contract renewals so that PRG builds good relationships with lessors by well following the contract thoroughly. PRG has never had a problem with the lessors. It has cooperated with them to solve problems and co-organized marketing events with lessors of rental space in order to reduce a risk from inability to renew contracts and increase competence in negotiating conditions of rental contracts in the future with the lessors.

◆ The risk from a shortage of personnel

PRG's business has attached the significance of providing services. Therefore, the personnel are the key mechanism to run the business. According to its strategy, PRG makes a plan to expand its branches in order to open new branches every year and every branch, there are at least 20-25 employees per branch. PRG makes a plan to recruit and employ a lot of new employees in order to support opening new branches and replace employees

who resign from the Company early enough which may have an impact on the Company's service providing and business operations significantly.

PRG well realizes that such risk has significance for running the organization because the personnel are the main foundation of security and adding value to the organization. From this concept, the organization has tried to create warm and friendly work atmosphere through cultivating the organizational culture and developing human resource management to be professional. The aims are to develop the personnel who stand for organizational core values, unity, creatively treating other people, opening the opportunity for employees to use their abilities and creatively think and do new things which encourage the employees realize their own value and intentionally use knowledge to develop the organization in order to increase the competitiveness of the organization for its secure and sustainable growth.

◆ The risk from fluctuations of raw material prices

The costs of food are principle costs of the restaurant business, calculated as a proportion of 35% of sales incomes and the food costs are mainly raw material costs. Changes of food prices in restaurants cannot be immediately adapted to changes of the food costs. In order to reduce an impact of fluctuations of raw material prices so that they are reasonable prices, PRG has planned demand on main raw materials which significantly have an impact on overall costs of the Company. This is used to make a plan to purchase raw materials in time for sales schedules. It is also used as information on negotiating with producers and sellers for a large quantity of raw materials. Moreover, the analysis and comparison of changes in raw material prices which significantly have an impact on the costs is regularly reported and used as guidelines on increasing sales prices if necessary. It is also used to reduce fluctuations of prices affecting raw material prices and control the costs of raw materials to be reasonable and acceptable.

6. THE RISK FACTORS OF THE FINANCIAL BUSINESS

◆ The 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.

◆ The 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.

◆ The risk rising from prices 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.

7. THE RISK FACTORS OF OTHER BUSINESS

◆ The risk from depending only on 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 60% of all the cars put into auction at the present. AAA has only 1 main car deliverers and last year more than of 80% of cars were put into auction. If AAA is not able to maintain this car deliverer, this will have major impact on AAA revenue.

◆ The 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 2014 to 2015, 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.

8. THE 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:

◆ The risk in human resources 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.

◆ The risk from the 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 8 business groups. The Information Technology Steering Committee is founded in order to stipulate a frame of policies and provide opinions on the development of the Information Technology (IT) system both for the central part and business groups in order to meet the need of business operations of the Group and the need of customers for the services. In the past year, in order to support business expansion, IT development and operations were initiated in many projects. They were restructuring the IT infrastructure, establishing Data Center and Disaster Recovery Site which are used when main the information Technology system at the center do not work, Business Continuity Plan (BCP), developing and installing the Information Technology system in all 8 business groups in order to support transactions with the help of the IT system, and the Customer Relations Management (CRM) system to support marketing activities, for example.

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 Square Company Limited	0-2620-9000	0-2620-7000
	11	MBK Chiangmai Company Limited	0-2620-9000	0-2620-7000
	12	MBK Digital Company Limited	0-2620-9000	0-2620-7000
	13	MBK Online Company Limited	0-2620-9000	0-2620-7000
	14	P T Retails Corporation Company Limited	0-2620-9000	0-2620-7000
	15	Siam Piwat Company Limited	0-2658-1000 - 19	0-2658-1020 - 1
Hotel and tourism business	16	MBK Hotels and Tourism Company Limited	0-2216-3700	0-2611-4622
	17	MBK Business Company Limited	0-2620-9000	0-2620-7000
	18	MBK Hotels and Resorts Company Limited	Head Office 0-2620-9000 Branch 0-7562-8000	Head Office 0-2620-7000 Branch 0-7562-8048
	19	Supsinnthanee Company Limited	Head Office 0-2620-9000 Branch 0-7783-5240	Head Office 0-2620-7000 Branch 0-7783-5239
	20	Lanta Land Development Company Limited	0-2216-3700 Branch 0-7560-7100	0-2611-4622 Branch 0-7560-7199
	21	MBK Capital Company Limited	0-2620-9000	0-2620-7000
	22	Paemala Spa Company Limited	0-2216-3700 ต่อ 14 Branch 0-7562-8885	0-2656-3665 Branch 0-7562-8028
	23	Tantara Gallery Company Limited	Head Office 0-2216-3700	Head Office 0-2216-3730
	24	Royal Orchid Hotel (Thailand) Public Company Limited	0-2266-0123	0-2236-6646
	25	DMS Property Investment Private Limited	(960) 333 0678	(960) 333 2515
Golf business	26	Riverdale Golf and Country Club Company Limited	Head Office 0-2620-9000 Branch0-2501-2789	Head Office 0-2620-7000 Branch0-2501-1833
	27	MBK Resort Public Company Limited	Head Office 0-2620-9000 Branch 0-7632-1929	Head Office 0-2620-7000 Branch 0-7632-1927 - 8
	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 Limited	0-2620-9000	0-2620-7000
	30	MBK Bangyai Company Limited	0-2620-9000	0-2620-7000
	31	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	32 MBK Real Estate Company Limited	0-2620-9000	0-2620-7000
	33 Plan Estate Company Limited	0-2260-6100	0-2260-6099
	34 Crystal Lake Properties Company Limited	Head Office 0-2620-9000 Branch 0-7632-1929	Head Office 0-2620-7000 Branch 0-7632-1927 - 8
	35 C L P Management Company Limited	Head Office 0-2620-9000 Branch 0-7632-1744	Head Office 0-2620-7000 Branch 0-7632-1609
	36 Plan Appraisal Company Limited	0-2260-6100	0-2260-6099
	37 Lan Bangna Company Limited	0-2260-6100	0-2260-6099
	38 MBK Residence Company Limited	0-2620-9000	0-2620-7000
	39 MBK Residence Company Limited	0-2620-9000	0-2620-7000
	40 MBK Sukhumvit Company Limited	0-2620-9000	0-2620-7000
	41 MBK Realty Company Limited	0-2620-9000	0-2620-7000
	42 S C B Building Company Limited	0-2620-9000	0-2620-7000
Food solution business	43 Patum Rice Mill and Granary Public Company	0-2501-2170 - 73	0-2501-2172
	44 PRG Granary Company Limited	0-2501-2170 - 73	0-2501-2172
	45 Ratchasrima Rice Company Limited	0-2501-2170 - 73	0-2501-2172
	46 Sima Pac Company Limited	0-2501-2170 - 73	0-2501-2172
	47 Innofood (Thailand) Company Limited	0-2501-2170 - 73	0-2501-2172
	48 MBK Food Island Company Limited	0-2620-9812	0-2620-9815
	49 MBK Food and Entertainment Company Limited	0-2620-9000	0-2620-7000
	50 MBK Food System Company Limited	0-2620-9000	0-2620-7000
	51 MBK Restaurant Group Company Limited	0-2620-9000	0-2620-7000
Financial business	52 MBK Guarantee Company Limited	0-2620-7123	0-2620-7138
	53 Primacy Elegance Investments Limited	Contact to office 0-2620-9000	Contact to office 0-2620-7000
	54 MBK Premium Company Limited	0-2620-9000	0-2620-7000
	55 T leasing Company Limited	0-2832-2522	0-2611-9488
	56 M G 1 Company Limited	0-2620-9000	0-2620-7000
	57 M G 3 Company Limited	0-2620-9000	0-2620-7000
	58 M G 4 Company Limited	0-2620-9000	0-2620-7000
	59 T Consultant Company Limited	0-2620-9000	0-2620-7000
	60 Max Asset Management Company Limited	0-2611-9533	0-2611-9494
	61 Siam City Life Assurance Public Company Limited	0-2252-5070	0-2252-7155
Other business	62 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	63 MBK Advanced Company Limited	0-2620-9000	0-2620-7000
	64 MBK Training Center Company	0-2620-9000	0-2620-7000
	65 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 Bangcare Branch 0-2455-4350
	66 MBK Asset Company Limited	0-2620-9000	0-2620-7000
	67 MBK Insurance Broker Company Limited	0-2620-9000	0-2620-7000
	68 MBK Service Solution Company Limited	0-2620-9000	0-2620-7000
	69 MBK Broker Company Limited	0-2620-9000	0-2620-7000
	70 Absolute Travel Company Limited	0-2620-9934 - 44	0-2620-9936
	71 MBK Leisure Company Limited	0-2620-9934 - 44	0-2620-9936
	72 MBK Club Company Limited	0-2620-9000	0-2620-7000
	73 Puen Pob Paet Company Limited	0-2620-9000	0-2620-7000

JURISTIC PERSONS WHICH MBK HOLDS MORE THAN 10%

as of December 31, 2015

Type of business	Name of company	Head-quarters	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	Property for lease and real estate	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 Square Company Limited	Bangkok	Property for lease and management service	100,000,000	100,000,000	99.99	-
	11. MBK Chiangmai Company Limited	Bangkok	Dormant	1,000,000	1,000,000	99.97	-
	12. MBK Digital Company Limited	Bangkok	Dormant	1,000,000	1,000,000	99.97	-
	13. MBK Online Company Limited	Bangkok	Dormant	1,000,000	1,000,000	99.97	-
	14. PT Retail Corporation Company Limited	Bangkok	Retail business in shopping center	400,000,000	400,000,000	-	32.67[10]
	15. Siam Piwat Company Limited	Bangkok	Shopping center and Real estate rental	174,000,000	174,000,000	30.72	-
Hotel and tourism business	16. MBK Hotels and Tourism Company Limited	Bangkok	Hotel management and Travel	5,000,000	5,000,000	99.99	-
	17. MBK Business Company Limited	Bangkok	Personnel management service	570,000,000	570,000,000	99.99	-
	18. MBK Hotels and Resorts Company Limited	Bangkok	Hotel	2,200,000,000	2,200,000,000	100.00	-
	19. Supsinnthanee Company Limited	Bangkok	Hotel	505,325,000	505,325,000	100.00	-
	20. Lanta Land Development Company Limited	Bangkok	Hotel	340,000,000	340,000,000	99.99	-
	21. MBK Capital Company Limited	Bangkok	Land rental	5,000,000	5,000,000		99.99[9]
	22. Paemala Spa Company Limited	Bangkok	Spa	5,000,000	5,000,000	-	25.00[6]
	23. Tantara Gallery Company Limited	Bangkok	Dormant	2,500,000	2,500,000	-	99.99[6/7]
	24. Royal Orchid Hotel (Thailand) Public Company Limited	Bangkok	Hotel	937,500,000	937,500,000	-	29.86[9]
	25. DMS Property Investment Private Limited	Republic of Maldives	Hotel	1,157,527,525	1,157,527,525	-	35.00[9]
Golf business	26. 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	-
	27. MBK Resort Public Company Limited	Bangkok	Golf course service	200,000,000	160,000,000	-	72.60[9/11]
	28. Nasset Property Fund1	Bangkok	Property Fund (The Fund mature and dissolution)	13,656,192	13,656,192	-	72.45[12]
	29. Phuket Loch Palm Golf Club Company Limited	Bangkok	Dormant	2,000,000	2,000,000	-	72.60[12]
	30. Mah Boonkrong Sirichai Enterprise Company Limited	Bangkok	Golf course	1,350,000,000	1,350,000,000	99.99	-
	31. MBK Bangyai Company Limited	Bangkok	Personnel management service	5,000,000	5,000,000	-	99.99[21]
	32. Lam Luk Ka Golf and Country Club Company Limited	Pathum Thani	Golf course	1,308,600,000	1,308,600,000	44.62	-
Real estate business	33. MBK Real Estate Company Limited	Bangkok	Investment	1,000,000,000	1,000,000,000	99.97	-
	34. Plan Estate Company Limited	Bangkok	Real estate development for selling	200,000,000	200,000,000	-	72.60[12]
	35. Crystal Lake Properties Company Limited	Bangkok	Real estate development for selling	8,000,000	8,000,000	-	72.60[12]
	36. C L P Management Company Limited	Bangkok	Property management	2,000,000	500,000	-	72.60[13]
	37. Plan Appraisal Company Limited	Bangkok	Asset appraisal services	55,000,000	55,000,000	-	72.60[14]
	38. Lan Bangna Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	72.60[14]
	39. Kathu Land Company Limited	Bangkok	Dormant	4,000,000	4,000,000	-	70.36[9]
	40. MBK Residence Company Limited	Bangkok	Real estate development for selling	420,000,000	420,000,000	-	99.96[4]
	41. MBK Sukhumvit Company Limited	Bangkok	Dormant	800,000,000	800,000,000	-	99.94[18]
	42. MBK Realty Company Limited	Bangkok	Real estate development for selling	71,200,000	71,200,000	-	54.98[18]
	43. SCB Building Company Limited	Bangkok	Dormant	100,000	100,000	-	99.69[21]

Type of business	Name of company	Head-quarters	Main business	Registered capital (Baht)	Paid-up capital (Baht)	Direct shareholding (%)	Indirect shareholding (%)
Food Solution Business	44. Patum Rice Mill and Granary Public Company Limited	Pathum Thani	Processing and packaging rice	900,000,000	600,000,000	74.52	-
	45. PRG Granary Company Limited	Pathum Thani	Warehouse rental	500,000,000	500,000,000	-	74.51/15
	46. Ratchasrima Rice Company Limited	Pathum Thani	Manufacturing and distribution of rice	62,500,000	62,500,000	-	74.51/16
	47. Sima Pac Company Limited	Pathum Thani	Distribution and manufacture of plastic bags	50,000,000	50,000,000	-	37.25/16
	48. Innofood (Thailand) Company Limited	Pathum Thani	Rice distribution and development of rice product	21,000,000	21,000,000	-	74.51/19
	49. MBK Food Island Company Limited	Bangkok	Food center	500,000,000	500,000,000	-	74.51/15
	50. MBK Food and Entertainment Company Limited	Bangkok	Food center	50,000,000	50,000,000	-	62.14/7/15
	51. MBK Food System Company Limited	Bangkok	Restaurant	109,091,000	109,091,000	-	40.99/15
	52. MBK Restaurant Group Company Limited	Bangkok	Restaurant	50,000,000	30,000,000	-	62.14/20
Financial Business	53. MBK Guarantee Company Limited	Bangkok	Lending and debt guarantee business	500,000,000	500,000,000	-	99.98/4
	54. Primacy Elegance Investments Limited	British Virgin Island	Investment	2,218,000	110,900	100.00	-
	55. MBK Premium Company Limited	Bangkok	Leasing and hire purchase	528,319,300	528,319,300	100.00	-
	56. T Leasing Company Limited	Bangkok	Motorcycle hire purchase	500,000,000	500,000,000	99.99	-
	57. M G 1 Company Limited	Bangkok	Dormant	466,000,000	466,000,000	-	99.97/5
	58. M G 3 Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.97/5
	59. M G 4 Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.97/5
	60. T Consultant Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	99.99/8
	61. Max Asset Management Company Limited	Bangkok	Asset management	143,000,010	143,000,010	16.56	-
	62. Siam City Life Assurance Public Company Limited	Bangkok	Life Assurance	700,000,000	700,000,000	49.00	-
Other Business	63. Apple Auto Auction (Thailand) Company Limited	Bangkok	Broker of cars and motorcycles	90,000,000	90,000,000	49.99	-
Supporting Business	64. MBK Advanced Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.89/17
	65. MBK Training Center Company	Bangkok	Training service to affiliates	3,000,000	3,000,000	99.97	-
	66. X-Gen Premium Company Limited	Bangkok	Dormant	90,000,000	90,000,000	99.99	-
	67. MBK Asset Company Limited	Bangkok	Dormant	300,000,000	300,000,000	99.99	-
	68. MBK Insurance Broker Company Limited	Bangkok	Dormant	2,000,000	2,000,000	99.99	-
	69. MBK Service Solution Company Limited	Bangkok	Service and counseling	150,000,000	150,000,000	99.99	-
	70. MBK Broker Company Limited	Bangkok	Life assurance and insurance broker business	4,000,000	4,000,000	99.99	-
	71. Absolute Travel Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	99.99/6
	72. MBK Leisure Company Limited	Bangkok	Dormant	150,000,000	150,000,000	-	99.99/6
	73. MBK Club Company Limited	Bangkok	Providing recreation service except tourism	5,000,000	5,000,000	99.99	-
	74. 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

Note
/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 22, 2015, the company collected shareholders' names and announced the book closure date according to section 225 of Securities and Exchange Act, there were 30 shareholders holding more than 0.5% of MBK paid-up capital, totaling 81.42% of its paid-up capital and 3,285 minority shareholders holding not exceeding 0.5% of its paid-up capital but not less than 100 shares, totaling 18.58 % 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	Mr. Yongsak Kanathanavanich	48,264,000	2.559
4	Nortrust Nominees Limited-The Northern Trust Company Re Iedp Aif Clients Nortrust Nominees 10 Percent Account	43,188,944	2.290
5	Thai NVDR Company Limited	42,176,451	2.236
6	Krungsri Dividend Stock LTF	40,072,000	2.124
	Krungsri Dividend Stock Fund	21,521,200	1.141
		61,593,200	**3.265**
7	DBS BANK LTD	36,170,000	1.918
8	Mr. Prinya Tieanworn	23,400,000	1.241
9	MORGAN STANLEY & CO.INTERNATIONAL PLC	23,050,000	1.222
10	The ThaiSupport Fund Foundation	20,182,000	1.070
	TOTAL	**1,172,646,215**	**62.168**

* 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

	2010/2011	2011* (JUL. 1 – DEC. 31, 2011)	2012	2013	2014	JAN. –JUN. 2015
Dividend per share	5.00	2.50	5.50	5.75	0.60	0.30***
Earnings (loss) per share (The Consolidated financial statements)	8.54	4.32	12.51	28.90	1.19	0.61
Par value	10.00	10.00	10.00	10.00	1.00**	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 7 October 2015, a Board of Directors' meeting passed a resolution to approve an interim dividend payment for the six-month period ended 30 June 2015 amounting to Baht 0.30 per share and the dividend will be paid 4 November 2015.

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 Restaurant Group 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 Nomination and Compensation Committee and Good Corporate Governance Committee. There are still various sub- committees such as 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 10 members including:

- 9 Non-Executive Directors (of whom 4 are independent, exceeding one-third of the whole number of the Board).
- 1 Executive Director.

List of the Board of Directors is 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) Ms. Panit Pulsirivong	Independent Director	April 8, 1994
7) Mr. Piyaphong Artmangkorn	Director	October 19, 1998
8) Mr. Suvait Theeravachirakul	Director and President	November 1, 2000
9) Mr. Hatchapong Phokai	Director	November 1, 2000
10) Mr. Atipon Tantivit	Director	October 15, 2003

The Board of Directors' meeting is held once per month and for the year 2015, the number of meetings held by the Board of Directors amounted to 12.

The definition and qualifications of an independent director 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 are as follows:

(1) Not to hold more than 1 percent of the voting shares of the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company. In any respect, shareholding of people who have connections with such independent director is counted.

(2) Not to be or used to be a director who take part in being an executive, an officer, an employee, a consultant being paid a fixed salary or having control authority of the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date. In any respect, the prohibition does not include a case that an independent director used to be a government officer or a consultant for the government sector which is a major shareholder or has control authority of the Company.

(3) Not to be related by blood or by legal registration as a parent, a spouse, siblings, children, and including spouses of children of an director, an executive, a major shareholder, a person who has control authority, or a person who is appointed as an director, an executive or a person having control authority of the Company or its subsidiaries.

(4) Not to have a business relationship with the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company which may render an director to be unable to give an independent opinion, including not to be or used to be a shareholder with significance or a person who has control authority of people who have a business relationship with the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date.

(5) Not to be or used to be an auditor of the Company, subsidiaries, joint-venture companies, shareholders, people who have control authority of the Company, and not to be a shareholder with significance, a person who has control authority, or a partner in an audit firm where auditors of the Company, subsidiaries, joint-venture companies, shareholders, or people having control authority work for, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date.

(6) Not to be or used to be a provider for any professional service, including legal or financial consulting which its consulting fee is paid for more than THB 2 million per year from the Company, subsidiaries, joint-venture companies, shareholders, or people who have control authority of the Company, and not to be a shareholder with significance, a person who has control authority, or a partner of such professional services provider, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date.

(7) Not to be a director whom is appointed to be a representative of a director of the Company, major shareholders, or shareholders who are related to major shareholders.

Tenure of independent directors

For the year 2015, the Board of Directors conducted a review of tenure of independent directors. The Board came to the conclusion that the Company's independent directors hold their positions not exceeding 9 years. This tenure of the directorship has been used since 2015.

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 has authority 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— 2 directors have authority to sign jointly with the Company's seal affixed. Except in the case of a guarantee of debts, liability of debts, or fulfilling others obligation and responsibility under an agreement, it has to be approved by the Board of Directors' meeting before taking any action.
4. The Board of Directors has authority to appoint or change the directors serving as authorized signatories on behalf of the Company.
5. The Board of Directors has authority to consider and approve policies and strategies for administrating the company's and its subsidiaries' business operations.
6. The Board of Directors has authority to ensure that the Management Team implements the established policies effectively and efficiently.

7. The Board of Director has authority to consider and approve the Company's liquidity management for debt instrument investments where the rate is not lower than the investment grade (rated BBB+ up).
8. The Board of Director has authority to consider and approve the Company's investment expenditure.
9. The Board of Director has authority to consider and approve the Company's administrative and selling expenses.
10. The Board of Directors has authority to manage risk of financial or investment activities relating to the Company and its subsidiaries' projects by means of establishing risk management policies as well as monitoring and assessing results.
11. The Board of Directors has authority to consider the appropriateness of the Company's and its subsidiaries' business plan and annual budget.
12. The Board of Directors has authority to consider the Company's Organization Chart, the performance authority, the salary structure, and the structure of annual remuneration for the staff and the executives.
13. The Board of Directors has authority to consider and approve the use of accounting principles and changes in the Company's accounting principles.
14. The Board of Directors has authority to consider and approve on opening bank accounts.
15. The Board of Directors has authority to consider and approve to make domestic and international loans.
16. The Board of Directors has authority to appoint sub-committees to perform some duties in lieu of the Board.

Duties and responsibilities of the Chairman

1. To 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. To 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. To conduct the meeting by providing the opportunities to fully give opinions and suggestions.
4. To supervise the efficiency of the communication between the Committee and Shareholders.
5. To cast the deciding vote in the case when the shareholders' meeting and the Board of Directors' meeting have the same number of votes.
6. To perform one's duties in accordance to the laws particularly specified that it is the responsibility of the chairman.

Tenure of the 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 2 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 2015, the number of meetings held by the Board of Directors amounted to 12.

Scope of performance of the Executive Committee

To manage the Company's business affairs in order to ensure that they follow the policies established by the Board of Directors.

Duties and responsibilities of the Executive Committee

1. To propose policies and strategies for managing the Company's and its subsidiaries' businesses to the Board of Directors for approval.
2. To ensure that the Management Team implements the established policies and strategies effectively and efficiently.
3. To consider and approve the Company's liquidity management for investment in debt instruments rated investment grade (rated BBB+ up) within a limit of THB 200 million per one transaction and report to the Board of Directors when such transaction is approved.
4. To consider and approve the liquidity management for investment in debt instruments within a limit of THB 200 million per transaction and report to the Board of Directors for acknowledgement when such transaction is approved.

5. To consider and approve long-term investment in equity instruments.
    5.1 Investments in equity instruments listed on the Stock Exchange within a limit of THB 200 million per transaction and have to be reported to the Board of Directors for acknowledgement when such transaction is approved.
    5.2 Investments in equity instruments unlisted on the Stock Exchange of Thailand within a limit of THB 50 million per transaction and have to be reported to the Board of Directors for acknowledgement when such transaction is approved.
6. To consider and approve the Company's requirement of other capital expenditures, not specified in the annual budget, within a limit of THB 50 million per one meeting of the Executive Committee and report to the Board of Directors when such transaction is approved.
7. To consider and approve the Company's requirement of administrative and selling expenses, not specified in the annual budget, within a limit of THB 20 million per one meeting of the Executive Committee and report to the Board of Directors when such transaction is approved.
8. To consider and approve credit limits within a limit of THB 500 million per transaction and report to the Board of Directors for acknowledgment when such transaction is approved.
9. To manage 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 to monitor and assess results, then report to the Board of Directors.
10. To consider appropriateness of the annual business plan and budget in MBK and its subsidiaries' before proposing them to the Board of Directors for approval.
11. To consider 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.
12. To manage the Company's business affairs, ensuring that they comply with the legal requirements and that there is no conflict of interest.
13. To supervise the performance of various committees.
14. To acknowledge difficulties, obstacles and review practical solutions.
15. To carry 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 approved to establish the Audit Committee on 4 February 1999. The Committee is comprised of 3 members, all of whom are independent directors. 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 is held at least once every month. The minutes of the meetings have to be sent to the Board of Directors. In addition, the Committee has to meet annually with the external auditors and the Management Team to review the financial statements. For the year 2015, the number of meetings held by the Audit Committee amounted to 16.

In 2016, the Audit Committee has regularly reviewed the Charter of the Audit Committee. The latest charter becomes effective from 10th February 2016 which its details are as follows:

Scope of performance of the Audit Committee

1. The internal control and internal audit
   - 1.1 To review that the Company has the appropriate and effective internal control system and internal audit system.
   - 1.2 To consider the independence of the internal audit agency.
   - 1.3 To consider and approve the Company's annual audit plan in cooperation with the internal audit agency, and a budget used in an audit process with regard to related risks.
   - 1.4 To supervise that the Management Team corrects detected flaws and follow related agencies up that the correction is efficiently carried out.
   - 1.5 To review evidence or conduct internal investigation when raising doubts about operations which may have an impact on the organization significantly, or flaws, or conflicts of interest which may affect operational performance or the internal control system; and the results are submitted to the Board of Directors for further consideration.
   - 1.6 To consider and approve the appointment, transfer to another position, and discharge from the job of the head of the internal audit agency.
   - 1.7 To assess the performance, and consider and approve wages, bonuses, or other remuneration for the personnel of the internal audit agency.
2. The financial statement reports and disclosure of information
   - 2.1 To review that Company has accurate, sufficient, and reliable financial statement reports according to certified accounting principles.
   - 2.2 To consider related transactions or transactions with conflicts of interest in compliance with the law and regulations of the Stock Exchange of Thailand in order to ensure rationality and the utmost benefits for the Company.
   - 2.3 To review evidence when raising doubts about operations which may have an impact on the Company's operational performance significantly, or conflicts of interest which may affect the Company's operational performance.
3. The auditor
   - 3.1 To consider the selection or discharge, an offer of remuneration, and a proposal to appoint a person who has independence in order to be the Company's auditor.

3.2 To attend the meeting with an auditor, without the presence of the Management Team, at least one time per year.

3.3 To recommend that an auditor review or check necessary and important transactions during the Company's account audits.

4. The compliance with stipulations and the law

4.1 To check that the Company complies with the law, regulations of the Stock Exchange of Thailand, or rules and regulations of the public agencies.

4.2 To review evidence when raising doubts about any transactions or actions which may violate the law, or regulations of the Stock Exchange of Thailand, or rules and regulations of the public agencies which may affect the Company's financial status and operational performance significantly.

5. The risk management

To review the risk management system.

6. The regulation of performance of the subsidiaries and associated companies

To cooperate with the Audit Committee of the subsidiaries and associates companies, and request that the Internal Audit Division provides summarized reports on results of auditing the business of every subsidiary and associated company for the Audit Committee's acknowledgement.

7. The corporate governance

To regulate and review the internal control related to good corporate governance and measures against corruption.

8. The recruitment of a specialist

In case of necessity, the Audit Committee may recommend that the Board of Directors hire or recruit a specialist to work together for considering and discussing the Company's problem-solving.

9. Other responsibilities

Other missions as assigned by the Board of Directors.

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 NOMINATION AND COMPENSATION COMMITTEE

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

Name	Position	Notes
1) Mr. Suphadej Poonpipat	Chairman of the Nomination and Compensation Committee	*(Held a position on 5th June 2015)*
2) Ms. Panit Pulsirivong	Member of the Nomination and Compensation Committee	Independent Director
3) Mr. Pracha Jaidee	Member of the Nomination and Compensation Committee	Independent Director *(Held a position on 5th June 2015)*
4) Mr. Suvait Theeravachirakul	Secretary of the Nomination and Compensation Committee	

For the year 2015, the number of meetings held by the Company's Nomination and Compensation Committee amounted to 1.

Scope of performance of the Nomination and Compensation Committee

To nominate the Company's directors and president as well as to determine their remuneration.

Duties and responsibilities of the Nomination and Compensation Committee

1. To nominate suitable candidates for the Company's directorships and propose them to the Board of Directors or to the shareholders at their meeting for approval, depending on the case.
2. To nominate suitable candidates to serve as the Company's President as well as to determine 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 propose them to the Board of Directors for consideration and approval.
3. To consider 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. To carry out any missions as assigned by the Board of Directors.

Tenure of the Nomination and Compensation Committee

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

5) THE GOOD CORPORATE GOVERNANCE COMMITTEE

List of the Good Corporate Governance Committee, its Secretary and their positions are as follows:

Name	Position
1) Mr. Banterng Tantivit	Chairman of the Good Corporate Governance Committee
2) Mr. Suphadej Poonpipat	Member of the Good Corporate Governance Committee
3) Professor Paichitr Rojanavanich	Member of the Good Corporate Governance Committee
4) Ms. Prakong Lelawongs	Member of the Good Corporate Governance Committee
5) Mr. Pracha Jaidee	Member of the Good Corporate Governance Committee
6) Ms. Panit Pulsirivong	Member of the Good Corporate Governance Committee
7) Mr. Piyaphong Artmangkorn	Member of the Good Corporate Governance Committee
8) Mr.Suvait Theeravachirakul	Member of the Good Corporate Governance Committee
9) Mr. Hatchapong Phokai	Member of the Good Corporate Governance Committee
10) Mr. Atipon Tantivit	Member of the Good Corporate Governance Committee
11) Ms. Dararat Homrossukhon	Secretary of the Good Corporate Governance Committee

For the year 2015, the number of meetings held by the Company's Good Corporate Governance Committee amounted to 1.

Duties and responsibilities of the Good Corporate Governance Committee

To regulate operations of the Company and performance of executives and employees in compliance with the policy on Good Corporate Governance.

Duties and responsibilities of the Good Corporate Governance Committee

1. To consider and review the policy on Good Corporate Governance and a code of conduct for corporate governance appropriate for the Company and conformed to international standards of Good Corporate Governance which comply with relevant law, rules, and regulations.
2. To regulate and provide consulting in order to follow the policy on Good Corporate Governance.
3. To regulate and reexamine the internal audit related to measures against corruption.

Tenure of the Good Corporate Governance Committee

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

6) COMPANY SECRETARY AND THE COMPANY'S COMPLIANCE SUPERVISOR

On 1st September 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 of the Compliance Department to supervise and ensure that the Company's 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 attached file 1 and file 3.

7) 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) Ms. Yupapun	Paritranun	Senior Executive Vice President, Internal Audit Division
5) Mr. Somphol	Tripopnart	Senior Executive Vice President, Sales Division and Acting Senior Executive Vice President, Marketing Division
6) Mr. Apichat	Kamoltham	Executive Vice President, Legal Division
7) Mr. Satit	Saisorn [1]	Acting Executive Vice President, Operation Division

Notes 1. Mr. Satit Saisorn has held a position of Acting Executive Vice President on 1st January 2016.

Duties and responsibility of the President are as follow:

1. To regulate the operations of the Company's and its subsidiaries 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 operations.
2. To manage and supervise the general administration of the Company and its subsidiaries in order to ensure that it is in line with the objectives, policies, rules and regulations of the Company as well as to monitor the performance of the management in order to report overall operations and performance of the Company's and its subsidiaries to the Board of Directors.
3. To determine a policy on human resource management and encourage the operations of every department to be in line with the guidelines that the Board of Director established in order to develop and fully use the potential effectively.
4. To give advice and hand down the experience in business operations to the executives and staff for the benefits of the Company and its subsidiaries' business operations.
5. To manage finance of the Company and its subsidiaries and efficiently spend budget for the highest benefit.
6. To perform other assigned tasks according to resolutions approved by the Company's and its subsidiaries' Board of Directors Meeting and/or the shareholders' meeting; under the objectives, rules and related laws.

(2) NOMINATION OF DIRECTORS AND EXECUTIVES

In relation to selecting the candidates nominated or to be nominated as the Company's directors, the candidates are elected by the Nomination and Compensation 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' approval 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' meeting deems appropriate, provided that, at each voting, the shareholders shall cast all their votes in Item 2.1 without allocating some 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.

In addition, the directors must represent each group of major shareholders in total number of 5 people, while minor shareholders are also entitled to appoint the company's directors. The company defined qualifications of their directions as follows;

Qualifications for Company's Directors

1) Being fully qualified and not be prohibited according to:
   - Public Company Act
   - Securities and Exchange Act

- Securities and Exchange Commission
- The Stock Exchange of Thailand
- The Company's Articles of Association
- The Principles of the Company's Good Corporate Governance

2) Having knowledge, skills and experiences that are advantage to the company's business lines.
3) Being dedicated to perform all the duties as assigned.

(3) Additional information relating to the directors and the executives of the Company is as follows:

For the year 2015, no director or executive of the Company had any records of breaches of the law in respect of the following:

1) To be 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) To be adjudged a bankrupt person or placed under receivership in relation to his/her property;
3) To be an executive or a person nominating 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 being Responsible for supervising and developing the MBK Group

1. The Human Resources Committee of the MBK Group
2. The Information System Development Committee of the MBK Group
3. The Committee and the Working Group of Human Resource Information System Development of the MBK Group
4. The Quality Management System Committee
   - 4.1 The Strategic Planning and Balance Scorecard Management Committee of the MBK Group
   - 4.2 The Risk Management Committee of the MBK Group
   - 4.3 The Innovation Committee
   - 4.4 The Innovation Working Group
   - 4.5 The ISO 9000 Quality Management System Committee
   - 4.6 The Internal Quality Audit Committee
   - 4.7 The Thailand Quality Award Committee (TQA)
   - 4.8 The Working Group of Preparing a Report on Thailand Quality Award (TQA)
5. The Committee and the Working Group of Consolidated Financial Statement System Development
6. The Working Group of Accounting System and Accounting Standards Development of the MBK Group
7. The Working Group of Centralization of Procurement System Development
8. The Sub-committee on the Development of the Good Relationship between Customers and Business groups
9. The Customer Representatives to Control the Quality of the MBK Group's Service
10. The Customer Representatives to Nurture MBK's Service Values

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

1. The Strategic Planning and Balance Scorecard Management Committee for the Shopping Center Business
2. The Risk Management Committee for the Shopping Center Business
3. The Knowledge Management and Organizational Culture Development Committee for the Shopping Center Business
4. The Working Group of Knowledge Management and Organizational Culture Development for the Shopping Center Business
5. The Shopping Center Service Development Committee
6. The Sub-Committee on Service Quality Management for the Shopping Center Business (SQMC)
7. The Working Group of Service Quality Management for MBK Shopping Center
8. Prevention against Tenants Causing Damage to the Shopping Center Committee
9. The Committee of Thailand's Private Sector Collective Action Coalition against Corruption
10. The Space Design and Corporate Image Committee
11. The Business Continuity Planning Committee
12. The Sub-Committee on Rental Space of the Shopping Center
13. The Working Group of Good Relationship Development between Customers and Business Groups
14. The Working Group of Community Relations of the Sky MBK Walk Project
15. The Strategic Planning and Balanced Score Card Management Committee of MBK Shopping Center
16. The Risk Management Committee of MBK Shopping Center (RMC)
17. The Safety, Occupational Health, and Work Environment Committee (MBK Public Co., Ltd.)
18. The Welfare Committee (MBK Public Co., Ltd.)
19. The Welfare Committee (MBK Smart Force Co., Ltd.)
20. The Election for Welfare Committee Members in the Establishment Committee (MBK Smart Force Co., Ltd.)
21. The Safety, Occupational Health, and Work Environment Committee (MBK Smart Force Co., Ltd.)
22. The Election for Committee Members of the Safety, Occupational Health, and Work Environment Committee (MBK Smart Force Co., Ltd.)
23. The ISO9000 Quality Management Committee (The Nine Center Co., Ltd.)
24. The Strategic Planning and Balance Scorecard Management Committee (The Nine Center Co., Ltd.)
25. The Working Group of Internal Quality Audit (The Nine Center Co., Ltd.)
26. The Working Group of IT System Development (The Nine Center Co., Ltd.)
27. The Working Group of the Parking System Development (The Nine Center Co., Ltd.)
28. The Nine Community Relations Committee
29. The Community Relations of the Commercial Buildings for Rent Project Committee (RG)
30. The Executive Committee of Paradise Park Co., Ltd.
31. The Executive Committee of Paradise Retails Co., Ltd.
32. The Executive Committee of Siam Delice Co., Ltd.

Committees responsible for supervising and developing the hotel and tourism business are as follows:

1. The Executive Committee for the Hotel and Tourism Business
2. The Knowledge Management and Organizational Culture Development Committee for the Hotels Group
3. The Working Group of the Knowledge Management and Organizational Culture Development for the Hotels Group
4. The Strategic Planning and Balance Scorecard Management Committee for the Hotel and Tourism Business

5. The Risk Management Committee for the Hotel and Tourism Business
6. The Strategy Planning and Balance Scorecard Management Committee (MBK Public Co., Ltd. Pathumwan Princess Hotel branch)
7. The Risk Management Committee (MBK Public Co., Ltd. Pathumwan Princess Hotel branch)
8. The Strategic Planning and Balance Scorecard Management Committee (Supsinnthanee Co., Ltd.)

Committees responsible for supervising and development of the Golf Business

1. The Executive Committee for the Golf Business
2. The Strategic Planning and Balance Scorecard Management Committee for the Golf Business
3. The Risk Management Committee for the Golf Business
4. The Website Organizer for the Golf Business Group Committee
5. The Knowledge Management and Organizational Culture Development Committee for the Golf Business
6. The Working Group of the Knowledge Management and Organizational Culture Development for the Golf Business
7. The Food Safety Management Project Committee
8. The ISO Quality Management System Committee (MBK Resort Public Co., Ltd.)
9. The Strategic Planning and Balance Scorecard Management Committee (MBK Resort Public Co., Ltd.)
10. The Risk Management Committee (MBK Resort Public Co., Ltd.)
11. The Safety, Occupational Health, and Work Environment Committee (MBK Resort Public Co., Ltd.)
12. The Welfare in the Establishment Committee (MBK Resort Public Co., Ltd.)
13. The Strategic Planning and Balance Scorecard Management Committee, (Riverdale Golf and Country Club Co., Ltd.)
14. The Risk Management Committee (Riverdale Golf and Country Club Co., Ltd.)
15. The Welfare in the Establishment Committee (Riverdale Golf and Country Club Co., Ltd.)
16. The Working Group of the Construction and Design of Real Estate Development Projects (Riverdale Golf and Country Club Co., Ltd.)

Committees responsible in supervising and developing the Real Estate Business are as follows:

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

Committees responsible in supervising and developing the Food Solution Business are as follows:

1. The Strategic Planning and Balance Scorecard Management Committee for the Food Solution Business
2. The Risk Management Committee for the Food Solution Business
3. The Knowledge Management and Organizational Culture Development Committee for the Food Solution Business
4. The Working Group of the Knowledge Management and Organizational Culture Development for the Food Solution Business
5. The Strategic Planning and Balance Scorecard Management Committee (Patum Rice Mill and Granary Public Co., Ltd.)
6. The Risk Management Committee (Patum Rice Mill and Granary Public Co., Ltd.)
7. The Strategic Management and Balance Scorecard Committee (Simapack Company Limited)
8. The Risk Management Committee (Sima Pac Company Limited)

Committees responsible in supervising and developing the Financial Business are as follows:

1. The Executive Committee for the Financial Business
2. The Credit Committee
3. The Strategic Planning and Balance Scorecard Management Committee for the Financial Business
4. The Risk Management Committee for the Financial Business
5. The Knowledge Management and Organizational Culture Development Committee for the Financial Business
6. The Working Group of the Knowledge Management and Organizational Culture Development for the Financial Business
7. The Quality Management System Committee (MBK Guarantee Co., Ltd.)
8. The Strategic Planning and Balance Scorecard Management Committee (MBK Guarantee Co., Ltd.)
9. The Risk Management Committee (MBK Guarantee Co., Ltd.)
10. The Information System Development Committee (MBK Guarantee Co., Ltd.)
11. The Working Group of the Information System Development (MBK Guarantee Co., Ltd.)
12. The Executive Committee (T-Leasing Co., Ltd.)
13. The Risk Management Committee (T-Leasing Co., Ltd.)
14. The Representatives of the Quality System Management (T-Leasing Co., Ltd.)

Committees responsible in supervising and developing other business are as follows:

1. The Strategic Planning and Balance Scorecard Management Committee for Other Business
2. The Risk Management Committee for Other Business
3. The Knowledge Management and Organizational Culture Development Committee for Other Business
4. The Working Group of the Knowledge Management and Organizational Culture Development for Other Business
5. The Executive Committee (Apple Auto Auction (Thailand) Co., Ltd.)
6. The Strategic Planning and Balance Scorecard Management Committee (Apple Auto Auction (Thailand) Co., Ltd.)
7. The Risk Management Committee (Apple Auto Auction (Thailand) Co., Ltd.)
8. The Welfare Committee (Apple Auto Auction (Thailand) Co., Ltd.)
9. The Election for Welfare Committee Members in the Establishment Committee (Apple Auto Auction (Thailand) Co., Ltd.)

10. The Safety, Occupational Health, and Work Environment Committee, (Apple Auto Auction (Thailand) Co., Ltd.)
11. The Election for Committee Members of the Safety, Occupational Health, and Work Environment Committee (Apple Auto Auction (Thailand) Co., Ltd.)

MBK's Committees that are responsible for supervising and developing the Human Resources of the MBK Group are as follows:

1. The Knowledge Management and Organizational Culture Development Committee of the MBK Group
2. The Consideration of Virtues of Employees Committee
3. The Welfare Committee of MBK Public Co., Ltd.
4. The Safety, Occupational Health, and Work Environment Committee
5. The Savings and Credit Cooperative Committee
6. The Provident Fund Committee
7. The Employees' Scholarships Committee
8. The Consideration of Fraud Committee
9. The Working Group of the Investigation of Fraud

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. The Procurement Committee
2. The Assets Sales Committee
3. The Working Group of the Lessees Selection

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. The Working Group of the Energy Management
2. The Working Group of the Promotion of 5-Sor Activities
3. The Working Group of the In-house Energy Management Evaluators
4. The Working Group of the Community Relations Management
5. The Working Group of the Promotion of the Learning Organization
6. The Working Group of the Promotion of Good Corporate Governance

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

The Company has put in place operational rules which provide details related to the exercise of the 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 the authority specified by the Company. In this connection, the delegated authority is also subject to the Company's appropriate internal control system.

(5) REMUNERATIONS OF DIRECTORS AND EXECUTIVES MANAGEMENT

5.1 Directors' remunerations (1st January – 31st December 2015)

Directors' Remunerations

List of Name		Director Allowance (THB)	Meeting Allowance (THB)				Gratuity (THB)	Total Remuneration (THB)
			Board of Directors	Audit Committee	Executive Committee	Nomination And Compensation Committee		
1. Mr. Banterng	Tantivit	600,000.00	600,000.00		1,080,000.00		1,639,542.20	3,919,542.20
2. Mr. Suphadej	Poonpipat	360,000.00	360,000.00		550,000.00	30,000.00	1,230,856.67	2,530,856.67
3. Professor Paichitr	Rojanavanich	300,000.00	300,000.00	840,000.00			818,571.10	2,258,571.10
4. Ms. Prakong	Lelawongs	300,000.00	300,000.00	420,000.00			819,771.10	1,839,771.10
5. Mr. Pracha	Jaidee	300,000.00	300,000.00	420,000.00			819,771.10	1,839,771.10
6. First Lieutenant Chatrachai	Bunya-Ananta	100,000.00	-				819,771.10	919,771.10
7. Ms. Panit	Pulsirivong	300,000.00	300,000.00			30,000.00	819,771.10	1,449,771.10
8. Mr. Piyaphong	Artmangkorn	300,000.00	300,000.00		360,000.00		819,771.10	1,779,771.10
9. Mr. Suvait	Theeravachirakul	300,000.00	300,000.00				819,771.10	1,419,771.10
10. Mr. Hatchapong	Phokai	300,000.00	300,000.00				819,771.10	1,419,771.10
11. Mr. Atipon	Tantivit	300,000.00	300,000.00				819,771.10	1,419,771.10
Total		**3,460,000.00**	**3,360,000.00**	**1,680,000.00**	**1,990,000.00**	**60,000.00**	**10,247,138.77**	**20,797,138.77**

The comparison of Directors' remunerations from 2011 – 2015

Remunerations	1st July 2011 – 31st December 2011		1st January 2012 – 31st December 2012		1st January 2013 – 31st December 2013		1st January 2014 – 31st December 2014		1st January 2015 – 31st December 2015	
	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)	Number (persons)	Amount (THB)
Meeting Allowances	11	4,490,000.00	11	9,100,000.00	11	9,120,000.00	11	10,265,000.00	10	10,550,000.00
Directors' Commissions	11	9,431,455.00	11	4,715,727.50	11	10,374,600.50	11	9,820,169.35	11	10,247,138.77
Total		**13,921,455.00**		**13,815,727.50**		**19,494,600.50**		**20,085,169.35**		**20,797,138.77**

5.2 Other remunerations

At an Annual General Meeting of Shareholders 2015- held on 8th April 2015- a resolution on other remunerations for the Board of Directors, the Executive Committee, the Audit Committee, and the Nomination and Compensation Committee was approved, as the equivalent of 1,600,000 Baht.

5.3 Remunerations for the Executive Management (1st January – 31st December 2015)

Remunerations of the Executive Management

Executive Management	Number (persons)	Amount (Million THB)
Executive Management	7	44.05

The Comparison of the Remunerations of the Executives Management from 2011 to 2015

Remunerations	1st July 2011 – 31st December 2011		1st January 2012 – 31st December 2012		1st January 2013 – 31st December 2013		1st January 2014 – 31st December 2014		1st January 2015 – 31st December 2015	
	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	24.90	8	34.75	9	38.04	8	42.84	7	44.05

(6) Human resources

6.1 A number of employees

As of 31st December 2015, MBK Public Company Limited employed a total of 521 employees, consisting of the Managing Director, Deputy Managing Director, Assistant Managing Directors total 7 people and 514 employees. Also, it included 180 employees of MBK Smart Force Co., Ltd. A number of employees in each department is as follows:

Division	Number of Employees (person)*				
	1st July 2011 - 31st December 2011	1st January 2012 - 31st December 2012	1st January 2013 - 31st December 2013	1st January 2014 - 31st December 2014	1st January 2015 - 31st December 2015
1. President Office	49	90	52	52	55
2. Legal Division	12	14	18	18	20
3. Business Development Division	11	16	19	22	23
4. Finance & Administration Division	125	118	122	128	131
5. Internal Audit Division	19	24	26	28	30
6. Marketing Division	91	100	105	75	83
7. Operation Division	139	135	142	145	147
8. Sales Division	-	-	-	29	32
9. MBK Smart Force Co., Ltd.	218	237	290	195	181

Note: A number of employees is calculated from the average of employees in each year.

6.2 Remunerations of employees (Excluding the President and the Executive Management)

Unit : Bath

Remunerations	1st July 2011 To 31st December 2011	1st January 2012 To 31st December 2012	1st January 2013 To 31st December 2013	1st January 2014 To 31st December 2014	1st January 2015 To 31st December 2015
Salary, Bonus and Provident Fund (MBK)	166,220,258.48	302,433,364.70	228,550,187.15	252,345,850.89	271,750,739.82
Salary, Bonus and Provident Fund (MBK-SF)			38,188,484.94	36,522,843.63	35,576,108.60

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 expenses, uniform expenses, provident funds, medical treatment costs, group insurance, social security and yearly check-ups.

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

Saving Rate of Employees	Subsidy Rate of the Company		Payments from the Fund	
- A member is required to contribute at least 5% of his/her salary but not more than the employer's subsidy for such member.	Years of Membership	Subsidy Rate 5%	Years of Membership	Subsidy and Benefits (%)
	Membership Commencement		Less than 1 year	0
	2 years –less than 4 years	" 6%	1 year–less than 3 years	30
	4 years- less than 6 years	" 7%	3 years–less than 5 years	50
	6 years- less than 8 years	" 8%	5 years- less than 7 years	70
	8 years-less than 10 years	" 9%	7 years or more	100
	10 years or more	" 10%		

6.4 The 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. Therefore, the Company has adopted a policy to develop human resources for all levels 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 career path will encourage each individual to learn, do research and continuously share their experiences. These management and development courses such as developing the Human Resource Management System, training, giving scholarships to study in bachelor/ master levels, both domestic and international work field trips, employees and executives' development plans in order to carry on important position in the Company, performance management, building relationships of personnel and developing the Company to be the learning organization. These will lead the staff and Executive into topmost professionals.

6.4.1 The development of the Human Resource Management System

6.4.1.1 To use the program package to manage the human resource database system

The Company is proceeding with installing and developing PeopleSoft HCM 9.0, which is the system with functions that fully support a management process in human resources such as a recruitment system, an employment system, a salary system, a time record system, a leave of absence system, a performance management system, succession management and progress in the career path system. Moreover, this program allowed the manager of each division and the employees to enter into the data and use the system for the management (Self Service). It can also be connected to a working system of other divisions, which is called the Enterprise Resources Planning (ERP). This will enhance the efficiency in performance and improving the human resource management system into a higher level as well as enhance the level of satisfaction of employees and any related individuals.

6.4.2 To strengthen and develop the personnel competency

6.4.2.1 The development of the Competency model to be used for the human resource performance

For the year 2015, the Human Resources Development Department and developed the functional competency in cooperation with every division in order to enhance the quality of the staff and staff preparedness to satisfy the business needs of today and tomorrow, and efficiently respond to the Company's change. Also, the improved functional competency was applied to the human resource management system. For example, the employees' recruitment and selection, training, non-classroom training, career development, talent management programs, succession planning, and performance evaluation.

6.4.2.2 The career path and career development

The Company has utilized the competency to further the career development in order to create career models of various types of the job family, both for career paths which are developed within the same job family and across the job family. This will culminate in personnel competency development focusing on clear goals and responding to both business demands and employees' career development. For the year 2015, the Human Resources Development Department improved career paths of each job family in order to conform to the improvement and development of the functional competency. Also, the updated career paths of each job family were thoroughly communicated to employees in each division and department for their acknowledgement.

6.4.2.3 The training

Training is one of the significant components of the Company's personnel development which employees are continuously developed according to the training roadmap in order that the employees increase their competency to be higher than normal standards. They can compete with other leading companies in the same business and can develop the organization in order to be the organization with continuous and sustainable development. Updated internal and external training courses are provided for employees at all levels. Also, the evaluation of each training course is conducted with efficient tools. Guidelines for training courses to improve skills, knowledge, and abilities, are well arranged. These training courses emphatically respond to strategic objectives, core competency, managerial competency, and functional competency. These courses are as follows:

6.4.2.3.1 MBK Core Course

The Core Course emphasizes reinforcement of desired behavior and attitudes according to the organizational culture called SMOOTH© which encourages and promotes to build the corporate culture, including courses leading to achieve the organization's missions and respond to its business plans. For the year 2015, the Company focused on providing this course to new recruits in order that the values and culture were nurtured right from the start. For the existing employees, the Company continuously promoted the organizational culture called SMOOTH© through various activities.

6.4.2.3.2 The Managerial Course

The Managerial Course is arranged to increase knowledge and managerial skills for administrators with a position of a manager upward in order that they can manage their work performance, their teams, and the organization; and can be efficient change leaders. According to the managerial competency, the course can be divided into 3 categories as follows: 1) The Leader of Change, 2) Decisiveness, and 3) People Development. For the year 2015, the Company developed managerial courses, arranged courses within the organization, sent employees to attend training courses outside the Company. Also, the Company promoted employees at a managerial level to build up a network of other employees and organizations as alliances for the sake of exchanging useful information about business operations.

6.4.2.3.3 The Functional Course

The Functional Course is to enhance knowledge, understanding and skills for employees of each job family. The course marks on specific responsibilities and duties of each position by means of training, on-the-job training (OJT), coaching, and a community of practice (CoP), for example.

6.4.2.3.4 The Master and Bachelor's Scholarships

The Company has adopted a strong will to support employees to increase their knowledge and abilities, and develop their potential to be ready to handle with changing technologies all the time and can apply these to work performance for the advantages.

The Master and Bachelor's scholarships inside the country, both technical scholarships and business scholarships, are granted to potential employees in order that they can later apply the knowledge gained to develop the Company.

6.4.3 The preparedness of the personnel

6.4.3.1 The Talent Management and the Succession Plan

The Company has prepared the readiness of the employees to meet the present and future's demands in order to support the business expansion by establishing the Talent Management Project, making the Succession Planning for top executives and Individual Development Plans for employees, which are considered from functional competency, core competency and managerial competency that suits with the present and future responsibilities.

6.4.3.2 The Performance Management

The Company aims at executives and employees of all levels to be involved in and understand the organization's direction and expected results by brainstorming ideas, specifying goals and action plans at the organizational level, department level and divisional level. This is to ensure that the performance and success of each individual will be part of the success of the organization.

The performance evaluations are set twice a year, midyear and year-end evaluations. Moreover, the Company also applies the Core, Functional and Managerial Competency evaluations to plan to develop the performance and employees' competency to be continuously improved.

6.4.4 The 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 has established the management system of the Quality of Work Life (QWL) by continuously taking care of the employees as well as encouraging employees to be part in specifying benefits through the Welfare Committee. The Savings and Credit Cooperative and the provident funds are also established to build security for employees.

6.4.5 The knowledge management and organizational culture development and the Working Group of Knowledge Management and Organizational Culture Development

The Company has established the Cultural Organization Development Committee and the Working Group of the Learning Organization in order to help employees to become aware and be part of the activities. This encourages and supports organizational vision by setting the Company's core values and regularly organizing activities so that every 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's goal or vision. The "Learning Organization" is established from all levels of personnel's learning and knowledge is then shared with each other and within the personnel, together with gaining knowledge from outside. The main purpose is to give opportunities in seeking the best practices to use in developing and building a strong knowledge base of the organization in order to be ready in time to the change and sustainable growth in a fierce business competition, to achieve the vision of the organization and to be the Learning Organization. We should have belief and hold on to the values and ways in practicing together which we call SMOOTH©

Service Mind	**Have the Service mind,** primarily focusing on customers
Merit & Integrity	**Perform duties in a transparent manner,** behave appropriately and adhere to the ethics principle
Ownership	**Love and be proud of the organization,** hold conscious of being the owner of the work
Openness	**Be ready to be open-minded,** listen to, be open-minded and communicate openly
Teamwork	**Establish the outstanding teamwork** for the same goal
High Commitment	**Be determined** and dedicated to work and be efficiently responsible for work assigned
Continuous Learning	**Learn creatively,** continuously and systematically seek new knowledge and self-development. Have courage to change for a new way of working or new working systems, 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 visions as well as being respected
Decisiveness	**Confident, have courage to make decisions** based on knowledge, reasons and being in time
People Development	**Develop ethical and competent staff.** Give opportunities to others to make progress in their career paths

In addition, the Company has realized the importance of developing the personnel to become good citizens and participate in developing and helping the society, communities, and the environment (Corporate Social Responsibility) on the basis of the policy on Good Corporate Governance, as a framework to which the executives and the employees adhere.

Moreover, the Company has used the Knowledge Management (KM) as one of strategies, focusing on learning and developing of the personnel to be in time with the expanding of business and to become the Learning Organization (LO). The Knowledge Management Committee, which is comprised of representatives of top executives from departments, works together in carrying out the knowledge management so that it will be developed in the same path and be compatible throughout the organization. For the year 2015, the Company developed the Knowledge Management website by classifying knowledge levels according to a work system, promoting the culture of exchanging knowledge through activities such as the Community of Practices (CoP), arranging the KMOC Day in order to share knowledge gained from CoP, organizing the Book Brief activity in order to encourage learning by means of reading and skill development of professional presentation, and expanding a learning cycle in order to increase competency and develop potential of the personnel at the individual, group, and the Company's levels.

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 Good Corporate Governance promoted by the Stock Exchange of Thailand. The Company also prepared a manual of 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 to sign an acknowledgement of compliance.

In 2015 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 a 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 provides a manual of 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 are given to all directors, executives and employees for their acknowledgment, sign-off, training 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 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 applies 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 2015, The Board of Directors considered and revised the Corporate Governance Report of Thai Listed Companies' regulations by streamlining the Company's Good Corporate Governance to be in line with the guidelines and regulations of ASEAN CG Scorecard standard. The objective was 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 as follows:
   - 1.1 The structure of the Board of Directors
   - 1.2 Independence of Directors
   - 1.3 Roles and responsibilities of Directors

1.4 Tenure of Directors
1.5 The specific Committees
1.6 The meeting of Directors
1.7 Separation of duties between the Board of Directors and the Management Team
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 environment and educational institutions 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 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, the 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' opinions. 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 2015 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 was to enable the shareholders to study the information before the meeting. Taking into consideration the convenience of shareholders in attending the meeting, the Company fixed the appropriate date, time and place of meeting. In case any shareholders were unable to attend the meeting, they might appoint proxy holders to attend the meeting on their behalf and might 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 might appoint two independent directors proposed by the Company as their proxy holders. In voting on various agenda items, one share was 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. For the Year 2015, the Company organized an Annual General Meeting of Shareholders on 8th April 2015 in Jamjuree Ballroom, Mezzanine Floor, Pathumwan Princess Hotel, Bangkok. In this connection, the Company provided the shareholders including institutional investors with convenience in an equitable manner to attend the shareholders' meeting. 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 was considered.

All 10 members of the Board of Directors participated in the Annual General Meeting of Shareholders. They were the Chairman of the Board of Directors, the Chairman of the Audit Committee, Senior Executives and the Company's auditor.

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. The minutes of the meeting were also accurately kept.

The Annual General Meeting of Shareholders 2015 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 may 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, competitors, creditors, staff at all levels, as well as the society in general and the environment to ensure that the stakeholders will be treated appropriately, equally, and fairly. The Company also fosters the understanding and cooperation with various 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 places importance in operating the business on the principle of honesty, transparency and fairness to all parties, as well as operates the business with a focus of practicing in accordance with the rules of the established laws, the regulations and ethics in order to build confidence for 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 8 organizations— Thai Institute of Directors, Thai Chamber of Commerce, Foreign Chamber of Commerce in Thailand, Thai Listed Companies Association, Thai Banks Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries, and Tourism Council of Thailand 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 2015, the Board of Directors approved policies on Anti-Corruption and Whistle Blowing and Complaints by communicating with and promulgating the regulations in order that the directors, executives, and employees are informed and then strictly follow the Anti-Corruption policy.

The Anti-Corruption policy

The Company sets out its Anti-Corruption policy by prohibiting directors, executives, and employees of the Company and its subsidiaries from directly and indirectly having or involving in every form of corruption for the benefits of themselves, or the Company, or other parties involving with them. The Anti-Corruption policy is thoroughly declared on the Company's website www.mbkgroup.co.th

The guidelines on regulation and internal control of Anti-Corruption

The Company lays down the guidelines on regulation and internal control of Anti-Corruption by providing sufficient and proper internal control in order to prevent employees from not complying with policies, law, rules and regulations both inside and outside the organization; submitting accurate and transparent financial reports; managing risks involving corruption; regularly providing an audit process of procurement by clearly specifying steps and levels of procurement approval for the sake of accuracy and transparency; and regularly providing examinations and reviews of the compliance with the Anti-Corruption policy in order to conform to changes in business, rules and regulations, and the law.

The communication and training

The Company disseminates and publicizes its policies on Anti-Corruption and Whistle Blowing and Complaints to the directors, executives, and employees of the Company and its subsidiaries, and the public through the Company's website. The Company also campaigns to send a letter to its every customer, business trader, and supporter in order to ask for cooperation in abstaining from giving presents during the New Year's celebration or other occasions in accordance with guidelines of the Private Sector Collective Action Coalition against Corruption. Moreover, the Company provides training on the Private Sector Collective Action Coalition against Corruption by inviting experts outside the organization to train the Company's senior executives. Also, the employees at all levels of the Company and its subsidiaries receive training on Good Corporate Governance and Anti-Corruption regularly provided by the Company's executives in order to realize and continuously follow the common practice within the organization.

The policy on Whistle Blowing and Complaints

The Company issues the policy on Whistle Blowing and Complaints caused by abuses of law, rules, regulations, ethics, improper code of conduct, and behavior implying the corruption of anyone in the organization—both any employee and any stakeholder from every group. This policy allows a mechanism for protecting informers, complainers, and informants in good faith; clues and complaints are treated as strictly confidential in order to give the informers, complainers, and informants confidence. The clues and complaints can be informed through channels of communication as follows:

1. The E-mail Channel
   - The Audit Committee
     E-mail address: ac@mbkgroup.co.th
   - The President and CEO
     E-mail address: asksuvait@mbkgroup.co.th
   - The Senior Executive Vice President of the Internal Audit Division
     E-mail address: ia@mbkgroup.co.th
2. The Letter to Persons Indicated above Channel
   MBK Public Company Limited
   8th Floor, MBK Center
   444 Phayathai Road, Wang Mai, Pathumwan, Bangkok 10330
3. The President and CEO Channel
   MBK Public Company Limited
   P.O. Box 444 Rong Muang Post Office, Bangkok 10330

The operational procedure for Whistle Blowing and Complaints

1. The person who receives a complaint has to inform an authority in charge of this complaint within 7 working days of receiving it.
2. A compliant relevant to or implying corruption has to be submitted to the Operation Audit Department and the Management Audit Department. Also, it has to be submitted to the Corruption Examination Committee or the Corruption Investigation Committee in order to conduct an inquiry to discover the facts. The CEO will be notified of it.
3. A complaint irrelevant to or not implying corruption has to be submitted to the Human Resources Management Department according to the specified regulations. The CEO will be notified of its action result.
4. The Corruption Examination Committee or the Corruption Investigation Committee considers the facts and directs action to further follow the Company's procedure.

The protection of informers, complainers, or informants.

The Company will afford the protection of informers, complainers, or informants as follows:

1. The identity of informers, complainers, or informants is not disclosed. If necessary, only essential information is revealed with regard to their safety and risks posed to them and concerned parties.
2. Their work is not affected nor changed such as disemployment, suspension, job mobility, intimidation or any action unfair to informers, complainers, or informants.
3. The person who acknowledges a complaint or information relevant to the complaint has to keep it confidential and undisclosed to other people with regard to their safety and risks posed to them. In intentional contravention of this, that person will be face disciplinary actions and/or legal actions depending on circumstances.

In addition, the Company has announced the policies that are compatible to the anti-corruption and has 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 without permission it will be considered as piracy.

Thus, the Company has 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 used 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 filed 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 has 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 Company 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 2015, 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 2015 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:

Policies and Requlation in selecting the trading partners

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 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 2015, 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 are treated with equality and without prejudice.
2. The Company supports and promotse 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 provides fringe benefits for employees such as provident funds, healthcare and safety in the working environment.
4. The Company supports and promotes the development and professional progress of employees.
5. The Company sets up a system and procedure that allows employees to file a complaint in case of injustice.

In 2015, 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 complaints, 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, telephone calls, written letters, and complaint boxes.

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 The structure 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 097 under the subject entitled 'Management Structure'.

In 2015, the Company had four independent directors, accounting for 40.00% of the Board of Directors. Their names were as follows:

1) Professor Paichitr Rojanavanich,
2) Ms. Prakong Lelawongs,
3) Mr. Pracha Jaidee,
4) 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. Tor Chor. 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 includes 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 2015, the Company had 1 executive director, accounting for 10.00% 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 Good Corporate Governance Committee
5.6.5 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. However, the positions held in subsidiaries, affiliates, and joint-ventured companies are excluded because the Company has to govern the operation management for the sake of the Company 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, a policy 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 promotes and supportes 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. Ms. Panit Pulsirivong	- Director Accreditation Program (DAP) Course - Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course - Role of the Compensation Committee (RCC)
7. Mr. Piyaphong Artmangkorn	- Director Accreditation Program (DAP) Course
8. Mr. Suvait Theeravachiraku	- Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course - Successful Formulation & Execution of Strategy (SFE) Course
9. Mr. Hatchapong Phokai	- Director Accreditation Program (DAP) Course
10. Mr. Atipon Tantivit	- Directors Certification Program (DCP) Course

In 2015, 1 member of the Board of Directors - Mr. Suvait Theeravachirakul - attended the training courses in order to promote and support the knowledge development of the director continuously as follows:

Chronological order	Course	Institute	Date
1	Management Outing	MBK Training Center	8th February 2015
2	Biz Innovation Org Design	MBK Training Center	16th March 2015
3	Paying a visit for TQA	MBK Training Center	14th July 2015
4	Overall economic situation	MBK Training Center	7th August 2015
5	Benchmarking	MBK Training Center	31st August 2015
6	Pack5 & Value	Federation of Accounting Professions	19th September 2015

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 conducted 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 are used to determine the strategies. The 5 goals and strategic are expected to be accomplished within 5 years (2015-2019).

1. The leading business group that delivers happiness to meet all lifestyles and customers' demand.
2. Efficiently manage the business portfolio for the highest benefits under an acceptable risk level.
3. Continuously has growth income rate and net profit of more than 10% per year.
4. The 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's strategic goals that are determined and compiled will be distributed to employees, which will lead to the accomplishment of the set goals. The Company's Board of Directors has stipulated that performance which is based on the organization's strategic goals must be reviewed every quarter. The Board has managed strategic plans and an indicator of success, found out solutions in case that the goals are not achieved. This performance will be utilized to evaluate annual work performance and compensation of employees and executives.

As for, in 2015, MBK Public Company Limited 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 goals.

5.11 Company Secretary

The related details are given on Page 105 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 has 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 has 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 2015 is disclosed on Page 112 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 official meeting schedules for the whole 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. For the Nomination and Compensation Committee's part, their meeting will be held when the Company has to nominate directorships or when the performance of the President and CEO has to be evaluated. For the Corporate Governance Committee's part, the meeting will be held when there are consideration and reviews of a policy on Good Corporate Governance, including auditing the internal control which is relevant to measures against corruption. For the year 2015, 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 2015 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 Nomination and Compensation Committee (1 meeting)	The Good Corporate Governance Committee (1 meeting)
1. Mr. Banterng Tantivit	12/12	12/12	-	-	1/1
2. Mr. Suphadej Poonplipat	12/12	11/12	-	1/1	1/1
3. Professor Paichitr Rojanavanich	12/12	-	16/16	-	1/1
4. Ms. Prakong Lelawongs	12/12	-	16/16	-	1/1
5. Mr. Pracha Jaidee	12/12	-	16/16	-	1/1
6. Ms. Panit Pulsirivong	12/12	-	-	1/1	1/1
7. Mr. Piyaphong Artmangkorn	12/12	12/12	-	-	1/1
8. Mr. Suvait Theeravachirakul	12/12	12/12	-	-	1/1
9. Mr. Hatchapong Phokai	12/12	-	-	-	1/1
10. Mr. Atipon Tantivit	12/12	-	-	-	1/1

Note The Board of Directors at present:
- The Executive Committee is comprised of 4 persons. They are the name list 1, 2, 7 and 8.
- The Audit Committee is comprised of 3 persons. They are the name list 3, 4 and 5.
- The Compensation and Nomination Committee is comprised of 3 persons. They are the name list 2, 5 and 6.
- The Good Governance Committee is comprised of 10 persons. They are the name list 1-10.

The performance assessment of the Board of Directors and the Committees

1) The performance assessment of the Board of Directors

The Company has annually assessed the performance of the Board of Directors by means of the board assessment and the individual assessment. The Board Self-Assessment conforming to an approach used by the Stock Exchange of Thailand (SET), which is improved in order to be able to reflect the efficiency of performance and complies to principles of Good Corporate Governance, is used. The Company's secretary makes a start on preparing the performance assessment for the Board of Directors' both board and individual assessment. The Board Self- Assessment requires each director of the Board to have self-assessment through responding a questionnaire and sending it back to the Company's secretary. These responded questionnaires are then summarized and the result of the assessment will be presented in a Board of Directors' meeting by the Company's secretary. The assessment's result is used to consider and review the performance, problems and obstacles faced during the previous year and to help encourage the Board of Directors' effectiveness of the performance. Moreover, it also helps improve a relationship between the Board of Directors and the Management Team.

The criteria for the performance assessment of the Board of Directors, according to the Board Self-Assessment in each assessment topic, are divided into 5 levels as follows:

0 = Extremely disagree or not carry out such topic

1 = Disagree or carry out such topic little

2 = Agree or carry out such topic moderately

3 = Quite agree or carry out such topic well

4 = Extremely agree or carry out such topic excellently

The criteria for the performance assessment of the Board of Directors are divided into 5 levels as follows:

More than 90 equals 'excellent'.

More than 80 equals 'very good'.

More than 70 equals 'good'.

More than 60 equals 'fairly'.

Less than 60 equals 'It should be improved'.

The result of the Board Self-Assessment for the year 2015 can be summarized as follows:

2) The performance assessment of the Committees

For the year 2015, the Company assessed the performance of every committee. They were the Executive

◆ The result of self-assessment of the performance through the board assessment

Topic to be assessed (The board assessment)	Result of the assessment	
	Full marks	Average marks
1) Structure and qualifications of the Board of Directors	20.00	19.81
2) Roles, duties, and responsibilities of the Board of Directors	30.00	29.48
3) Meeting of the Board of Directors	15.00	15.00
4) The Board of Directors' execution of duties	15.00	14.95
5) Relationship with the Management Team	10.00	9.95
6) Self-development of the Board of Directors and development of executives	10.00	9.63
Total	**100.00**	**98.80**

◆ The result of self- assessment of the performance through the individual assessment

Topic to be assessed (The individual assessment)	Result of the assessment	
	Full marks	Average marks
1) Structure and qualifications of the Board of Directors	30.00	29.25
2) Meeting of the Board of Directors	30.00	29.25
3) Roles, duties, and responsibilities of the Board of Directors	40.00	39.80
Total	**100.00**	**98.30**

Committee, the Audit Committee, the Nomination and Compensation Committee, and the Good Corporate Governance Committee. Previously, only the Audit Committee had been assessed. The Board Self-Assessment conforming to an approach used by the Stock Exchange of Thailand (SET), which is improved in order to be able to reflect the efficiency of performance and complies to principles of Good Corporate Governance, is used. The Company's secretary or each committee's secretary makes a start on preparing the performance assessment for every committee. The Board Self-Assessment requires each director of the committees to have self-assessment through responding a questionnaire and sending it back to the Company's secretary or to each committee's secretary. These responded questionnaires are then summarized and the result of the assessment will be presented in a Board of Directors' meeting annually.

The criteria for the performance assessment of the Board of Directors, according to the Board Self-Assessment in each assessment topic, are divided into 5 levels as follows:

0 = Extremely disagree or not carry out such topic

1 = Disagree or carry out such topic little

2 = Agree or carry out such topic moderately

3 = Quite agree or carry out such topic well

4 = Extremely agree or carry out such topic excellently

The criteria for the performance assessment of the Board of Directors are divided into 5 levels as follows:

More than 90 equals 'excellent'.

More than 80 equals 'very good'.

More than 70 equals 'good'.

More than 60 equals 'fairly'.

Less than 60 equals 'It should be improved'.

The result of the Board Self-Assessment executed by the committees for the year 2015 can be summarized as follows:

2) The performance assessment of President and CEO

The Board of Directors appoints the Nomination and Compensation 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 assessment to Board of Directors' meetings to be informed

Nevertheless, a conclusion to the performance assessment of President and CEO is individual confidential which cannot be disclosed. Criteria for the assessment can be divided into 2 parts as follows:

Part 1: The assessment of Key Performance Indicator (KPI)

Part 2: The assessment of Competency

◆ The result of the self-assessment of the Executive Committee, the Audit Committee, the Nomination and Compensation Committee, and the Good Corporate Governance Committee

Topic to be assessed (The committee assessment)	Result of the assessment				
	Full marks	Average marks			
		The Executive Committee	The Audit Committee	The Nomination and Compensation Committee	The Good Corporate Governance Committee
1) Structure and qualifications of the Committee	20.00	20.00	20.00	20.00	19.50
2) Meeting of the Committee	20.00	20.00	20.00	20.00	19.50
3) Roles, duties, and responsibilities of the Committee	60.00	60.00	59.03	60.00	59.70
Total	100.00	100.00	99.03	100.00	98.70

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. Rachada Yongsawadvanich) 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 11,205,500 Baht as follows:
  - MBK Company Limited 2,110,000 Baht
  - Subsidiaries 9,095,500 Baht

6.2 Non-Audit Fee

- No. -

THE INTERNAL CONTROL AND RISK MANAGEMENT

THE INTERNAL CONTROL

The Company has continuously placed importance on the internal control because it realizes that an internal control system is a crucial mechanism for the Company to run its business in order to achieve its goals efficiently and effectively, using resources and asset management, reporting financial information, complying with the law, rules, and regulations, and preventing or reducing risks of any actions which may damage the Company. The Board of Directors has clearly specified roles and duties of the committees and the Management Team. The Board has also supervised them to comply with stipulated roles and duties by setting the organizational structure and its distinct chain of command for checks and balances and appropriate internal control, and set its business goals and Key Performance Indicators (KPI) in order to assess the efficiency and follow up its operational performance compared with the organization's goals regularly.

The Board of Directors has formulated a policy on Good Corporate Governance, business ethics and a code of conduct for the Company's directors, executives, and employees, an anti-corruption policy, and a policy on notification of clues or complaints in writing. The Board has also launched a campaign to promote every employee to have awareness and continuously act on this practice by providing the employees with annual knowledge training so that the performance is transparent and fair to every group of stakeholders, a follow-up process and clear punishment, reviewing and preparing written manuals of the execution of authority and performance of every system which are used as guidelines on performance and help with flexible and systematic business operations. The scope of duties and responsibilities, and the internal control system are taken into consideration.

The Board of Directors allows the Audit Committee to supervise the internal control system, the risk management system, the corporate governance system whether those systems are appropriate and efficient, including the compliance of related laws, orders and regulations, preventing conflicts of interest. Making, related transactions to control and utilizing, asset in order to prevent fraud or misconduct. The Company sets up an auditing mechanism for checks and balances by establishing the internal audit division an independent, unit who reports directly to the Audit Committee, performs audit, evaluates the efficiency and sufficiency of the internal control system, the risk management system and the corporate governance system in the performances of all units in the Company and its subsidiaries. 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 governance in order to allow the Company's performances to pursue the utmost of operational performance efficiently and effectively.

Besides, the Board of Directors has revised the assessment of the sufficiency of the 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. The Company has not found any significant flaws affecting the Company's internal control system.

THE RISK ASSESSMENT

The Company realizes the importance of the risk management which may affect the business operations, from the organization's both internal and external factors. The Company then 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. For example, they are strategic, operational, financial, compliance, event risk factors, including risks from corruption. These risks are divided into risks for MBK Group, business group, organization, and division levels. 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.

THE PERFORMANCE 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 regularly. Each position can be run by checks and balances, and a mechanism for proper rechecks- particularly, operational performance entailing crucial risks such as financial transactions, selling, procurement, or asset management - in order to prevent and reduce errors. Also, each position's work performance is regularly reexamined by an internal audit division 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 parties 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).

THE 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 directors, executive members, employees, shareholders, customers and stakeholders. 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 channels of communication to publicize the Company's policies, rules and regulations, manuals/processes of operational performance, information, and notification of corruption (Whistle-blower) through various channels of communication established by the Company.

THE FOLLOW-UP SYSTEM

The Board of Directors provides a system to evaluate and follow up the internal control system and risk management 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 problems. 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 to ensure that findings found from auditing and 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 on a quarterly and yearly basis. As a result of reviews conducted by certified accountants and internal auditors, no significant fault is found.

THE INTERNAL AUDIT

The Internal Audit Committee has monitored that the internal control division has built assurance and given consulting advice independently and fairly about examining and evaluating the sufficiency of the internal control system covering the working processes of the Company and its subsidiaries, submitting a report to the Audit Committee every month, regularly following up results of the improvement of operational processes to be more appropriate - particularly, issues that are important or related to high risks - and being reported of abnormal incidents such as corruption and malpractice in order to find causes and measures to prevent damage or reoccurrence so that it can ensure that the Company's performance has the sufficient, appropriate, and efficient internal control system as well as the risk

management at a level accepted by the Company. The Company's Good Corporate Governance is also monitored in order to achieve the organization's goals of its operation. The Charters of the Audit Committee and the Internal Audit Division and an internal auditor's code of conduct are clearly set as guidelines for operation. Also, these are annually reviewed for their appropriateness.

The Internal Audit Division has developed the internal audit system to accord with the International Standards for the Professional Practice of Internal Auditing (IIA) by setting the control self-assessment according to the standard and satisfaction assessment of audited. Moreover, audit competency is imposed to assess the performance quality of internal auditors in order to continuously improve efficiency and effectiveness of the Internal Audit Division and recognize actual 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, for example.

THE RISK MANAGEMENT

The Risk Management Committee of MBK GROUP

The 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, Business Unit (BU) and MBK Shopping Center. In 2015, MBK Group re-reviewed the risk management in order that the risks were more strategic and initially piloted in 3 business groups - the Shopping Center business, Food business, and Financial business. The new risk management is applied to the rest of the business groups in 2016.

Risks in all levels of the organization and may directly affect the business can be divided into 5 aspects that may directly affect the business as follows:

- **Strategic Risk** is the risk in important strategies and policies of the Company. It can arise from inappropriate strategy formulation or implementation, or the inconsistency of the policy, targets, strategies, organization's structure, the state of competition, resources, plan implementation and environment. However, the Company has regularly followed up on important strategies and policies that may affect the Company' operational performance in order to achieve its strategic goals.
- **Operational Risk** is the risk that can arise from every operational process. It covers all factors related to the process, tools, IT, and personnel that may 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 may cause damage on the organization so that the operational performance can be correct and appropriate.
- **Financial Risk** is the risk that can arise out of the ineffectiveness of budget, financial problems and risks

that can affect the performance and financial status of the organization. The Company has always generated sufficient fund in time to reduce the risks that can affect the Company's investment.

- **Compliance Risk** is the risk that can arise out of the inability to comply with the regulations or the related rules and laws. It can be that the rules and laws are inappropriate and become an obstacle to the operation. However, the Company has also considered the compliance with the rules inside and outside the organization as well as important laws by supervising and examining the strict compliance by the related rules and laws.
- **Hazard Risk** is the risk that can affect the life safety of customers, tenants, employees and the organization's property. The hazard can come from both internal and external factors. The Company has set up a policy and safety measure to strictly prevent such risk that may 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 THB 10 million 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.

THE 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 2015, 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 were announced and the related compliance manuals were prepared. Distributed to the directors, executives and employees of the Company as well as its subsidiaries, the compliance manuals served as guidelines for performing their responsibilities. Newly recruited employees would be provided with training on basic code of ethics and code of conduct, ensuring that they had a correct understanding and were able to put them into practice. The Company also regularly and continuously organized activities aimed at providing all its employees with the knowledge about the codes and inculcating in them the consciousness of the codes.

The Company has 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 sign in order to acknowledge and have understanding of the business operation manual of the ethics that the Company has established and use it as guidelines to perform their duties with integrity, honesty, and fairness. Those who refrain from these will be investigated and appropriate disciplinary punishment will be made, which may be extent to the termination of employment and even legal action will be made in the case of illegal conduct.

THE 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 was 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 had to be disclosed in the annual report.

As regards the transactions which may 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 principles of the Good Corporate Governance, the Company has determined that the directors and executives have to report their advantages and disadvantages, including their involved parties, according to laws and regulations, to the secretary of the Company as crucial information for following up and monitoring the directors and executives, their involved parties, in the management of the Company and its subsidiaries.

In 2015, there was no event shown inappropriate behavior or practice involving a conflict of interest.

THE 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 benefits 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' benefits. The related details are as follows:

The 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 benefits.

The 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.

The trading of the Company's shares

They are prohibited from trading the Company's 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 2015, there was no event shown 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, 2015

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. *2015	(%)	31 Dec. *2014	Number of Shares : Increase (decrease) during the year	31 Dec. *2015	(%)	31 Dec. *2014	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	71	- 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	8	3	-	
2 Mr. Suphadej Poonpipat Vice Chairman and Chairman of the Compensation and Nomination Committee	65	- Master of Science, University of Wisconsin, U.S.A.	-	-	-	-	-	-	-	-	-	9	4	-	
3 Professor Paichitr Rojanavanich Independent Director and Chairman of the Audit Committee	87	- 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	- Vice 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 152-153					
	2003 - Present	- Director	- B.V. Holding Company Limited					
	2002 - Present	- Chairman of the Board of Directors	- Thanachart Bank Public Company Limited					
	2015 - Present	- Director	- 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					
	1987 - Present	- Director	- Thai Farmimg 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 - 2015	- Member of the Compensation and Nomination	- MBK		✔	RCP	2012	
	2015 - Present	Committee	- MBK		✔	FGP	2012	
	Present	- Chairman of the Compensation and Nomination	- The subsidiaries and associates of MBK as shown on page 152-153					
	2007 - Present	Committee	- Royal Orchid Hotel (Thailand) Public Company Limited					
	2007 - Present	- Director	- Thai Royal Orchid Real Estate Company Limited					
	2005 - Present	- Director	- Thanachart Bank Public Company Limited					
		- Director						
	Sep 2012 - Present	- Vice Chairman of the Board of Directors and						
	2003 - Present	Chairman of the Executive Committee						
	2006 - Present	- Director and Chairman of the Executive Committee	- Thanachart Insurance Public Company Limited					
	2011 - Sep 2012	- Vice Chairman of the Board of Directors	- Thanachart Insurance Public Company Limited					
	Sep 2012 - Present	- Director	- Siam Piwat Company Limited					
	2007 - Present	- Director	- Siam Piwat Holding Company Limited					
	2010 - Present	- Vice Chairman of the Board of Directors	- Patum Rice Mill and Granary Public Company Limited					
		- Chairman of the Board of Directors and	- Patum Rice Mill and Granary Public Company Limited					
		Chairman of the Executive Committee						
		- Vice Chairman of the Board of Directors and	- Thanachart Capital Public Company Limited					
		Chairman of the Executive Committee						
		- Chief Executive Officer	- Thanachart Capital Public Company Limited					
	Present	- Independent Director and Chairman of the Audit	- MBK		✔	ACP	2006	None
	Present	Committee			✔	DAP	2004	
	Present	- Independent Director and Chairman of the Audit	- Muramoto Electron (Thailand) Public Company Limited		✔	DCP	2003	
	1993 - Present	Committee						
	1985 - Present	- Independent Director and Chairman of the Audit	- G Steel Public Company Limited					
		Committee						
		- Chairman of the Board of Directors	- The Far East Law Office (Thailand) Company Limited					
		- 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. *2015	(%)	31 Dec. *2014	Number of Shares : Increase (decrease) during the year	31 Dec. *2015	(%)	31 Dec. *2014	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	85	- Master of Business Administration, Pennsylvania University, U.S.A.	2,155,000	0.114%	2,155,000	-	-	-	-	-	-	1	1	-	
5 Mr. Pracha Jaidee Independent Director and Member of the Audit Committee and Member of the Compensation and Nomination Committee	60	- Master of Business Administration, Kasetsart University	-	-	-	-	-	-	-	-	-	2	1	-	
6 Ms. Panit Pulsirivong Independent Director and Member of the Compensation and Nomination Committee	67	- 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%	404,990	-	-	-	-	-	-	4	1	9	
7 Mr. Piyaphong Artmangkorn Director	58	- Master Degree, Public Administration (Taxation), University of Southern California, U.S.A.	-	-	-	-	-	-	-	-	-	1	1	-	
8 Mr. Suvait Theeravachirakul Director and CEO	56	- 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	1,383,000	0.073%	1,287,000	96,000	370,000	0.020%	130,000	240,000	-	71	5		

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 1993 - Present	- Independent Director and Member of the Audit Committee - President	- MBK - Alpha Business Center Company Limited		✔ ✔	DCP DAP	2005 2004	None
2007 - Present 2006 - Present 2004 - Present 2004 - Present	- Independent Director and Member of the Audit Committee and Member of the Compensation and Nomination Committee - Director - Member of the Audit Committee - Advisor	- MBK - Batan Marble Company Limited - MBK Resort Public Company Limited - MBK Resort Public Company Limited		✔ ✔	ACP DAP	2007 2004	None
2006 - Present Present 1974 - Present 1988 - Present 1996 - Present 1985 - 1996 1997 - Present 1993 - Present 1994 - 2015 2015 - Present 2000 - Present 2005 - Present 2008 - Present 2014 - Present 2015 - Present 2015 - Present	- Independent Director and Member of the Compensation and Nomination Committee - Chairman of the Board of Directors and General Manager - Executive Director - Managing Director - Vice Chairman - Director - Vice Chairman - Director - Executive Secretary - Chairman - Chief Operating Officer and Chairperson, Public Relations Department - Conciliatot - Honorary Advisor to the Committee - Director - Sub Committee - Honorary Advisor	- MBK - Naew Na Newspaper Company Limited - World Express Company Limited - Naew Na Network Company Limited - The Royal Chiangmai Golf Resort Co., Ltd. - Thammasat Association - Thammasat Association - One Thousand Baht Fund for the Building Celebrating 60th Anniversary Thammasat University, Thammasat University - Bangkok Scholarship Foundation - Bangkok Scholarship Foundation - The Organ Donation Centre, The Thai Red Cross Society - The Samut Prakan Provincial Court - Committee on Social Development and Children, Youth, Women, the Elderly, the Disabled and the Underprivileged Affairs of the Senate, Kingdom of Thailand - Friends in Need (of "PA") Volunteers Foundation Thai Red Cross - Human rights and Education - National Assembly		✔ ✔ ✔ ✔	RCC ACP DCP DAP	2009 2006 2005 2004	None
1998 - Present 2006 - Present 2005 - Present 2005 - Feb. 2009 2001 - 2008 2000 - 2008 2005 - 2007	- Director - Member of the Executive Committee - Executive Vice President - Chairman of the Board of Directors and Chairman of the Executive Committee - Director - Director - Director and Executive Director	- MBK - MBK - Thanachart Bank Public Company Limited - Thanachart Securities Public Company Limited - Thai Royal Orchid Real Estate Company Limited - Royal Orchid Hotel (Thailand) Public Company Limited - Thanachart Capital Public Company Limited		✔	DAP	2003	None
2002 - Present 2002 - Present Present 2007 - Present 2005 - Present 2009 - Present 2000 - Present 1994 - Present	- Director and CEO - Member of the Executive Committee - President - Chairman of the Board of Directors and Director - Independent Director and Member of the Audit committee - Independent Director and Member of the Audit Committee and Member of Risk Management Committee - Vice Chairman of the Executive Committee - Director - Director	- MBK - MBK - MBK - The subsidiaries and associates of MBK as shown on page 152-153 - IFS Capital (Thailand) Public Company Limited - Thai Rung Union Car Public Company Limited - Patum Rice Mill and Granary Public Company Limited - Royal Orchid Hotel (Thailand) Public Company Limited - Vachirachat Company Limited		✔ ✔ ✔	SFE ACP DCP	2010 2006 2001	None

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. *2015	(%)	31 Dec. *2014	Number of Shares : Increase (decrease) during the year	31 Dec. *2015	(%)	31 Dec. *2014	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. Hatchapong Phokai Director	54	- Master of Business Administration, Chulalongkorn University	-	-	-	-	-	-	-	-	-	10	1	-	
10 Mr. Atipon Tantivit Director	39	- Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration, Chulalongkorn University	-	-	-	-	6,450,000	0.342%	6,450,000	-	Mr. Atipon Tantivit is a son of Mr. Banterng Tantivit	10	1	-	
Executive Management															
1 Mr. Suvait Theeravachirakul President and CEO	The details of Mr. Suvait Theeravachirakul was shown on the part of the Board of Directors' background														
2 Mr. Pongsak Sabdasen Senior Executive Vice President, Office of President	64	- 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	56	- Master of Accounting, Thammasat University	-	-	-	-	-	-	-	-	-	65	2	-	
4 Ms. Yupapun Paritranun Senior Executive Vice President, Internal Audit	51	- Master of Science, Chulalongkorn University - Certified Internal Auditor (CIA), The Institute of Internal Auditors, U.S.A.	-	-	-	-	-	-	-	-	-	-	1	-	
5 Mr.Somphol Tripopnart Senior Executive Vice President, Sales Division	57	- Master of Business Administration (M.B.A.) Kasetsart University	-	-	-	-	-	-	-	-	-	38	1	-	
6 Mr. Apichat Kamoltham Executive Vice President Legal Division	55	- Master of Law Ramkhamhaeng University - Barrister at Law, Thai Bar Association	10,000	0.001%	10,000	-	-	-	-	-	-	3	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	
	2000 - Present Present 2000 - 2007 1999 - 2004	- Director - Director - Director - Director	- MBK - The subsidiaries and associates of MBK as shown on page 152-153 - NFS Asset Management Company Limited - Thanachart Securities Public Company Limited		✔	DAP	2004	None
	2003 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2003 - Present 2003 - Present Present	- Director - Managing Director - Director - Director - Director - Director - Director - Director - Director - Director - Director	- MBK - B.V.Holding Company Limited - G.M.R.Company Limited - Kata Villages Company Limited - Learmsai Villages Company Limited - Phuket Development Company Limited - A.T. Design and Jewelry Company Limited - Thai Farming Company Limited - B.V. Company Limited - S.L.S Holding Company Limited - A.T. Venture Media Company Limited		✔	DCP	2006	None
	2006 - Present Present 2000 - 2006	- Senior Executive Vice President, Office of President - Director - Senior Executive Vice President, Operation	- MBK - The subsidiaries and associates of MBK as shown on page 152-153 - MBK		✔	DCP	2004	None
	2003 - Present Present	- Senior Executive Vice President, Finance and Administration - Director	- MBK - The subsidiaries and associates of MBK as shown on page 152-153		✔	DCP	2004	None
	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 152-153 - MBK		✔	DCP	2005	None
	2013-2015 2008-2013 2002-2007 2006-2007 2015-Present	- Senior Executive vice president Sales Division - Executive Vice President - Marketing director - Independent Director - Senior Executive vice president Sales Division and Acting Senior Executive Vice President Marketing Division	- MBK - Islamic Bank of Thailand - krungthai panich insurance public company limited - Ua Withya Public Company Limited - MBK		✔	DCP	2006	None
	2010 - Present 2007 - 2010 2005 - 2007	- Executive Vice President, Legal - Director - Vice President Case & Juristic Person Department - Vice President of Legal & Debt Collection Department	- MBK - The subsidiaries and associates of MBK as shown on page 152-153 - MBK - Navaleasing Public Company Limited		✔	DCP	2011	None

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. *2015	(%)	31 Dec. *2014	Number of Shares : Increase (decrease) during the year	31 Dec. *2015	(%)	31 Dec. *2014	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)	
7 Mr. Satit Saisorn Acting Executive Vice President Operation	51	- Master of Business Administration (MBA) Kasetsart University	10,000	0.001%	10,000	-	-	-	-	-	-	3	1	-	
Secretary of the Company															
1 Miss. Dararat Homrossukhon Secretary of the Company	48	- 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%	1,180,000	-	-	-	-	-	-	-	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	
	Present 2011-2015	- Acting Executive Vice President Operation - Managing Director	- MBK - Paradise Park Company Limited		✔			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, 2015

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 Square Company Limited	MBK Chiangmai Company Limited	PT Retail Corporation Limited	MBK Digital Company Limited	MBK Online Company 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	Supsinthanee 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	Phuket Loch Palm Golf Club Company Limited	MBK Bangyai Company Limited	Lam Luk Ka Golf and Country Club Company Limited	Ma Boonkhrong Sitrichai Enterprise 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
The Board of Directors																																						
Mr. Banterng Tantivit															/	/														x								
Mr. Suphadej Poonpipat															/	/									/	/		/		/					/			
Professor Paichitr Rojanavanich																																						
Ms. Prakong Lelawongs																																						
Mr. Pracha Jaidee																																						
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	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	x	x	x
Mr. Pongsak Sabdasen																														/	/								
Mr. Kasemsuk Chongmankhong	/	/	/	/	/	/	/	/	/	/	/	/	/	/			/	/	/	/	/	/	/	/					/	/	/	/	/	/	/	/	/	/	/
Ms. Yupapun Paritranun																																							
Mr. Somphol Tripopnart																																							
Mr. Apichat Kamoltham	/				/	/	/	/	/	/	/		/	/				/				/	/	/					/		/	/		/	/		/	/	/
Mr. Satit Saisorn		/		/								/																											

Board of Directors and Executive Management / Companies	Lan Bangna Company Limited	Kathu Land Company Limited	MBK Residence Company Limited	MBK Sukhumvit Company Limited	MBK Realty Company Limited	Patum 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 Restaurant Group 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	MBK Club 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																																								
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	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/		/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Ms. Yupapun Paritranun																									/														
Mr. Somphol Tripopnart																																								
Mr. Apichat Kamoltham	/	/	/	/	/									/	/		/		/	/	/																		
Mr. Satit Saisorn																																								

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 2015 (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 CAPITAL PUBLIC CO., LTD. ("TCAP") (SELLER)

1. Transaction Date January 5, 2015
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 Capital Public Co., Ltd. ("TCAP")	- A major shareholder of MBK	-	9.9964%	1. Mr. Banterng Tantivit 2. Mr. Suphadej Poonpipat 3. Mr. Piyaphong Artmangkorn

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. Thanachart Capital PCL.	37,450,000	-	53.50	35,700,000	-	51.00
2. MBK PCL.	32,550,000	-	46.50	34,300,000	-	49.00
Total	**70,000,000**	**-**	**100.00**	**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 September 30, 2013
   5.1 Selling price amount of THB 23,168,836.00
   5.2 The connected transaction size is 0.1502% 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.

THE REPORT OF THE AUDIT COMMITTEE

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

Ms. Yupapun Paritranun, Senior Executive Vice President of the Company's Internal Audit Division, acts as the Secretary of the Audit Committee.

The Audit Committee has performed its duties in accordance with the charter of the Audit Committee which is assigned by the Board of Directors. It also complies with the regulation of the Stock Exchange of Thailand. In the accounting period of the year 2015, the Audit Committee convened a total of 16 meetings in order to consider issues. The relevant issues were discussed by the Audit Committee, the Management Team, the Internal Audit Division, and auditors. The report of the meeting was submitted to the Board of Directors for acknowledgement every time. The main points of the year-round missions can be summarized as follows:

THE FINANCIAL STATEMENT REPORTS

The Audit Committee, together with the auditors, the Management Team, and the Internal Audit Division, 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 important issues, providing useful recommendations and comments, and taking independence of auditors into account, for the purpose of ensuring that the Company's financial statements were accurate, reliable, compliant with certified accounting standards and principles, as well as ensuring that the disclosure of important information was sufficient and timely for the sake of financial statement users. In addition, the Audit Committee had meetings with the auditors without the Management Team attending the meetings.

THE RELATED TRANSACTIONS OR CONFLICT OF INTEREST TRANSACTIONS

The Audit Committee considered and gave opinions about related transactions or transactions that might give rise to a conflict of interest with the Company and its subsidiaries, relying on integrity, precautions, rationality, transparency and taking the interest of the Company and stakeholders into account. Information was sufficiently disclosed in line with the regulations imposed by the Stock Exchange of Thailand.

THE INTERNAL CONTROL AND RISK MANAGEMENT

The Audit Committee reviewed the adequacy of the Company's and its subsidiaries' internal control system and risk management by considering performance, asset management, prevention of damage or corruption, obedience to law, rules, and regulations. The Committee also reviewed reports of the Internal Audit Division and the auditors, along with results of adjusted or improved important issues, in order to assess the appropriateness and the efficiency of the Company's internal control system, risk management, and performance of the Management Team that conformed to the policies and stipulated authority.

THE COMPLIANCE WITH RULES AND REGULATIONS

The Audit Committee reviewed the Company's performance in order to ensure that it was compliant with law and stipulations imposed by the regulatory authorities relevant to the business, and the Company's policies, rules, and regulations as well. The Committee were informed of changes in rules and regulations which had an impact on the Company's business operations.

THE GOOD CORPORATE GOVERNANCE

The Audit Committee reviewed and evaluated Good Corporate Governance to ensure that the Company managed in accordance with the principles of Good Corporate Governance in order to build confidence to stakeholders.

THE INTERNAL AUDIT

The Audit Committee annually reviewed the Charter of the Audit Committee and the Charter of the Internal Audit Division as well as considered the independence of the Internal Audit Division, its scope of responsibilities, annual audit plans, and performance as planned. The Audit Committee also considered the audit reports, monitored solutions to important issues mentioned in the audit reports, giving advice on how to improve the audit performance to be more efficient. The committee also considered the sufficiency and appropriateness of budgets, the personnel, training and personnel development. In addition, the committee considered key performance index (KPI) and evaluated the annual performance of the Senior Executive Vice President and employee of the Internal Audit Division, and assigned the division to take self-assessment internal control by using the internal audit standards that is were in accordance with the International Standard for the Professional Practice of Internal Auditing.

CONSIDERING THE SELECTION OF AUDITORS AND THEIR REMUNERATION

The Audit Committee selected and considered the remuneration of the auditors of EY Office Company Limited by considering auditors' qualifications, knowledge, capabilities, experiences, and independence of the auditors which were in accordance with the regulations of The Stock Exchange of Thailand or any other related agencies, and the quality of auditing in the previous year. The Audit Committee approved that the auditors from EY Office Company Limited had 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 2015 to appoint EY Office Company Limited as the Company's auditor.

The Audit Committee carried out their duties by the use of knowledge, abilities, precautions for the sake of utmost benefits of the Company and stakesholders. The Audit Committee deemed that during the accounting period ended on 31st December 2015, the Company established the internal control system and risk management sufficiently and properly. The Company's operations were in accordance with the relevant stipulations and law, and good corporate governance. Financial statement reports were well-prepared according to certified accounting standards and information disclosed in the financial statement reports were sufficient and reliable.

PROFESSOR PAICHITR ROJANAVANICH
Chairman of the Audit Committee
25th February 2016

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, 2015 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, 2015 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. Mr. SuphadejPoonpipat	Chairman of the Nomination and Remuneration Committee
2. Mrs. Panit Pulsirivong	Member of the Nomination and Remuneration Committee (Independent director)
3. Mr. Pracha* Jaidee	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 2015, 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.

*** Note**

First Lieutenant Chatrachai Bunya-Ananta, Chairman of the Nomination and Remuneration Committee (Independent director), passed away on April 18th, 2015. Therefore, at the Board of Directors' meeting of MBK no. 5/15 held on May 8th, 2015, Mr. Pracha Jaidee, who is a suitably qualified independent director, was appointed as Member of the Nomination and Remuneration Committee.

MR. SUPHADEJ POONPIPAT

Chairman of the Nomination and Remuneration Committee

REPORT OF THE GOOD CORPORATE GOVERNANCE COMMITTEE

The Company's Board of Directors approved the establishment of the Good Corporate Governance Committee on 3rd June 2015. The Good Corporate Governance Committee consists of ten members as follows:

1.	Mr. Banterng	Tantivit	Chairman of the Good Corporate Governance Committee
2.	Mr. Suphadej	Poonpipat	Member of the Good Corporate Governance Committee
3.	Prof. Paichitr	Rojanavanich	Member of the Good Corporate Governance Committee
4.	Mrs. Prakong	Lelawongs	Member of the Good Corporate Governance Committee
5.	Mr. Pracha	Jaidee	Member of the Good Corporate Governance Committee
6.	Mrs. Panit	Pulsirivong	Member of the Good Corporate Governance Committee
7.	Mr. Piyaphong	Artmangkorn	Member of the Good Corporate Governance Committee
8.	Mr. Suvait	Theeravachirakul	Member of the Good Corporate Governance Committee
9.	Mr. Hatchapong	Phokai	Member of the Good Corporate Governance Committee
10.	Mr. Atipon	Tantivit	Member of the Good Corporate Governance Committee

Ms. Dararat Homrossukhon, the Company Secretary and Vice President Compliance, acted as Secretary of the Good Corporate Governance Committee.

The Good Corporate Governance Committee is responsible for considering and reviewing the policy on Good Corporate Governance and guidelines on corporate governance appropriate with the company in order to comply with international standards of Good Corporate Governance. Under relevant law, principles, and regulations, the Good Corporate Governance Committee gives supervision and advice in accordance with the policy on Good Corporate Governance. The Committee also provides monitoring and internal audits concerning anti-corruption measures.

For the year 2015, the Good Corporate Governance Committee held 1 meeting in order to carry out its duties according to its specified responsibility. It was then reported to the Audit Committee and the Board of Directors respectively. Its important operations were as follows:

- To consider improvements in a policy manual of Good Corporate Governance and business ethics in order that this manual is complete, explicit, up-to-date, and compliant with principles of good corporate governance set by the Stock Exchange of Thailand (SET) and criteria set by Thai Institute of Directors (IOD).
- To consider and make recommendations for the development of the corporate governance according to a project on promoting the corporate governance with emphasis on work operations and performance in order to conform with principles of good corporate governance.
- To give approval to the corporate governance utilized in the company and its subsidiaries. To make "the Action Plan for Good Corporate Governance" (Action Plan GCG) in order to be relevant to issues that the company's internal audit division proposed to be improved.

◆ To consider operation plans in order to follow guidelines on the project on the Collective Action Coalition of the Thai Private Sector against Corruption. For example, to appoint the committee on the project on the Collective Action Coalition of the Thai Private Sector against Corruption, to approve the anti-corruption policy, to approve the policy on notification of clues or complaints, to provide the company and its subsidiaries' employees with training in the policy on Good Corporate Governance and business ethics, and the policy on anti-corruption and notification of clues or complaints.

MR. BANTERNG TANTIVIT

Chairman of the Good Corporate Governance Committee

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

MBK Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

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 2015 and 2014 are as follows:

(Unit: Million Baht)

	For the years ended 31 December			
	2015	2014	Inc/Dec	
Operating revenue	11,550	9,113	2,437	27%
Operating profit	1,961	1,411	550	39%
Share of profit from investments in associates and joint venture	226	316	(90)	(28%)
Other income	436	650	(214)	(33%)
Finance costs	(487)	(411)	(76)	(18%)
Income tax expense	(374)	(362)	(12)	(3%)
Net profit	1,762	1,604	158	10%
Loss (profit) attributable to Non-controlling interest of the subsidiaries	53	(13)	66	508%
Net profit – attributable to equity holders of the Company	1,815	1,591	224	14%
Earnings per share (Baht)	1.36	1.19	0.17	14%

The overall operating results of the Group for the year ended 31 December 2015 in comparison with the same period of last year showed that the performance of all business units of the Group satisfactorily improved. The operating revenue for the years ended 31 December 2015 and 2014 were Baht 11,550 million and Baht 9,113 million, respectively, increased by Baht 2,437 million or 27%. The net profit attributable to equity holders of the Company ("the net profit") for the years ended 31 December 2015 and 2014 were Baht 1,815 million and Baht 1,591 million, respectively, increased by Baht 224 million or 14%. The significant changes were as follows:

- MBK Shopping Center and Pathumwan Princess Hotel were affected by a major political rally during 9 January to 2 March 2014, which Pathumwan intersection area in front of MBK Shopping Center was blocked by the protesters. In addition, the political unrest and the announcement of martial law in May 2014 also impacted to operations of other business of the Group including associates resulted in lower performance during such period. However, in 2015 the political unrest returned to a normal situation and then, the operation of all business segments generated a better performance.

- The real-estate business had a high operating results due primarily to the revenue recognition of Baht 1,856 million from the project "Quinn Condominium" which completed and began revenue recognition when the transfer of ownership since August 2015.

- Share of profit from investments in associates and joint venture decreased by Baht 90 million or 28%. The major reason was an associate that engages in life insurance business had operating loss due mainly to the decline in fair value of investment in marketable securities.

- Other income decreased by Baht 214 million or 33%, because in 2014, there were major other income from gain on sale of the land in Rayong and gain on sale of investment in marketable securities totally of Baht 238 million.

- Finance costs increased by Baht 76 million or 18% due to the issuance of debenture during 2015 and the increase in short-term loans from financial institutions as mentioned in no. 4.1 and 4.3 respectively.

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 (the company that engages in such business is classified as an associate therefore the recognition of operating results is in the form of profit sharing).

8. Supporting business performs as a back office functions for the Group.

The significant movements in operating revenue and operating profit/(loss) by segment for the year ended 31 December 2015 when compared to the same period of 2014 were as follows:

2.1 Operating revenue – by segment

(Unit: Million Baht)

	For the years ended 31 December			
Segment	**2015**	**2014**	**Increase/(Decrease)**	
Shopping Center	4,004	3,895	109	3%
Hotel	1,189	1,123	66	6%
Golf	465	378	87	23%
Real-estate	2,195	539	1,656	307%
Food Solution	2,554	1,952	602	31%
Finance	1,134	1,182	(48)	(4%)
Other	-	37	(37)	(100%)
Supporting	9	7	2	29%
Total	**11,550**	**9,113**	**2,437**	**27%**

The operating revenue of the Group for the years ended 31 December 2015 and 2014 were Baht 11,550 million and Baht 9,113 million, respectively, which increased sharply by Baht 2,437 million or 27%. The major changes in operating revenue by segment were as follows:

2.1.1 The revenue of shopping center business increased by Baht 109 million or 3%. The major changes were as follows:

- The revenue of MBK Shopping Center increased by Baht 91 million due to the increase in annual rental rate according to the economic conditions. In addition, in 2014 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. On the other hand, during 2015 the partial rental space for rent was temporarily closed for renovation to become a modern shopping center and support the new tenant style.

- The commencement in operations of shopping center "Ha Ha" on Srinakarin Road which the educational zone was opened in April 2014 and the commercial zone was partially opened in October 2014. Therefore, the revenue increased by Baht 20 million.

2.1.2 The revenue of hotel business increased by Baht 66 million or 6%. The major changes were as follows:

- Pathumwan Princess Hotel increased its occupancy rate resulted in higher revenue by Baht 112 million due to the impact of the political rally and the announcement of martial law in 2014 that resulted in the lower number of foreign tourists during such period.

- The revenue of Dusit Thani Krabi Beach Resort (formerly "Sharaton Krabi Beach Resort Hotel") and Layana Resort & Spa Hotel in Krabi, deceased by Baht 43 million due mainly to the renovation of hotel rooms during the low season period of 2015.

2.1.3 The revenue of golf business increased by Baht 87 million or 23% mainly due to the revenue from a new golf course "Bangkok Golf Club" which was acquired on 30 December 2014 (from debt restructuring). The new golf course generated revenue for the current year amount of Baht 101 million.

2.1.4 The revenue of real-estate business increased significantly by Baht 1,656 million or 307%. The major changes were as follows:

- The project "Quinn Condominium", a condominium located on Ratchadapisek Road Soi 17 was completed and recognized its revenue after the ownership transfer since August 2015 onwards. Therefore, the revenue recognition for such project in the current year was Baht 1,856 million. In addition, the Government stimulated the economy for real-estate section by temporary reduction the ownership transfer fee and mortgage collateral fee for 6 months period from 29 October 2015 to 28 April 2016. Consequently, ownership of many condominium units was transferred during the fourth quarter of 2015.

- The revenue from the residential projects “Sabai Village 2” in Phuket and “Baan Rommai Borwin 1” in Chonburi decreased by Baht 200 million because the construction of such projects were completed and recognized substantial revenue in 2014 and the projects are nearly closed for sales. In 2015, the several new residential projects have been under construction such as: “Baan Rommai 2 – Borwin Phase 1” in Chonburi was just completed and recognized its revenue in December 2015 in the amount of Baht 6 million, and “Bann Rommai 3 – Pluak Daeng Phase 1” in Rayong are still under construction which expected to be completed and recognized its revenue in the second quarter of 2016.

2.1.5 The revenue of food solution business increased by Baht 602 million or 31%. The major factor was an increase in sale of rice by Baht 535 million due to the higher purchase volume from foreign customers especially from China, Philippines and Indonesia.

2.1.6 The revenue of finance business decreased by Baht 48 million or 4%. The major changes are as follows:

- The revenue of lending business decreased by Baht 95 million mainly due to the debt restructuring to share capital of Bangkok Golf Club as mentioned in no. 2.1.3 resulted in lower interest income by Baht 61 million.

- The revenue of motorcycle hire-purchase business increased by Baht 47 million in line with the growth of business. Furthermore, in 2015, the hire-purchase for motorcycle business recognized other income amounting to Baht 21 million from the disposition by auction process of non-performing loan receivables portfolio, which had already been written-off to bad debts.

2.1.7 The revenue of other business entirely decreased by Baht 37 million mainly due to the fact that the two subsidiaries who engaged in motorcycle dealer business ceased its operations since June 2014.

Operating profit (loss) – by segment

(Unit: Million Baht)

	For the years ended 31 December			
Segment	**2015**	**2014**	**Increase/(Decrease)**	
Shopping Center	924	897	27	3%
Hotel	22	(80)	102	128%
Golf	26	14	12	86%
Real-estate	525	145	380	262%
Food Solution	77	54	23	43%
Finance	376	394	(18)	(5%)
Other	-	(14)	14	100%
Supporting	11	1	10	1,000%
Total	**1,961**	**1,411**	**550**	**39%**

The operating profit of the Group for the years ended 31 December 2015 and 2014 were Baht 1,961 million and Baht 1,411 million, respectively, increased by Baht 550 million or 39%. In overall, operating results varied according to the movements of revenue, normal economic conditions, the impact or political turmoil as mentioned above. The other significant change was that the operating profit of hotel business increased by Baht 102 million which higher than the growth of revenue because the major fixed assets of Pathumwan Princess Hotel were fully depreciated during the year 2015 resulted in lower depreciation when compared with last year period by Baht 53 million.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at 31 December 2015 when compared with the balance as at 31 December 2014 were as follows:

(Unit: Million Baht)

	31 Dec. 2015	31 Dec. 2014	Increase/(Decrease)	
Total assets	40,549	37,909	2,640	7%
Total liabilities	22,609	21,032	1,577	7%
Total shareholders' equity	17,940	16,877	1,063	6%

3. Assets

3.1 Current investments and other long-term investments

Current investments and other long-term investments mainly represented investments in equity securities which are classified as available-for-sale marketable securities. The balance as at 31 December 2015 was Baht 9,133 million, increased sharply by Baht 3,488 million or 62% primarily due to the purchase of available-for-sale marketable securities by Baht 3,350 million and the increase in fair value of the securities on hand at 31 December 2015 by Baht 140 million.

3.2 Trade and other receivables

Trade and other receivables balance as at 31 December 2015 was Baht 954 million, increased by Baht 336 million or 54%. The major increase of Baht 404 million was from the rice business due to the higher purchase volume from foreign customers in December 2015.

3.3 Loans to customers

Loans to customers (including current portion) balance as at 31 December 2015 was Baht 5,540 million, increased slightly by Baht 11 million or 0.2%. The major changes were follows:

a) The increase of Baht 298 million in the hire-purchase receivables for motorcycle was due to the continuous growth of the business.

3.4 Inventories

Inventories balance as at 31 December 2015 was Baht 2,428 million, decreased by Baht 581 million or 19%. The major reason was from the costs of property development for sale decreased by Baht 640 million due to the followings:

a) The costs of project "Quinn Condominium" located on Ratchapisek Road decreased by Baht 844 million due to the recognition of revenue and its related costs since August 2015.

b) The residential costs of project "Baan Rommai 2 – Borwin Phase 1" located in Chonburi increased by Baht 84 million. The construction of such project was completed and recognized its revenue and related costs since December 2015.

c) The residential costs of project "Baan Rommai 3 and 4 – Pluak Daeng" located in Rayong increased by Baht 125 million which the projects are under construction.

3.5 Investment in associates and joint venture

Investment in associates and joint venture balance as at 31 December 2015 was Baht 3,668 million, increased by Baht 214 million or 6%. The significant movements were as follows:

a) The increase of Baht 86 million, from the additional investments in associates that engage in hotel business of Baht 61 million, life insurance business of Baht 23 million and golf business of Baht 2 million.

b) In February 2015, a subsidiary made a payment of Baht 50 million for the remaining investment in share capital of a company that operates Tokyu Department Store at Paradise Park under the joint venture agreement, representing 50% shareholding.

c) The increase of Baht 226 million, from the recognition share of profit under equity method.

d) The decrease of Baht 129 million, from the dividend income.

3.6 Investment properties

Investment properties balance as at 31 December 2015 was Baht 10,645 million, decreased by Baht 404 million or 4%. The significant movements were as follows:

	Description	Million Baht
1	The costs of renovation MBK Shopping Center and Skywalk project	205
2	Purchase a plot of land and buildings located around Bangkok Golf Club area	157
3	The costs of construction a car park building and land improvement around the Glaus House Ratchada Building, an office for rent.	23
4	Reclassification a partial of land under investment properties to a land under land held for development	(105)
5	Depreciation for the year	(702)
6	Others	18
	Total net movements	**(404)**

3.7 Property, plant and equipment

Property, plant and equipment balance as at 31 December 2015 was Baht 4,631 million, decreased by Baht 122 million or 3%. The significant movements were as follows:

	Description	Million Baht
1	The cost of land - registration fee paid for the transfer of land from Nasset Property Fund 1 to a subsidiary that operates golf course in Phuket due to the maturity date of the fund on 31 August 2015	92
2	The renovation costs of Dusit Thani Krabi Beach Resort (formerly “Sharaton Krabi Beach Resort Hotel”)	17
3	The renovation costs of Layana Resort & Spa Hotel in Krabi	43
4	Purchase of new car fleet to replace the old fleet	35
5	The renovation costs of food center and restaurant	31
6	Purchases of other operating equipment	112
7	Depreciation for the year	(451)
8	Others	(1)
	Total net movements	**(122)**

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. Prepaid rental fee balance as at 31 December 2015 was Baht 843 million, decreased by Baht 347 million or 29%. 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 2015 was Baht 29 million, decreased by Baht 227 million or 89%. 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. During 2015, the seller redeemed their assets in the amount of Baht 200 million.

3.10 Deferred tax asset

Deferred tax asset balance as at 31 December 2015 was Baht 395 million, increased by Baht 112 million or 40%. The major increase of Baht 105 million was from the expense related to the agreements granting the right to utilize the shopping center at Pathumwan intersection, which recognized as an expense on a straight-line basis over the lease periods according to the accounting basis. However, for the tax purpose, the expense is recognised based on the amount specified in the lease agreement. In 2015, the accounting recognized the expense higher than tax basis so the difference was identified as temporary difference and multiplied by the applicable tax rate in order to record as deferred tax asset.

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 2015 was Baht 1,696 million, increased by Baht 918 million or 118% mainly due to the business expansion and investment opportunities as mentioned in the assets section above.

4.2 Other current liabilities

Other current liabilities balance as at 31 December 2015 was Baht 704 million, increased by Baht 177 million or 34%. The major reasons were that the installment deposit from sale of Quinn Condominium increased by Baht 74 million and deferred interest income of the lending business increased by Baht 26 million.

4.3 Long-term debentures

Long-term debentures (including current-portion) balance as at 31 December 2015 was Baht 9,093 million, increased by Baht 1,000 million or 12%. In June 2015, the Company issued the long-term debentures of Baht 1,000 million with tenor of 3 years, for the purposes of working capital and/or the Group business expansion and/or settlement of liabilities.

4.4 Advance rental and service deposits

Advance rental and service deposits (including current-portion) balance as at 31 December 2015 was Baht 2,443 million, decreased by Baht 442 million or 15% which mainly representing advance for rental and services of shopping center business which was realised as income in 2015 amounting to Baht 447 million based on a straight-line basis over the lease periods.

5 Shareholders' equity

Total shareholders' equity balance as at 31 December 2015 was Baht 17,940 million, increased by Baht 1,063 million or 6%. The significant movements were as follows:

5.1 Retained earnings increased by Baht 1,017 million derived from the net profit for the year ended 31 December 2015 of Baht 1,815 million, and recognized actuarial gains of Baht 3 million. However, a decrease of Baht 801 million was from dividend payments.

5.2 The increase of Baht 104 million in other components of shareholders' equity was mainly due to the increase of Baht 119 million in unrealized gains on available-for-sale marketable securities, net of related deferred tax impact, as a result of the higher stock market price.

Analysis of the liquidity

6. Cash flows of the Group for the years ended 31 December 2015 and 2014 are summarised in table below.

(Unit: Million Baht)

	For the years ended 31 December			
	2015	2014	Cash flows Increase/(Decrease)	
Net income from operating activities before changes in operating assets and liabilities	3,252	2,202	1,050	48%
Net movements in operating assets and liabilities	439	(305)	744	244%
Net cash flows from operating activities	3,691	1,897	1,794	95%
Net cash flow received from (used in) investing activities	(3,924)	(812)	(3,112)	(383%)
Net cash flows received from (used in) financing activities	408	(2,178)	2,586	119%
Net increase (decrease) in cash and cash equivalents	175	(1,093)	1,268	116%

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 used in investing activities increased by Baht 3,112 million or 383% due to the following major reasons:-

Factors in cash increases:

a) Cash paid for investment in associates and joint venture decreased by Baht 487 million due to the following major reasons:

- In 2014, there was cash payment of Baht 419 million for investment in a new associate, Siam City Life Assurance Public Company Limited who operates life insurance business. However, in 2015 there was an additional investment in such associate of Baht 23 million.
- In 2014, there was payment of Baht 150 million for investment in a new joint venture that operates a department store business at Paradise Park Shopping Center. However, in 2015 there was additional payment for the remaining share capital of Baht 50 million as mentioned in no. 3.5 (b).

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 2015, 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 year.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MBK Public Company Limited and its subsidiaries and of MBK Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 25 February 2016

STATEMENT OF FINANCIAL POSITION

MBK Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2015	31 December 2014 (Restated)	31 December 2015	31 December 2014
Assets					
Current assets					
Cash and cash equivalents	7	746,929,264	571,922,830	303,792,052	136,460,556
Current investments	6, 8	3,745,600,635	887,248,142	3,025,631,731	310,972,400
Trade and other receivables	6, 9	954,201,648	618,297,398	85,218,792	109,859,930
Short-term loans to related companies	6	76,838,525	182,598,480	4,674,769,725	5,789,674,880
Current portion of loans to customers	10	1,414,888,313	1,544,222,915	1,095,093	2,393,798
Inventories	11	2,427,848,252	3,009,132,422	39,062,167	40,498,636
Other current assets	12	264,807,374	263,222,543	24,642,108	17,336,160
Total current assets		9,631,114,011	7,076,644,730	8,154,211,668	6,407,196,360
Non-current assets					
Restricted fixed deposits		5,744,969	2,859,247	-	-
Investments in associates	13	3,501,592,957	3,305,583,575	1,755,800,887	1,730,399,451
Investment in joint venture	14	166,795,634	149,248,311	-	-
Investments in subsidiaries	15	-	-	13,887,551,583	13,854,093,940
Other long-term investments	6, 16	5,387,662,680	4,757,775,267	4,794,006,801	4,180,267,273
Loans to customers - net of current portion	10	4,124,910,174	3,984,684,052	575,643	1,169,970
Investment properties	17	10,644,686,296	11,048,729,063	5,279,208,464	5,398,196,581
Land held for development	18	754,001,567	646,226,866	-	-
Property, plant and equipment	19	4,630,648,091	4,752,452,823	843,004,534	887,527,274
Leasehold rights		288,343,659	314,507,393	-	-
Prepaid rental fee		843,056,586	1,190,086,330	843,056,586	1,190,086,330
Goodwill	20	72,033,275	72,033,275	-	-
Intangible assets	21	68,813,862	61,866,937	49,977,813	43,597,971
Deferred tax asset	37	395,079,481	282,642,853	300,366,713	200,988,463
Property foreclosed	22	29,200,057	255,883,229	-	-
Other non-current assets		5,698,969	8,168,596	74,896	74,896
Total non-current assets		30,918,268,257	30,832,747,817	27,753,623,920	27,486,402,149
Total assets		40,549,382,268	37,909,392,547	35,907,835,588	33,893,598,509

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

MBK Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	*23*	1,696,121,509	778,076,251	683,000,000	165,000,000
Trade and other payables	*6, 24*	1,116,574,145	1,072,052,977	412,692,298	447,444,986
Short-term loans from other company		23,000,000	-	-	-
Short-term loans from related companies	*6*	75,000,000	117,000,000	3,423,557,000	2,967,257,000
Current portion of long-term debentures	*26*	1,999,907,021	-	1,999,907,021	-
Current portion of advance rental and service deposits		538,868,224	560,432,378	505,650,550	519,098,844
Current portion of long-term lease liabilities under financial lease agreements	*27*	11,866,152	-	11,866,152	-
Corporate income tax payable		215,586,515	182,612,193	67,933,832	116,200,153
Other current liabilities	*6, 25*	704,027,201	527,285,645	235,895,182	192,908,072
Total current liabilities		6,380,950,767	3,237,459,444	7,340,502,035	4,407,909,055
Non-current liabilities					
Long-term debentures - net of current portion	*26*	7,093,758,400	8,093,283,587	7,093,758,400	8,093,283,587
Advance rental and service deposits - net of current portion		1,903,734,344	2,324,195,134	2,264,209,971	2,529,872,682
Long-term liabilities under financial lease agreements - net of current portion	*27*	5,031,283,498	5,037,552,369	5,031,283,498	5,037,552,369
Provision for long-term employee benefits	*28*	157,586,208	153,898,635	58,480,154	59,069,083
Deferred tax liabilities	*37*	851,514,410	821,450,547	498,349,358	493,399,265
Deposits		1,174,132,114	1,349,687,820	775,613,916	803,467,599
Other non-current liabilities	*29*	15,780,929	14,542,815	33,131,941	13,824,073
Total non-current liabilities		16,227,789,903	17,794,610,907	15,754,827,238	17,030,468,658
Total liabilities		22,608,740,670	21,032,070,351	23,095,329,273	21,438,377,713

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

MBK Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
	Note	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Shareholders' equity					
Share capital	*30*				
Registered					
1,886,291,000 ordinary shares of Baht 1 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		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	*31*	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		11,100,873,440	10,083,714,134	7,456,845,569	7,119,700,717
Other components of shareholders' equity		2,274,809,090	2,170,658,145	1,993,332,246	1,973,191,579
Equity attribute to owners of the Company before treasury stock					
and non-controlling interests of the subsidiaries		19,715,498,047	18,594,187,796	15,617,786,926	15,260,501,407
Less: Treasury stock	*32*	(3,517,274,395)	(3,517,274,395)	(2,805,280,611)	(2,805,280,611)
Equity attributable to owners of the Company	*33*	16,198,223,652	15,076,913,401	12,812,506,315	12,455,220,796
Non-controlling interests of subsidiaries		1,742,417,946	1,800,408,795	-	-
Total shareholders' equity		17,940,641,598	16,877,322,196	12,812,506,315	12,455,220,796
Total liabilities and shareholders' equity		40,549,382,268	37,909,392,547	35,907,835,588	33,893,598,509

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Sales		4,832,696,390	2,624,773,194	-	-
Service and rental income		4,374,711,545	4,223,395,695	2,855,509,722	2,754,488,943
Revenue from hotel operations		1,250,929,046	1,123,769,545	653,569,063	541,900,229
Revenue from financial business	*34*	1,091,900,101	1,141,863,092	5,264,553	65,889,302
Other income					
Interest income		48,490,005	32,014,910	332,342,698	322,499,849
Dividend income		266,197,639	250,176,236	954,412,002	985,409,582
Gain on sale of investments		-	194,926,009	-	193,794,181
Gain on sale of assets		1,310,202	45,177,496	128,178	50,863,254
Others		120,844,294	128,323,905	12,173,195	70,260,149
Total revenues		11,987,079,222	9,764,420,082	4,813,399,411	4,985,105,489
Expenses					
Cost of sales		3,509,616,969	2,000,637,280	-	-
Cost of service and rental		2,665,350,687	2,499,241,219	1,399,973,992	1,385,442,193
Direct hotel operating expenses		887,902,938	926,138,220	464,840,491	495,075,337
Selling expenses		776,401,370	598,542,383	138,767,417	128,696,355
Administrative expenses		1,544,121,145	1,411,082,885	487,881,740	470,290,373
Total expenses		9,383,393,109	7,435,641,987	2,491,463,640	2,479,504,258
Profit before share of profit from investments in associates and joint venture, finance costs and income tax expenses		2,603,686,113	2,328,778,095	2,321,935,771	2,505,601,231
Share of profit from investments in associates and joint venture	*13.2, 14.2*	225,803,638	315,685,904	-	-
Profit before finance costs and income tax expenses		2,829,489,751	2,644,463,999	2,321,935,771	2,505,601,231
Finance costs		(693,129,145)	(678,826,861)	(860,023,125)	(823,451,197)
Profit before income tax expenses		2,136,360,606	1,965,637,138	1,461,912,646	1,682,150,034
Income tax expenses	*37*	(374,215,351)	(361,711,963)	(99,991,794)	(142,114,375)
Profit for the year		1,762,145,255	1,603,925,175	1,361,920,852	1,540,035,659

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Other comprehensive income:					
Net other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax:					
Gains on changes in values of					
in available-for-sale investments		115,271,619	85,056,037	19,985,939	33,212,529
Unrealised gains on investments in loans		154,728	1,651,230	154,728	1,651,230
Gains (losses) on changes in values of available-for-sale					
investment of an associate		(36,470,129)	14,360,422	-	-
Unrealised gains (losses) on investments in loans of an associate		(3,713,946)	10,384,812	-	-
Translation adjustment of an associate		25,314,703	3,932,522	-	-
		100,556,975	115,385,023	20,140,667	34,863,759
Net other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax:					
Actuarial gains		5,577,368	-	-	-
Actuarial losses of an associate		(331,525)	-	-	-
		5,245,843	-	-	-
Other comprehensive income for the year		105,802,818	115,385,023	20,140,667	34,863,759
Total comprehensive income for the year		1,867,948,073	1,719,310,198	1,382,061,519	1,574,899,418
Profit attributable to:					
Equity holders of the Company		1,815,184,805	1,591,412,886	1,361,920,852	1,540,035,659
Non-controlling interests of the subsidiaries		(53,039,550)	12,512,289		
		1,762,145,255	1,603,925,175		
Total comprehensive income attributable to:					
Equity holders of the Company		1,922,856,308	1,706,797,909	1,382,061,519	1,574,899,418
Non-controlling interests of the subsidiaries		(54,908,235)	12,512,289		
		1,867,948,073	1,719,310,198		
Earnings per share	*38*				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.36	1.19	0.80	0.90

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 2015

(Unit: Baht)

	Consolidated financial statements															
	Equity attributable to owners of the Company															
							Other components of shareholders' equity									
							Other comprehensive income									
	Issued and paid-up share capital	Premium on ordinary shares	Difference between the lower acquisition cost of business and fair value	Retained earnings			Unrealised gains (losses) on available-for-sale investments	Unrealised gains (losses) on investments in loans	Unrealised gains (losses) on available-for-sale securities of an associate	Unrealised gains (losses) on investments in loans of an associate	Translation adjustment of an associate	Total other components of shareholders' equity	Treasury stocks	Total shareholders' equity attributable to the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated												
				Statutory reserve	Treasury stock reserve	Unappropriated										
Balance as at 1 January 2014	1,886,291,000	1,276,037,500	172,206,408	200,000,000	2,805,280,611	9,293,847,305	1,972,531,412	(685,585)	-	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
Profit for the year	-	-	-	-	-	1,591,412,886	-	-	-	-	-	-	-	1,591,412,886	12,512,289	1,603,925,175
Other comprehensive income for the year	-	-	-	-	-	-	85,055,037	1,651,239	14,360,422	10,384,812	3,932,522	115,385,023	-	115,385,023	-	115,385,023
Total comprehensive income for the year	-	-	-	-	-	1,591,412,886	85,055,037	1,651,239	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	172,206,408	200,000,000	2,805,280,611	10,083,714,134	2,057,587,449	1,015,845	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
Balance as at 1 January 2015	1,886,291,000	1,276,037,500	172,206,408	200,000,000	2,805,280,611	10,083,714,134	2,057,587,449	1,015,845	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
Profit for the year	-	-	-	-	-	1,815,184,805	-	-	-	-	-	-	-	1,815,184,805	(53,033,550)	1,762,145,255
Other comprehensive income for the year	-	-	-	-	-	3,520,558	118,865,589	154,728	(36,470,129)	(3,713,946)	25,314,703	104,150,945	-	107,671,503	(1,888,685)	105,802,818
Total comprehensive income for the year	-	-	-	-	-	1,818,705,363	118,865,589	154,728	(36,470,129)	(3,713,946)	25,314,703	104,150,945	-	1,922,856,308	(54,908,235)	1,867,948,073
Dividend paid	-	-	-	-	-	(801,546,057)	-	-	-	-	-	-	-	(801,546,057)	(12,173,614)	(813,719,671)
Increase in share capital of subsidiaries from non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,091,000	9,091,000
Balance as at 31 December 2015	1,886,291,000	1,276,037,500	172,206,408	200,000,000	2,805,280,611	11,100,873,440	2,176,453,038	1,170,573	(22,109,707)	61,072,617	58,222,769	2,274,809,090	(3,517,274,395)	16,198,223,652	1,742,417,946	17,940,641,598

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 2015

	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 2014	1,886,291,000	1,276,037,500	200,000,000	2,805,280,611	6,904,441,058	1,938,963,406	(635,586)	1,938,327,820	(2,805,280,611)	11,905,097,378
Profit for the year	-	-	-	-	1,540,035,659	-	-	-	-	1,540,035,659
Other comprehensive income for the year	-	-	-	-	-	33,212,529	1,651,230	34,863,759	-	34,863,759
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 45)	-	-	-	-	(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
Balance as at 1 January 2015	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
Profit for the year	-	-	-	-	1,361,920,852	-	-	-	-	1,361,920,852
Other comprehensive income for the year	-	-	-	-	-	19,985,939	154,728	20,140,667	-	20,140,667
Total comprehensive income for the year	-	-	-	-	1,361,920,852	19,985,939	154,728	20,140,667	-	1,382,061,519
Dividend paid (Note 45)	-	-	-	-	(1,024,776,000)	-	-	-	-	(1,024,776,000)
Balance as at 31 December 2015	1,886,291,000	1,276,037,500	200,000,000	2,805,280,611	7,456,845,569	1,992,161,874	1,170,372	1,993,332,246	(2,805,280,611)	12,812,506,315

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	2,136,360,606	1,965,637,138	1,461,912,646	1,682,150,034
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation	1,152,621,606	1,127,720,349	435,952,602	474,887,279
Amortisation	12,083,672	12,296,959	7,108,016	7,675,879
Amortisation of underwriting fee	1,531,609	1,323,205	1,531,609	1,323,205
Amortisation of leasehold right and prepaid rental fee	785,218,945	372,622,417	756,914,544	347,029,744
Interest income and (gains) losses on investments in loans	425,371	(506,851)	425,371	(506,851)
Losses on sales of investments				
in subsidiaries and associate	-	-	565,134	1,180,322
Gains on sales of investments in available-for-sale securities				
and other investments	-	(194,926,009)	-	(194,974,503)
(Gains) losses on disposal of investment properties	860,853	(43,832,373)	(144,905)	(50,856,160)
(Gains) losses on disposal of plant and equipment	(2,171,055)	(1,749,073)	16,727	(7,094)
Losses on written off intangible assets	-	403,951	-	5,994
Gains on disposal of property foreclosed	(1,217,159)	-	-	-
Allowance for impairment of investments in subsidiaries (reversal)	-	-	(2,937,643)	8,434,154
Allowance for impairment of investments in other company	2,738,769	-	2,738,769	-
Allowance for impairment loss on plant				
and equipment (reversal)	(1,409,000)	(7,845,703)	-	-
Allowance for impairment of intangible assets (reversal)	(2,040)	7,305	-	-
Allowance for impairment of property foreclosed	6,877,639	1,222,200	-	-
Allowance for impairment of goodwill	-	700,001	-	-
(Gains) losses on exchange	35,550,400	270,000	-	(11,865,600)
Allowance for doubtful accounts (reversal)	(15,620,951)	(53,338,059)	(2,157,702)	(155,845)
Allowance for diminution in value of inventories (reversal)	(6,165,303)	2,787,828	-	-
Income from rental deposits and revenue received in advance	(562,306,344)	(581,324,981)	(433,508,638)	(437,323,393)
Provision for long-term employee benefits	21,621,716	20,203,196	6,038,471	5,835,874
Interest income	(48,490,005)	(32,014,910)	(332,342,698)	(322,499,849)
Interest expenses	682,881,021	649,548,199	855,542,706	807,074,253
Dividend income	(266,197,639)	(250,176,236)	(954,412,002)	(985,409,582)
Share of profit from investments in associates and joint venture	(225,803,638)	(315,685,904)	-	-
Profit from operating activities before changes in				
operating assets and liabilities	3,709,389,073	2,673,342,649	1,803,243,007	1,331,997,861
Net movements in operating assets and liabilities (Note 39)	439,032,813	(305,025,250)	(219,123,586)	(11,042,333)
Cash flows from operating activities	4,148,421,886	2,368,317,399	1,584,119,421	1,320,955,528
Cash paid for employee benefits	(10,962,433)	(3,587,857)	(6,627,400)	(364,600)
Cash paid for corporate income tax	(446,026,999)	(467,315,651)	(247,721,439)	(214,952,590)
Net cash flows from operating activities	3,691,432,454	1,897,413,891	1,329,770,582	1,105,638,338

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Cash payments for current investments	(6,183,389,478)	(1,275,945,916)	(6,106,771,308)	(1,275,668,770)
Cash receipts from sales of current investments	2,831,845,608	1,188,082,901	2,800,001,000	1,187,307,936
Cash payments for short-term loans to related companies	(5,000,000)	(107,794,400)	(3,341,700,000)	(2,709,794,400)
Cash receipts from short-term loans to related companies	111,205,155	281,941,910	4,456,605,155	3,035,954,910
Interest income	48,692,433	32,976,429	329,865,574	322,341,889
Cash payments for purchases of investments in loans	(1,733,534)	(43,498,399)	(1,733,534)	(43,498,399)
Cash receipts from investments in loans	2,116,677	1,921,719	2,116,677	1,921,719
Cash payments for purchases and increase in share capital of investments in subsidiaries	-	-	(35,520,000)	(1,046,952,844)
Cash receipts from sales of investments in subsidiaries	-	-	4,434,866	8,819,678
Cash receipts from non-controlling interest of the subsidiaries for increase in share capital of subsidiaries	9,091,000	16,000,000	-	-
Cash payments for purchases and increase in share capital of investments in an associate and joint venture	(136,216,189)	(623,462,144)	(25,401,436)	(476,210,142)
Cash receipts from share capital reduction of an associate	-	71,042,400	-	71,042,400
Cash receipts from share capital reduction of other companies	2,115	279,703	-	-
Dividend receipts from investments	395,659,639	457,272,458	954,412,002	985,409,582
Cash payments for purchases of property held for development	(11,313,380)	(1,942,428)	-	-
Cash receipts from sales of property, plant and equipment and investment properties	15,126,310	124,172,161	2,945,330	80,934,041
Cash payments for purchases of property, plant and equipment and investment properties	(978,780,036)	(911,886,313)	(286,939,593)	(167,640,002)
Cash receipts from sales of intangible assets	-	245	-	-
Cash payments for purchases of intangible assets	(18,951,179)	(20,018,954)	(13,789,858)	(16,120,705)
Cash payments for prepaid long-term lease	(2,280,471)	(1,285,859)	-	-
Net cash flows used in investing activities	(3,923,925,330)	(812,144,487)	(1,261,475,125)	(42,153,107)

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	45,258	(3,449,075)	-	-
Cash receipts from short-term loans from other company	32,000,000	1,000,000	-	-
Cash payments of short-term loans from other companies	(9,000,000)	(40,000,000)	-	-
Cash receipts from short-term loans from related companies	-	14,000,000	869,400,000	774,750,000
Cash payments of short-term loans from related companies	(42,000,000)	(57,000,000)	(413,100,000)	(586,300,000)
Cash receipts from short-term loans from financial institutions	11,184,000,000	1,702,000,000	8,969,000,000	165,000,000
Cash payments of short-term loans from financial institutions	(10,266,000,000)	(2,310,082,552)	(8,451,000,000)	(600,000,000)
Cash payments of long-term loans from financial institutions	-	(28,000,000)	-	-
Cash payments of liabilities under finance lease agreements	(284,835,200)	(284,835,200)	(284,835,200)	(284,835,200)
Interest paid	(391,841,302)	(362,696,161)	(564,502,986)	(517,207,169)
Dividend paid	(801,546,057)	(801,546,057)	(1,024,776,000)	(1,024,776,000)
Dividend paid to non-controlling interest of the subsidiaries	(12,173,614)	(7,581,849)	-	-
Cash receipts from long-term debentures	998,850,225	-	998,850,225	-
Net cash flows from (used in) financing activities	407,499,310	(2,178,190,894)	99,036,039	(2,073,368,369)
Net increase (decrease) in cash and cash equivalents	175,006,434	(1,092,921,490)	167,331,496	(1,009,883,138)
Cash and cash equivalents at beginning of year	571,922,830	1,664,844,320	136,460,556	1,146,343,694
Cash and cash equivalents at the end of year	746,929,264	571,922,830	303,792,052	136,460,556
Supplemental cash flows information:				
Operational cash flows from interest	1,097,184,086	1,138,970,570	5,264,553	65,948,891
Non-cash transactions:				
Interest paid for property development for sale	(38,517,501)	(29,817,040)	-	-
Transfer of property foreclosed from receivable for loans settlement	14,000,000	214,050,000	-	-
Transfer of investment from receivable for loans settlement	-	1,242,280,000	-	1,242,280,000

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 office 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
- Real estate business
- Food solution business
- Finance business
- Other businesses
- Supporting 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	
			2015	2014
			%	%
Directly owned				
Siam Delice Company Limited*	Shopping center and property for lease	Thailand	50.00	50.00
MBK Bangyai Company Limited	Personnel management service	Thailand	-	99.97
Glas Haus Ratchada Company Limited	Property for 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 and Travel	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	Dormant	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 to affiliates	Thailand	99.97	99.97
MBK Broker Company Limited	Life and non-life 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	
			2015	2014
			%	%
Directly owned (continued)				
MBK Service Solution Company Limited	Consulting services	Thailand	99.99	99.99
MBK Real Estate Company Limited	Investment	Thailand	99.97	99.97
Mah Boonkrong Sirichai Enterprise Company Limited	Golf course	Thailand	99.99	99.99
MBK Digital Company Limited	Dormant	Thailand	99.97	-
MBK Online Company Limited	Dormant	Thailand	99.97	-
MBK Club Company Limited	Providing recreation service except tourism	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	Dormant	Thailand	99.99	99.99
MBK Leisure Company Limited	Dormant	Thailand	99.99	99.99
MBK Food Island Company Limited	Food center	Thailand	74.51	74.51
MBK Food System Company Limited	Restaurant	Thailand	40.99	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 (The Fund mature and dissolution on 31 August 2015)	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	Distributor of rice, plant and machinery rental	Thailand	74.51	74.51
Sima Pac Company Limited****	Distribution and manufacture of plastic bags	Thailand	37.25	37.25
Innofood (Thailand) Company Limited	Distributor of rice and development of rice product	Thailand	74.51	74.51

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			%	%
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	Dormant	Thailand	99.94	99.94
M G 3 Company Limited	Dormant	Thailand	99.97	99.97
M G 4 Company Limited	Dormant	Thailand	99.97	99.97
MBK Realty Company Limited	Real estate	Thailand	54.98	54.98
MBK Restaurant Group Company Limited (Formerly known as "MBK Suki Number One Company Limited")	Restaurant	Thailand	62.14	62.14
T Consultant Company Limited	Dormant	Thailand	99.99	99.99
SCB Building Company Limited	Dormant	Thailand	99.70	99.70
MBK Bangyai Company Limited	Personnel management service	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 2015, there were the following significant changes:

On 19 March 2015, the Extraordinary General Meeting of the shareholders of Mah Boonkrong Sirichai Enterprise Company Limited, a subsidiary of the Company, passed a resolution granting approval for the company to increase its registered capital from Baht 80 million to Baht 1,350 million, through the issuance of 12,700,000 new preference shares with a par value of Baht 100 each, total amounting to Baht 1,270 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 19 March 2015. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 19 March 2015.

On 7 May 2015, the Company sold all ordinary shares and preference shares in MBK Bangyai Company Limited, a subsidiary of the Company, total 49,997 shares (or equivalent to 99.99% of its registered capital) at Baht 88.70 each, for total amounting to Baht 4.43 million to Mah Boonkrong Sirichai Enterprise Company Limited, a subsidiary. In this regard, the Company eliminated loss on sale of investment which is relevant to such related party transaction from the consolidated financial statements.

On 1 September 2015, NASSET Property Fund 1 ("the Fund"), a subsidiary of MBK Resort Public Company Limited, which is a subsidiary of the Company, returned capital of Baht 472 million to the subsidiary since the Fund matured on 31 August 2015. The amount returned was based on the net asset value on the date the Fund announced the capital return to the unit holders and this was eliminated in the consolidated financial statements.

On 15 September 2015, the Company established of two subsidiary companies, named MBK Digital Company Limited and MBK Online Company Limited, with registered share capital amounting to Baht 1 million. The Company holds 9,997 ordinary shares of such companies with par value of Baht 100 per share, representing holdings of 99.97%.

On 26 November 2015, the Company established a new subsidiary company name MBK Club Limited, with registered share capital amounting to Baht 5 million. The Company holds 49,997 ordinary shares with par value of Baht 100 per share, representing holdings of 99.99%.

On 21 December 2015, the meeting of the Board of Directors of MBK Food System Company Limited, a subsidiary of the Group, pass a resolution granting approval for the subsidiary to increase its registered capital from Baht 100 million to Baht 109.09 million, through the issuance of 90,910 new ordinary shares with a par value of Baht 100 each, total amounting to Baht 9.09 million, and all share allocation to an unrelated company. The Group's equity interest in this subsidiary fell from 44.71% to 40.99%, however, the Group still has control over this company.

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates presented under the cost method.

3. New financial reporting standards

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

3.1 Financial reporting standards that became effective in the current year

The Group has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Group already recognises 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 content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Group has control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Group's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements, and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Group already applied the equity method to account for the investment in a joint venture.

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective in the future

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

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 real estate business

Rental and related services income from units in office 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, and sales of residential condominium units 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 cease accruing interest income for hire purchase receivables 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

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

h) Dividend

Dividend is recognised as income when the right to receive the dividend 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 receivables and allowances for doubtful accounts

Hire purchase receivables are stated at the net realisable value of which comprise of contract value of the hire purchase receivables 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 subsidiaries set 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 subsidiaries 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 good 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 are valued at the lower of cost and net realisable value. The costs of inventories are determined by the specific unit cost method. 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, borrowing cost capitalised to cost of projects and related other costs.

4.6 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in 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 Group 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 proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 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

4.8 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 payment, or key money, under whatever name, the lessee recognises the amount paid as a prepaid rental expense and amortises it to expense over the lease term. 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 is indicator 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 has a term shorter than the useful life of building, will have rental rate that are lower than market rate 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.

4.9 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 Group'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.

4.10 Property held for development

Property held for development is presented at the cost less the allowance for loss on impairment of asset (if any).

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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".

4.16 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.

4.17 Leases - where the Group is the lessor

Lease agreement under which the Group transfers the risks and rewards of ownership to the lessee, excluding legal ownership, is deemed finance lease. The Group 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.

4.18 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.

4.19 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.

4.20 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.

4.21 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.

4.22 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group'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.

4.23 Derivatives

a) Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

b) 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 expense on an accrual basis.

c) 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.

4.24 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.

4.25 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and 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.

4.26 Fair value measurement

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

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

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

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

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

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

4.27 Business combinations

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements 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 judgement 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 judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

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

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 property for impairment on a periodical basis and record impairment loss in the period when it is determined that its 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 loss when it is determined that its 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 judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

Business combinations

In determining the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries on the acquisition date, the Company's management exercised a degree of judgement in establishing fair values of the identifiable assets, liabilities and contingent liabilities, using valuation techniques and models which involve certain data, assumptions and estimates based on reports from independent appraisers. However, actual results could differ from the estimates.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement 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, joint venture as stated in Note 14 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
Siam Piwat Holding Company Limited	A subsidiary of an associate of the Company
The ICONSIAM Residences Corporation Limited	49% shareholding held by a subsidiary of an associate of the Company
The ICONSIAM Superlux Residence Corporation Limited	49% shareholding held by a subsidiary of an associate of the Company
ICONSIAM Company Limited	51% shareholding held by a subsidiary of an associate of the Company

During the years, 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
	2015	2014	2015	2014	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Rental income	-	-	68	47	Market prices
Consulting fees	-	-	3	4	The same rates as the third parties
Dividend income	-	-	576	560	As declared
Guarantee income	-	-	1	2	0.5% per annum of loan guarantee amounts
Personnel expenses	-	-	156	151	115% of salary of hotel staff paid by a subsidiary for parent company
Hotel management fee	-	-	40	33	Contract price
Security expense	-	-	50	49	115% of the cost of security services paid by a subsidiary for parent company
Debt guarantee fee	-	-	3	12	1% of loan drawdown amounts
Interest income	-	-	281	310	MOR rate less a fix percentage
Interest expenses	-	-	156	148	MOR rate less a fix percentage
Sale of investment in a subsidiary	-	-	4	-	Agreed between the parties
Transactions with associated companies					
Shared service income	2	2	2	2	Market prices
Management fee	5	4	4	4	Contract price
Dividend income	-	-	129	191	As declared
Project management and sales commission income	4	6	-	-	The same rates as the third parties
Interest income	5	2	5	2	MOR rate less a fix percentage
Interest expenses	6	7	-	-	MOR rate less a fix percentage
Transactions with related companies					
Rental income	192	186	109	106	Market prices
Dividend income	237	223	221	208	As declared
Project management and sales commission income	99	81	-	-	The same rates as the third parties
Hotel franchise fee	1	1	1	1	The same rates as the third parties
Insurance expenses	2	2	1	1	The same rates as the third parties
Purchases of investment in an associate	23	419	23	419	Contract price

As at 31 December 2015 and 2014, 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	
		2015	2014	2015	2014
Current investments - Available-for-sales securities	*8*				
Related companies		684	575	-	-
Trade and other receivables	*9*				
Subsidiaries		-	-	12	9
Associated companies		6	5	1	1
Related companies		24	17	-	-
Total trade and other receivables		30	22	13	10
Other receivables - prepaid insurance premium	*9*				
Related companies		1	1	1	1
Short-term loans to related companies					
Subsidiaries		-	-	4,609	5,711
Associated companies		77	183	66	78
Total short-term loans to related companies		77	183	4,675	5,789
Long-term investments - available-for-sales securities	*16*				
Related companies		4,866	4,233	4,742	4,125
Trade and other payables	*24*				
Subsidiaries		-	-	43	64
Related companies		1	3	-	-
Total trade and other payables		1	3	43	64
Short-term loans from related companies					
Subsidiaries		-	-	3,424	2,967
Associated companies		75	113	-	-
Related persons		-	4	-	-
Total short-term loans from related companies		75	117	3,424	2,967
Current liabilities - advance rental deposits and rental deposits	*25*				
Related companies		53	65	33	45
Advance rental and service deposits					
Subsidiaries		-	-	389	228
Deposits					
Subsidiaries		-	-	13	11
Long-term liabilities under finance lease agreements					
Subsidiaries		-	-	32	10

Short-term loans to related companies are unsecured loans that are due at call, consisting of Baht loans bearing interest at the MOR of a local commercial bank less fixed percentages per annum and a US dollar loan bearing interest at a fixed rate per annum.

Short-term loans from related companies represent short-term loans for working capital and repayable at call. The loans bear interest at MOR of a local commercial bank per annum rate less a fixed percentage.

Liabilities under finance lease agreements represent financial lease liabilities for the lease motor vehicles from a subsidiary for 72 monthly installments. Interest rates are 5.62% - 6.40% per annum (2014: 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 2014	During the year		Balance as at 31 December 2015
		Addition	Settlement	
Short-term loans to related companies				
Paemala Spa Company Limited	5	-	-	5
Lam Luk Ka Golf and Country Club Company Limited	20	5	(16)	9
Siam Piwat Holding Company Limited	45	-	(45)	-
Max Asset Management Company Limited	58	-	-	58
DMS Property Investment Private Limited	5	-	-	5
Royal Orchid Hotel (Thailand) Public Company Limited	50	-	(50)	-
Total	183	5	(111)	77
Short-term loans from related companies				
Siam Piwat Holding Company Limited	113	-	(38)	75
Directors	4	-	(4)	-
Total	117	-	(42)	75

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2014	During the year		Balance as at 31 December 2015
		Addition	Settlement	
Short-term loans to related companies				
Riverdale Golf and Country Club Company Limited	3,020	1,586	(2,157)	2,449
MBK Hotels and Resorts Company Limited	690	982	(1,097)	575
T Leasing Company Limited	1,315	425	(300)	1,440
Glas Haus Ratchada Company Limited	624	192	(816)	-
MBK Shopping Center Company Limited	62	1	(40)	23
MBK Training Center Company Limited	-	2	-	2
Mah Boonkrong Sirichai Enterprise Company Limited	-	150	(31)	119
Lam Luk ka Golf and Country Club Company Limited	20	5	(16)	9
Max Asset Management Company Limited	58	-	-	58
Total	5,789	3,343	(4,457)	4,675
Short-term loans from related companies				
Supsinnthanee Company Limited	404	12	-	416
MBK Premium Company Limited	567	17	(39)	545
MBK Asset Company Limited	351	8	(12)	347
MBK Business Company Limited	599	41	(34)	606
Glas Haus Ratchada Company Limited	-	691	-	691
MBK Center Company Limited	1	-	-	1
Primacy Elegance Investments Limited	197	14	-	211
Lanta Land Development Company Limited	79	33	(52)	60
MBK Insurance Broker Company Limited	2	-	-	2
MBK Broker Company Limited	3	2	(2)	3
MBK Smart Force Company Limited	4	9	(6)	7
MBK Chiangmai Company Limited	1	-	-	1
MBK Hotels and Tourism Company Limited	2	15	-	17
MBK Service Solution Company Limited	156	17	(10)	163
MBK Square Company Limited	58	7	(4)	61
Siam Delice Company Limited	45	-	(45)	-
X-Gen Premium Company Limited	55	4	-	59
MBK Training Center Company Limited	2	-	(2)	-
MBK Bangyai Company Limited	4	-	(4)	-
MBK Real Estate Company Limited	437	-	(203)	234
Total	2,967	870	(413)	3,424
Long-term liabilities under finance lease agreements				
MBK Premium Company Limited	10	26	(4)	32

Share sale and purchase transactions with related parties

Siam City Life Assurance Public Company Limited

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.

On 5 January 2015, the Company acquired additional ordinary shares of Siam City Life Assurance Public Company Limited from Thanachart Capital Public Company Limited. The Company's shareholding interest in such company arose from 46.50 percent to 49.00 percent, and classified the investment as an associate.

The agreement stipulates that if the buyers resell the acquired shares within two years from the contract date, and either or both buyers earn a capital gain from the sales, the buyers have to pay the capital gain to the contracted seller within 15 days from the date on which the shares are resold.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Group had employee benefit expenses of its directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	88,368,264	86,211,350	64,978,589	65,017,294
Post-employment benefits	2,815,714	2,929,206	2,388,660	2,428,609
Total	91,183,978	89,140,556	67,367,249	67,445,903

Guarantee obligations with related parties

The Company entered into Corporate Guarantee Agreements for loans of its associates as described in Note 42.3.2. 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 debt commitments according to cross currency and interest rate swap agreement of its subsidiary, as discussed in Note 42.3.3. 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	
	2015	2014	2015	2014
Cash on hand	19,615,106	10,625,109	6,052,733	3,484,982
Cash at banks	727,314,158	531,340,247	297,739,319	132,975,574
Short-term investments with maturity not over 3 months	-	29,957,474	-	-
Cash and cash equivalents	746,929,264	571,922,830	303,792,052	136,460,556

As at 31 December 2015, bank deposits in savings accounts, fixed deposits and bills of exchange carried interests between 0.10 and 1.60 percent per annum (2014: between 0.10 and 2.60 percent per annum).

8. Current investments

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed deposits with maturity over 3 months	1,953,594	-	420,181	-
Available-for-sale securities				
Equity securities	4,059,981,209	709,497,582	3,608,322,963	301,972,836
Add: Unrealised gains (losses) on changes in values of investments	(316,437,759)	176,753,618	(583,111,413)	8,999,564
Fair values	3,743,543,450	886,251,200	3,025,211,550	310,972,400
Government bonds	100,000	1,000,000	-	-
Add: Surplus (discount) on investments	3,591	(3,058)	-	-
Amortised cost	103,591	996,942	-	-
Current investments	3,745,600,635	887,248,142	3,025,631,731	310,972,400

The movements on current investments during the years are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
Book value at beginning of year	887,248,142	575,536,360	310,972,400	18,600,000
Increase in investments	6,183,389,478	1,275,945,916	6,106,771,308	1,275,668,770
Sales of investments	(2,831,845,608)	(1,188,082,901)	(2,800,001,000)	(1,187,307,936)
Changes in fair values of available-for-sale securities	(493,191,377)	223,848,767	(592,110,977)	204,011,566
Book value at the ending of year	3,745,600,635	887,248,142	3,025,631,731	310,972,400

During the year 2015, the Group sold available-for-sale securities with book values totaling Baht 2,832 million (2014: Baht 1,188 million) (the Company only: Baht 2,800 million (2014: Baht 1,187 million)) and recognised gains (after tax) on sales amounting to Baht 444 million (2014: Baht 156 million) (the Company only: none (2014: Baht 156 million)) in profit or loss.

9. Trade and other receivables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	26,231,644	17,106,346	8,673,071	8,247,474
Past due				
Overdue 1 - 30 days	86,243	1,514,251	2,304,853	1,209,193
Overdue more than 30 - 60 days	156,498	497,810	-	104,989
Overdue more than 60 - 90 days	-	13,275	-	79,472
Overdue more than 90 days	18,760	363,443	488,984	519,994
Total trade receivables - related parties	26,493,145	19,495,125	11,466,908	10,161,122

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	699,795,735	305,826,488	13,111,781	6,389,386
Past due				
Overdue 1 - 30 days	72,910,093	74,925,365	29,875,907	29,830,209
Overdue more than 30 - 60 days	12,095,534	10,491,148	3,871,941	5,522,326
Overdue more than 60 - 90 days	3,587,420	13,263,760	1,388,442	10,159,498
Overdue more than 90 days	32,233,691	53,192,309	4,208,774	29,028,588
Total	820,622,473	457,699,070	52,456,845	80,930,007
Less: Allowance for doubtful account	(19,132,030)	(19,608,115)	(563,823)	(2,721,525)
Total trade receivables - unrelated parties, net	801,490,443	438,090,955	51,893,022	78,208,482
Total trade receivables - net	827,983,588	457,586,080	63,359,930	88,369,604
Other receivables - related parties				
Interest receivables	961,301	1,163,729	2,762,722	285,598
Prepaid expenses	234,362	70,262	185,902	1,432
Other receivables	3,465,895	2,937,550	-	-
Total other receivables - related parties	4,661,558	4,171,541	2,948,624	287,030
Other receivables - unrelated parties				
Advances	6,053,050	3,704,440	-	-
Interest receivables	8,342,989	13,626,974	-	-
Prepaid expenses	33,161,906	62,232,790	14,922,813	14,174,610
Other receivables	73,998,557	76,975,573	3,987,425	7,028,686
Other receivables - unrelated parties	121,556,502	156,539,777	18,910,238	21,203,296
Total other receivables	126,218,060	160,711,318	21,858,862	21,490,326
Total trade and other receivables - net	954,201,648	618,297,398	85,218,792	109,859,930

10. Loans to customers

10.1 Classified by loans to customers type

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Loans	3,330,443,576	3,604,509,929	-	-
Installment receivables	15,435,323	25,647,867	1,670,736	3,563,768
Hire purchase receivables	3,064,483,038	2,630,867,038	-	-
Less: Deferred revenue	(783,632,840)	(630,042,391)	-	-
Total loans to customers	5,626,729,097	5,630,982,443	1,670,736	3,563,768
Less: Allowance for doubtful accounts	(86,930,610)	(102,075,476)	-	-
Total	5,539,798,487	5,528,906,967	1,670,736	3,563,768
Less: Current portion of loans to customers	(1,414,888,313)	(1,544,222,915)	(1,095,093)	(2,393,798)
Loans to customers - net of current portion	4,124,910,174	3,984,684,052	575,643	1,169,970

10.2 Classified by aging from the maturity date

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Not yet due or overdue less than 1 month	4,962,387,584	5,148,994,058	1,670,736	3,563,768
Overdue 1 - 3 months	531,566,887	339,143,132	-	-
Overdue more than 3 - 6 months	71,596,069	103,366,068	-	-
Overdue more than 6 - 12 months	43,465,951	22,150,985	-	-
Overdue more than 12 months	17,712,606	17,328,200	-	-
Total	5,626,729,097	5,630,982,443	1,670,736	3,563,768
Less: Allowance for doubtful accounts	(86,930,610)	(102,075,476)	-	-
	5,539,798,487	5,528,906,967	1,670,736	3,563,768

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	
	2015	2014	2015	2014
Loans	3,330,443,576	3,604,509,929	-	-
Installment receivables	15,435,323	25,647,867	1,670,736	3,563,768
Total Loans and installment receivables	3,345,878,899	3,630,157,796	1,670,736	3,563,768
Less: Allowance for doubtful accounts	(6,066,666)	-	-	-
Total	3,339,812,233	3,630,157,796	1,670,736	3,563,768
Less: Current portion	(246,527,569)	(426,380,455)	(1,095,093)	(2,393,798)
Net of current portion	3,093,284,664	3,203,777,341	575,643	1,169,970

Short-term and long-term 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 2015, the overdue loan over 3 months amounted approximately Baht 54 million (2014: Baht 44 million), however, no allowance for doubtful debts was required because the values of collateral of these loans were higher than the outstanding balances.

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 2015			
	Amounts due under the agreements			
	Less than 1 year	1 - 5 years	Non-performing loans[3]	Total
Gross investment in the agreements	1,687,860,584	1,276,846,812	99,775,642	3,064,483,038
Unearned financial income[1]	(514,400,335)	(245,221,302)	(24,011,203)	(783,632,840)
Minimum payments over the hire purchase term	1,173,460,249	1,031,625,510	75,764,439	2,280,850,198
Less: Allowance for doubtful debts[2]				(80,863,944)
Hire purchase receivables - net				2,199,986,254
Less: Current portion of hire purchase receivables				(1,168,360,744)
Hire purchase receivables - portion due more than 1 year				1,031,625,510

(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 debts [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

(1) After deduction of commission and deferred initial direct costs of hire-purchase

(2) Because the Group is unable to separate allowance for doubtful debts into that for the current portion (due within 1 year) and that for the long-term portion, all allowance for doubtful debts 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	
	2015	2014
Not yet due or overdue less than 1 month	1,961,302,769	1,673,030,140
Overdue 1 - 3 months	243,782,989	229,423,933
Overdue more than 3 - 6 months	68,076,365	73,397,926
Overdue more than 6 - 12 months	7,133,718	22,150,984
Overdue more than 12 months	554,357	2,821,664
Total	2,280,850,198	2,000,824,647
Less: Allowance for doubtful accounts	(80,863,944)	(102,075,476)
Hire purchase receivables - net	2,199,986,254	1,898,749,171

11. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Property development for sale	2,084,737,461	2,725,233,680	-	-	2,084,737,461	2,725,233,680
Finished goods	77,944,576	71,020,098	(614,271)	(1,679,574)	77,330,305	69,340,524
Raw materials	145,394,575	103,192,610	-	(1,400,000)	145,394,575	101,792,610
Supplies and equipment for operations	104,781,309	98,630,577	(431,000)	(4,131,000)	104,350,309	94,499,577
Food and beverage	14,882,336	16,371,674	-	-	14,882,336	16,371,674
Work in process	1,153,266	1,894,357	-	-	1,153,266	1,894,357
Total inventories	2,428,893,523	3,016,342,996	(1,045,271)	(7,210,574)	2,427,848,252	3,009,132,422

(Unit: Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Supplies and equipment for operations	33,652,322	34,978,415	-	-	33,652,322	34,978,415
Food and beverage	5,409,845	5,520,221	-	-	5,409,845	5,520,221
Total inventories	39,062,167	40,498,636	-	-	39,062,167	40,498,636

During the current year, the Group reduced cost of inventories by Baht 0.3 million (2014: Baht 4.0 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 6.5 million (2014: Baht 1.0 million), and reduced the amount of inventories recognised as expenses during the year.

During the current year, the Group capitalised borrowing costs of Baht 38.5 Million (2014: Baht 29.8 million) as a part of cost of real estate development projects for sales. The capitalisation rate is 5.37 - 5.47 percent per annum (2014: 5.43 percent per annum)

As at 31 December 2015, a subsidiary has pledged inventories of approximately Baht 215 million (2014: Baht 141 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	
	2015	2014	2015	2014
Deposit	19,541,251	10,237,690	11,014,030	2,318,072
Loan to cooperative	1,332,709	4,132,700	1,332,709	4,132,700
Value added tax refundable	27,574,653	30,704,773	9,668,964	5,596,088
Withholding deducted at source	41,938,910	71,727,262	-	-
Others	174,419,851	146,420,118	2,626,405	5,289,300
Other current assets	264,807,374	263,222,543	24,642,108	17,336,160

13. Investments in associates

13.1 Investments in associates as at 31 December 2015 and 2014 comprise the following:

	Nature of business	Country of incorporation	Shareholding percentage both directly and indirectly owned	
			2015	2014
			%	%
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	Property for lease	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	35.00	30.00
Lam Luk Ka Golf and Country Club Company Limited	Golf course	Thailand	44.62	44.29
Siam City Life Assurance Public Company Limited	Life insurance	Thailand	49.00	46.50

13.2 Share of comprehensive income and dividend received

(Unit: Baht)

	Consolidated financial statements					
	Cost		Carrying amount based on equity method		Share of profits (losses) from investments in associates during the years	
	2015	2014	2015	2014	2015	2014
Listed company						
Royal Orchid Hotel (Thailand) Public Company Limited	731,903,292	731,903,292	384,825,852	359,013,449	25,812,403	(32,990,633)
Nonlisted companies						
Siam Piwat Company Limited	947,012,157	947,012,157	1,669,168,403	1,625,936,840	164,143,563	220,854,167
Max Asset Management Company Limited	23,680,800	23,680,800	123,971,321	117,477,714	11,136,040	13,314,233
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	103,333,953	79,887,425	31,996,528	29,797,107
DMS Property Investment Private Limited	408,482,628	347,667,876	433,345,815	315,108,683	25,779,002	6,562,610
Lam Luk Ka Golf and Country Club Company Limited	298,439,094	296,206,494	314,094,438	300,442,388	11,419,449	7,633,559
Siam City Life Assurance Public Company Limited	441,668,836	418,500,000	472,853,175	507,717,076	(12,030,670)	71,266,549
Investments in associates	2,897,916,337	2,811,700,149	3,501,592,957	3,305,583,575	258,256,315	316,437,592

(Unit: Baht)

	Separate financial statement			
	Cost		Dividend received for the years ended 31 December	
	2015	2014	2015	2014
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	23,680,800	-	64,885,392
Puen Pob Patt Company Limited	479,530	479,530	-	-
Apple Auto Auction (Thailand) Company Limited	45,000,000	45,000,000	8,550,000	4,500,000
Lam Luk Ka Golf and Country Club Company Limited	298,439,094	296,206,494	-	-
Siam City Life Assurance Public Company Limited	441,668,836	418,500,000	-	-
Investments in associates	1,756,280,417	1,730,878,981	129,462,000	190,297,392
Less: Allowance for impairment	(479,530)	(479,530)		
Investments in associates - net	1,755,800,887	1,730,399,451		

The movements on investments in associates during the years are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2015	2014	2015	2014
Book value at beginning of year	3,305,583,575	2,755,227,269	1,730,399,451	1,325,231,709
Increase in investments in associates	86,216,189	476,210,142	25,401,436	476,210,142
Share capital reduction of an associate	-	(71,042,400)	-	(71,042,400)
Share of profit from investments in associates	258,256,315	316,437,593	-	-
Dividend received from associates	(129,462,000)	(207,096,223)	-	-
Other changes in investments in associates	(19,001,122)	35,847,194	-	-
Book value at the ending of year	3,501,592,957	3,305,583,575	1,755,800,887	1,730,399,451

13.3 Fair value of investment in listed associated company

In respect of investment in an associated company that is a listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Million Baht)

	Fair value as at 31 December	
	2015	2014
Royal Orchid Hotel (Thailand) Public Company Limited	868	647

13.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Royal Orchid Hotel (Thailand) Public Company Limited and its subsidiaries		Siam Piwat Company Limited and its subsidiaries		DMS Property Investment Private Limited		Siam City Life Assurance Public Company Limited	
	2015	2014	2015	2014	2015	2014	2015	2014
Current assets	255	111	3,017	2,981	167	178	10,969	11,193
Non-current assets	729	826	14,425	11,564	2,120	2,082	136	155
Current liabilities	(170)	(209)	(2,096)	(1,195)	(451)	(373)	(9,740)	(9,775)
Non-current liabilities	(49)	(46)	(9,191)	(7,821)	(599)	(838)	(200)	(209)
Net assets	**765**	**682**	**6,155**	**5,529**	**1,237**	**1,049**	**1,165**	**1,364**
Shareholding percentage (%)	29.86	29.86	30.72	30.72	35.00	30.00	49.00	46.50
Share of net assets	**228**	**204**	**1,891**	**1,699**	**433**	**315**	**571**	**634**
Cost of business acquisition higher (lower) than net book value	157	155	(287)	(138)	-	-	(98)	(126)
Goodwill	-	-	65	65	-	-	-	-
Carrying amounts of associates based on equity method	**385**	**359**	**1,669**	**1,626**	**433**	**315**	**473**	**508**

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December							
	Royal Orchid Hotel (Thailand) Public Company Limited and its subsidiaries		Siam Piwat Company Limited and its subsidiaries		DMS Property Investment Private Limited		Siam City Life Assurance Public Company Limited	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	852	667	4,411	4,245	729	703	1,186	1,291
Profit (loss) for the year	83	(138)	531	760	75	26	(123)	202
Other comprehensive income	-	(5)	-	(5)	-	-	(75)	38
Total comprehensive income	83	(143)	531	755	75	26	(198)	240

13.5 Aggregate amount of share of comprehensive income from other associates (excluding associates named in Note 13.4)

	For the years ended 31 December	
	2015	2014
Share of comprehensive income:		
Profit (loss) from continuing operations	55	51
Total comprehensive income	55	51

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:

Joint ventures	Nature of business	Country of incorporation	Shareholding percentage	
			2015	2014
			%	%
Indirectly owned				
PT Retail Corporation Limited	Retail business in shopping center	Thailand	50.00	50.00

14.2 Share of comprehensive income

During the years, the Group recognised its share of comprehensive income from investments in the joint venture in the consolidated financial statements as follows:

(Unit: Baht)

Joint ventures	Consolidated financial statements					
	Cost		Carrying amounts based on equity method		Share of losses from investment in joint venture during the year ended	
	2015	2014	2015	2014	2015	2014
Indirectly owned						
PT Retail Corporation Limited	200,000,000	150,000,000	166,795,634	149,248,311	(32,452,677)	(751,688)
Total	200,000,000	150,000,000	166,795,634	149,248,311	(32,452,677)	(751,688)

PT Retail Corporation Limited

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 Group 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 of Baht 150 million.

On 13 February 2015, the Board of Directors of PT Retail Corporation Limited has the resolution to call up the additional capital as the proportion of joint venture for 25.00 percent of the shares of the company, which were partially paid share capitals of 20.00 million ordinary shares of such company with par value of Baht 2.50 per share, totaling amount of Baht 50 million.

14.3 Summarised financial information about material joint venture

PT Retail Corporation Company Limited

Summarised financial information of joint venture

(Unit: Million Baht)

	2015	2014
Cash and cash equivalents	40	172
Trade and other receivables	2	-
Current assets	61	51
Non-current assets	280	84
Current liabilities	(40)	-
Non-current liabilities	(9)	(9)
Net assets	334	298
Shareholding percentage (%)	50.00	50.00
Share of net assets	167	149
Carrying amounts of joint venture based on equity method	167	149

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December	
	2015	2014
Revenue	107	-
Cost of Sales	(85)	-
Selling and administrative expense	(71)	(2)
Depreciation and amortisation	(17)	-
Interest income	1	-
Profit (loss)	(65)	(2)

15. Investments in subsidiaries

15.1 Detail of investments in subsidiaries

Investments in subsidiaries as at 31 December 2015 and 2014 comprise the following:

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	2015	2014	2015	2014
	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	90,000	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	-	99.97
MBK Training Center Company Limited	3,000	3,000	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
MBK Chiangmai Company Limited	1,000	1,000	99.97	99.97

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	2015	2014	2015	2014
	Thousand Baht	Thousand Baht	%	%
Nonlisted companies (continue)				
MBK Service Solution Company Limited	150,000	150,000	99.99	99.99
MBK Real Estate Company Limited	1,000,000	1,000,000	99.97	99.97
Mah Boonkrong Sirichai Enterprise Company Limited	1,350,000	80,000	99.99	99.99
MBK Digital Company Limited	1,000	-	99.97	-
MBK Online Company Limited	1,000	-	99.97	-
MBK Club Company Limited	5,000	-	99.99	-

The details of investments in subsidiaries are presented in separate financial statements, are as follows:

(Unit: Baht)

	Cost		Dividend received for the years ended	
	2015	2014	2015	2014
Listed company				
Patum Rice Mill and Granary Public Company Limited	422,235,195	422,235,195	223,565,500	212,387,225
Nonlisted companies				
Riverdale Golf and Country Club Company Limited	3,999,992,100	3,999,992,100	188,999,622	180,000,000
MBK Hotels and Resorts Company Limited	2,200,000,000	2,200,000,000	55,000,000	48,400,000
Glas Haus Ratchada Company Limited	1,000,015,000	1,000,015,000	-	5,000,000
MBK Business Company Limited	570,000,000	570,000,000	41,250,000	42,625,000
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	2,500,000	4,000,000
MBK Asset Company Limited	300,000,000	300,000,000	19,500,000	30,000,000
Primacy Elegance Investments Limited	110,900	110,900	-	-
MBK Smart Force Company Limited	1,344,939	1,344,939	3,500,000	3,900,000
MBK Center Company Limited	2,000,000	2,000,000	-	-
MBK Shopping Center Company Limited	300,000,000	300,000,000	1,500,000	6,750,000
MBK Square Company Limited	100,000,000	100,000,000	5,000,000	2,000,000
MBK Hotels & Tourism Company Limited	5,000,000	5,000,000	-	-
T Leasing Company Limited	533,000,000	533,000,000	-	-
X-Gen Premium Company Limited	90,000,000	90,000,000	-	-
Siam Delice Company Limited	507,236,552	507,236,552	-	-
Lanta Land Development Company Limited	420,101,235	420,101,235	-	-
MBK Bangyai Company Limited	-	5,000,000	-	-
MBK Training Center Company Limited	3,000,000	3,000,000	1,000,000	-
MBK Insurance Broker Company Limited	2,000,000	2,000,000	-	-

(Unit: Baht)

	Cost		Dividend received for the year ended	
	2015	2014	2015	2014
Nonlisted companies (continued)				
MBK Broker Company Limited	4,000,000	4,000,000	2,400,000	-
MBK Chiangmai Company Limited	1,000,000	1,000,000	-	-
MBK Service Solution Company Limited	150,000,000	150,000,000	6,450,000	375,000
MBK Real Estate Company Limited	1,000,000,000	1,000,000,000	700,000	-
Mah Boonkrong Sirichai Enterprise Company Limited	1,270,800,000	1,242,280,000	-	-
MBK Digital Company Limited	1,000,000	-	-	-
MBK Online Company Limited	1,000,000	-	-	-
MBK Club Company Limited	5,000,000	-	-	-
Investments in subsidiaries	13,917,160,546	13,886,640,546	576,365,122	560,437,225
Less: Allowance for impairment	(29,608,963)	(32,546,606)		
Investments in subsidiaries, net	13,887,551,583	13,854,093,940		

The movements on investments in subsidiaries in the separate financial statements during the years are as follows:

(Unit: Baht)

	Separate financial statements	
	Cost method	
	2015	2014
Book value at beginning of year	13,854,093,940	11,583,295,250
Increase in investments in subsidiaries	35,520,000	1,046,952,844
Increase in investments in subsidiaries - transfer from loans to customers	-	1,242,280,000
Sales of investments in subsidiaries	(5,000,000)	(10,000,000)
Impairment of investments (reversal)	2,937,643	(8,434,154)
Book value at the end of year	13,887,551,583	13,854,093,940

Mah Boonkrong Sirichai Enterprise Company Limited

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 belong to the Company from 30 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 completed measurement of the fair value of identifiable assets acquired and liabilities assumed at the acquisition date during the year 2015, which is within the period of one year from the acquisition date allowed by Thai Financial Reporting Standard 3 (revised 2014) Business Combinations. During the measurement period, the Company obtained further information on the fair value of some of the assets and liabilities and has retrospectively adjusted the provisional amount recognised at the acquisition date. As a result of the adjustments, investment properties increased by approximately Baht 23.7 million, property, plant and equipment increased by approximately Baht 804.6 million.

Details of the fair and book values of identifiable assets and liabilities of Mah Boonkrong Sirichai Enterprise Company Limited as at 29 December 2014 were as follows.

(Unit: Thousand Baht)

	Fair value	Book value
Assets		
Cash and cash equivalent	2,748	2,748
Other receivables	10	10
Inventories	1,430	1,430
Other current assets	17	17
Investment properties - net	229,138	205,478
Property, plant and equipment - net	1,024,926	220,368
Total assets	1,258,269	430,051
Liabilities		
Trade and other payables	(15,132)	(15,132)
Other current liabilities	(857)	(857)
Total liabilities	(15,989)	(15,989)
Net asset value	1,242,280	414,062

The results of operations of Mah Boonkrong Sirichai Enterprise Company Limited were detailed below.

(Unit: Thousand Baht)

	For the year ended 31 December 2015	For the period as from 29 December 2014 to 31 December 2014
Service income	113,312	784
Other income	2,913	-
Cost of service	(33,829)	(28)
Selling expenses	(45)	-
Administrative expenses	(51,101)	(284)
Finance costs	(17,155)	(351)
Profit for the year	14,095	121

Detail of acquisition was as follows:

(Unit: Thousand Baht)

Debt-to-equity conversion	1,242,280
Less: Cash and cash equivalents of the subsidiary at the acquisition date	(2,748)
Net cash paid for purchase of investment in the subsidiary	1,239,532

15.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Listed company								
Patum Rice Mill and Granary Public Company Limited and its subsidiaries	25.48	25.48	446.52	445.16	(5.58)	(7.20)	(0.29)	3.71
Nonlisted companies								
MBK Resort Public Company Limited and its subsidiaries	27.40	27.40	324.21	328.04	8.06	34.47	(11.89)	(11.10)
Paradise Park Company Limited and its subsidiaries	34.64	34.64	727.68	735.25	(7.57)	(13.31)	-	-
Siam Delice Company Limited	50.00	50.00	458.37	494.58	(36.20)	(9.30)	-	-
MBK Realty Company Limited	45.02	45.02	28.33	40.03	(11.70)	7.91	-	(0.19)

15.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

Company's name	Patum Rice Mill and Granary Public Company Limited and its subsidiaries		MBK Resort Public Company Limited and its subsidiaries		Paradise Park Company Limited and its subsidiaries		Siam Delice Company Limited		MBK Realty Company Limited	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Current assets	1,037.23	555.00	673.32	722.83	168.69	157.18	95.73	209.90	289.87	82.36
Non-current assets	1,772.94	1,631.79	953.72	919.73	1,122.77	1,241.42	998.03	1,049.61	20.69	19.94
Current liabilities	1,244.94	635.07	695.72	731.50	294.11	477.79	164.39	206.06	233.72	10.99
Non-current liabilities	16.75	22.83	32.07	30.25	295.80	287.21	47.24	66.37	0.65	0.50

Summarised information about comprehensive income

(Unit: Million Baht)

Company's name	For the years ended 31 December									
	Patum Rice Mill and Granary Public Company Limited and its subsidiaries		MBK Resort Public Company Limited and its subsidiaries		Paradise Park Company Limited and its subsidiaries		Siam Delice Company Limited		MBK Realty Company Limited	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	2,899.10	2,297.88	662.15	722.31	787.92	837.02	37.67	33.75	12.90	107.76
Profit (loss) for the year	313.08	314.24	60.11	83.60	67.94	50.68	(104.95)	(26.86)	(14.61)	19.43
Other comprehensive income	(202.29)	239.64	-	-	-	-	-	-	-	-
Total comprehensive income	110.79	553.88	60.11	83.60	67.94	50.68	(104.95)	(26.86)	(14.61)	19.43

Summarised information about cash flow

(Unit: Million Baht)

Company's name	For the years ended 31 December									
	Patum Rice Mill and Granary Public Company Limited and its subsidiaries		MBK Resort Public Company Limited and its subsidiaries		Paradise Park Company Limited and its subsidiaries		Siam Delice Company Limited		MBK Realty Company Limited	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Cash flow from operating activities	(406.41)	213.18	176.91	135.29	258.14	240.75	(140.75)	94.44	(212.51)	19.32
Cash flow from investing activities	221.97	252.54	(70.52)	3.21	(124.44)	(217.61)	60.30	(46.52)	(4.11)	(19.56)
Cash flow from financing activities	160.46	(564.72)	(97.05)	(138.55)	(156.00)	(8.00)	53.00	-	224.00	(13.51)
Net increase (decrease) in cash and cash equivalents	(23.98)	(99.00)	9.34	(0.05)	(22.30)	15.14	(27.45)	47.92	7.38	(13.75)

16. Other long-term investments

Other long-term investments as at 31 December 2015 and 2014 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term investment - related companies	4,865,975,600	4,232,732,200	4,741,875,600	4,124,782,200
Investments in loans	44,080,983	44,696,087	44,080,984	44,696,087
Investments in other companies	485,494,866	485,496,980	10,788,986	10,788,986
Total	5,395,551,449	4,762,925,267	4,796,745,570	4,180,267,273
Less: Allowance for impairment	(7,888,769)	(5,150,000)	(2,738,769)	-
Other long-term investments	5,387,662,680	4,757,775,267	4,794,006,801	4,180,267,273

16.1 Long-term investments - related companies

Long-term investments - related companies as at 31 December 2015 and 2014 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Available-for-sale securities				
Equity securities	1,825,322,736	1,825,322,736	1,668,561,845	1,668,561,845
Add: Unrealised gain on changes in values of investments	3,040,652,864	2,407,409,464	3,073,313,755	2,456,220,355
Fair value	4,865,975,600	4,232,732,200	4,741,875,600	4,124,782,200
Long-term investments - related companies	4,865,975,600	4,232,732,200	4,741,875,600	4,124,782,200

The movements on long-term investments - related companies during the years are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Book value at the beginning of year	4,232,732,200	4,199,403,600	4,124,782,200	4,092,303,600
Changes in fair values of available-for-sale securities	633,243,400	33,328,600	617,093,400	32,478,600
Book value at the ending of year	4,865,975,600	4,232,732,200	4,741,875,600	4,124,782,200

16.2 Investment in other company

Investment in other company of Baht 466 million in the consolidated financial statements as of 31 December 2015 and 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. ("MBK-G") The Company has obligations in respect of this investment under the agreement to purchase and to sell.

On 20 December 2013, MBK Guarantee Company Limited entered into an agreement to sell and to purchase shares, whereby it grants an option to purchase shares of MG 1 Company Limited 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. In addition, on 15 December 2015, the unrelated parties sent a letter to the Company requesting an extension of the agreement for a period of 1 year, and paid an extension fee of Baht 5 million. 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 2015 and 2014 are as follows:

(Unit: Million Baht)

	2015	2014
Assets		
Cash and cash equivalents	32	32
Investment in land - cost method	431	431
Others	3	3
Total assets	466	466
Liabilities and shareholder's equity		
Shareholder's equity	466	466
Total liabilities and shareholder's equity	466	466

17. Investment properties

The net book values of investment properties as at 31 December 2015 and 2014 are 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 2015						
Cost	490,839,788	1,367,856,499	9,094,410,709	5,606,038,602	198,270,017	16,757,415,615
Less: Accumulated depreciation	-	(16,033,886)	(5,312,248,820)	(754,479,388)	-	(6,082,762,094)
Less: Allowance for impairment	-	-	(29,967,225)	-	-	(29,967,225)
Net book value	490,839,788	1,351,822,613	3,752,194,664	4,851,559,214	198,270,017	10,644,686,296
As at 31 December 2014 - Restated						
Cost	581,180,696	1,244,471,473	8,890,217,913	5,606,038,602	151,575,876	16,473,484,560
Less: Accumulated depreciation	-	(11,970,709)	(4,908,335,862)	(474,177,448)	-	(5,394,484,019)
Less: Allowance for impairment	-	-	(30,271,478)	-	-	(30,271,478)
Net book value	581,180,696	1,232,500,764	3,951,610,573	5,131,861,154	151,575,876	11,048,729,063

(Unit: Baht)

	Separate financial statements				
	Land awaiting sales	Building for rent	Assets under financial lease	Construction in progress	Total
As at 31 December 2015					
Cost	476,000	2,816,598,760	5,606,038,602	184,822,156	8,607,935,518
Less: Accumulated depreciation	-	(2,574,247,666)	(754,479,388)	-	(3,328,727,054)
Net book value	476,000	242,351,094	4,851,559,214	184,822,156	5,279,208,464
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

Reconciliations of net book values of investment properties for the years ended 31 December 2015 and 2014 are presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		
Net book value at beginning of year	11,048,729,063	10,584,761,544	5,398,196,581	5,657,242,634
Acquisition of assets	508,041,433	851,601,379	205,100,590	126,788,956
Acquisition of the subsidiary	-	251,630,879	-	-
Disposals - net book value	(2,832,553)	(58,625,412)	(5)	(29,466,801)
Reclassification	(207,357,119)	49,807,544	(14,336,571)	(55,343,829)
Depreciation charged	(701,894,528)	(630,446,871)	(309,752,131)	(301,024,379)
Net book value at end of year	10,644,686,296	11,048,729,063	5,279,208,464	5,398,196,581

The fair values of the investment properties, including leasehold rights as at 31 December 2015 and 2014 are stated below:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		
Land awaiting sales	850,125,383	954,623,489	544,000	544,000
Land and land improvement for rent	2,044,208,011	1,999,176,011	-	-
Building for rent	4,781,566,085	5,077,876,129	992,000,000	1,054,000,000
Assets under financial lease	4,851,559,214	5,131,861,154	4,851,559,214	5,131,861,154

The fair values of the above investment properties have been determined based on valuation performed by an independent valuer. 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 the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

18. Land held for development

Land held for development as at 31 December 2015 and 2014 comprises land of the following companies.

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Riverdale Golf and Country Club Company Limited	509,069,293	509,069,293
The Nine Center Company Limited	104,829,068	104,829,068
MBK Resort Public Company Limited	107,609,701	-
Plan Estate Company Limited	19,376,604	19,211,604
MBK Residence Company Limited	13,116,901	13,116,901
	754,001,567	646,226,866

During the year 2015, the Group transferred land held for development which book value is Baht 43.3 million (2014: Baht 0.3 million) to inventories.

Reconciliations of the net book values of land held for development for the years ended 31 December 2015 and 2014 are presented below.

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Net book value at beginning of year	646,226,866	644,548,536
Acquisition of assets	11,313,380	1,942,428
Reclassification	96,461,321	(264,098)
Net book value at end of year	754,001,567	646,226,866

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 2014	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 - Restated	961,837,846	17,138,759	-	11,889,469	430,800	11,215,472	-	1,002,512,346
Disposals	-	(9,033,483)	-	(12,577,691)	(27,308,043)	(11,387,695)	(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 - Restated	2,858,178,994	3,106,906,326	657,691,681	875,967,864	1,706,134,163	118,114,362	60,620,129	9,383,613,519
Acquisitions	95,757,497	14,574,785	460,100	52,342,058	61,757,844	34,448,317	66,592,942	325,933,543
Disposals	(22,450)	(22,450)	(460,100)	(23,045,807)	(50,052,602)	(19,605,294)	(1,463,214)	(94,671,917)
Transfers	26,153,636	15,832,716	-	14,232,922	10,334,897	-	(66,554,171)	-
Reclassification	10,023,086	1,437,355	-	11,903,371	436,760	(320,718)	(7,352,476)	16,127,378
31 December 2015	2,990,090,763	3,138,728,732	657,691,681	931,400,408	1,728,611,062	132,636,667	51,843,210	9,631,002,523

(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 2014	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
Depreciation for the year	77,620,089	117,741,179	32,950,604	79,047,671	130,154,758	13,212,777	-	450,727,078
Depreciation - transfer to property development	-	765,660	-	467,254	(4,293)	-	-	1,228,621
Accumulated depreciation on disposals	(21,796)	-	(1,462,208)	(19,398,531)	(46,772,096)	(16,033,731)	-	(83,688,362)
Reclassification	4,720	3,209,079	6,002	(1,823,974)	914,290	(278,972)	-	2,031,145
31 December 2015	504,891,035	2,116,399,929	87,124,153	631,090,945	1,472,903,043	72,108,052	-	4,884,517,157
Allowance for impairment of asset								
1 January 2014	10,558,231	103,808,933	-	-	155,380	-	10,021,777	124,544,321
Allowance for impairment during the year (Reversal)	-	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
Allowance for impairment during the year (Reversal)	-	-	-	-	-	-	(1,409,000)	(1,409,000)
Reclassification	-	304,254	-	-	-	-	-	304,254
31 December 2015	10,558,231	104,370,908	-	800,000	108,136	-	-	115,837,275

(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 2014 - Restated	2,420,332,741	1,008,155,661	602,061,926	302,369,339	317,415,643	42,906,384	59,211,129	4,752,452,823
31 December 2015	2,474,641,497	917,957,895	570,567,528	299,509,463	255,599,883	60,528,615	51,843,210	4,630,648,091
Depreciation for the year								
2014 (Baht 415 million include in costs of sales costs of service and rental, and the remaining balance included in selling and administrative expense)								497,352,481
2015 (Baht 377 million include in costs of sales costs of service and rental, and the remaining balance included in selling and administrative expense)								450,727,078

(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 2014	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
Acquisition	-	-	19,307,552	23,800,576	26,302,601	445,578	69,856,307
Disposal	-	-	(4,842,706)	(8,087,906)	(10,425,510)	(27,770)	(23,383,892)
Transfer	-	-	-	8,994,588	-	(8,994,588)	-
Reclassification	-	-	13,117,416	1,038,244	-	(439,698)	13,715,962
31 December 2015	1,042,731,187	657,691,681	289,568,568	1,027,525,817	45,173,136	-	3,062,690,389
Accumulated depreciation							
1 January 2014	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
Depreciation for the year	-	32,884,584	24,159,611	64,454,135	4,702,141	-	126,200,471
Accumulated depreciation - disposal	-	(1,390,186)	(5,020,987)	(6,104,063)	(8,051,509)	-	(20,566,745)
Reclassification	-	-	(1,013,963)	91,354	-	-	(922,609)
31 December 2015	1,042,731,184	87,124,153	163,460,085	912,566,519	13,803,914	-	2,219,685,855

(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 2014	3	602,061,926	116,650,882	147,655,222	12,142,763	9,016,478	887,527,274
31 December 2015	3	570,567,528	126,108,483	114,959,298	31,369,222	-	843,004,534
Depreciation for the year							
2014 (Baht 144 million include in costs of service and rental, and the remaining balance included in administrative expense)							173,862,900
2015 (Baht 105 million include in costs of service and rental, and the remaining balance included in administrative expense)							126,200,471

As at 31 December 2015 and 2014, certain plant and equipment items have been fully depreciated, but these items are still in uses, the amounts would be as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Original cost before accumulated depreciation of plant and equipment	2,601,570,546	2,252,288,692	1,507,066,182	1,382,280,816

Goodwill as at 31 December 2015 and 2014 comprise goodwill on business combination in the following associates and subsidiaries:

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Siam Piwat Company Limited	64,579,128	64,579,128
Crystal Lake Properties Company Limited	7,214,050	7,214,050
Innofood (Thailand) Company Limited	240,097	240,097
Total	72,033,275	72,033,275

Goodwill represents the excess of the cost of investment over the fair value of assets acquired and liabilities assumed at acquisition date. The Group has tested for impairment annually when circumstances indicate that the carrying value may be impaired.

21. Intangible assets

Net book value of intangible assets which are computer software as at 31 December 2015 and 2014 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost	164,551,363	151,375,305	109,737,457	96,249,599
Less: Accumulated amortisation	(95,732,236)	(89,501,063)	(59,759,644)	(52,651,628)
Less: Allowance for impairment	(5,265)	(7,305)	-	-
Net book value	68,813,862	61,866,937	49,977,813	43,597,971

Reconciliations of the net book values of intangible assets for the years ended 31 December 2015 and 2014 is presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	61,866,937	55,041,548	43,597,971	35,437,841
Acquisition of computer software	18,951,179	20,018,954	13,789,858	16,120,705
Reclassification	77,378	(485,105)	(302,000)	(278,702)
Amortisation	(12,083,672)	(12,296,959)	(7,108,016)	(7,675,879)
Write-off during the year	-	(404,196)	-	(5,994)
Impairment during the year	2,040	(7,305)	-	-
Net book value at end of year	68,813,862	61,866,937	49,977,813	43,597,971

22. Property foreclosed

(Unit: Baht)

	Consolidated financial statements		
	Land	Buildings	Total
Cost			
As at 1 January 2014	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
Increase (decrease)	(220,000,000)	194,467	(219,805,533)
As at 31 December 2015	20,820,950	18,210,254	39,031,204
Allowance for impairment			
As at 1 January 2014	-	1,731,308	1,731,308
Increase	-	1,222,200	1,222,200
As at 31 December 2014	-	2,953,508	2,953,508
Increase	5,700,000	1,177,639	6,877,639
As at 31 December 2015	5,700,000	4,131,147	9,831,147
Net book value			
As at 31 December 2014	240,820,950	15,062,279	255,883,229
As at 31 December 2015	15,120,950	14,079,107	29,200,057

23. Bank overdrafts and short-term loans from financial institutions

(Unit: Baht)

	Interest rate	Consolidated financial statements		Separate financial statements	
	(% p.a)	2015	2014	2015	2014
Bank overdrafts	7.37	121,509	76,251	-	-
Short-term loans from financial institutions	1.60 - 2.06	1,696,000,000	778,000,000	683,000,000	165,000,000
Bank overdrafts and short-term loans from financial institutions		1,696,121,509	778,076,251	683,000,000	165,000,000

As at 31 December 2015, short-term loans from financial institutions of a subsidiary of Baht 993 million (2014: Baht 513 million) are secured by the pledge of inventories and treasury stock held by a subsidiary as described in Notes 11 and 32, respectively.

24. Trade and other payables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties	726,949	41,541	-	-
Trade payables - unrelated parties	314,792,309	349,613,710	-	-
Accrued interest expenses - unrelated parties	124,054,748	123,447,510	124,054,748	123,447,509
Other payables - related parties	510,949	2,639,646	42,527,499	63,751,102
Other payables - unrelated parties	236,753,850	197,594,450	73,011,057	83,775,730
Accrued expenses	439,735,340	398,716,120	173,098,994	176,470,645
Total trade and other payables	1,116,574,145	1,072,052,977	412,692,298	447,444,986

25. Other current liabilities

Other current liabilities as at 31 December 2015 and 2014 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred income	29,173,882	24,376,707	-	-
Current portion of unearned installment income	12,297,563	12,600,049	7,224,960	-
Deposit - property development project	129,373,957	60,923,690	-	-
Unearned property tax	139,014,683	130,224,084	85,741,019	87,523,217
Unearned output tax	28,304,242	21,289,991	8,617,408	6,008,013
Unearned interest	97,661,433	71,874,969	-	-
Accrued dividend	98,716,839	91,144,535	98,716,839	91,144,535
Others	169,484,602	114,851,620	35,594,956	8,232,307
Total other current liabilities	704,027,201	527,285,645	235,895,182	192,908,072

26. Long-term debentures

(Unit: Baht)

Type of debentures	Interest rate (per annum)	Period	Due date	Consolidated/Separate financial statements 2015	2014
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
- 1/2015	2.47%	3 years	24 September 2018	1,000,000,000	-
Total				9,100,000,000	8,100,000,000
Less: Underwriting fee on debenture issuance				(6,334,579)	6,716,413
				9,093,665,421	8,093,283,587
Less: Current portion				(1,999,907,021)	-
Long-term debentures - net of current portion				7,093,758,400	8,093,283,587

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

27. 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 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 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	
	2015	2014
Liabilities under finance lease agreements	8,518,182,550	8,803,017,750
Less: Deferred interest expenses	(3,475,032,900)	(3,765,465,381)
Total	5,043,149,650	5,037,552,369
Less: Current portion	(11,866,152)	-
Liabilities under finance lease agreements - net of current portion	5,031,283,498	5,037,552,369

Future minimum lease payments required under finance lease agreements were as follows:

(Unit: Baht)

	As at 31 December 2015			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	736,403,000	3,414,770,000	16,624,882,000	20,776,055,000
Less: Portion of land lease which is operating lease	(434,477,770)	(2,014,714,300)	(9,808,680,380)	(12,257,872,450)
Future minimum lease payments for finance lease	301,925,230	1,400,055,700	6,816,201,620	8,518,182,550
Less: Deferred interest expenses	(290,059,078)	(1,132,681,913)	(2,052,291,909)	(3,475,032,900)
Present value of future minimum lease payments	11,866,152	267,373,787	4,763,909,711	5,043,149,650

(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

28. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2015 and 2014, which is compensations on employees' retirement, was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	153,898,635	137,283,296	59,069,083	53,597,809
Included in profit or loss:				
Current service cost	16,038,179	15,251,415	4,124,845	4,086,854
Interest cost	5,583,537	4,951,781	1,913,626	1,749,020
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(3,527,142)	-	-	-
Financial assumptions changes	1,311,831	-	-	-
Experience adjustments	(4,756,399)	-	-	-
Benefits paid during the year	(10,962,433)	(3,587,857)	(6,627,400)	(364,600)
Provision for long-term employee benefits at end of year	157,586,208	153,898,635	58,480,154	59,069,083

Long-term employee benefits expenses included in the profit or loss was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service cost	16,038,179	15,251,415	4,124,845	4,086,854
Interest cost	5,583,537	4,951,781	1,913,626	1,749,020
Total expense recognised in profit or loss	21,621,716	20,203,196	6,038,471	5,835,874

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Line items in profit or loss under which such expenses are included:				
Cost of sales or service	8,796,179	8,023,184	1,466,696	1,389,406
Selling expenses	1,660,657	1,530,875	544,637	503,444
Administrative expenses	11,164,880	10,649,137	4,027,138	3,943,024
Total expenses recognised in profit or loss	21,621,716	20,203,196	6,038,471	5,835,874

The Group expects to pay Baht 4.98 million of long-term employee benefits during the next year (the Company: Baht 0.87 million).(2014: Baht 4.79 million (the Company: Baht 0.90 million)).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10.94 years (the Company: 10.83 years) (2014: 11.51 years (the Company: 11.46 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.8% - 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 - 40% 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%

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

	Consolidated financial statements			
	Sensitivity analysis increase	Employee benefit increase (decrease)	Sensitivity analysis decrease	Employee benefit increase (decrease)
	(%)	(Unit: million Baht)	(%)	(Unit: million Baht)
Discount rate	1.0	(13.3)	1.0	15.3
Salary increase rate	1.0	19.7	1.0	(17.1)
Staff turnover rate	20.0	(17.4)	20.0	(21.6)

	Separate financial statements			
	Sensitivity analysis increase	Employee benefit increase (decrease)	Sensitivity analysis decrease	Employee benefit increase (decrease)
	(%)	(Unit: million Baht)	(%)	(Unit: million Baht)
Discount rate	1.0	(3.5)	1.0	4.0
Salary increase rate	1.0	5.0	1.0	(4.4)
Staff turnover rate	20.0	(4.1)	20.0	5.1

29. Other non-current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Refundable employee security	4,227,040	4,024,480	4,227,040	4,024,480
Deposit	3,934,852	3,368,450	3,934,852	3,368,450
Others	7,619,037	7,149,885	24,970,049	6,431,143
Other non-current liabilities	15,780,929	14,542,815	33,131,941	13,824,073

30. 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.

31. 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.

32. Treasury stock

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
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 subsidiaries	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 in the amount of not exceeding Baht 2,800 million amounting up to 18.9 million shares (the changing of the par value 188.6 million shares) or 10% of total paid-up shares of the Company.

During the year 2013, the Company has total repurchased shares of 17.8 million shares (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 million shares with a par value of Baht 1 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 2015, a subsidiary has pledged and entered into a negative pledge agreement on the treasury stock of 318 Million shares with a par value of Baht 1 each (2014: 348 million shares with a par value of Baht 1 each), with book value (cost method) amounting to Baht 609 million (2014: Baht 666 Million) to secure bank overdraft and short-term loan facilities from banks, as discussed in Note 23.

33. 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	
	2015	2014
Total shareholders' equity - as stated in statements of financial position	12,812,506,315	12,455,220,796
Less: Treasury stock held by subsidiaries	(711,993,784)	(711,993,784)
Equity attributable to the Company's shareholders - after less treasury stock held by subsidiaries	12,100,512,531	11,743,227,012
Investments in subsidiaries - as stated in statements of financial position	13,887,551,583	13,854,093,940
Less: Treasury stock held by subsidiaries	(711,993,784)	(711,993,784)
Investments in subsidiaries	13,175,557,799	13,142,100,156

34. Revenue from financial business

Revenue from financial business for the years ended 31 December 2015 and 2014 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Loan to customers	337,627,799	434,632,109	5,264,553	65,889,302
Hire purchase and financial lease	754,272,302	707,230,983	-	-
Total revenue from financial business	1,091,900,101	1,141,863,092	5,264,553	65,889,302

35. 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 2015, the Group contributed Baht 46 million (2014: Baht 42 million) to the fund.

36. Expenses by nature

Significant expenses by nature for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
Cost of sales of properties	1,380,659,811	319,272,921	-	-
Salaries and wages and other employee benefits	1,408,752,572	1,446,272,533	550,194,564	521,002,203
Depreciation	1,152,621,606	1,127,720,349	435,952,602	474,887,279
Amortisation	12,083,672	12,296,959	7,108,016	7,675,879
Allowance for impairment of investments in subsidiaries (reversal)	-	-	(2,937,643)	8,434,154
Allowance for impairment of property foreclosed	6,877,640	1,222,200	-	-
Loss on exchange	35,497,200	270,000	-	-
Transportation expenses	161,679,571	66,331,227	-	-
Commission and promotion expenses	381,314,174	291,624,957	44,393,976	40,913,049
Power supply expenses	407,670,106	464,688,830	75,037,426	75,198,385
Rental expenses	822,394,236	914,366,612	756,914,544	756,914,544
Repair and maintenance operating expenses	132,282,665	129,654,374	44,208,502	43,924,106
Raw materials and consumables used	1,803,871,918	1,301,876,034	-	-
Changes in inventories of finished goods and work in progress	10,193,270	7,049,654	-	-

37. Income tax expenses

Corporate income taxes of the Company and its listed subsidiary for the years ended 31 December 2015 and 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.

Corporate income taxes of its other subsidiaries for the years ended 31 December 2015 and 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.

The income tax expenses of the Company and its subsidiaries for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge for the year	492,722,627	392,079,741	200,575,779	243,057,350
Adjustment in respect of current income tax of previous year	(1,272,412)	(204,701)	(1,120,661)	(517,420)
Deferred tax:				
Relating to origination and reversal of temporary differences	(117,234,864)	(30,163,077)	(99,463,324)	(100,425,555)
Income tax expense reported in the statement of comprehensive income	374,215,351	361,711,963	99,991,794	142,114,375

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Unrealised gains on investments in available-for-sale securities	24,780,404	12,270,573	4,996,484	8,303,132
Unrealised gains on investments in loans	38,683	412,806	38,683	412,807
Gains (losses) on change in value of available-for-sale investments of an associate	(9,117,532)	3,590,105	-	-
Unrealised gains (losses) on investments in loans of an associate	(928,487)	2,596,203	-	-
Translation adjustment of an associate	6,328,676	983,131	-	-
Actuarial gains	1,394,342	-	-	-
Actuarial loss of an associate	(82,881)	-	-	-
Income tax expense reported in the statement of other comprehensive income	22,413,205	19,852,818	5,035,167	8,715,939

Reconciliations between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit before corporate income tax	2,136,360,606	1,965,637,138	1,461,912,646	1,682,150,034
Applicable tax rates	15 - 20%	15 - 20%	20%	20%
Accounting profit before income tax multiplied by tax rates	634,602,111	545,423,899	292,382,529	336,430,007
Adjustment in respect of current income tax of previous year	(1,272,412)	(204,701)	(1,120,661)	(517,420)
Effects of non-deductible expenses and income exempted from income tax	(259,114,348)	(183,507,235)	(191,270,074)	(193,798,212)
Income tax expenses reported in the statement of comprehensive income	374,215,351	361,711,963	99,991,794	142,114,375

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax asset				
Allowance for impairment of assets	24,816,586	23,441,059	-	-
Provision for long-term employee benefits	21,073,819	18,797,264	6,495,217	6,613,002
Actuarial loss	10,879,488	12,273,830	5,200,814	5,200,814
Actuarial loss of associates	859,151	776,270	-	-
Timing differences of depreciation of buildings	5,687,625	11,375,250	5,687,625	11,375,250
Finance lease agreement	282,983,057	177,799,397	282,983,057	177,799,397
Timing differences of accounting and taxable income recognition	48,779,755	38,179,783	-	-
	395,079,481	282,642,853	300,366,713	200,988,463

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax liabilities				
Timing differences of depreciation of buildings	14,729,026	14,098,037	-	-
Costs of business acquired - a subsidiary	84,115,062	84,115,062	-	-
Unrealised gains for investments in available-for-sale securities	551,375,199	526,594,795	498,040,468	493,043,984
Unrealised gains for investments in loan	292,593	253,910	292,593	253,910
Gains on interest income under effective interest method	16,297	101,371	16,297	101,371
Unrealised gains for investments in loans of an associate	15,268,154	16,196,641	-	-
Unrealised gains (losses) for investments in available-for-sale securities of an associate	(5,527,427)	3,590,105	-	-
Translation adjustment of an associate	14,555,692	8,227,016	-	-
Share of profit from investments in associates	176,689,814	168,273,610	-	-
	851,514,410	821,450,547	498,349,358	493,399,265

As at 31 December 2015 the Group has deductible temporary differences, unused tax losses and unused tax credits totaling Baht 725 million (2014: Baht 429 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.

The unused tax losses amounting to Baht 316 million will be expired by 2019.

38. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attribute to equity holders of the parent (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the par value of the shares from Baht 10 to Baht 1 per share as discussed in Note 30. (The number of ordinary shares used for the calculation of the prior year, as presented for comparative purposes, has been adjusted in proportion to the change in the par value of the shares, as if the change in par value had occurred at the beginning of the earliest period reported.)

The weighted average number of ordinary shares for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Shares)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Ordinary shares issued and paid-up	1,886,291,000	1,886,291,000	1,886,291,000	1,886,291,000
Less: Treasury stock held by the Company	(178,331,000)	(178,331,000)	(178,331,000)	(178,331,000)
Treasury stock held by a subsidiary	(372,040,750)	(372,040,750)	-	-
Weighted average number of shares held by third parties	1,335,919,250	1,335,919,250	1,707,960,000	1,707,960,000
Profit for the year (Baht)	1,815,184,805	1,591,412,886	1,361,920,852	1,540,035,659
Weighted average number of ordinary shares	1,335,919,250	1,335,919,250	1,707,960,000	1,707,960,000
Earnings per share (Baht/share)	1.36	1.19	0.80	0.90

39. Net movements in operating assets and liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(Increase) decrease in operating assets				
Trade and other receivables	(380,881,670)	(39,157,867)	29,275,964	(21,166,391)
Loan to customers	(9,746,654)	100,549,578	1,893,032	(61,336,133)
Prepaid of land rental	(409,884,800)	-	(409,884,800)	-
Inventories	557,251,300	(706,163,552)	1,436,469	3,095,137
Other current assets	123,529,910	46,001,258	(7,305,948)	620,234
Restricted fixed deposits	(2,885,722)	453,630	-	-
Property foreclosed	235,022,691	7,542,916	-	-
Other assets	2,469,627	(2,909,168)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	156,061,886	(83,027,118)	(23,377,231)	37,279,090
Other current liabilities	176,741,556	(51,312,509)	42,987,110	(2,460,837)
Cash receipts from advance rental and services deposits	128,092,927	85,050,739	173,190,570	-
Refund of advance rental and services deposits	(61,069,361)	(8,667,103)	(18,792,937)	(1,945,403)
Deposits received	751,626,102	1,159,250,025	768,997,019	805,741,494
Refund of deposits received	(828,533,093)	(817,244,254)	(796,850,702)	(765,944,125)
Other liabilities	1,238,114	4,608,175	19,307,868	(4,925,399)
Net movements in operating assets and liabilities	439,032,813	(305,025,250)	(219,123,586)	(11,042,333)

40. Promotional privileges

Sima Pac Company Limited has received promotional privileges from the Board of Investment for the manufacturer of film plastics pursuant to the promotion certificate No. 1903 (2/2556) issued on 27 June 2013. 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 (21 October 2013).

The subsidiary's revenues for the years ended 31 December 2015 and 2014 in consolidated financial statements are divided according to promoted and non-promoted operations as below.

(Unit: Baht)

	Consolidated financial statements	
	2015	2014
Revenues from sales - promoted activities	30,641,897	27,111,044
Revenues from sales - non promoted activities	35,075,172	30,718,168
Total	65,717,069	57,829,212

41. 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 organised 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 Group's operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2015								
	Shopping center	Hotel	Golf	Real Estate	Food solution	Finance	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	4,003,822	1,188,864	465,109	2,195,357	2,554,229	1,133,660	9,196	-	11,550,237
Inter-segment revenues	169,695	288,132	2,114	109,607	3,408	5,342	45,362	(623,660)	-
Total revenues	4,173,517	1,476,996	467,223	2,304,964	2,557,637	1,139,002	54,558	(623,660)	11,550,237
Segment operating profit	923,791	22,580	25,604	524,612	77,306	375,712	11,190		1,960,795
Unallocated income and expenses:									
Interest income									48,490
Dividend income									266,198
Gain on sale of assets									1,310
Other income									120,844
Share of profit from investments in associates and joint venture									225,804
Finance costs									(487,081)
Income tax expenses									(374,215)
Losses for the year for non-controlling interests of the subsidiaries									53,040
Profit attributable to equity holder of the Company									1,815,185

(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 and joint venture										315,686
Finance costs										(411,473)
Income tax expenses										(361,712)
Profit for the year for non-controlling interests of the subsidiaries										(12,512)
Profit attributable to equity holder of the Company										1,591,413

(Unit: Thousand Baht)

	Shopping Center	Hotel	Golf	Real Estate	Food solution	Finance	Other	Supporting	Unallocated assets	Total
Segment assets										
As at 31 December 2015	10,428,082	1,757,399	3,297,034	3,367,965	1,713,381	5,680,517	-	2,692	14,302,312	40,549,382
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

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2015	2014
Revenue from external customers		
Thailand	11,327,662	8,688,378
United States/Canada	108,851	211,813
Europe	75,587	87,181
Asia Pacific	38,137	126,430
Total	11,550,237	9,113,802

Major customers

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

42. Commitments and contingent liabilities

42.1 Capital commitments

As at 31 December 2015 and 2014, the Group had capital commitments for construction relating to shopping center, hotel, golf, real estate and other relating to each segment as follows:

(Unit: Million Baht)

	2015	2014
Shopping center business	275	60
Hotel business	12	11
Golf business	19	34
Real estate business	166	391
Other business	25	4
Total	497	500

42.2 Long-term service commitments

As at 31 December 2015 and 2014, the Group has future minimum lease payments required under these non-cancellable operating leases contracts are as follows:

(Unit: Million Baht)

	2015	2014
Payable within:		
Less than 1 year	203	215
1 to 5 years	155	171
More than 5 years	459	482
Total	817	868

In addition, as at 31 December 2015 and 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 27) as follows:

(Unit: Million Baht)

	2015	2014
Payable within:		
Less than 1 year	434	410
1 to 5 years	2,015	1,901
More than 5 years	9,809	10,357
Total	12,258	12,668

42.3 Guarantees

42.3.1 As at 31 December 2015, there are outstanding bank guarantees of approximately Baht 329 million (2014: Baht 235 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

42.3.2 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, with the bank according to the portion of investment, the associate has total loan facilities amounting to USD 44 million.

As at 31 December 2015, a subsidiary of the Company's shareholding interest in such associate representing 35% of its share capital (2014: 30% of its share capital) and the outstanding loan was USD 26 million or equivalent to Baht 920 million (2014: USD 33 million or equivalent to Baht 1,066 million).

42.3.3 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 44.2.1

42.4 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	264	200,000 - 630,000

Under the terms and conditions of membership contracts, the subsidiary will not receive any additional membership fee and green fee from all transferred permanent members until the periods of such contracts have been expired. At 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.

42.5 Long-term service commitments

A subsidiary has entered into license and technical assistance agreements with an overseas related company for the use of a trademark, training and providing of information related to restaurant business operation. Under the conditions of the license agreement, the subsidiary is to pay royalty fee at the rate as stipulated in the agreement.

42.6 Litigation

As at 31 December 2015, the subsidiaries were defendant in certain lawsuits involving compensation of approximately Baht 29.6 million (2014: Baht 31.4 million). The cases were not yet finalised; nevertheless, the subsidiaries' management believe they will not suffer material losses from these suits.

43. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	**Total**
Assets measured at fair value				
Available-for-sale securities				
Equity securities	3,744	-	-	**3,744**
Other long-term investments				
Equity securities	4,866	-	-	**4,866**
Financial liabilities measured at fair value				
Derivatives				
Cross currency and interest rate swap agreement	45	-	-	**45**
Interest rate swap agreement	47	-	-	**47**
Assets for which fair value are disclosed				
Loans	-	77	-	**77**
Investment properties	-	-	10,645	**10,645**
Liabilities for which fair value are disclosed				
Loans	-	98	-	**98**
Debentures	-	9,094	-	**9,094**

(Unit: Million Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	**Total**
Assets measured at fair value				
Available-for-sale securities				
Equity securities	3,025	-	-	**3,025**
Other long-term investments				
Equity securities	4,742	-	-	**4,742**
Assets for which fair value are disclosed				
Loans	-	4,675	-	**4,675**
Investment properties	-	-	5,279	**5,279**
Liabilities for which fair value are disclosed				
Loans	-	3,424	-	**3,424**
Debentures	-	9,094	-	**9,094**

Financial instruments

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 2015 and 2014 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 2015						
	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)	-	-	-	727	-	727	0.10 - 1.60
Trade and other receivables	-	-	-	-	954	954	-
Installment receivables	2	1	-	6	-	9	7.00 - 9.13
Hire purchase receivables	1,168	1,032	-	-	-	2,200	1.99 - 2.30
Short-term loans to related company	-	-	-	77	-	77	3.26 - 7.40
Short-term loans	12	-	-	229	-	241	0.50 - 13.00
Long-term loans	1,110	775	-	1,205	-	3,090	0.50 - 13.00
	2,292	1,808	-	2,244	954	7,298	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	1,696	-	-	-	-	1,696	1.60 - 7.40
Trade and other payables	-	-	-	-	1,117	1,117	-
Short-term loans from related companies	-	-	-	75	-	75	5.25
Long-term debentures	2,000	3,697	3,397	-	-	9,094	2.47 - 5.10
	3,696	3,697	3,397	75	1,117	11,982	

(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 - 13.00
Long-term loans	758	1,524	-	1,069	-	3,351	9.13 - 13.00
	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)

	Separate financial statements						
	31 December 2015						
	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)	-	-	-	298	-	298	0.10 - 1.35
Trade and other receivables	-	-	-	-	85	85	-
Installments receivables	-	-	-	2	-	2	8.90 - 9.13
Short-term loans to related companies	-	-	-	4,675	-	4,675	5.25 - 7.40
	-	-	-	4,975	85	5,060	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	683	-	-	-	-	683	1.60 - 1.83
Trade and other payables	-	-	-	-	413	413	-
Short-term loans from related companies	-	-	-	3,424	-	3,424	5.25 - 5.37
Long-term liabilities under financial lease agreements - related companies	7	25	-	-	-	32	5.62 - 6.40
Long-term debentures	2,000	3,697	3,397	-	-	9,094	2.47 - 5.10
	2,690	3,722	3,397	3,424	413	13,646	

(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 - 1.50
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	

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 2015 (Unit)	Average exchange rate as at 31 December 2015 (Baht per 1 foreign currency unit)
Trade receivables	US Dollar	488,036	35.830
Investment in associate (foreign country)	US Dollar	13,475,000	35.830

	Foreign currency	Financial assets/liabilities as at 31 December 2014 (Unit)	Average exchange rate as at 31 December 2014 (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

A subsidiary has sold forward exchange contracts for expose foreign exchange risk which arises from trading transactions. Outstanding balances on 31 December 2015 and 2014 are summarised below.

2015			
Foreign currency	Sold amount	Contractual exchange rate	Maturity date
	(Unit)	(Baht per 1 foreign currency unit)	
US Dollar	12,667,523	34.162 - 36.298	12 January 2016 - 15 June 2016

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

44.2 Derivatives

As at 31 December 2015 and 2014, the Group 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 31 December 2015 and 2014, the Company 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 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 subsidiary received from / (paid to)	USD 11.52 million	(USD 11.52 million)
the bank counterparty	(Baht 368 million)	Baht 368 million

(2) Interest rate swap

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%.

(3) The fair value of the derivative

(Unit: Thousand Baht)

	Fair value as at 31 December	
	2015	2014
Cross currency interest rate swap agreements	44,928	9,059

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 as at 31 December	
	2015	2014
Interest rate swap agreements	46,502	53,888

45. Dividends

	Approved by	Total dividend (Million Baht)	Dividend (Baht per share)	Ordinary Shares (Shares)	Dividend payment date
Final dividends on the six-month period ended 31 December 2014	Annual General Meeting of the shareholders on 8 April 2015	512	0.30	1,707,960,000	27 April 2015
Interim dividends on the six-month period ended 30 June 2015	Board of Directors' Meeting on 7 October 2015	512	0.30	1,707,960,000	4 November 2015
Total		1,024			
Final dividends on the six-month period ended 31 December 2013	Annual General Meeting of the shareholders on 9 April 2014	512	3.00	170,796,000	28 April 2014
Interim dividends on the six-month period ended 30 June 2014	Board of Directors' Meeting on 8 October 2014	512	0.30	1,707,960,000	6 November 2014
Total		1,024			

46. 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 2015, the Group's Debt to Equity Ratio was 1.26:1 (2014: 1.25: 1) and the Company's was 1.80:1(2014: 1.72: 1).

47. Events after the reporting period

On 26 January 2016, the Extraordinary General Meeting of the shareholders of MBK Hotels & Tourism Company Limited, a subsidiary of the company, passed a resolution granting approval for the Company to increase its registered capital from Baht 5 million to Baht 10 million, through the issuance of 50,000 new ordinary shares with a par value of Baht 100 each, total amounting to Baht 5 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 26 January 2016. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 27 January 2016.

48. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 25 February 2016.

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**
	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
	Tel. 0-2009-9000 Fax. 0-2009-9991
	E-mail : SETContactCenter@set.or.th
	Website : www.set.or.th/tsd

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 (To)	**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. Rachada Yongsawadvanich, C.P.A. (Thailand) No. 4951
Location	EY Office Limited 193/136-137, 33rd Floor, Lake Rajada Office Complex Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	0-2264-0777
Fax.	0-2264-0789-90

DISCLOSURE OF INFORMATION IN ANNUAL REPORT ACCORDING TO FORM 56-2

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SUSTAINABLE DEVELOPMENT REPORT (CSR) 2015

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, 2015 to December 31, 2015. The report will be presented in line with the main objectives of the organization in 2015 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.

IMPORTANT EVENTS OF THE YEAR

ECONOMIC OPERATION

In 2015 the company and its subsidiaries generated the total revenue of THB 12,213 millions, increased by THB 2,133 millions or 21% compared to the total revenue from the previous year.

ENVIRONMENTAL OPERATION

The responsibility for the environment is MBK Public Company Limited's crucial duty to take care of the environmental protection, from its internal process to support to activities concerning energy conservation and environmental protection for the sustainability in various dimensions as follows:

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	5,910,906.22	2,980,560.03	8,891,466.25
2015	4,439,109.47	1,271,768.70	5,710,878.17
Total	**27,572,926.69**	**13,855,877.73**	**41,428,804.42**

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 scrapers' 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
	• Project on changing air compressors	3,053,500.00
	• Project on changing scrapers' chains at a sedimentation pond-1	3,480,000.00
	• Project on changing belt presses	5,475,725.00
2015	• Project on changing scrapers' chains at a sedimentation pond-2	3,480,000.00
	• Project on improving a lighting system at a wastewater treatment pond area	655,000.00
	Total	**23,492,646.00**

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				
	Air Quality and Legionella Bacteria Monitoring Expenses	Gel and Disinfectant Expenses	Cleaning air duct Expenses (Central)	Cleaning fan coil unit expenses (Central)	Total (THB including VAT)
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
2015	264,825.00	0.00	1,829,793.00	2,320,000.00	4,414,618.00
Total	**1,544,155.00**	**409,977.00**	**7,638,937.52**	**7,379,740.28**	**15,693,479.80**

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
2015	• Project on increasing the efficiency of Air Handling Units (AHU) and Fan Control Units (FCU)	13,860,050.69
	• Project on repairing insulators for chilled water pipes within MBK Shopping Center	6,012,291.00
Total		**74,445,014.63**

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	Projects 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)
2010	• 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

Year	Projects 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 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
	• Project on changing scrapers' 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
2014	• Project on improving air conditioners in a server room on 8th floor	1,635,514.02	1,484,550.96	6,116,201.05	0.27	293,941	49,848
	• Project on changing chains and sludge scrapers (CS-02) used in a wastewater treatment system	3,959,000.00	61,320.00	243,005.03	16.29	12,141	2,059
2015	• Project on replacing light bulbs along central passageways within the shopping center with energy-efficient LED bulbs	22,309,870.00	1,999,728.00	7,924,722.09	2.82	395,946	67,147
	Total	**152,639,794.02**	**12,981,464.59**	**46,079,785.30**	-	**2,570,328**	**435,892**

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.
Referred to Thailand Greenhouse Gas Management Organization (Public Organization).

3.3 TRAINING AND ACTIVITIES TO PROMOTE THE ENERGY CONSERVATION AND THE ENVIRONMENT PRESERVATION

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, Techniques of Energy Conservation and Consciousness of Environment Protection. Also, activities to promote the energy conservation and the environment preservation 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'S)

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 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 water treated (Cubic meters per year)
	Electric Expenses	Maintenance Expenses	Total		
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
2015	50,507.58	213,845.00	264,352.58	=	12,054
Total	**781,156.58**	**2,047,663.00**	**2,828,819.58**	**=**	**197,681**

Moreover, the company has organized activities in cooperation with public and private sectors in order to promote the consciousness of the energy conservation and the environment preservation continuously as follows:

MBK ENERGY DAY 2015 ACTIVITY

MBK Public Company Limited organized MBK Energy Day 2015 Activity with the concept of "Save Energy". Run by a working group on energy management, this activity was provided to raise the employees' awareness of consuming the energy appreciatively and efficiently. It also encouraged the employees' continuously energy-saving behavior. Then, they realized and understood the energy situations. They had good consciousness of a saving of energy which led to seriously participate in the energy saving. The promotion of the sustainable environment preservation was done through giving a plant to each employee to further grow in order to bring it back to join the activity next year.

EARTH HOUR 2015 ACTIVITY

MBK Public Company Limited and its subsidiaries organized the "Turn the lights off for 1 hour to reduce the global warming" activity (60+ Earth Hour 2015) with the concept of "Turn off the lights for a change". In cooperation with Bangkok, Foundation for Environmental Education for Sustainable Development (Thailand): FEED, World Wide Fund For Nature (Thailand): WWF, and more than 7,000 big cities around the world; they persuaded the communities and their customers to turn the unnecessary lights off for an hour in order to reduce the energy consumption and the global warming which are currently causes of natural disasters effecting different living creatures.

BANGKOK CAR FREE DAY 2015 ACTIVITY

MBK Public Company Limited and its subsidiaries supported "Bangkok Car Free Day 2015" activity with the concept of "Bike safely and unite to relieve traffic congestion". Run by the Traffic and Transportation Department, more than 80 volunteer employees were invited to bike around the Rattanakosin area for a distance of 8 kilometers in order to promote people to turn to other kinds of transportation apart from private cars, to lower fuel consumption, to reduce the global warming, and to cut air and noise pollution causing everyone's quality of life at present.

MWA MEETS PEOPLE ON WORLD WATER DAY 2015 ACTIVITY

MBK Public Company Limited supported the "MWA Meets People on World Water Day 2015" activity organized by Metropolitan Waterworks Authority (MWA), Mansri Branch. The activity's objective was to encourage people to consume water with consciousness and help save water consumption for the country's benefit.

SOCIAL OPERATIONS

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 2015, 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 2015 ACTIVITY

MBK Public Company Limited organized "National Children's Day 2015" activity, in cooperation with the Recreation Bureau, Department of Physical Education, in order to encourage children and the youth to understand and realize the value of activities, sports, recreation, and sport science. These were utilized to improve the quality of life and bring benefit to themselves, their families, the society, and communities around MBK Shopping Center. The activity's objective was to make them happy and maintain the unity and good relationships within communities.

WHERE WEALTH CAN HELP ACTIVITY

MBK Public Company Limited and Assumption University organized "Where Wealth Can Help" activity in order that students could use their knowledge and skills for the public benefit through selling T-shirts provided by 6 non-profit organizations- World Wide Fund For Nature (WWF), Thai Elephants Research and Conservation Fund, Soi Dog Foundation (SDF), the Mirror Foundation, the Center for the Protection of Children's Rights Foundation (CPCR), and Human Development Foundation (HDF). All proceeds then went to help animals and underprivileged children.

WE ALL HAVE THE SAME BLOOD COLOR ACTIVITY

MBK Public Company Limited organized "We All Have the Same Blood Color" activity, in cooperation with Chulalongkorn University (CU) and Thammasat University (TU), for anyone interested in donate blood which was then given to the Thai Red Cross Society in order to help people who were in need of blood. This activity was also organized to publicize the 70th CU-TU football match.

DONATIONS GIVEN TO "RAMATHIBODI FOUNDATION" IN ORDER TO BUILD A MEDICAL SCHOOL AND A HOSPITAL FOR IMPOVERISHED PEOPLE ACTIVITY

MBK Public Company Limited gave donations to the project called Chakri Naruebodindra Medical Institute in order to celebrate the auspicious occasion of the 84th birthday anniversary of His Majesty the King, and to build a medical school and a 400-bed hospital for the complete treatment provided for patients from every social class.

MBK'S SYMPATHY FOR NEPAL ACTIVITY

MBK Public Company Limited gave money and MBK GROUP-branded water, donated by the executive team and MBK Group's employees, under "MBK's Sympathy for Nepal" project, in order to support Thai doctors, nurses, and volunteers who went to rescue victims of earthquakes in Nepal. The donations were made through the Disaster Relief Center (DRC), Royal Thai Air Force.

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.

KNOWLEDGE ABOUT ORGAN IMPLANTATION ACTIVITY

MBK Public Company Limited organized "Knowledge about Organ Implantation" activity in the kidney implantation project in order to celebrate the 60th birthday anniversary Her Royal Highness Princess Maha Chakri Siridhorn. In cooperation with the Kidney Foundation of Thailand, this activity was arranged to provide patients with knowledge of the prevention kidney diseases, and relatives patients having brain death and people in general with good attitude and right understanding of organ donation. This awakened an interest in more and easier organ donation. It led to an increase in organ donors and these donated organs would be used for patients who were chronically ill at a terminal stage.

THE 49TH INTERNATIONAL DAY OF PERSONS WITH DISABILITIES 2015 ACTIVITY

MBK Public Company Limited and the National Council on Social Welfare of Thailand (NCSWT) organized "The 49th International Day of Persons with Disabilities 2015" activity in order to open up an opportunity for persons with disabilities to meet, talk, show their abilities, learn new advances on therapies, treatment, prevention, and rehabilitation of their physical abilities so that they could live in the society as ordinary people did.

CANDLELIGHT GIVING US NEW HEART ON WORLD AIDS DAY 2015 ACTIVITY

MBK Public Company Limited and the Thai Red Cross Society organized the activity called "Candlelight Giving Us New Heart" on World AIDS Day 2015 in order to make everyone aware of the danger of AIDS through contributing accurate information and understanding to the widespread public.

SONGKRAN FESTIVAL TO INHERIT THAI TRADITION 2015 ACTIVITY

MBK Public Company Limited and the Recreation Bureau, Department of Physical Education, organized the activity called "Songkran Festival to Inherit Thai Tradition 2015" in order to inherit and sustain admirable Thai tradition as well as to build the good relationship between the elderly and people of all ages and genders so that they all could happily live in the society. Held with communities around MBK Shopping Center, this activity was aimed that people could make merit with their family members, pay respects to the elderly for their lives' auspicious blessings, and this treasured tradition would be handed down to the younger generation.

DEMONSTRATING THAI CHILDREN'S TRADITIONAL GAMES ACTIVITY

MBK Public Company Limited and the Recreation Bureau, Department of Physical Education, organized the activity called "Demonstrating Thai Children's Traditional Games" in order to cultivate consciousness of conserving Thai children's traditional games to children, the youth, and the public, as well as to promote the wisdom of Thai traditional recreation to be widely recognized.

THE FOLK MUSICAL BAND (PONG LANG) CONTEST FOR HER MAJESTY THE QUEEN SIRIKIT'S CUP ACTIVITY

MBK Public Company Limited and the Recreation Bureau, Department of Physical Education, organized the activity called "The Folk Musical Band (Pong Lang) Contest for Her Majesty the Sirikit's Cup" in order to promote the wisdom of playing "Pong Lang", the folk musical instrument, to be widely recognized and to encourage the youth to develop a skill at Pong Lang playing as part of their daily life.

STRENGTHENING THE THAI-CHINESE CULTURAL RELATIONSHIP BETWEEN TWO COUNTRIES ACTIVITY

MBK Public Company Limited and the Faculty of Fine and Applied Arts, Chulalongkorn University, organized the activity called "Strengthening the Thai-Chinese Cultural Relationship between Two Countries" in order to celebrate the 60th birthday anniversary of Her Royal Highness Maha Chakri Sirindhorn. This activity was aimed to strengthen the good relationship between two countries.

THE 16TH PROJECT ON FOLK DANCES FOR THE SOCIETY ACTIVITY

MBK Public Company Limited and the Faculty of Fine Arts, Srinakharinwirot University organized the activity called "The 16th Project on Folk Dances for the Society" in order that university students could present their creativity in performing Likay (popular theatrical plays) and folk plays. Their creativity was presented to the public and then widely recognized.

LET'S TRY TASTY FRUITS ON EVERY ORCHARD ACTIVITY

MBK Public Company Limited and its subsidiaries, in cooperation with the Tourism Authority of Thailand (TAT) and the Chaipattana Foundation, organized the activity called "Let's Try Tasty Fruits on Every Orchard" in order to publicize and promote the image of the eastern region as the hub of various fruits. Also, demonstrations of bio-fertilizer were given and the bio-fertilizer was then distributed to agriculturalists and people who joined this activity.

BRING HAPPINESS WITH TRAFFIC BACK TO PEOPLE ACTIVITY

MBK Public Company Limited and Metropolitan Police Division 6 organized the activity called "Bring Happiness with Traffic Back to People" in order to evaluate the performance which led to the concrete resolution of problems for the direct benefit of people as well as strengthening people's traffic discipline.

THE OPERATIONAL TRAINING IN "FIRE PREVENTION AND EXTINGUISHMENT" ACTIVITY

MBK Public Company Limited and Bangkok Fire and Rescue Department organized the operational training in "Fire Prevention and Extinguishment" for communities around MBK Shopping Center in Pathumwan area with the aim of opening up an opportunity for the company's executives and employees to share their knowledge of core competencies of area management in safety. This activity was provided to help improve the quality of life of the communities' people and strengthen these communities situated around the business location.

LABOR OPERATIONS

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 training 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.
6. The company organizes the Safety Day in order that the employees will be aware of safety and occupational health in the workplace. They can also see and clearly understand the prevention of occupational accidents in the workplace by means of demonstrations, as well as this lead to more efficient work performance.

In addition to the effective implementation of occupational health, safety, and environment policy, the company also appoints 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 2015 the company provided training 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.
- "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 2015, 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 2015, the company's contribution to the fund in the rate of 5-10% totals THB 19,913,024.41. There is a total of 435 fund members out of 571 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 are 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 were encouraged to creatively perform on stage. This singing activity was to form a good relationship between contestants from different lines of work, to entertain their cheering teams and the contestant, and to relieve stress very well.

4. MBK Birthday Party— a birthday party for every employee who has his/her birth month in that month which makes them feel good impression and happy with ties to the organization.

5. Activities on special occasions all year long. Father's Day, Mother's Day, and New Year's Day, for example.

6. The company, together with Suksawat Hospital, provided a free Pap test (Pap Smear) and training in cervical cancers for the company's female employees.

7. A project on providing a flu vaccination and a vaccination to prevent cervical cancers for any employee who was interested at a special price.

8. 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 the merit and integrity— by organizing an activity that employees could vote for the employee who most matched these values. He/she then would receive an award as his/her honor. This promotes employees to be aware of the value, importance, and benefits derived from working with honesty and transparency.
- 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 organizing an activity to write ordinary and online postcards 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
7. Easy Dance Club to encourage employees to usefully spend their free time, to build a good relationship among employees from different lines of work, and to improve their physical health gained from dancing.

PERSONNEL DEVELOPMENT

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 Development 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 attributes required by the job. 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 training 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 2015 The company provided in-house trainings and public trainings for employees in the total of 397 courses or an average of 33 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, 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— Designing the Company of Happiness, Techniques of Lean Process, Coaching and Feedback, Problem Solving and Decision Making, and HR for non HR.

In order to support the policy and guidelines on anti-corruption, the company has set the contents of the policy, vision, and code of conduct for employees in the New Employee Induction Program. Training on Good Corporate Governance is continuously provided every year.

In 2015, the company placed emphasis on its anti-corruption policy in order to make every employee realize the importance of anti-corruption according details listed in the issues of Corporate Governance and Anti-corruption (Pages 123). Also, in order to assure that employees of every level held to it as their criteria for work performance, the company arranged the training to provide knowledge of the collective action coalition of the Thai private sector against corruption by inviting independent experts outside the company to give the company's top executives lectures. Furthermore, the company had continuously provided training in Good Corporate Governance and Anti-corruption for employees of all levels by inviting the company's executives to be lecturers for the employees of the company and its subsidiaries with the aim of building consciousness and taking these criteria as their common guidelines continuously followed by the whole organization. Also, in order to boost the employees' consciousness, emphasis, and performance in the whole organization, the company underlined these issues by providing guidelines as follows:

1) Every employee has to sign for a policy manual of Good Corporate Governance and business ethics.
2) Every employee has to receive training in Corporate Governance and Anti-corruption, and the policy on notification of clues and complaints.
3) The establishment of the Corruption Inquiry Committee and the Corruption Investigation Committee.
4) The establishment of the Collective Action Coalition of the Thai Private Sector against Corruption Committee.
5) The establishment of the Good Corporate Governance Committee.
6) The establishment of a project on promoting employees as role models of Merit & Integrity.

In 2015, 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)	72 Hours
◆ Employee at operational level (Level 1-11)	43 Hours

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.sec.or.th or in the website of MBK Public Company Limited www.mbkgroup.co.th

MBK PUBLIC COMPANY LIMITED

8th Fl., MBK Center Building, 444 Phayathai Rd., Wangmai, Pathumwan, Bangkok 10330 Thailand
Telephone: +66 (0) 2620 9000 Facsimile: +66 (0) 2620 7000

www.mbkgroup.co.th