

ANNUAL REPORT 2014

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED

PRUKSA

CREATE VALUE



“With the wholehearted belief that valuable homes are the best places to live, PrukSA always builds the homes with revolutionary creativity.

“Innovative Home for the Future”

Concept Responds to

4

Mega Trends



SAFETY
HOME



HEALTHY
HOME



GREEN
HOME



SMART
HOME

“Innovative Home for the Future”

Concept Responds to 4 Mega Trends



Having completed its research on potential global changes, **“Pruksa Innovation Center”** concluded that it discovered “Mega Trends” that will significantly reshape the lifestyles of the people in 4 aspects: environmental, energy, population, and innovation aspects.

To elevate the quality of living for Pruksa’s customers, Pruksa Innovation Center, therefore, included the discovered **“4 Mega Trends”** in its development of design and construction of residential projects to create better lives for customers in every facet for today and for the future. Its effort finally yielded the concept **“Innovative Home for the Future”** which corresponds to the global dynamics in 4 aspects.

SAFETY HOME



Safety Home strengthens the confidence in Pruksa’s construction quality with the use of precast concrete wall panels manufactured in Pruksa Precast Factory, one of the most sophisticated precast factories in the world, and the construction method “Pruksa Real Estate Manufacturing (Pruksa REM)”, which is adapted from the concept of manufacturing process in the automobile industry. Pruksa REM employs specialists in each process of the construction, resulting in the quality houses that are strong, safe, and resistant to earthquakes.



GREEN HOME



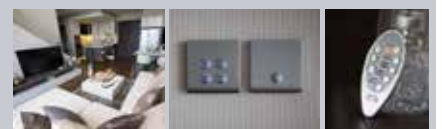
Green Home (Energy-saving Homes) is the use of construction technologies and processes that consume fewer natural resources, use alternative power sources, such as solar rooftop system to generate energy from sunlight, and employs environmentally friendly materials, such as finished heat-resistant ceilings and precast concrete panels that can prevent heat from entering into the homes, light-weighted walls that can reduce pollution, and frame sets made from synthetic material that is elegant, enduring, and not harmful to the nature. Not only does the use of such technologies help save energy costs, but it also help preserve our world.

HEALTHY HOME




Healthy Home brings in the construction technologies and processes that facilitate and support the health of the dwellers, especially elderly people, such as the use of a ventilation system that can effectively reduce humidity, the use of non-irritating paint, the use of pre-built, fungus-free toilet, and the design of interior space that focuses on safety of elder inhabitants.

SMART HOME



Smart Home utilizes modern technologies to enhance the quality of living by increasing comfort and convenience, starting from the design of the unit, acceptance of the unit, to the process of moving in. Essentially, the Company employs Building Information Modeling (BIM), a 3D design system, to trim the work process, reduce redundancy, and increase work preciseness throughout the construction process. BIM allows customers to get quality homes that are built right as designed in a shorter time. In addition, Prukso Innovation Center is conducting a research on the installation of Home Automation System that allows homeowners to conveniently turn on/off the lights via an application on their cell phones.

“With the wholehearted belief that valuable homes are the best places to live, **Prukso** always builds the homes with revolutionary creativity.”



Our goal is to become
the top real estate brand
in customers' minds





A photograph of a modern, multi-story building with a light-colored facade and large windows. In the foreground, there is a courtyard with a large, leafy green tree and a water feature consisting of a series of steps and a pool of water. The scene is captured during the day with soft lighting.

Ensure a sustainable growth
with transparency and
good corporate governance

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PRUKSA VISION

Pruksa aims to be the number one real estate brand in customers' minds with the goal of becoming a top ten residential brand in Asia by creating high-value homes for families to experience warmth, happiness and a better life every day.

PRUKSA MISSION

we are dedicated to fulfilling our customer's dreams of owning a home that provides value to enjoy their family life.

PRUKSA CULTURE

I truly care about my customers. I want them to be happy. So I work with passion to really satisfy their needs. First, I try very hard to understand what customers want. This requires me to think through very carefully until I come up with the right solution. Then I move quickly into action on their behalf. If my customers are happy, I feel proud I did a good job.



PRUKSA VALUE

“CUSTOMER FOCUS”

we make every effort to understand our customers, providing superior services in order to satisfy them with a home that matches their needs.

“CREATIVE INNOVATION”

we create innovative products and services that surpass our customers expectations.

“COLLABORATION”

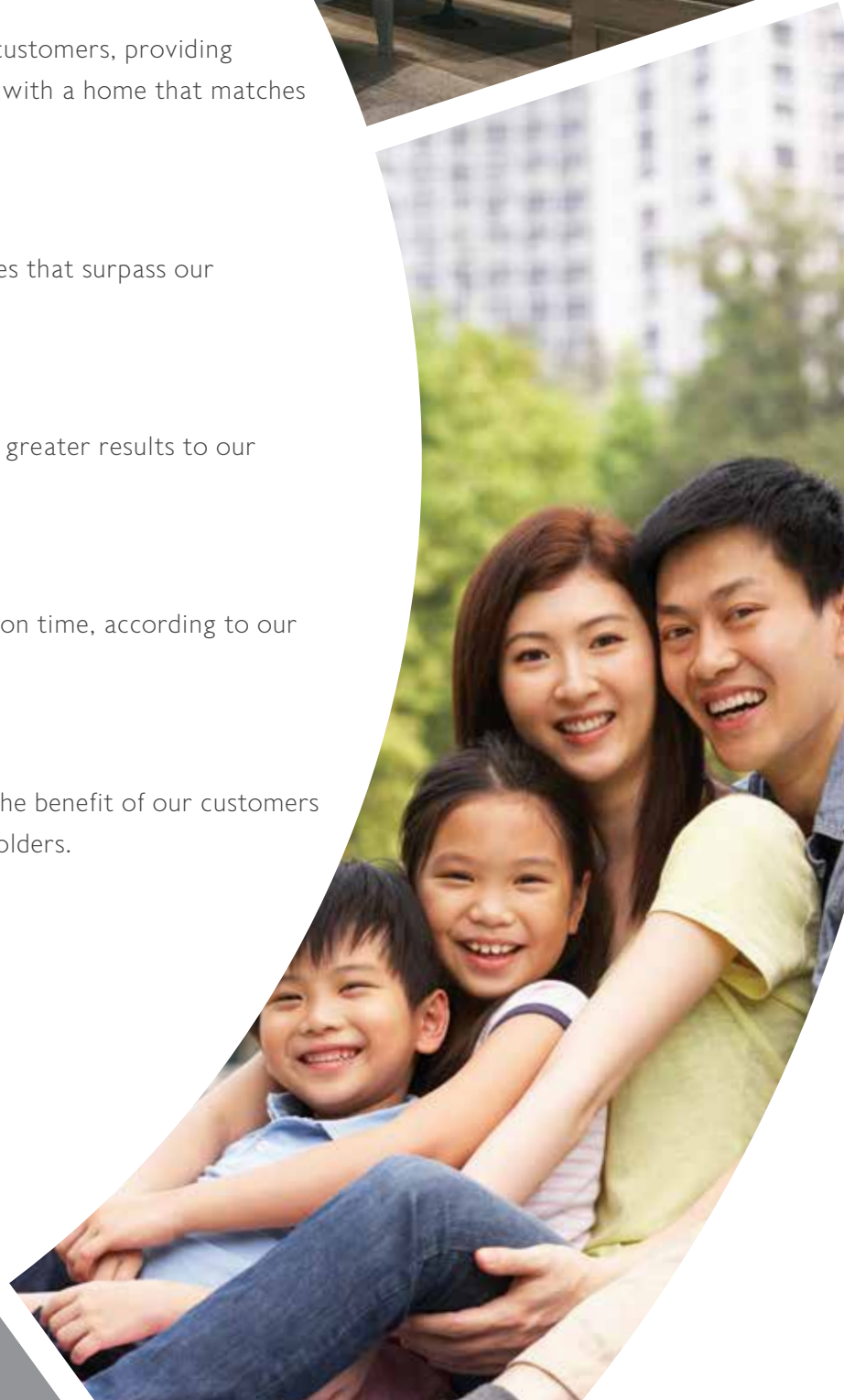
we work in harmony as a team to deliver greater results to our customers.

“DISCIPLINE”

we have discipline to complete our work on time, according to our plans and high quality standard.

“ETHICS”

we adhere to ethical reasons and do for the benefit of our customers as well as for the well-being of all stakeholders.



YEARLY FINANCIAL HIGHLIGHTS

2010 **2011** **2012** **2013** **2014**

Performance results (Bt m)

Presale (Bt m)	38,752	25,554	29,396	41,282	39,090
Presale (units)	20,865	12,185	13,250	18,858	16,608
Unit transferred (units)	12,849	12,194	12,444	17,137	17,084
Paid-Up capital (Bt m) before Premium on ordinary shares	2,207	2,209	2,213	2,223	2,227
No. of share (m share)	2,207	2,209	2,213	2,223	2,227

Financial Statement Items (Bt m)

Assets	34,091	41,982	43,821	56,194	61,033
Liabilities	18,828	24,986	23,739	31,262	31,326
Equities	15,263	16,996	20,082	24,932	29,707
Revenue from sales of real estate	23,307	23,263	27,023	38,848	42,781
Total Revenue	23,407	23,422	27,141	39,041	43,027
Gross Profit from sales of real estate	8,746	8,538	9,133	13,498	15,686
Selling and Administration	4,243	4,654	3,925	6,077	7,091
Net Profit	3,488	2,835	3,898	5,801	6,654
Profit attributable to Owner of the Company	3,488	2,835	3,898	5,802	6,655

Per Share basis (Bt)

Book Value per share	6.9	7.7	9.1	11.2	13.3
Earning per share at current par value	1.6	1.3	1.8	2.6	3.0
Dividend per share (performance year)	0.50	0.40	0.50	0.85	1.00 ⁽³⁾
Dividend yield (%)	2.7	3.4	2.4	4.7	3.5
Market Price at Year-End	18.5	11.6	21.1	18.2	28.8
P/E (times)	11.7	9.1	12.0	7.0	9.6
P/BV (times)	2.7	1.5	2.3	1.6	2.2
Market Cap. (Bt m)	40,826	25,629	46,694	40,459	63,911

Financial ratios

Average Asset Turnover (times)	0.88	0.62	0.63	0.78	0.73
Return on Assets ⁽¹⁾ (%)	13.2	7.5	9.1	11.6	11.4
Return on Assets ⁽²⁾ (%)	17.4	10.6	12.4	15.2	15.1
Return on Equity (%)	24.7	17.6	21.0	25.8	24.4
Gross Profit Margin ⁽⁴⁾ (%)	37.5	36.7	33.8	34.8	36.7
Net Profit Margin (%)	14.9	12.1	14.4	14.9	15.5
Dividend payout ratio from separate FS (%)	31.1	31.0	33.8	36.5	45.3
Cash and Short term Investment (Bt m)	1,630	2,031	1,566	1,815	971
Liabilities/Equities ratio (times)	1.23	1.47	1.18	1.25	1.05
Interest Bearing Debt (Bt m)	13,111	20,307	17,527	20,948	22,295
Interest Bearing Debt/Equity (times)	0.86	1.19	0.87	0.84	0.75
Interest Bearing Debt - Cash Ending/Equity (times)	0.75	1.08	0.79	0.77	0.72

Remark:

[1] ROA: Net income/Average Total Asset

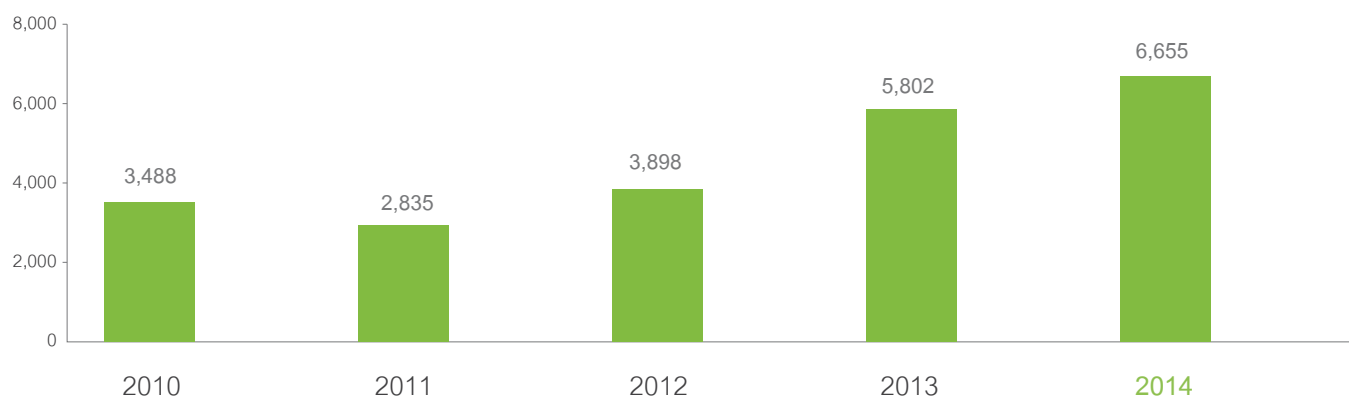
[2] ROA: Earnings before Interest and Tax/Average Total Asset

[3] Subject to the approval of Annual General Shareholders' Meeting in 2015

[4] Gross profit margin = [Sale from real estate- Cost of good sold from real estate]/ Sale from real estate

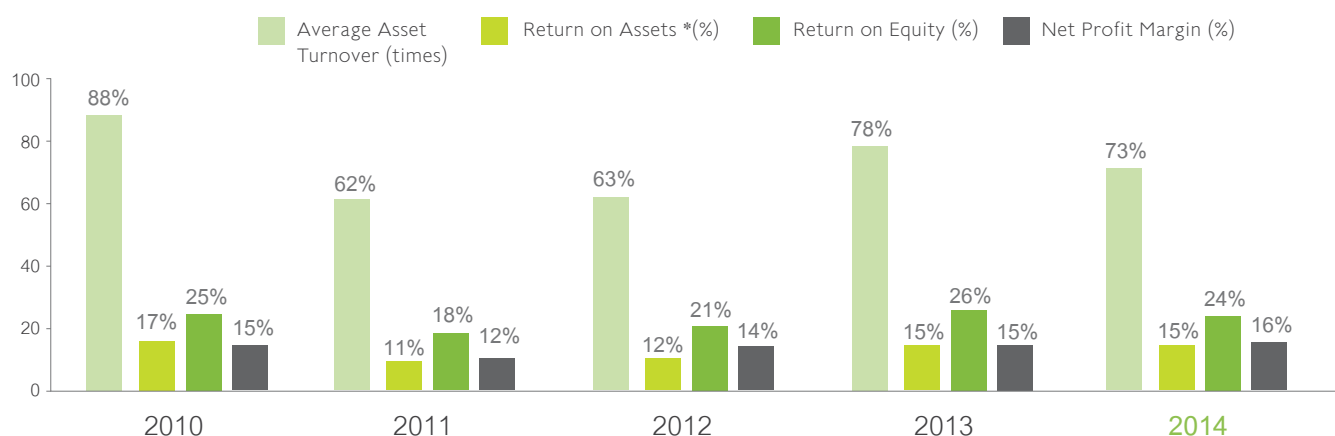
5 YEARS FINANCIAL HIGHLIGHTS

Profit attributable to Owner of the Company (Bt m)



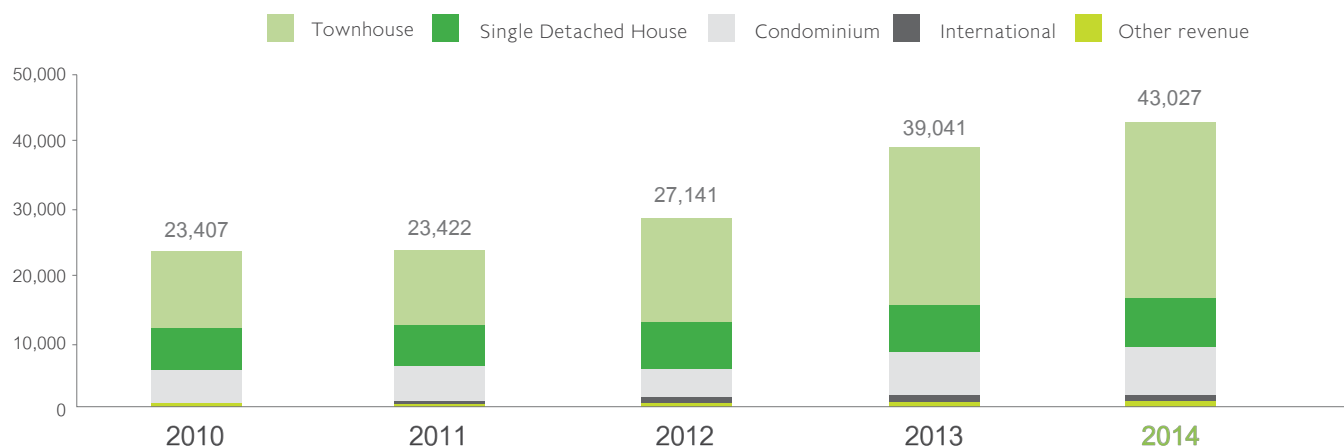
2014 Net Profit is **Bt6,655m** an increase of **Bt853m** or **14.7%** from 2013

Return & Turnover Ratio

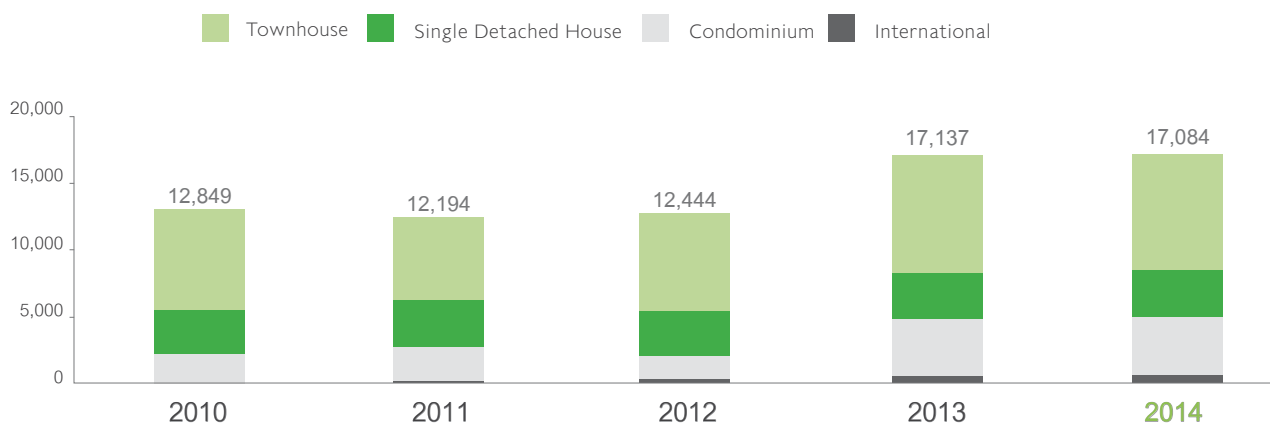


* ROA: Earning before Interest and tax/Average Total Asset

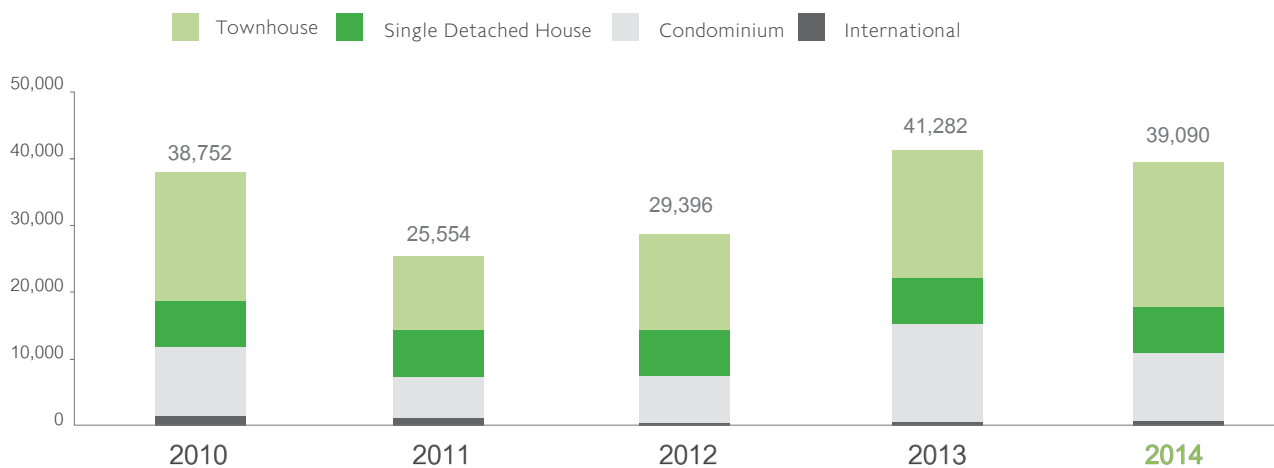
Total Revenue (Bt m)



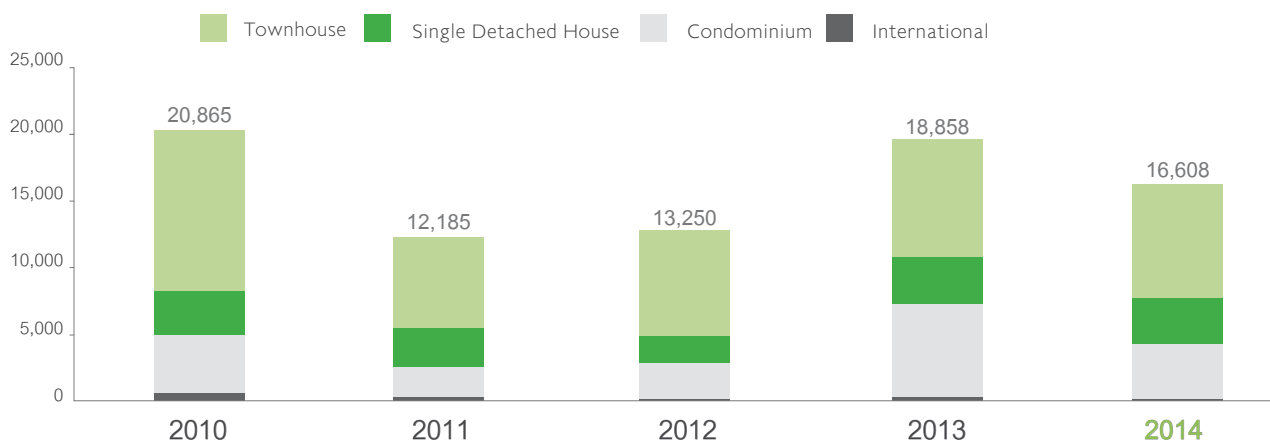
Unit Transferred (units)



Total Presale (Bt m)



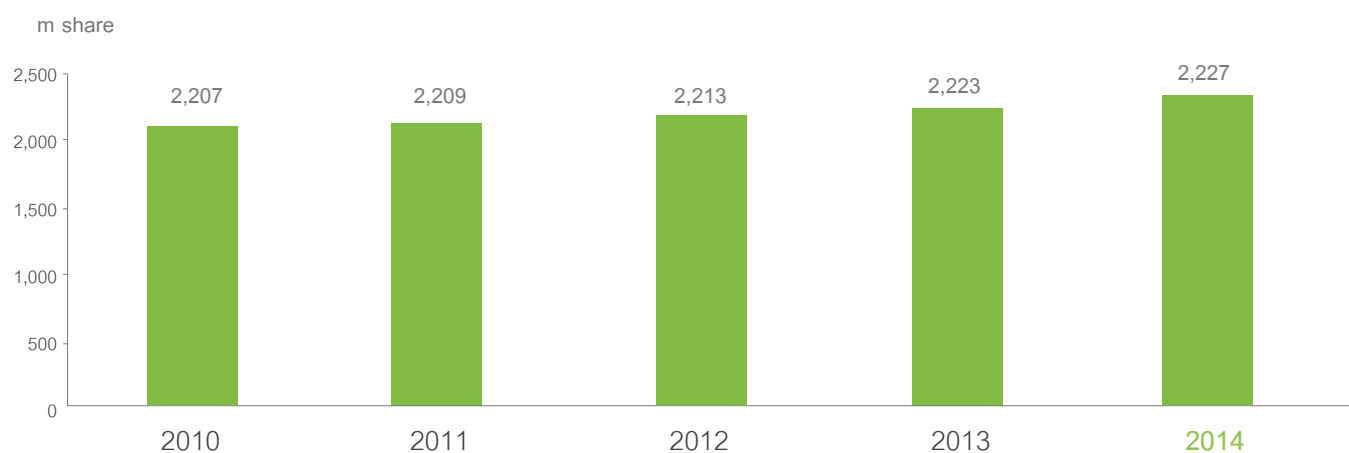
Total Presale (units)



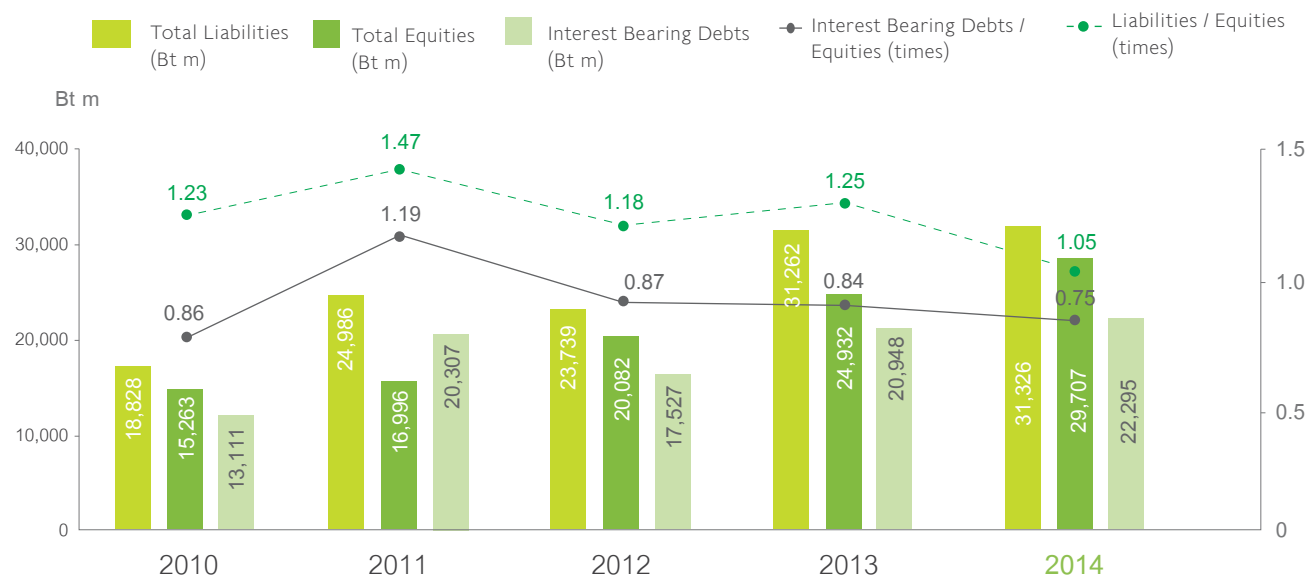
Consolidated Assets, Total Liabilities and Total Equities (Bt m)



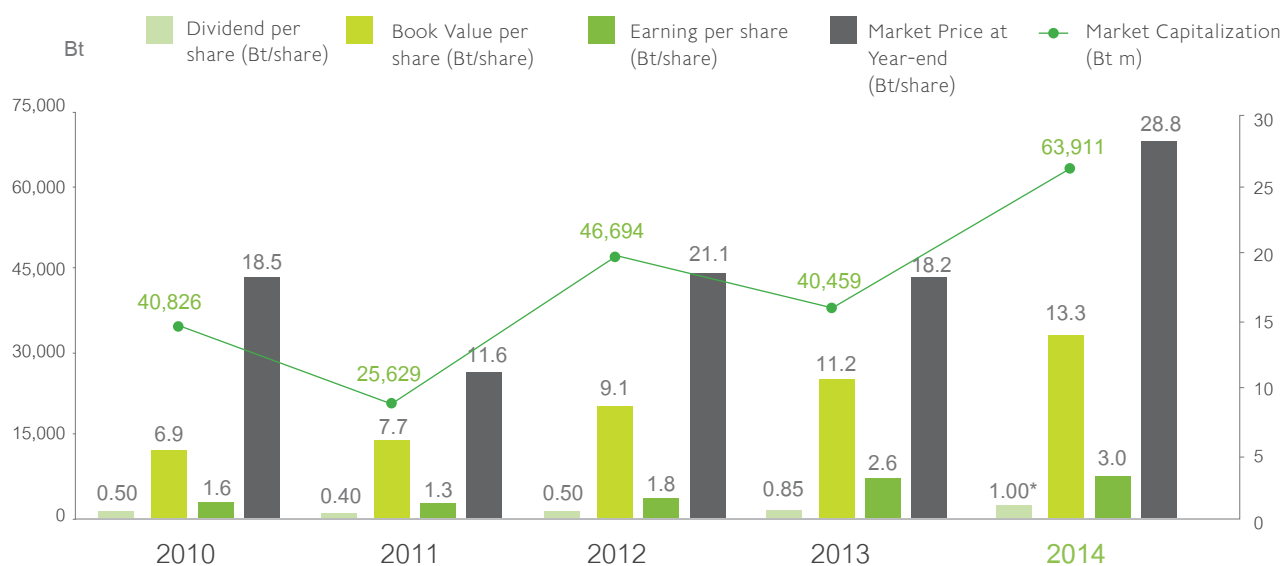
Number of share (m share)



Liabilities and Debt Ratios



Per Share (Bt)

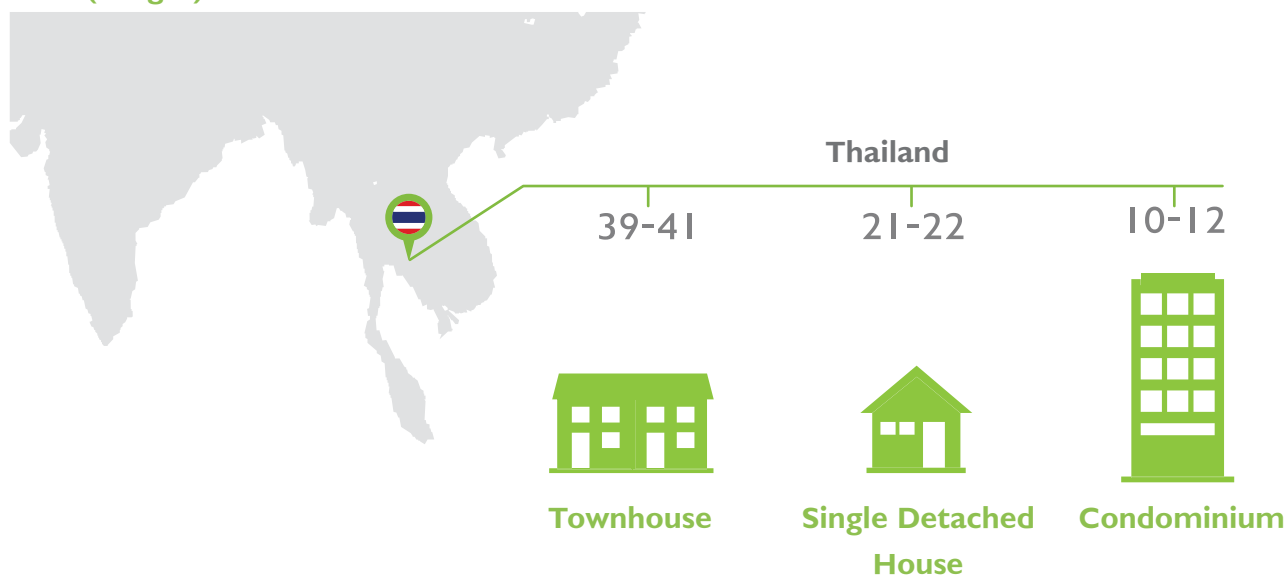


* Subject to approval of Annual General Shareholders' Meeting in 2015

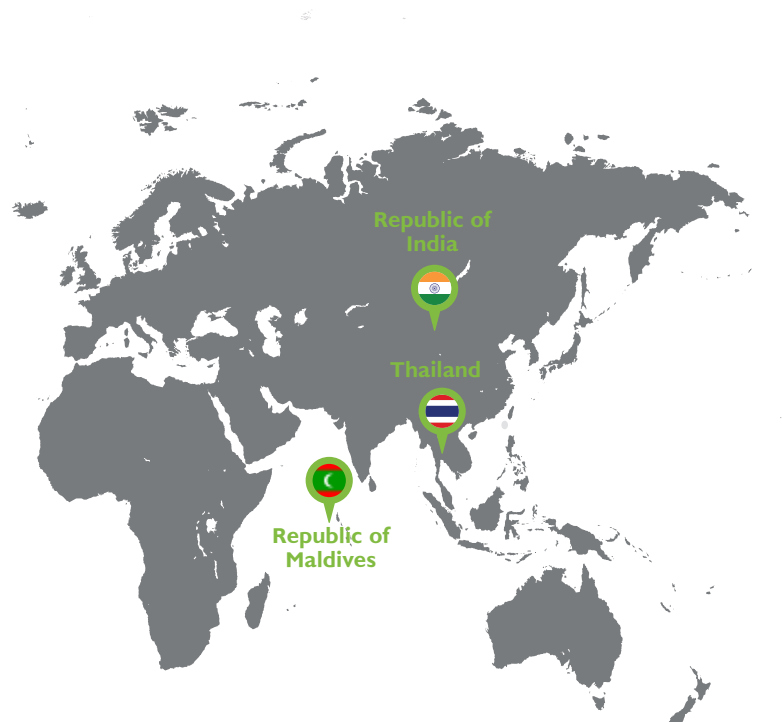
Projects Launch

	Townhouse	Single Detached House	Condominium	International	Total Projects Launch
2011	31	14	5	-	50
2012	21	5	4	-	30
2013	39	4	17	-	60
2014	34	17	11	-	62
2015 (Target)	39-41	21-22	10-12	-	70-75

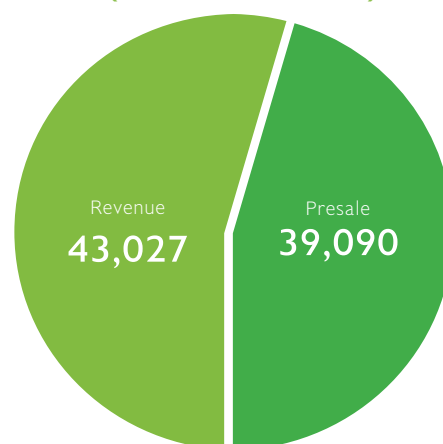
2015 (Target)



Company Name	: Pruksa Real Estate Public Company Limited
Current Type of Business	: Real estate developer for residential purposes, including townhouses, single detached houses, and condominium in Thailand and several countries in Asia such as Maldives and India
Head Office	: 27 th Floor, SM Tower, 979/83, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
PS Precast Factory	: 54/1 Moo 4, Lamlookka Road, Tambon Ladsawai, Amphur Lamlookka, Pathumthani
Registration No.	: Bor. Mor. Jor. 0107548000307
Home Page	: http:// www.pruksa.com
Telephone	: 0-2298-0101
Facsimile	: 0-2298-0102
Ordinary Shares and Registered Capital (shares, baht)	: 2,270,298,800
Ordinary Shares and Paid-up Capital (shares, baht)	: 2,226,675,700
Purpose	: Investment in Property Development



Revenue and Presale in 2014
(Unit: Million baht)



MESSAGE FROM THE CHAIRMAN



The year 2014 was another year that our business had to face different problems and obstacles from economic, social, and political environments. In particular, the first quarter was affected by politics, the impact of which was large in scope and included real estates industry. This resulted in the overall Bangkok Metropolitan Region's property market declined 15.8% compared to 2013. But owing to the management capability of Pruksa Real Estates Co., Ltd., a significant growth in performance was achieved. This was reflected in the total revenue of Bt43,027m which represents the 21st consecutive year of highest income since the establishment of the Company in 1993; this also holds true for net profits of Bt6,655m, a growth of 14.7% over the preceding year.

The Company has invested Bt2.3billion in the construction of two new precast factories in Navanakorn to support the basic infrastructure structure in Thailand, and the fact that Thailand will become a member of the AEC by end of 2015. This will stimulate economic growth and the increasing need for housing in Thailand. The new factories has a capacity production of 480 housing units per month, and when combined with the five existing factories in Lamlookka which have a capacity of production of 640 housing units per month, the Company then has a total capacity of production as high as 1,120 housing units per month. This is in line with the planning of new project launch and the planning of greater housing unit delivery to clients in each year. Thus, by the end of 2014, the Company possesses 177 active projects, the value of unsold units was Bt78,536m and covers all market level both in Bangkok, connecting provinces, and in many other provinces.

As for market direction in 2015, it is forecasted that the trend will be better than in 2014. This is due to clearer governmental policy and the stimulation of budget approval, and the clear planning of sub-way construction in many routes. All these represent good opportunity for the real estate business. Bangkok Metropolitan Region's property market is expected that the growth will be at another 10.0% over 2014. Pruksha will have to emphasis on the development

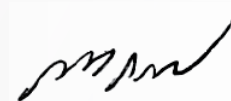
of low-rise housing structure which comprises town house and single detached houses. On the other hand, condominium will see development projects along the sub-way projects which are being expanded to suburban areas; thus, the condominium market will expand more.

In addition to the growth of the Company that impacts the growth of the country, the Company maintains its priority for the management under the policy of good governance and social responsibility, both in the business process and other social responsibilities regarding education, religion, society and environment, and civilization. As a result, the Company was awarded Best Listed Company for Best Investor Relations, and Outstanding Listed Company for social responsibility for 2014 from the Stock Exchange of Thailand.

On behalf of the Company Board of Director, I would like to thank all the shareholders, the customers, business allies, financial Institutions, involved governmental agencies, and including the management and employees of the Company, who have contributed to the growth and outstanding success in 2014. I would like confirm that the Company will adhere to its philosophy in conducting the business under the good governance coupled with social responsibility for the Company to achieve sustainable growth for the future ahead.



DR. PISIT LEEAHTAM
Chairman of the Board of Directors and
Independent Director



MR. THONGMA VIJITPONGPUN
Executive Vice Chairman of the Board
of Directors and Chief Executive Officer

BOARD OF DIRECTORS



1.

2.

3.

4.

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6.

1. DR. PISIT LEEAHTAM

Chairman of the Board of Directors /
Member of Nomination and
Remuneration Committee /
Independent Director

2. MR. THONGMA VIJITPONGPAN

Executive Vice Chairman of the Board
of Directors / Chairman of Executive
Committee / Member of Corporate
Risk Management Committee/
Member of Nomination and
Remuneration Committee /
Chief Executive Officer

3. MR. LERSUK CHULADESA

Vice Chairman of Executive Committee /
Member of Corporate Risk Management
Committee / Chief Operating Officer /
Acting Managing Director - Supply Chain

4. MR. PRASERT TAEDULLAYASATIT

Member of Corporate
Risk Management Committee/
Managing Director - Condominium

5. MRS. RATTANA PROMSAWAD

Member of Corporate Governance
Committee / Director of CEO Office

6. MR. PIYA PRAYONG

Member of Executive Committee
/ Member of Corporate Risk
Management Committee/
Managing director – Townhouse



7.

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13.

**7. PROFESSOR
EMERITUS DR. TRUNGJAI
BURANASOMPHOP**

Independent Director / Member of
the Audit Committee / Chairman of
Corporate Governance Committee

**8. MR. WEERACHAI
NGAMDEEVILAISAK**

Independent Director / Member
of the Audit Committee / Member
of Nomination and Remuneration
Committee / Chairman of Corporate
Risk Management Committee

**9. MR. ADUL
CHANDANACHULAKA**

Independent Director / Member of
the Audit Committee / Member of
Corporate Governance Committee

**10. MR. KANCHIT
BUNAJINDA**

Independent Director /
Member of Corporate
Risk Management Committee

**11. DR. PIYASVASTI
AMRANAND**

Independent Director /
Chairman of the Audit Committee

**12. MR. WICHIAN
MEKTRAKARN**

Independent Director

**13. MR. ANUSORN
SANGNIMNUAN**

Independent Director

AWARDS OF THE PRIDE

Prukso Real Estate aims at developing housing in response to the demand of those who desire to have their own houses, and has created outstanding performance results that are obvious to the public. This has led the Company to be bestowed a number of Honorary Awards for Achievement in 2014 as follows:

BEST LISTED PUBLIC COMPANY FOR INVESTOR RELATIONS AWARDS 2014

The Stock Exchange of Thailand has given the Best Investor Relations Award of the Year to Prukso Real Estate Public Company Limited. The Company is a listed company with outstanding activities on investor relations, prioritizing the participation of the entire organization in the “SET Awards 2014” ceremony, organized by the Stock Exchange of Thailand.



OUTSTANDING CORPORATE SOCIAL RESPONSIBILITY AWARDS 2014

The Outstanding Award that the Stock Exchange of Thailand has given to Prukso Real Estate Pcl., which is a listed company with outstanding business undertaking with social responsibility in the “SET Awards 2014” ceremony, organized by the Stock Exchange of Thailand.



SUSTAINABILITY REPORT AWARD 2014

The outstanding award is bestowed to Prukso Real Estates Pcl., which is the only real estate company to have received this award. It is a pride for the second consecutive year from the announcement of Sustainability Report Award 2014, organized by the CSR Club and the Association of Thai Listed Companies, with support from the Securities Exchange Commission.



CSR RECOGNITION 2014 AWARD

Award for the General Category that the Stock Exchange of Thailand bestowed to Prukso Real Estates Pcl., by presenting the Honor for the Company to provide a good model to other registered companies, organizations, and the public, in proceeding for social responsibility of the Company. This is considered another success level of the Company to have received this award for the second consecutive year.



INTERNATIONAL PROPERTY AWARDS 2014-2015



Pruksa Real Estates Pcl., won the best price award in “Marketing Development” from the “International Property Awards” held in Kuala Lumpur, Malaysia. The award was judged by an international committee and given to The Reserve Kasemsan project under the brand Stylish Residences. The project possesses an outstanding market plan and encompasses a complete cycle starting from the concept, project layout, project name, and various marketing media that reflect the essence of Precious Homes for Generations to Come as clearly and perfectly.

BCI ASIA TOP 10 DEVELOPERS AWARDS 2014



The awards were given by BCI Media Group to real estate developer companies and people in the design fields who have achieved outstanding designs and quality projects. Four of the Company’s condominium projects that won the awards are Fuse Sense at Bangkhuae, Plum Condo at Bangkhuae, Fuse on Jan-Sathorn Road, and Condolette Myst on Asoke-Phra Rama 9. The award received was BCI Asia Top 10 Developers Awards for townhouse, single house, and condominium projects, for the fourth consecutive year. This serves as a proof of quality housing project from Pruksa Real Estates where development goes on.

THAILAND LEAN AWARD 2014



The Thailand Lean Award 2014 of the Technology Promotion Association (Thai-Japanese) which bestow the Silver Award, was organized in honor of organizations that have achieved outstanding results in the management by lean model. Such management aims at minimizing the unutilized resources while supporting the organization to drive for quality improvement, cost reduction, the speed of product delivery, and services at a higher lever and in a systematic way, in particular, the production industry and the service. Pruksa Real Estates is the only real estate developer of Thailand who won this award.

HONORARY PLATE FOR ENVIRONMENTAL GOVERNANCE FOR THE YEAR 2014



The Honorary Plate from the Ministry of Industry given to organizations which have successfully implemented the environmental governance under the project of swam management and implementation of environmental governance. The Company has participated in the said project and has received good assessment result based on the management of production process with environmental awareness in the production of ready-made for concrete.

BUSINESS OPERATION

COMPANY BACKGROUND

Prukso Real Estate Public Company Limited was founded by Mr.Thongma Vijitpongpan on April 20, 1993 with the initial registered capital of Bt50m. It concentrates on developing projects for townhouses, single-detached houses and condominiums. The founder brought his experience and expertise in construction from government and private projects into the business of the Company. Such factor together with professional management team, outsourcing consultants from leading companies both locally and globally for continuous development of entire corporate operation process, appropriate business strategy resulted in net profit growth every year, since the inception even during flooding and economic downturn.

The Company focuses on residential houses located in various potential and high growth areas of Bangkok and its vicinities, including downtown Bangkok projects in Thailand and overseas are as follows:

TOWNHOUSE/ DUPLEX

Baan Prukso

Prukso Ville

Prukso Town

The Connect

Prukso Town Next

Prukso Lite

Prukso Town Privet

Privet Fidelio

Villette Lite

Villette Townhome

The Plant Citi

Villette Citi

Patio

Prukso Town Paradis

Urbano

Prukso Silvana (India)



SINGLE DETACHED HOUSE

Natura

The Season

Pruksa Village

Pruksa Town Serenity

Baan Pruksa Nara

Scenery

Pruksa Puri

Passorn

The Gallery

Delight

The Plant

The Palm

We 2

Pruksa Silvana (India)



CONDOMINIUM

Plum Condo

The Privacy

Condolette

Urbano Absolute

The Tree

Chapter One Condo

Stylish Residence

Fuse

IVY

The Editor

The Reserve

Coral Ville (Maldives)



Unlike most other real estate developers who generally hire contractors to handle construction work for the entire project, the Company is a real estate developer that adopts modern construction technologies from foreign countries to construct low rise houses and manages the construction of projects itself. In operating a project, the Company sets up project specifications and detailed design. With respect to construction, the Company manages its own construction by dividing work into parts and hiring contractors to perform specific tasks such as constructing foundation, concrete work, building installation, tiling and roofing, whereas raw materials are bought in bulk by the Procurement department. Engineers and foremen oversee the construction work to ensure it is in compliance with the standards and specifications. With in-house construction management and adoption of such technologies, the Company can effectively control the quality, manage construction time and cost. As such, the Company becomes a low cost leader among real estate developers. Although the Company has 5 Precast Factories, for the future business expansion, the Company invested additional for Bt2.3billion to construct two new precast factories to produce the most advanced steel-reinforced concrete with the highest capacity in the Thailand.

As approved at the Extraordinary General Meeting of Shareholders on April 22, 2005 the Company then increased its registered capital from Bt1,700.0m to Bt2,232.5m by issuing 532.5 million new shares with par value of one baht. On April 27, 2005 the Company converted itself into a public company. Later on December 6, 2005 it started trading on the Stock Exchange of Thailand (SET) under the ticker “PS”.



MAJOR DEVELOPMENTS DURING THE PAST 5 YEARS

YEAR 2010

- The Company's english name changed from "Preuksa Real Estate Pcl." to "Pruksa Real Estate Pcl.". The Company's brands also changed to reflect the new name and re-branding.
- After announcing 2009 audited financial statement, the Company became the largest residential developer in Thailand in term of revenue.
- The Company has started business in up-country by launched new brand "Baan Pruksa Nara" in the major cities, including Ayutthaya and Chonburi provinces. The Company launched its first project in Ayutthaya province in June 2010.
- The Company officially launched several local condo brands : "Chapter One", "Condolette" and "Fuse" and its first international brand "Coral Ville" in Maldives.
- In Hulhumale, Maldives, after signing the JV agreement with Housing Development Corporation (HDC), the Company launched low rise condominiums "Coral Ville"
- In Bangalore, India, the Company acquired its first land plot at Budigere. ~ 65 Rai (26 Acres), obtained all the licenses and approvals and started pre-launch of the first phase of row houses and Villas project.
- In Mumbai, India, the Company signed a Joint Venture Agreement with SOHAM Group of Companies to start developing the first project of row houses, twin homes and villas at Pimples Thane.
- In Hai Phong, Vietnam, the Company signed a 85% Joint Venture Agreement with Hoang Huy Service Investment Co.ltd.
- On June 24, 2010, the Company issued and offered two tranches of debentures for sale with the total value of Bt2,500m. The first tranche is worth Bt1,500m with three year maturity and the second tranche is worth Bt1,000m with five-year maturity. The redemption is due in 2013 and 2015, respectively.
- On November 10, 2010, the Company issued and offered two tranches of debentures for sale with the total value of Bt5,000m. The first tranche is worth Bt3,000m, with three year maturity and the second tranche is worth Bt2,000m, with five-year maturity. The redemption is due in 2013 and 2015, respectively.
- Another two precast concrete factories, PCF4 and PCF5, were constructed. PCF4 commenced the manufacturing in late 2010. Its capacity was 4,000 cubic metres monthly. PCF5 started the manufacturing of precast concrete wall in the middle of December 2010. The factory using a robotic assembly line from Germany was the world's most advanced hi-tech factory with the capacity for producing a precast concrete wall for 400 houses a month. The investment of Bt1,050m was spent on PCF4 and PCF5. However, the total capacity for manufacturing a precast concrete wall of PCF1 and PCF5 became 640 houses monthly.

YEAR 2011

- In the middle of year 2011, the production capacity of PCF4 and PCF5 was utilized fully after the commencement of the production in late 2010.
- The Company newly launched the following brands
 - » Townhouse: “Villette”, “The Reno” and “Patio” to serve middle-to-high home buyers.
 - » Single Detached House : “Natura” and “Pruksa Puri” to serve middle-to-high home buyers.
 - » Condominium: “Plum” to serve middle-to-low income.
- New projects are expanded to other provinces such as Phuket (“Pruksa Ville”) and Khonkaen (Single Detached House/Duplex houses, under the brand of “Pruksa Nara”).
- In Bangalore, the Company transferred its very first low-rise unit from project “Pruksa Silvana” (401 Units) in December 2011. The total accumulated booking since 2010 reached Bt469m.
- In Maldives, the Company started to transfer condominium units in its first 2 building from 9 buildings from “Coral Ville” project on Hulumale, Maldives.
- In November 2011, Bangkok suburbs and its vicinity suffered from severe floods, which resulted in increased cancellation of booking and transfers. However, the Company still recorded the highest ownership transfer of Bt23,231m, which was the highest amongst the industry. In addition, the Company’s presale of Bt25,554m ranked the second highest in its history. Due to the well-prepared flood protection plan, there was no flood in the areas of the main factories, PCF1 and PCF5, but the area around the factories was flooded. As a result, the factories were temporarily closed for 40 days. The production was resumed in December 2011.

YEAR 2012

- The Company has implemented a new construction technology called “Real Estate Manufacturing (REM)” in order to reduce not only dependence on labor and working hours but increase in productivity and quality. REM process is similar to car manufacturing process. During construction period, a contractor is assigned and responsible for only a job in which he is skilled. With this method, the average construction time of low rise projec has been reduce dramatically.
- Due to 2011 floods, the Company set necessary procedures, which help reduce risks and prepare for future floods, for every launched project such as soil modification at construction sites (low plains, slopping land, etc.), landfill at either main road level or past flooding level, improvement of drainage system and flood protection system of projects.
- On September 21, 2012 the Company issued and offered two tranches of debentures for sale with the total value of Bt5,000m. The first tranche is worth Bt3,000m with three and a half-year maturity and the second tranche is worth Bt2,000m with five-year maturity. The redemption is due in 2016 and 2017, respectively.

YEAR 2013

- The Company announced a new vision “With building valuable dwellings for each family to perceive happiness, family warmth, and have a better daily life, Prukso is determined to be ranked number one brand in customers’ minds for residential real estate business, and become one of the top ten real estate brands in Asia. Besides, reorganization was done in response to customers’ needs of each segment and each level. Managements’ responsibilities are divided into housing market segmentation with a focus on innovative construction, good quality houses, excellent service, and flexible management by being in line with a regular change in competitive real estate market.
- Prefabricated bathroom has been developed for a condominium project (starting the installation in 2014). As a result, beautiful models with higher quality are offered. In addition, after-use problems, labor shortage problem, and unskilled worker problem will be lowered and be able to transfer the new units faster.
- Fully Precast system is developed for constructing an eight-storey condominium project (low rise). The Fully Precast system which is Prukso’s strong point not only has reduced the business period but also helped solve labor shortage and work quality at the sites, which is an improvement due to and the use of prefabricated materials. The Company is an expert in innovative construction using prefabricated materials which has been used for constructing both townhouse and single-detached house projects same time. Meanwhile, the Company is in the process of integrating REM system with the new construction technique. Moreover, Asian Institute of Technology (AIT) has been assigned to analyze earthquake-resistant structures.
- Building Information Management (BIM), which is officially known as Building Information Modelling, has helped improved three-dimensional construction drawing. BIM has also helped to reduce the conflicting drawing during the construction process. To aid the estimation of material quantities and to reduce the number of steps in working process, the computerized calculation system is used.
- In order to support the Company’s growth set in the business plan, the Company invested Bt2,300m, purchased 130 rai of land at Navanakorn Industrial Estate in Pathum Thani province for construct another two Precast Concrete factories (PCF6 and PCF7). PCF6 will be a Carousel Plant which uses Fully Automated Carousel System and will become the factory having the highest capacity for producing bearing wall in the Thailand. The computer system is in control of every manufacturing process as follows:
 - » Shuttering and block out robot
 - » Automated mesh plant with mesh storage and handling system
 - » Automatic concrete pavers
 - » Automatic concrete polishing machine
 - » De shuttering robot
 - » Finished goods automatic storage

The new Prukso Precast Factory situated at Navanakorn is the first Green Factory in Thailand that helps reduce pollution arising from noise, dust, and waste water. The world most advanced technology and

macheries from Germany are used in this factory. Robot is employed in the production process in order to reduce manpower shortage. In the production process, the automated system is computer-controlled, and can thus deliver products of above-standard quality. In addition, the concrete recycling process is implemented in order to re-use waste water and concrete debris left from working process in the production process once again. Thus, there is no material left from the production which becomes friendly to the environment.

- On May 15, 2013 the Company issued and offered two tranches of debentures for sale with the total value of Bt6,000m. The first tranche is worth Bt3,000m with three year and one month maturity and the second tranche is worth Bt3,000m with five-year maturity. The redemption is due in 2016 and 2018, respectively.

Year 2014

- The “I-Inspection II” program is initially launched in the town-house project under the brand of “Pruksa Ville” in February in order to increase the effectiveness of home-delivery inspection for the customers through Tablet instrument. The delivery of homes has become faster and satisfactory. Thus, the use of such program has been expanded to other brands within the Company.
- The customer-base expansion strategy is applied to other segments to encompass wider scope. In March, a premium single Detach house project was launched under the brand “The Palm” on Patanakarn Road, at a price range between of Bt9-25m per unit. Precast has been used at the premium house level and is well accepted by the customers. The first phase was sold out within a short period of time.
- Cost management has become more effective. The use of Pruksa Precast Technology and Pruksa REM (Real Estate Manufacturing) has well contributed to the ability to control cost and encounter less defects. The business cycle time for low-rise housing is reduced from 146 days to 87 days only. Customers can obtain the transfer of their houses quickly the booking of revenue can meet the target date. Besides, the Company can set the price that is more cost-worthy than the competitors who build products of the same level, but the price would be 10-15% higher.
- Precast Bathroom is used in condominium projects such as Plum Condo in Bangyai and Plum Condo in Rama 2. The use of precast bathroom is also under study for use in low-rise projects. This can help in shortening the construction time requirement, in addition to having better-quality bathroom.
- At two Pruksa Precast factories (PCF6 and PCF7) in Navanakorn, the production in some part has been launched since September 2014. The production capacity is approximately 480 housing units per month, and together with 5 other factories in Lamlookka, the production capacity of which is 640 housing units per month, the Company will have a total production capacity of 1,120 housing units per month. This is in line with the launch of new projects and the plan to deliver quality houses to customers. The customer base increases every year.
- On January 31, 2014 the Company issued and offered one tranche of debenture for sale with the total value of Bt2,000m with three-year maturity. The redemption is due in 2517.
- On September 17, 2014 the Company issued and offered two tranches of debentures for sale with the total value of Bt4,000m. The first tranche is worth Bt2,000m with two year and nine month maturity and the second one tranche is worth Bt2,000m with three-year and six month maturity. The redemption is due in 2017 and 2018, respectively.

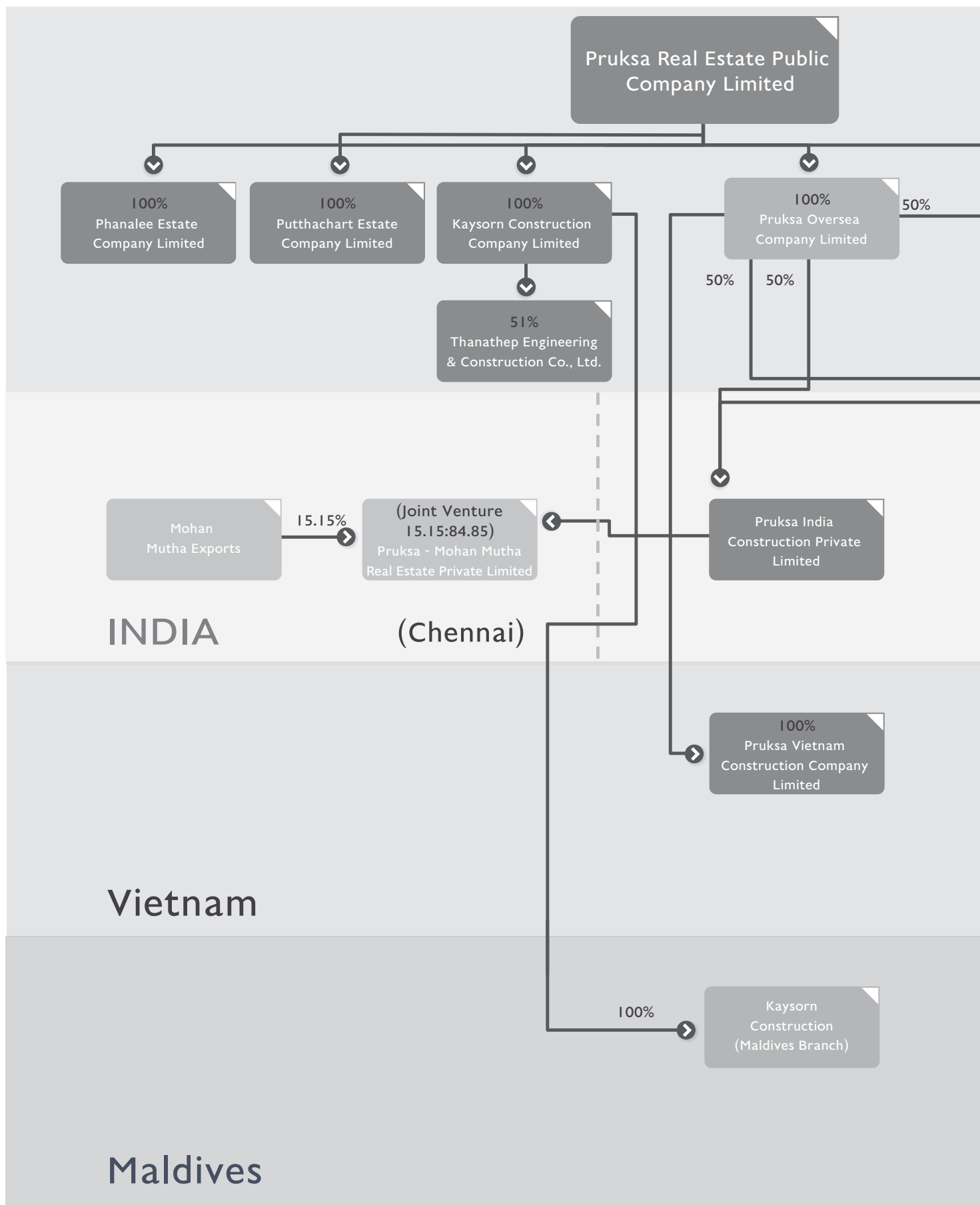
THE COMPANY'S AFFILIATES STRUCTURE

The Company's affiliates both domestic and overseas which were already incorporated as on December 31, 2014.

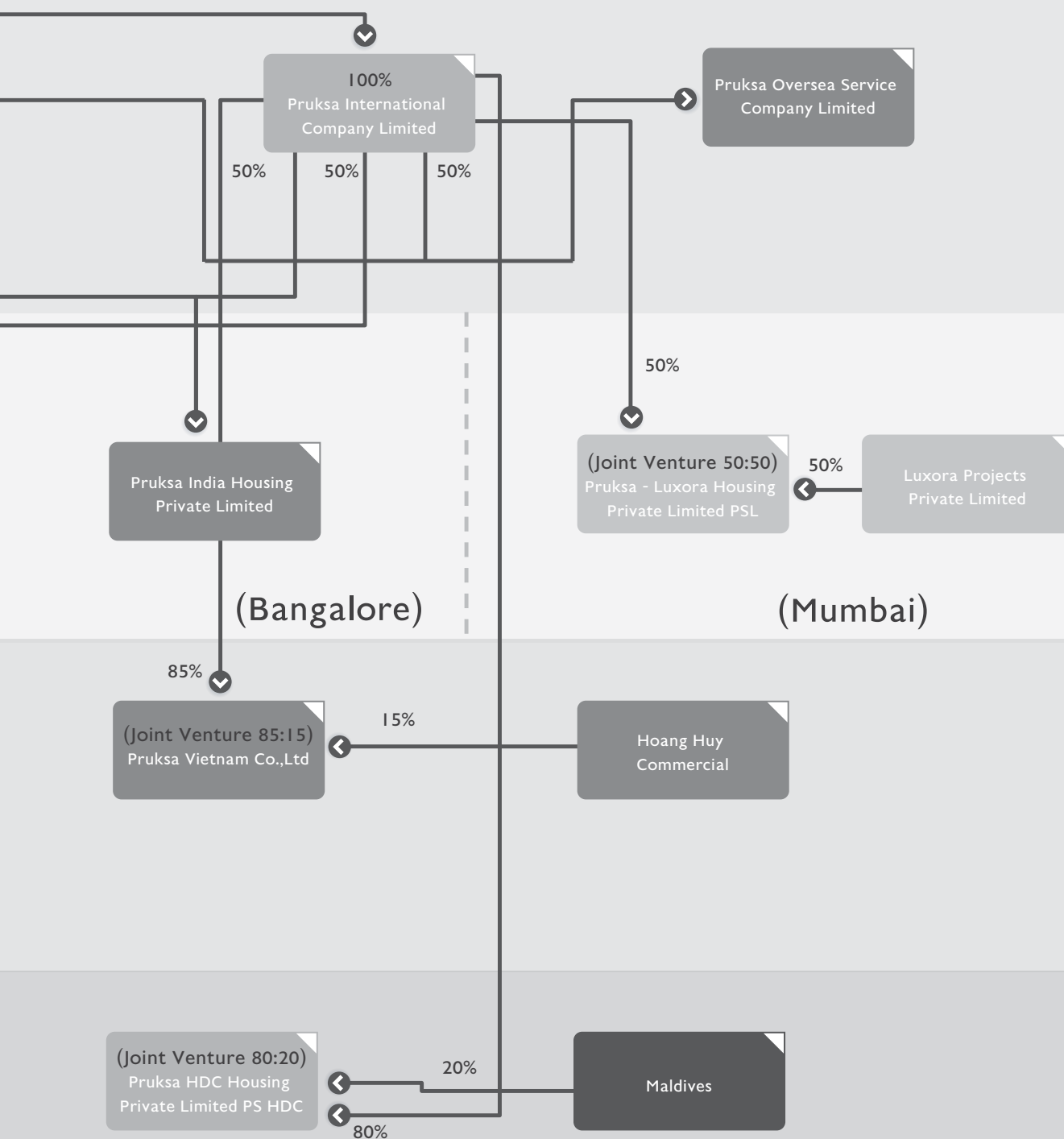
No.	Founded	Name of affiliates	Location	Registered Capital	Paid-up Capital	Share Premium	% Shareholding
1	2005	Kaysorn Construction Co., Ltd.	Bangkok	Bt100m	Bt100m	-	100%
2	2006	Putthachart Estate Co., Ltd.	Bangkok	Bt1,000m	Bt800m	-	100%
3	2006	Phanalee Estate Co., Ltd.	Bangkok	Bt1000m	Bt800m	-	100%
4	2008	Prukha Overseas Co., Ltd.	Bangkok	Bt600m	Bt500m	-	100%
5	2009	Prukha International Co., Ltd.	Bangkok	Bt1,000m	Bt1,000m	-	100%
6	2009	Prukha India Housing Ltd.	Bangalore, India	Equivalent to USD0.6m	Equivalent to USD0.4m	Equivalent to USD19.6m	100%
7	2010	Prukha Overseas Services Co., Ltd.	Bangkok	Bt10.0m	Bt2.5m	-	100%
8	2010	Prukha India Construction Private Ltd.	Bangalore, India	Equivalent to USD0.03m	Equivalent to USD0.02m	Equivalent to USD0.09m	100%
9	2010	Prukha Vietnam Construction Co.,Ltd.	Haiphong, Vietnam	Equivalent to USD1.5m	Equivalent to USD1.5m	-	100%
10	2010	Prukha-Luxora Housing Pvt.	Mumbai, India	Equivalent to USD1.2m	Equivalent to USD0.01m	Equivalent to USD0.006m	50%
11	2010	Prukha-HDC Housing Private Ltd.	Maldives	Equivalent to USD10.0m	Equivalent to USD5.0m	-	80%
12	2010	Kaysorn Construction Ltd., Maldives Branch ¹	Maldives	-	-	-	100%
13	2011	Prukha - Mohan Mutha Real Estate Pvt.	Chennai, India	Equivalent to USD2.0m	Equivalent to USD0.02m	Equivalent to USD0.09m	84.85%
14	2013	Prukha Vietnam Co.,Ltd.	Hai Phong, Vietnam	Equivalent to USD10.0m	Equivalent to USD3.56m	-	85%
15	2013	Thanathep Engineering & Construction Co., Ltd.	Bangkok	Bt5.0m	Bt5.0m	-	51%

Remark : 1 It's a branch of Kaysorn Construction Co., Ltd.

SUBSIDIARIES' STRUCTURE



Thailand



NATURE OF BUSINESS

REVENUE STRUCTURE

From 1993 to December 31, 2014 the Company has launched 450 residential housing projects. The revenues of the Company are divided as follows:

Product types	For the year ended on December 31, 2014					
	2012		2013		2014	
	Bt m	%	Bt m	%	Bt m	%
Townhouse (Thailand)	14,908	54.9	20,669	52.9	22,791	53.0
Single-detached house (Thailand)	8,775	32.3	9,195	23.6	9,776	22.7
Condominium (Thailand)	2,837	10.5	8,450	21.6	9,694	22.5
International	429	1.6	497	1.3	441	1.0
Total	26,949	99.3	38,811	99.4	42,702	99.2
Other revenue *	75	0.3	37	0.1	79	0.2
Revenue from sale of real estate	27,024	99.6	38,848	99.5	42,781	99.4
Other income	117	0.4	193	0.5	246	0.6
Total revenue	27,141	100.0	39,041	100.0	43,027	100.0

Note: * Other revenue was comprised of landing sale and construction revenue

Existing residential housing projects as of December 31, 2014 consisted of 177 projects which detail are follows;

Active Project As of Dec 31, 2014	No. of Projects	Total Project Value		Sold		Unsold	
		Units	Bt m	Units	Bt m	Units	Bt m
Baan Prukha	26	9,212	15,492	4,604	7,407	4,608	8,084
IVY Chinatown	1	19	398	14	257	5	141
Patio	2	491	1,973	186	758	305	1,215
Prukha Lite	4	1,011	3,221	155	327	856	2,894
Prukha Town	17	4,337	10,421	2,984	6,897	1,353	3,524
Prukha Ville	28	8,555	20,159	3,729	8,097	4,826	12,062
The Connect	11	2,578	7,511	1,428	4,016	1,150	3,495
The Plant	2	763	2,783	238	878	525	1,905
Villette	4	1,342	4,096	665	2,015	677	2,080
Total Townhouse	95	28,308	66,054	14,003	30,653	14,305	35,400

Active Project As of Dec 31, 2014	No. of Projects	Total Project Value		Sold		Unsold	
		Units	Bt m	Units	Bt m	Units	Bt m
Passorn	11	3,675	14,064	1,841	7,554	1,834	6,510
Pruksa Nara	3	926	3,105	514	1,643	412	1,463
Pruksa Puri	2	436	1,557	319	1,096	117	462
Pruksa Town	6	1,202	4,234	1,011	3,402	191	832
Pruksa Village	15	4,079	13,994	2,187	7,165	1,892	6,829
The Palm	1	179	1,952	60	739	119	1,212
The Plant	11	2,366	10,514	819	3,430	1,547	7,084
Total Single detached house	49	12,863	49,420	6,751	25,029	6,112	24,391
Chapter One	3	2,838	6,659	2,555	5,861	283	799
Condolette	4	1,113	4,509	718	2,689	395	1,819
Fuse	4	3,722	9,367	2,800	6,521	922	2,846
IVY	1	289	1,832	255	1,530	34	302
Plum	8	15,489	16,866	8,174	8,480	7,315	8,386
Privacy	6	1,059	2,074	621	1,200	438	874
Stylish	2	514	3,034	443	2,605	71	428
The Tree	3	3,546	9,036	2,670	6,625	876	2,412
Urbano Absolute	1	253	2,061	204	1,507	49	555
Total Condominiums	32	28,823	55,438	18,440	37,018	10,383	18,421
Silvana Bangalore (India)	1	401	1,505	330	1,181	71	324
Total International	1	401	1,505	330	1,181	71	324
Total	177	70,395	172,417	39,524	93,881	30,871	78,536

BUSINESS STRUCTURE

The Company has two business structures;

1. Domestic real estate business
2. Overseas real estate business

For both domestic and overseas real estate business, the Company focuses its expertise in residential housing project development and conducts a business in which the Company has many years' experience and has competitive advantage.

I. DOMESTIC REAL ESTATE BUSINESS

The Company has been developing residential housing projects in 3 types which are single detached house, town house/ duplex house and condominium by focus on Bangkok and its vicinities. The Company focuses in BMR (Bangkok Metropolitan Region) which is a high growth potential area. In 2010, the Company launched its first upcountry projects in Nakhon Pathom, Chonburi and Phuket. The Company launched its first North-Eastern project in Khon Khan and more projects in Phuket in the following year. Launching new projects in upcountry is on-going strategy of the Company's business plan. Besides, in 2013 and 2014, the Company re-organized the internal operation in various dimensions including the Company's new vision, rebranding and corporate reorganization in order to focus on the management in each business unit in order to sustainable business growth and also financial stability.

2. OVERSEAS REAL ESTATE BUSINESS

The Company's policy is to invest abroad. The first overseas project started in Maldives in 2010, followed by Republic of India and Vietnam. The Company has conducted the feasibility study for developing property projects in order to assess the situation of investment in terms of economic conditions, policies to promote foreign investment, as well as business opportunities then it planned to focus on development projects in Republic of India.

2.1 Bangalore, the Republic of India

Focus on Townhouse/Single Detached House/Duplex in Bangalore, brand "Pruksa Silvana" (100% own by PS subsidiary). Total low rise 401 units (321 single detached houses and 80 townhouses) with a project value of Bt1,504m. The first unit was transferred in December 2011. The 2014 presale and transfer were Bt232m and Bt441m, respectively. The accumulated presale and transferred were Bt1,181m and Bt1,072m, respectively. Now, land for the second project which has been planned to construct a condominium was purchased.

2.2 Hulhumale, the Republic of Maldives

The investment project is a joint venture between the Company holding 80% shares and Housing Development Corporation (HDC) is the first phase of property development project in Hulhumale.

The project, which is worth Bt376m, consists of nine 5-storey buildings, amounting to 180 units. Both construction work and the transfer of ownership were completed. However, the Company has to review the investment plan whether the Company should continue with the second phase because of inhospitable investment situation such as a small market, economic vulnerability, and a shortage of foreign currency in the banking system.

2.3 Haiphong, the democratic republic of Vietnam

The project is a joint venture between the Company holding 85% share and Hoang Huy Service Investment Co., local investor. The investment license for residential development projects was obtained in January 2013. Currently the Company ended investment due to the law on expropriation of land inhospitable and is in the liquidation process.

PRODUCT TYPES

I. TOWNHOUSES/DUPLEX HOUSES

The townhouse commercial buildings and duplex houses' market is around 23.0% of total housing market by newly registered housing units in Bangkok and its vicinities registered in 2014. It was accounted for 53.0% of the Company's real estate revenue. In 2014, the Company launched totally 34 new townhouse projects.

Ownership Transfer	2012	2013	2014
Total units of townhouse projects	9,140	10,941	10,880
Revenues from sales of townhouses (Bt m)	14,908	20,669	22,791
Total registered townhouses, commercial buildings, and duplex houses in Bangkok Metropolis and its suburbs* (units)	12,287	23,746	20,105

* Source from REIC : the Real Estate Information Center (built by developers)

The Company develops many brands of townhouses with various models. It set prices ranging from Bt1.0-5.0m. The latest brands launched in 2013 were "Pruksa Lite" and "Villette Lite". The Company's market share in townhouse-unit-transfer has been No.1 amongst Thailand residential developers for several consecutive years.

The Company focuses on low to middle income customers and expands to high income customers who desire to have their own houses and are not buying for speculation. The Company has constructed townhouses under the concept "The possible happiness (better living/real living)" in order to respond to basic needs of customers for housing of comparable quality but lower prices.

When compared to other developers' housing of similar designs, sizes, and locations. Generally, the Company's sale prices for townhouses are 10-15.0% lower than those offered by other developers. This is because the Company manages the construction itself and, as a result, it can efficiently control the costs of construction and shorten the construction period including high quality materials comparing to other developers at the same price range.

The Company endeavours grow its share in townhouses as planned. It also conducts research to find customers' needs and adopt such need into its design and features. Thus, the market share of the Company

is successfully as high as 60%-70% in townhouse. As townhouses show short cash business cycle, including government's stimulus measures to boost the property sector through tax incentives, low housing loan interest rates, assistance to affected residential areas in the form of either low interest rates of long-term loan, the Company then focuses on the continuous improvement of its townhouse projects so that house buyers can receive such advantages.

In 2010, the Company further expanded to townhouse development under the existing brands to new market areas covering both Bangkok areas and its vicinities, including the continuity of service and product improvement. The new brand of townhouse, Urbano, has been introduced in town area. In addition, townhouse projects under the brand "Pruksa Nara" has been developed in Ayutthaya, Chon Buri and Khonkaen while "The Connect" and "Villete" has been expanded into new city areas of Bangkok, which have no Pruksa's projects yet. Besides, "Pruksa Ville" has been expanded into provinces such as Phuket and Chonburi. The Company has launched townhome style with larger areas in its three or four stories such as "Villette", "Patio", "We/2" and "The Connect UP3" brands targeting on middle to high income customers and located closer to town with higher selling price. The projects are in Muang Thong Thani, Chaeng Wattana zone and Pattakarn Soi 38 zone in which are close to prime area with no flooding and are sold at attractive price. Moreover, there are few developers selling low rise houses in the neighbourhood at present as most of them rather offer condominium. The Company has competitive land cost from the auction sale by Thai Asset Management Corporation (TAMC). Therefore, the Company can sell low rise houses with attractive price starting from Bt2.5m.

Since 2012 after the flood, the Company has developed new design of townhouses. To prevent future flood including projects design and the housing structure design such as adjusting the land reclamation level up to higher than the maximum flood level in the past, modifying both of the fences of projects and of the housing to a watertight types, using of water resistant material, designing the new sanitation system and also designing the flood protection system etc.

Future plan – townhouses

The Company's business plan in 2015 is targeting to launch 39-41 townhouse projects located in Bangkok and its vicinities and up country, with the presale target around 43% of total presale.

2. SINGLE DETACHED HOUSE

The single detached house market is around 26% of total housing market by newly registered housing units in Bangkok and vicinities registered in 2014. It was accounted for 23.0% of the Company's real estate revenue. In 2014 the Company launched 17 projects of single detached house,

Ownership Transfer	2012	2013	2014
Total units of single-detached house projects	2,213	2,228	2,286
Revenues from sales of single-detached house projects (Bt m)	8,775	9,195	9,776
Total registered single-detached houses in Bangkok Metropolis and its suburbs* (units)	10,887	13,484	13,449

* Source from REIC : the Real Estate Information Center (built by developers)

The Company has extended projects as to cover all segments in the market, more particularly it has expanded into the housing value for more than Bt10.0m under brand "The Palm" at Pruksa Pattanakarn Avenue which is the Company's first project that has an average price of housing unit up to Bt10.0m and

has been very well accepted. Thus, the Company is planning to expand into the housing market with higher price in 2015 and also planning to extend in to the middle to lower market segment as well.

The Company has improved the housing design in terms of architecture and engineering with increased innovation and construction methods in order to enhance quality of housing under the costs efficient management. Enables the Company to build a housing faster with the cost effectiveness and its customers can purchase a home at a worth price. Moreover, the Company will increase its 3-storey housing in 2015 for an alternative choice of its customers.

Currently, the Company expanded projects in to the prime upcountry provinces such as Phuket, Chiang Mai, Chonburi, Ayutthaya and Khonkaen. However, the revenue generating from upcountry in 2014 was approximately 11% of total revenue of single detached house and the Company planned to expand to other provinces in 2015.

Future plan – single detached house

The Company's business plan in 2015 is targeting to launch 21-22 single detached house projects located in Bangkok and its vicinities and up country, with the presale target around 25% of total presale.

3. CONDOMINIUM

The condominium market is around 56% of total housing market by newly registered housing units in Bangkok and vicinities registered in 2014. It was accounted for 23% of the Company's real estate revenue. In 2014, the Company launched totally 11 new condominium projects.

Ownership Transfer	2012	2013	2014
Total units of condominium projects	930	3,800	3,800
Revenues from sales of condominium projects (Bt m)	2,837	8,450	9,694
Total registered condominium in Bangkok Metropolis and its suburbs* (units)	78,391	69,532	72,921

* Source from REIC : the Real Estate Information Center (built by developers)

The Company has adjusted its marketing strategy and revenue structure due to dramatic change in housing demand in Bangkok and its vicinities. In addition, the development of public mass transit such as BTS and MRT has caused higher demand for condominium along both elevated and underground trains since 2007.

In 2009, the Company developed a new market by constructing boutique condominium using "The Seed Theme" as its brand. "The Seed Musee Sukhumvit 26" and "The Seed Memory Siam" were such successful projects that not only both high-end condominiums were rapidly sold out but Prukpa was also known and accepted by high-income buyers. Moreover, the Company has been developing further condominium projects to serve the promotion privileges granted by the Board of Investment (BOI) aiming at low and middle income residents with selling prices of not over Bt1.0m together with utility space of not less than 28 square meters. In the same year, the Company has penetrated into condominium markets for low and middle income residents called "BOI condominium market" using "The Tree" and "BE YOU" as its brands. "The Tree Ladprao" was the first project which was very successful sale.

The new brands launched in 2010 are “Condolette”, “Chapter One”, “Fuse”, “Urbano”, and “Coral Ville (Maldives)”. Due to the four-year consecutive success, the Company recorded Bt12,340m in presale which was the highest value in the industry.

In late 2010, condominium market showed sign of a slowdown due to an oversupply and strengthen loan to value (LTV) criteria. Therefore, the Company did not focus on condominium much in 2011. Only one new brand, “The Plum” was introduced in the market serving mid-to-low income earners at selling price around Bt1.0–2.0m.

Throughout the year 2011, there were many factors discouraging condominium sellers such as oversupply and delayed with rather ambiguous government incentive for home buyers. Such hesitation diminished condominium presale as foreseen by the Company. Therefore, the Company kept focusing on transferring the existing condominium and received very high success.

The recovery sign in condominium market was seen in 2012 because of the economic recovery following the 2011 floods, demand for condominiums located along the current or new extension to the mass transit lines as the second home and desire for reducing the commuting time to work help pushed demand higher. As a result, the total presale and ownership transferred achieved its target. The growth of condominium market rose continually in 2012 and will likely continue to increase.

In 2013, Condominium projects such as “Fuse” and “Condolette”, which are existing brands, including new brands such as “The Reserve” and “The Editor” have been launched. Such condominium projects which target middle-end and high-end customers are located in either downtown or along BTS or MRT lines such as Sathorn, Saphankwai, and Kasetsart University etc. Moreover, an upward trend in condominiums with selling prices of both less than Bt1.0m and Bt1.0-2.0m are likely to grow continually at higher rates. Consequently, a condominium project such as “Plum Phahonyothin 89” located in the suburbs of Bangkok has been launched to meet the demands. The Company has penetrated further into such market segmentation and achieve high volume of sales in 2013. The Company has also launched “The Privacy” of which selling points focus on small space condominium, fast construction, and location being in a Soi.

Due to political uncertainty in the first half of 2014, it was highly impacted to condominium market. However many developers gradually launched many projects in the second half of 2014 especially 3rd and 4th quarter of 2014, that reflected to recovery of condominium market as well as highly recovery of the Company’s presale.

Future plan – condominiums

The Company’s business plan in 2015 is targeting to launch 10-12 condominiums projects located in Bangkok and its vicinities and up country, with the presale target around 31% of total presale. The Company has emphasized the penetration of inexpensive condominium market, which is under brand “Plum”. Precast construction technology and new construction technology which are the Company’s competitive advantage are applies to some part of low-priced condominium projects so that handover of new units with good quality can be done quickly. Including, the Company also focus on condominiums in the middle-to high segment under brand “The Tree”, “Chapter One” and “The Reserve”.

PRODUCTION MANAGEMENT

I. CONSTRUCTION MANAGEMENT - TOWNHOUSES

The Company organizes construction management into two departments as follows:

1. Construction management department

This department supervises and implements the construction of all projects under the agreed plans and models. It manages the construction costs within the budget and coordinates with the Company's Budget Department.

2. Quality assurance department

This department inspects the quality of each individual housing unit to ensure that it is up to the standards required. The Company has central departments to support construction management for both townhouse and single detached house projects. The support departments are as follows:

- Contractor Recruiting Department: This department recruits specialized contractors and labourers for each project as required
- Purchasing Department: This department is responsible for purchases materials for use in construction and makes construction management more flexible and more efficiency
- Research and Development Department: This department utilizes appropriate technologies for application in design and construction work
- Engineering Department: This department is responsible for designs and solving technical problems
- Project Development Department: This department serves as the coordinator and participates in the development of housing designs

Housing design

Housing design for each project, the marketing and sales departments will coordinate with the project development department as to determine the guidelines and the conceptual design of the project including budget and construction technique. Then, the project will be assigned to the architect in order to design the housing according to that guidelines. Later, the architect will design in detail parts (detailed design) for a completed home prior before the Company will start the construction.

In a townhouse construction project, the Company divides the work into production lines, each of which is able to build about 40 townhouse units per month. In each project, there may be more than one production line, depending on the project size. The Company assigns about 10 staff members to supervise the construction work at each production line, with the project manager being the project supervisor, and project engineers, field engineers, and foremen supervising construction work at each stage and specialized contractors hired to carry out detailed work, such as foundation work, masonry, parts installation, floor tiling, and roofing. The Company hires specialized contractors and labourers at

appropriate numbers for each production line. During the construction period, the Company's quality assurance department inspects the house quality periodically and the overall quality after completion of the house construction, prior to sale or delivery to the customer.

The Company is able to build this type of house with comparable quality and more useable area and with similar designs, sizes and locations, at a cost lower than those of other operators. In addition to the ability to manage construction work by itself, the Company has another advantage, i.e. it employs production technologies to reduce the construction period. This can save costs and labor expenses, while maintaining work quality. The Company uses the Cast-In Situ Load Bearing Wall Structure system in the construction of Baan Pruksha projects and the RC Load Bearing Wall Prefabrication system in the construction of single detached houses in the "Pruksha Ville" and "The Connect" projects.

The cast-in situ load Bearing wall structure system

The Company purchased this technology from France. This system uses walls to bear the weight in place of pillars and beams, skipping the step of cement pouring for pillars and beams. The walls are assembled and installed at the construction site. Then the walls are tied with a steel structure into which cement is poured. The steel frame is subsequently removed and a bearing wall is created. By this method, the work is done more quickly. The Company was among the first few developers which employed this system in the construction of one-story townhouses which required about 30 days from the commencing date to complete the construction of a house, which is more efficient than the conventional method of construction which require about 180 days. The Company had used the conventional method in the construction of early townhouse projects such as "Baan Pruksha 1" and "Baan Pruksha 2".

Later, the Company has developed new construction technologies to boost house construction efficiency. It has employed the Tunnel Technology in the construction of two-story townhouses. The construction starts with the fitting of steel-framed walls and the upper floor at the same time, followed by structure steel bar wire tying and concrete pouring for the lower walls and the upper floor, also in one step. Then the upper walls and roof frames are fitted in. By this method, the outside working period is much shorter than the conventional method and a solid, strong and beautiful house is obtained. By using Tunnel Technology in construction, a house is completed in about 60-80 days. This method is much quicker, compared with the conventional method, which requires about 180 days. The Company has used this technology in the construction of Baan Pruksha 3 project and the subsequent projects. In addition to the construction of townhouses, this technology can be used in the construction of 8-storey condominiums.

The advantages of this technology are as follows:

1. The house structure is solid and strong because the pre-cast steel-reinforced concrete walls are longer lasting than conventional brick walls.
2. Easier quality control as the system has a firmly established procedure.
3. The construction period can be easily controlled as unnecessary construction steps are skipped, thus requiring shorter time for construction than the conventional method.
4. It is appropriate for major products which have the same models.
5. It depends less on skilled labor, which is an important part of the construction cost.

6. Bricklaying and masonry on walls is omitted in addition to concrete pouring for beams and pillars.
7. The problem on wastes from work, which is a major problem in construction, is reduced, resulting in cost saving and an orderly working condition in the construction site.

RC load Bearing wall prefabrication

(details appeared on topic 'construction management – single detached house')

The Company has a factory which uses a battery mold system to produce precast fences and pillars for single detached houses and townhouses ("Pruksa Ville" and "The Connect" projects). Therefore, the Company is able to build townhouses in mass to meet market demands and in effect to manage construction costs efficiently, thus achieving the economies of scale.

2. CONSTRUCTION MANAGEMENT – SINGLE DETACHED HOUSE

Managing a single detached house project is similar to managing a townhouse construction project. However, for the construction of each project, the Company assigns staff by project rather than by product line, as the number of housing units in each single detached house project is smaller than that of a townhouse project. About 30-40 staff members are assigned to supervise the construction of each project and specialized contractors and daily-wage workers are hired for each project as appropriate.

RC Load Bearing Wall Prefabrication:

At the beginning, the Company cooperated with the Asian Institute of Technology (AIT) in developing the RC Load Bearing Wall Prefabrication technology (or "precast wall technology" as it is often referred to) for its construction work at each site. Later, in 2004, the Company built its own Precast Concrete Factory by purchasing the technology from Germany, which uses the Semi-Automated Pallet Circulating System, the most advanced system in Thailand. The Company has used this construction technology with two-story single detached house projects as single detached houses have diverse wall designs. Each house has 30-60 parts, which under this technology are precast in the factory and delivered to the construction site for assembly.

This technology not only has the similar advantages to those of Cast-In Situ Load Bearing Wall Structure but it also has other major advantages including more useable area rather than a space for beams and pillars. Moreover, the walls are better fire-proof, heat insulating, sound-opaque, and water-proof than those built by light weight bricks. In addition, houses built under this technology require low maintenance as it has a precast structure and the insurance premium is low as a precast structure house is better fire resistant, more solid and more durable. Pruksa and the Asian Institute of Technology (AIT) jointly studied and developed this construction technology and have been able to construct houses which can withstand an earthquake measuring up to 7 on the Richter scale.

Under this technology, the construction period is about 75-90 days for a house, compared with approximately 180 days required for constructing a house by a conventional method. However, in the early stage of using this technology, each part was cast on the construction site and not all of the parts were able to be cast. Therefore, the early housing projects had to use parts produced under this technology and those produced

under conventional methods (except for single detached houses under Passorn 11 projects, which were entirely built under conventional methods). The Company build the Precast Concrete Factory by using this technology in producing the parts. The factory, built in 2004 and completed in January 2005, has a capacity to build parts for up to 3,600 single detached houses per year. It has started production of parts and the production increased from 60% to 80% of the total capacity in June 2006.

The Company also has a factory to produce finished fences and pillars by using the Battery Mold system. In the production process, steel molds are placed and removed by a hydraulic control system to ensure the exact distance required between the molds before cement pouring. The factory has a total capacity to produce fences and pillars for 12 houses per day. At present, production of pillars fences for single-detached house projects and townhouse projects, and decoration pillars and townhouse parapets has been successfully increased.

When the Company entered into the condominium market in 2007, PCF3 (Precast Concrete Factory No. 3) was built to produce external walls. The existing construction method was applied for internal walls and the main structure. In 2010, the Company applied the fully precast construction method for condominium. In order to support this plan, PCF3 was modified to produce Pre-stress slabs to support demand of single detached house.

In 2007, the Company has more market share in single detached house. That why the current capacity was not enough. Then the PCF4 and PCF5 were constructed with the investment of Bt1,050m and began to test-run at the middle of December 2010. The total nameplate capacity of PCF1 and PCF5 were 640 houses per month. The nameplate capacity of PCF5 was highly capacity in Thailand at that time.

In 2011, the PCF4 and PCF5 which test-run began at the end of 2010 were made ready for its possible full capacity. However, there was a severe inundation in October 2011 attacking Bangkok and its vicinities. All plants needed to stop producing because of transportation problem. Then, the plants can be able to resume the producing at its possible nameplate capacities in the middle of January 2012.

In 2013, the construction technology used for constructing townhouse project was changed from Cast-In Situ Load Bearing Wall Structure to RC Load Bearing Wall Prefabrication. Besides, the rise in the Company's market share of single detached house resulted in over 100% capacity utilization at PCF1-PCF5 in the second half of the year 2013. Therefore, the Company has planned to construct another two Precast Concrete factories (PCF6 and PCF7) and the manufacturing process will be operated in third Quarter of 2014. The Company has purchased 130 rai of land next to Navanakorn Industrial Estate in Tambon Khlong Nueng, Amphoe Khlong Luang, Pathumthani.

In 2014, the Company built 2 new Precast Concrete Factories (PCF6 and PCF7) at Navanakorn with the investment cost of Bt2,300m. The capacity of PCF6 was 480 houses a month which started production in September. For the PCF7 was produced the Pre stressed concrete slab with the long bed system technology which already installed the machineries and equipment on September and began test-run in the beginning of 2015.

The new Prukha Precast factories will use the world's most advanced hi-technology and machine from Germany. The computer system is in control of every manufacturing process, so the quality of product is higher than the standard. In addition, a robotic assembly line is used to reduce workforce. Furthermore, Concrete Recycling System technology will be used to clean wastewater and sort out scrap concrete so that both will be re-used in the production process. This system is environmentally friendly because there is no unwanted material left over from the production process. It will also be the first "Green Factory" in Thailand which uses Concrete Recycling System in the Precast Concrete industry.

As the company has expanded more in the condominium market and has policy to apply the prefabrication bathrooms for shortening the business cycle times of condominiums. Then, it adjusted the production of PCF2 to produce the prefabrication bathrooms with the capacity of 4,000 unit/year and stated operate since May, 2014.

Summary of Existing plants and new plants

Location	Factory	Production System	Product	Nameplate Capacity/ month
Lamlookka	PCF1(Carrousel I)	Semi Automated Carrousel System	Bearing Wall	62,400 sqm or 240 houses
	PCF2		Bathroom Pods	340 Pods
	PCF3	Pre-stressed Long Line System	Slab & Beam House	46,000 sqm or 700 houses
	PCF4	Battery Mould system	-Special Element -Condo/TH Facade	Special Element for 1,120 houses or facade 1,200 unit/month
	PCF5 (Carrousel II)	Fully Automated Carrousel System	Bearing Wall	105,600 sqm or 400 houses
Navanakorn	PCF6	Fully Automated Carrousel System	Bearing Wall	127,200 sqm or 480 houses
	PCF7	Pre-stressed Long Bed System	Pre stressed concrete Slab	60,000 sqm or 900 houses

MARKETING MANAGEMENT

DISTRIBUTION AND CHANNELS OF DISTRIBUTION OF ALL PRODUCTS

The Company has strategies to promote its products as follows:

Product strategies

In 2007, the Company developed a number of new products and expanded coverage areas with the objective of being the leader in middle-to-low income market in all products covering of the whole Bangkok Metropolis, its vicinities and also commercial centre areas. Now the Company has expanded target groups to cover middle to low and upcountry for fulfil countrywide customer. The Company has consistently sought more efficient construction technologies in order to fulfil homebuyers' requirements. This partly explains its ability to complete the construction quickly, to achieve good quality and to deliver houses to customers as scheduled. The Company also has inventory management methods to maintain the inventory level appropriate to the sales of housing units.

Pricing strategies

The Company has focused on a niche in the real estate market for low-to-middle income earners. The Company's construction costs are also lower than those of other developers as it manages construction work itself and uses advanced and efficient construction technologies. It is therefore able to maintain low production costs and shorten the construction time. Therefore, it is able to offer prices lower than those of other developers by 10%-15% for townhouses and single-detached houses. And since its main objective is to build housing units for low income earners, in order to help society, it is one of the very few real estate developers granted BOI promotional privileges, with corporate income tax exemption for income from sales of housing units with a price not exceeding Bt1.2m each.

Public relation and advertisement strategy

In first half of 2014 the consumers undecided to purchase the high valued assets due to unconfident in the economic situation in the recession period. For this reason, the Company has adjusted its strategies to communicate with the target customers by more efficiently manage the advertising budget of the organization with properly and effectively. For the marketing campaign, The Company considered Share of Voice rate (SOV) and Share of Market rate (SOM) as to determine the proportion of media categories in the most efficient ways by using of the varieties of media channels that compatible with the current consumers behaviour. In July and August 2014, the Company launched campaign "best buy moment" or "The golden opportunity of home buyers" to promote the single detached house of its 34 projects for the first time which can boosted sales exceeding expectations and crating the effectiveness of the budget management.

For other marketing activities, the Company continuously performs activities especially those for promoting relationship with the dwellers, community, and environment. For instance, the Pruksha Fund has been launched for over 13 years to provide opportunities to the children of Pruksha dwellers, in both primary and secondary schools. In addition, Pruksha sets the priority for every life with Pruksha Green Living Healthy project (which launched for over 12 years) to provide free health mobile service to the dwellers as well as the public. This includes the Pruksha Ruam Jai Rak Pakdee project for blood donation (which launched for over 20 years) in honour of the Father of the Kingdom, as it is considered that blood donation means life giving which is a great deed.

Distribution strategies

The Company has a direct channel of distribution, mainly through its sales offices, in addition to sales offered at housing fairs. It offers the sales of new housing projects to expand the customer base by various means, such as the “Members Get Members” project, where the customer who introduces new customers to the Company are entitled to referral fees. Currently, the Company has a customer base of over 80,000 households.

Furthermore, the company has planned to expand business units in order to enhance competitiveness of its business including the use of customer base of over 80,000 household for supporting long term business growth

PROCUREMENT OF NEW PRODUCTS AND SERVICES

1. Land purchase

The Company has no policy to hold land bank. If it is interested in developing a real estate in a certain area, it will conduct a project feasibility study, and market condition and competition surveys, including the customer demand in the target location. Then it will negotiate the land purchase directly with the land owner or broker, comparing the proposed price with the official appraisal price or market price, to ensure that the land prices are not unreasonably high.

2. Construction materials

Since the Company manages construction work itself, it is the direct buyer of construction materials. After the Purchasing Department is informed of the material requirements in detail, it will contact each material producer directly to compare prices. Generally, the Company is given a considerable discount as its purchases are of high volumes. After the Company has agreed with the producer on the material quantities and prices, it will order the materials through the producer's agent for delivery to the project sites. The Company has a credit term of 30-60 days. Since 2006, it made change to the procurement of major construction materials, such as cement, steel, and tiles, by inviting tenders and entering into long-term price agreements; e.g., one year or 3-6 months. These methods have reduced the risks of price fluctuations. Having good relationship with many suppliers, the Company is able to obtain construction materials at a desired quantity and has never suffered a shortage of construction materials. However, it does not rely on any one supplier of construction materials. The Company has created the planning system which selecting the material for usage in accordance with expanding business plan in order that the Company can make the sufficient material for works and recruit major and minor contractor efficiently.

This year, the Company has implemented the process for recruiting and evaluating partner to ensure the transparency and right potential partners to support business. In addition, it is the first year that the Company has applied E- Auction in our bidding process in order to has fair bidding to partners and also obtain reasonable price as well.

3. Construction contractors

The Company is one of the very few real estate developers who manage construction work themselves. In running a project, it determines the project concept and details of the design. For project construction, it manages the construction work by dividing it into parts such as foundation work, masonry, parts installation, floor tiling, and roofing. It hires specialized contractors to implement the work and supervises the implementation by assigning its engineers and foremen to work at the project site to ensure that construction specifications and standards are met. The Company is also able to manage construction costs efficiently as it procures construction materials itself.

Nevertheless, in order to better manage the construction capacity, the Company has begun to hire outside contractors for construction of condominiums, starting with the Ivy Thonglor project as well as increase number of contractors for condominiums project.

4. Production technologies

The Company utilizes several technologies in building townhouses, single detached houses and condominiums. The Tunnel Technology is implemented for support two-storey townhouses,

Single detached houses are built with RC Load Bearing Wall which is constructed by precast concrete sheets. The precast sheets are also used for condominium walls and ornaments.

For small condominium, the Company has improved construction process by applying precast technology for fully construction as the strengths of the Company. Productions from Precast factory are modern and high quality in both beauty and strength. Furthermore, it also provide fast process and precise construction as well reduce any error caused by skilled workers and shortage of skilled labour in the market.

In order to continually improve Real Estate Manufacturing (REM), started in 2011, and traditional construction, the supply chain namely property search, designing, budget, procurement, transportation, manpower management and quality control, has to operate harmoniously. As a result, productivity can be achieved and leads to the efficiency of cost, time and quality control.

Furthermore in 2014, Prefabricated bathroom has been developed for a low rise condominium project, starting with the Plum project which is expected to shorten construction time and any complicated process during construction of bath room. The quality of condominium is higher because it is directly produced from factory and units can be done quickly and achieve customers' satisfaction.

5. Environmental impact

The project's housing and utilities constructions are subject to the Ministry of Natural Resources and Environment's Notification on the Criteria, Methods, Procedures, and Guidelines on the Preparation of the Report on Environmental Impact Analysis issued by virtue of the Environment Quality Promotion and Maintenance Act B.E.2535 (1992). The notification requires companies engaged in land development for housing or commercial purpose in a plot divided into 500 or more sub-plots or in a plot of over 100 rai to submit a report on the Environment Impact Analysis (EIA) together with the application for land development under the land development law. Prior to the project construction, the Company must also submit the EIA report to the Office of Natural Resources and Environment Plans and Policy. On this matter, the Company has the required EIA report prepared by outside experts.

In housing construction, especially in a single detached house project, there may be environment impact from waste water. The Company therefore has provided waste water treatment system for each individual house and set up a central waste water treatment system for each project, so as to avoid any impact on public water sources.

As for the Company's Precast Concrete Factory, which is subject to the provisions of the Factory Act B.E. 2535 (1992), the Company has established standards and methods to control the release of pollutants or any substances that may impact the environment as a result of the factory's operations. To ensure that the Company operates with responsibility for environmental impact, its three pollution control measures are:

- (a) Water pollution control measure-waste water from concrete production process is controlled to flow to water sediment ponds. Sorted stones and sand are brought back to production as well as water. None of waste of water is released to community areas or public streams.
- (b) Air pollution control measure-to prevent dust in the adjacent community and the factory, water spray nozzles are arranged at the concrete mixing plant during piling up sand and stones and hauling them into the concrete mixing process. In addition, dust collectors are installed in the production process as well as floor scrubbers are used to reduce dust left in the building. Before roads in the factory areas are cleaned, water sprays are applied to prevent the spread of dust.
- (c) Noise pollution control measure-since noise resulting from the production process is mainly caused by concrete compression machines, noise barrier was installed in 2008. Later, new concrete compression machines with shaking system were bought to replace the original ones with vibrating system. This can reduce sound intensity very much. Moreover, decibel level at the factory areas and adjacent community is inspected yearly.

Investment Promotion Policy announced by BOI-Townhouse and Condominium

Previous Investment Promotion Policy	Amendment of Investment Promotion Policy for BOI Bt1.0m (Condominium)	Amendment of Investment Promotion Policy for BOI Bt1.2m (Townhouse or Single house)
<ul style="list-style-type: none"> Projects must comprise a minimum of 150 residential units in Zone 1 and 75 residential units in Zone 2 and Zone 3 	<ul style="list-style-type: none"> Projects must comprise a minimum of 50 residential units in every location 	<ul style="list-style-type: none"> Projects must comprise a minimum of 50 residential units in every location
<ul style="list-style-type: none"> For any residential project, area per unit must not be less than 31 square meters 	<ul style="list-style-type: none"> For Zone 1, a minimum area per unit must not be less than 28 square meters and for Zone 2 and Zone 3, a minimum area per unit must not be less than 31 square meters 	<ul style="list-style-type: none"> For Zone 1, a minimum area per unit must not be less than 70 square meters
<ul style="list-style-type: none"> Its sale price per unit must not exceed Bt600,000 (including land cost) 	<ul style="list-style-type: none"> Its sale price per unit must not exceed Bt1.0m (including land cost) for Zone 1 and not exceed Bt600,000 for Zone 2 and Zone 3 	<ul style="list-style-type: none"> Bt1.2m (including land cost) for Zone 1 and not exceed Bt600,000 for Zone 2 and Zone 3
<ul style="list-style-type: none"> Projects must obtain building permits under the Building Control Act or other related laws 	<ul style="list-style-type: none"> Projects must obtain building permits under the Building Control Act or other related laws 	<ul style="list-style-type: none"> Projects must obtain building permits under the Building Control Act or other related laws

Remark : 1) Zone 1 comprise 6 provinces such as Bangkok, Samutprakan, Samutsakhon, Pathumthani, Nonthaburi and Nakhonpathom

2) Zone 2 comprise 10 provinces such as Chonburi, Chachoengsao, Samutsongkhram, Nakhonnayok, Saraburi, Ayutthaya, Ratchaburi, Angthong, Suphanburi and Kanchanaburi

3) Zone 3 encompasses the remaining 60 provinces and Laemchabang Industrial Park

The measure to reduce environmental impact from condominium

The reducing environmental impact has divided into 2 period

1. During construction period
2. During operation period

Both 2 measures have similar process. The details measure during the construction process in each project will not difference. The measure during operation and construction process will determine the design of the building and different by project.

Measures	During Construction period	During operation period
Air quality measure	/	/
Noise measure	/	/
Vibration	/	-
Soil erosion	/	-
Water usage	/	/
Pool	-	/
Waste water	/	/
Drainage	/	/
Garbage management	/	/
Electrical system	/	/
Energy conservation	-	/
Fire protection	/	/
Traffic	/	/
Occupational health and safety	/	/
Landscape	-	/
Overshadowing sun and wind direction	-	/
Overshadowing radio and television wave	-	/

Example of environmental impact reduction measurement.

1. Air quality measure

- The installation of solid canvas from the ground to top floor of the building in order to protect dust disperse
- Project staffs visit surrounding residents for inquiry about side effect of construction

2. Noise measure

- The using of pipe foundation construction to minimize the effect of vibration to community
- The constructors shall not make any activities that cause noise pollution at the same times in order to prevent any excess of the noise pollution

3. Soil erosion measure

- Building sheet pile wall and bracing for preventing soil erosion during removal of sheet pile. The excavation shall be immediately backfilled groove and properly soil compacted after removal of piling in order to prevent soil movement

4. Waste water measure

- The project should have waste water treatment tank through air fill in order to effluent waste water before discharge into the drain along the project

5. Garbage management measure

- The project shall provide garbage tank around the construction area and collected at various points for garbage truck to pick up and dispose later

6. Traffic measure

- The project shall provide project signboard in accordance to defined measurement for the nearby residents can contact incase of any trouble and should have clearly project name.
- The projects must have security guard to facilitate car with more convenience and safety in order not to obstruct traffic

7. Occupational Health and Safety

- The project shall have a "Safety Talk" in the morning every day. That program shall provide the knowledge for personal health to workers.
- The project signboard should install in the front of contraction area for nearly residents to contact in case of any trouble from construction area

BUSINESS TRENDS AND IMPACTING FACTORS

I. ECONOMIC TRENDS FOR 2015

Thailand economic trends for the years 2014-2015

Economics data of Thailand	2011	2012	2013	2014F	2015F
GDP growth rate (YoY%)	0.1	6.5	2.9	0.7	3.5 – 4.5
GDP (Bt trillion)	10.54	11.37	11.90	12.14	12.98
Average inflation rate (%)	3.81	3.02	2.2	2.1	1.5 ± 2.5
Policy interest rate (%)	3.25	2.75	2.25	2.0	1.75 – 2.25
One year deposit rate, averaged from 4 large banks (%)	2.74	2.43	2.23	1.73	1.98 – 2.23
Average MLR from 4 large bank (%)	7.25	7.0	6.85	6.75	7.0 – 7.25
Average Baht exchange rate (Bt/USD)	30.48	31.07	30.70	32.50	32.5 – 33.5
International reserves (USD billion)	175.12	181.64	167.52	157.11	156.06

Sources : IMF, World Bank, Bloomberg, Office of the National Economics and Social Development Board, Bank of Thailand and research from economists

Economists from the Office of the National Economic and Social Development Board, and the Bank of Thailand, forecasted that in general, the Thai economy in 2014 would expand at a rate of 0.7%, compared to the expansion at 2.9% in 2013. This was caused by the delayed recovery of the world economy, coupled with continued decrease in export price of agricultural products, and the slow recovery of the tourist industry, including passenger car sale and car manufacturing in general have decreased lower than the estimates. The Bank of Thailand thereby announced the policy rate decrease to 2.0%, while the 2014 average annual inflation rate was 2.1%, and 2014 average Thai Baht value was THB 32.50 per one US dollar.

For the Thai economy in 2015, the economists from the Office of the National Economic and Social Development Board and the Bank of Thailand, have forecasted that the economy will grow at 3.5 – 4.5%. The export sector will be in the rising trend in line with the world economic recovery. In addition, the continuously improving tourist sector and investments will serve as an important factor in the expansion of the Thai economy. The average inflation rate in 2015 is predicted to be in the range of 1.5±2.5% which is considered as favorable support to the recovery and to domestic demand expansion. It is also forecasted that the policy rate will be revised up to 1.75-2.25 % However, the monetary policy of the United States is likely to slightly weaken the Thai Baht. It is thus forecasted that the 2015 annual average Thai Baht value will be at THB 32.5 – 33.5 per one US dollar.

Supporting factors for the Thai economy in 2015

1. The improving trend of the export sector following the economic recovery and the global trade volume based on the world economic situation, is on the rise and will result in the growth of the world trade volume.
2. The recovery of the tourist sector and investments has continued to expand with the tourist atmosphere improving in the later part of 2014.
3. In terms of governmental expenditures, the Government has implemented more effective payment measures under the resolution of the National Council for Peace and Order, and has implemented other measures to stimulate the economy according to the resolution of the Cabinet. The investment budget of the state enterprises increased by 20 % compared to the same period of the preceding year. Also, the acceleration of investments on major infrastructure projects will lead governmental expenditures to better support economic recovery.
4. The decrease in oil price in the world market will increase the purchasing power of the population and the business, and will lower the pressure from inflation rate. Such decrease will also facilitate the implementation of monetary relaxation policy in a continuous way.
5. The impact from the unusually high expansion base for domestic car sale and manufacturing will disappear; car manufacturing and car sale volume will return to their normal trend in 2015.

Risk factors that may impact the Thai economy in 2015

1. The fluctuation in foreign currency exchange, the changes in economic policies, and the production costs in important trade partner countries of Thailand.
2. Income in the agricultural sector is still in the continuously weakening trend due to the price of agricultural produce being still in the sluggish period of 2014. The agricultural price index and the farmers' income decreased following the decrease of major agricultural products, especially rice, para rubber, and tapioca.
3. Capital fund movement and foreign currency exchange are forecasted to fluctuate while the world economy in general still runs the risk of dropping to a lower growth rate than forecasted.

The country where the company has an investment

The economic trend in India

	2013	2014F	2015F
GDP growth rate (YoY%)	5.0	5.6	6.4
GDP (USD billion)	1,877	1,876	1,899
Average inflation rate (%)	9.5	7.8	7.5
Policy interest rate (%)	7.75	8.00	7.75
Average Rupee exchange rate (Rupee/USD)	61.80	61.81	62.50
International reserves (USD billion)	276.40	321.10	328.60

Source : IMF, World Bank, Bloomberg, Reserve Bank of India

Economists from IMF are forecasting that the Indian economy in 2015 will expand by 6.4% from the expansion of investments and export sector which benefited from the agricultural sector. The agricultural produce has a higher growth rate when compared to the produce at the beginning of the preceding year as impacted by storms. In addition, growth is seen in the mining industry, the manufacturing sector, and the service sector. The average annual inflation rate for 2015 is forecasted at 7.5%, revised down from 2014 as the Central Bank of India has implemented strict monetary measures, causing dull consumer demand and resulting in the policy rate trend to be forecasted at 7.75% in order to stimulate the economy. The 2015 average annual Rupiah value is in a weak trend at Rupiah 62.50 per one US dollar.

The real estate sector of India in 2015 is projected to continue to slowdown. Despite the general economic situation of India is growing, the real estate atmosphere is rather sluggish. Consumer desire to buy is not growing, thus causing an oversupply. However, housing prices in India have increased due to higher cost of construction.

2. OVERVIEW OF THE HOUSING MARKET SITUATION IN 2014

In 2014, as the global and Thai economy slowdown and partial implementation of public investment that affected the real estate developers adjusted their investment in the first quarter then they returned to launch marketing activities to promote demand in the 2nd and 3rd quarter. However, in the 4th quarter, most developers postponed to launch new projects, leading to decline in property transactions. While the consumers' household debt-to-GDP ratio increased and the adjustment of prices of consumer goods rose which have direct impact on the consumer confidence in the 2nd half of the year. This resulted in declining in the ability to apply for mortgage of home buyer.

The Thai housing market value in 2014 amounted to about Bt 510,401m with Bangkok and its vicinities encompassing the largest percentage of 58.0%, the eastern part of 13.0%, the central part of 9.0%, the southern and the northern part of 7.0% and the north eastern of 6.0% respectively.

Table 1 : Representing the housing market value of Thailand classified according to the geographical parts in 2014

	Northern Part^P	Northeastern Part^P	Central Part^P	Eastern Part^P	Southern Part^P	Bangkok and vicinities	Total
Market Value (Bt m)	36,945	33,026	43,686	65,858	37,432	293,454	510,401
Percentage	7	6	9	13	7	58	100

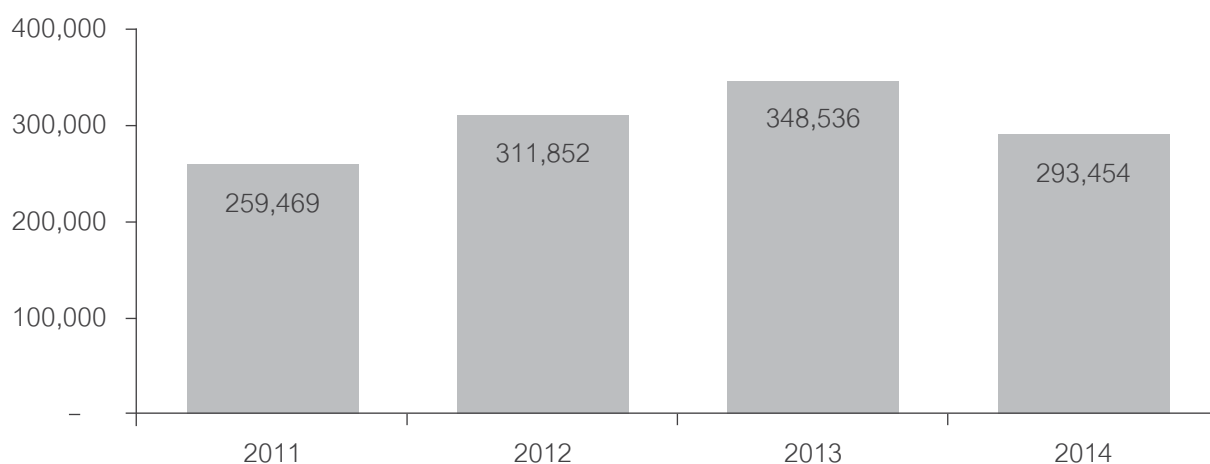
Remark: P : Market value from research by Consumer & Marketing Intelligence Division, Pruksa Real Estate Public Company Limited
 Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksa Real Estate Public Company Limited

Housing market situation in Bangkok and its vicinities

The housing market in Bangkok and its vicinities in 2014 affected from delaying purchasing decisions of consumers. Moreover, developers were postponing the launch of new projects, resulting in the overall housing market shrank down 16.0% when compared with 2013.

Picture 1 : The housing market in Bangkok and its vicinities in 2011-2014

Unit : Bt m

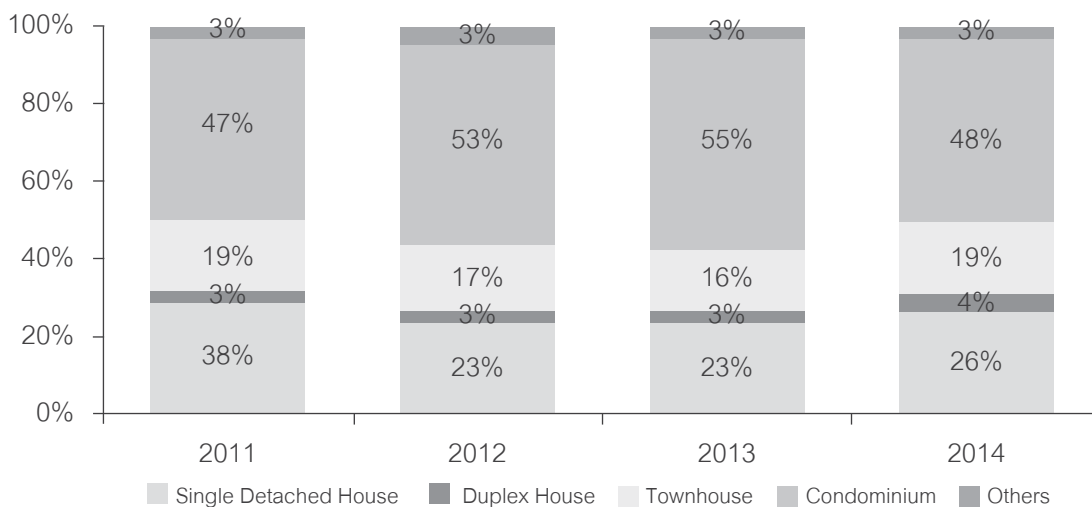


Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksa Real Estate Public Company Limited

In 2014, market structure of housing in Bangkok and its vicinities showed that the decline of condominium to 48.0%, single detached house to 26.0%, townhouse to 19.0% and Duplex house declined to 4.0% respectively.

Picture 2: Proportion of housing type in Bangkok and its vicinities in 2011-2014

Unit : %

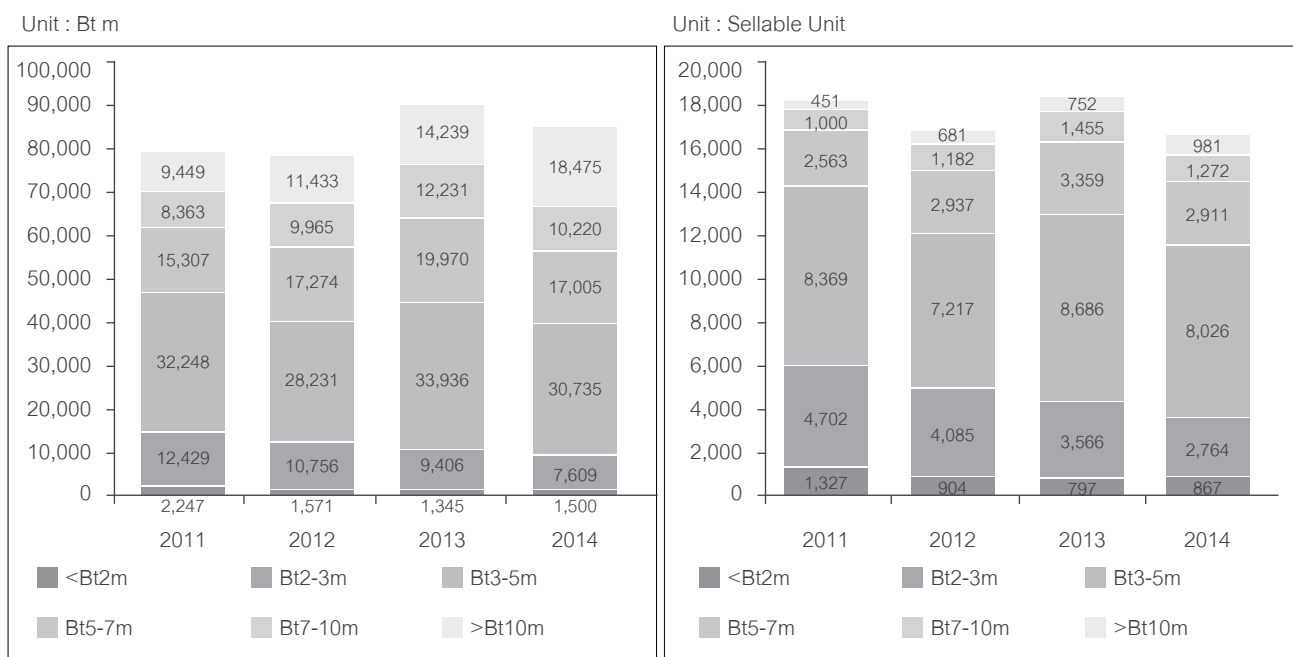


Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksa Real Estate Public Company Limited

The Single Detached House (Including Duplex house) market situation in Bangkok and its vicinities

The market value of Single Detached House (Including duplex house) in Bangkok and its vicinities amounted to Bt85,610m, a decrease of 6.0% from 2013. The price range between Bt2-3m represented the highest declining rate at 19.0%, while the price range between Bt3-5m still represented the highest market share at 36.0% of the total single detached house market value.

Charts 3: Representing the market value and the number of sellable units that were sold for Single Detached House (Including Duplex house) in Bangkok and its vicinities from 2011-2014



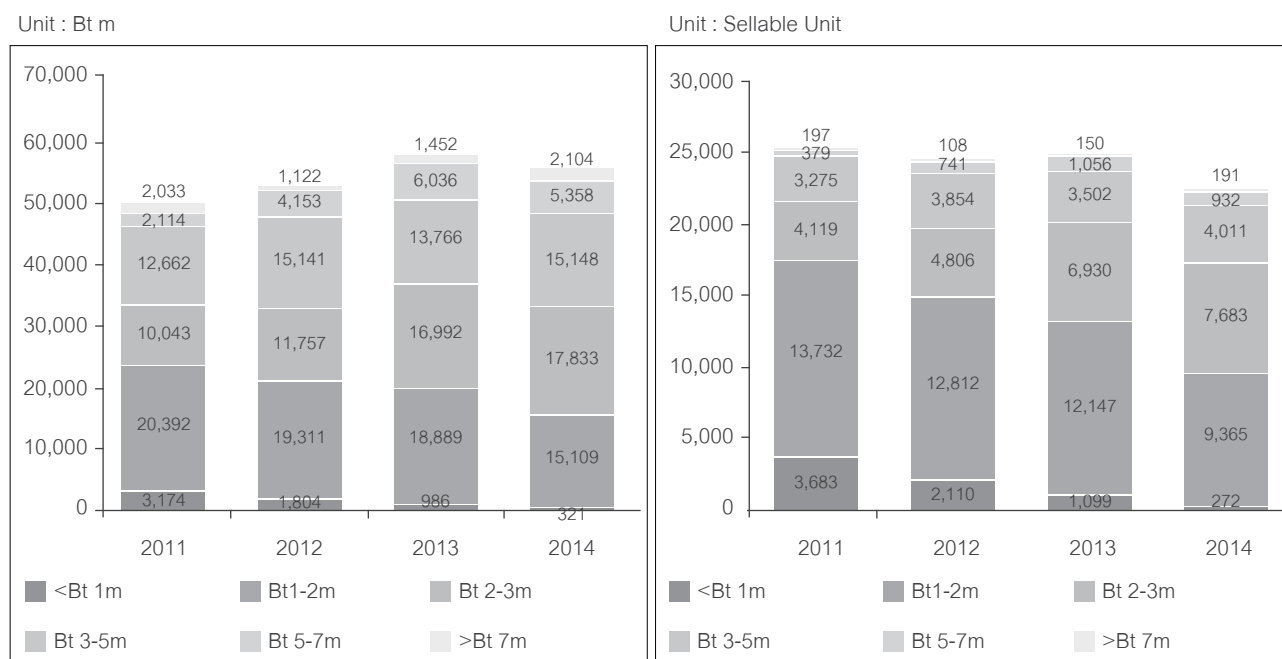
Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksa Real Estate Public Company Limited

When Comparing sellable units and average units price in 2014 represented that number of sellable units declined by 10.0% while average units price increased by 4% or Bt5.1m (2013 average selling price was Bt4.9m) due to price of single detached house and duplex house has increased.

The townhouse market situation in Bangkok and its vicinities

The market value of townhouse in Bangkok and its vicinities in 2014 was amounted to Bt55,873m, a decrease of 4.0% from 2013. Pruksha Real Estate Pcl. has a higher market share at 32.0% (in 2013 market share was 28.0%) and still maintains the highest market share as it can keep its market share base for the price level below Bt3.0m with the market share at 60.0%. Furthermore, Pruksha Real Estate Pcl. has higher market share for the price level of Bt3-5m at 24.0%.

Charts 5: Representing the market value and the number of sellable units that were sold for townhouses in Bangkok and its vicinities from 2011-2014



Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksha Real Estate Public Company Limited

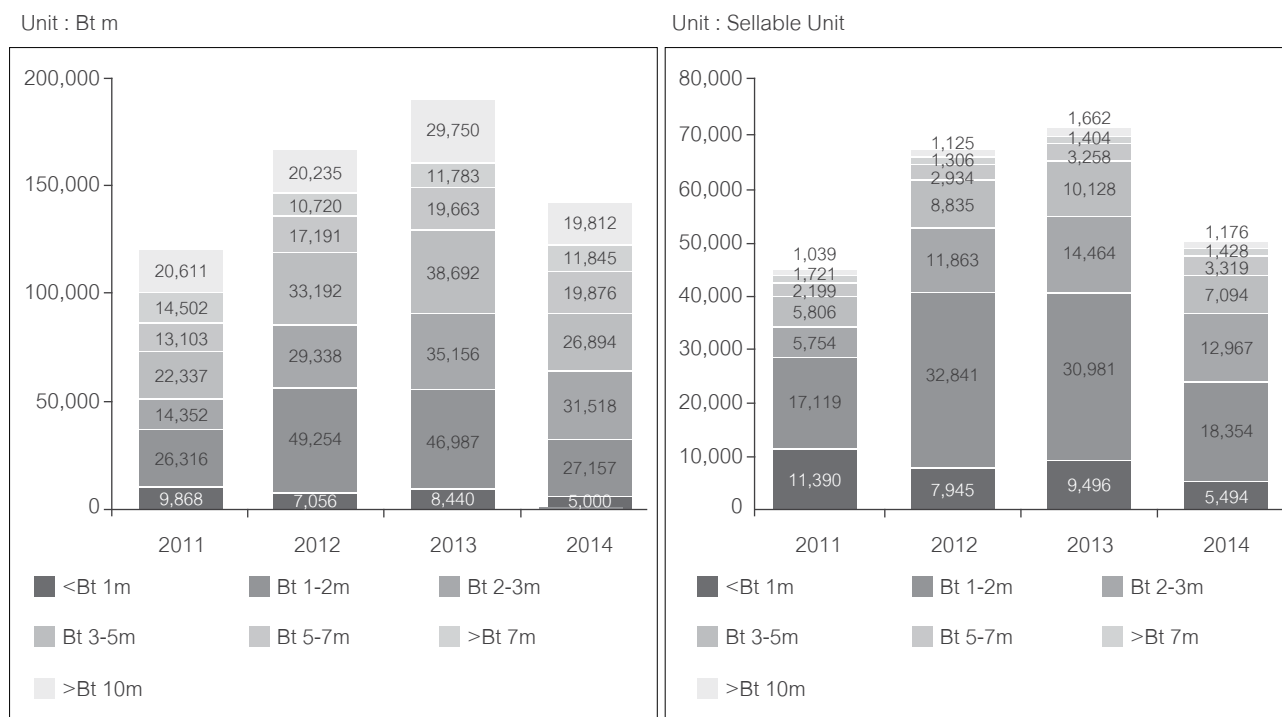
A comparison is made between the number of sellable units that were sold and the average price with those of 2013. It is found that the sellable units that were sold have decreased by 10.0%. The average price was Bt2.49m or an increase of 6.0% (in 2013 the average price was Bt2.34m) due to the price of the new townhouse project has increased.

The condominium market situation in Bangkok and its vicinities

Due to the economic impact and slowing of new projects launch, resulting in the condominium market size was declined by 14.0% from 2013 to Bt142,102m while the unit price level of Bt1-2m, decreased by 42.0%.

The market structure of condominium in 2014 has a price level at Bt2-3m, with the highest market share at 22.0% which was in areas close to the sky train interchange stations still continuous popularity. While condominium with price range at Bt3-5m and Bt1-2m have market share at 19.0%.

Charts 5: Representing the market value and the number of sellable units that were sold for condominium in Bangkok and its vicinities from 2011-2014



Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksa Real Estate Public Company Limited

A comparison is made between the number of sellable units that were sold and the average price with those of 2013, it is found that the sellable units that were sold have decreased by 30%. The average price was Bt2.85m or an increase of 7.0% (in 2013 the average price was Bt2.67m) due to the price of new condominium projects has increased.

The housing market situations in provinces.

The housing market in provinces had a declining growth rate in 2011-2013 due to the developers in Bangkok had introduced a large number of condominium to the major provincial markets. This resulted in the high growth rate in provinces throughout the past. There was a high demand in housing need in leading economic provinces such as Phuket, Chonburi, Chiangmai and Udonthani. However, when scheduled transfer there have showed a high proportion of the termination of contracts. Some developers have adjusted to cancel the planned investment in the province, the housing market in the province had to slow down growth such as Chiangmai's market size decreased by 53.0%, Khonkaen's market size decreased by 41.0% which the total market size in provinces were around Bt216,947m or 43% of the Country.

Housing market trend for the year 2015

For the support factors of the housing market and the economics forecasted report in 2015 of the Office of the National Economics and Social Development Board (NESDB) have forecasted that

- 1) Thai economy will grow at 3.5%-4.5%
- 2) Investments of the governmental sector would be increase by 9.2% and
- 3) Investments of the private sector would be increase by 4.8%

Those have shown a good sign for the overall economy and improve consumer sentiment. Altogether with the government is committed to reduce the household debt-to-GDP ratio. It is estimated that the market of Bangkok and its vicinities would grow by 10% from 2014 while up country market would grow with a lower rate than market expected. The overall market will grow by 6.0% to Bt544,086m in 2015.

The housing markets in Bangkok Metropolitan Region (BMR) in 2015 are expected to have a market value of about Bt322,799m or increase by 10% from 2014. Low-rise residence will have higher average price, subject to land and construction cost increase. Condominium still has the largest market share at 40.0%-50.0%.

For the up country markets, it is forecasted that demand for condominiums continues to slow down while demand in townhouses are rising especially in major cities such as Chonburi and Rayong provinces due to the expansion of work and family in the provinces that are the center of administration and transportation hubs like Khonkaen province which is expanding its transportation system. The city will expand to make a growth of the high rise market. Moreover, the province's economy is centered near the border and special economic zones such as Mae Sot and Songkha, etc. which are likely to develop the city as a gateway to Thailand. It is anticipated growth potential for the purchase of housing increase however, the housing needs of Thais is still a low-rise residence and land in some provinces also have the potential to be developed as landed properties. Therefore landed properties are still the most popular.

Table 2 : Representing the housing market value of Thailand classified according to the geographical parts in 2015

	Northern Part	Northeastern Part	Central Part	Eastern Part	Southern Part	Bangkok and Surrounding Area	Total
Market Value(F) (Bt m)	37,683	33,689	44,560	67,175	38,180	322,799	544,086
Percentage	7	6	8	13	7	59	100

Sources: Consumer & Market Intelligence Division, Corporate Marketing, Pruksa Real Estate Public Company Limited

Due to the investment policy of the public sector and the resolve many issues of the country are clear such as the development in some economic areas, the concrete investment policy in the transportation and logistics system etc. that should be good mechanisms to drive economy to grow up when compared to 2014 that reflect to the real estate sector, export-import sector, wholesales and retails sector and tourism sector.

RISK FACTORS

I. LOCAL RISK FACTORS

I.1 RISKS RESULTING FROM CHANGES OF LOAN APPROVAL POLICY OF COMMERCIAL BANKS

Summary: Table from the Bank of Thailand news release no.55/2553 and no.51/2554 imposed on commercial banks:

Existing regulations	Risk weighted assets required for commercial banks	
For loan amount > Bt10m		
Loan ≤ 80% of house price	At least 35%	
Loan > 80% of house price	At least 75%	

New regulations (additional to existing regulations)	Risk weighted assets required for commercial banks	Effective for contract dated on/onwards
For loan amount < Bt10m		
Condominium loan ≤ 90% of house price	At least 35%	January 1, 2011
Condominium loan > 90% of house price	At least 75%	January 1, 2011
Low-rise house ≤ 95% of house price	At least 35%	January 1, 2013
Low-rise house > 95% of house price	At least 75%	January 1, 2013

For low-rise house, the Company requires buyers to make at least 5% down payment. For condominium already sold, the Company requires buyers to make at least 10% down payment, whereas those sold since the last three years are subject to a down payment of 12% - 15%.

Among all the housing projects of the Company, there are projects that offer housing units with prices higher than Bt10m not much, which are “Ivy Condominium”, “Urbano Absolute Sathorn”, “The Plant Pattanakarn” “The Palm Pattanakarn” and “The Reserve Condominium”. The Average selling price per unit transferred is about Bt2.49m in 2014.

The Company is the real estate developer, last year it has revenue from sale of residential properties in the amount of Bt42,781m, representing 99.4% of total revenue. As more than 87% of the Company customers apply mortgage loan financing to buy house and land, commercial banks or the Government Housing Bank (GHB) therefore do not set out any policy on loan expansion nor want to control loan measures. This will impact customers as more sources of funds could not be found to support housing loans, and thus will limit customers' purchasing power, which in turn will impact the Company's revenues directly.

In this regard, the Company has required its sales staff to fill out a form initially on important information of home buyers when they show the intention to book for a house and apply for mortgage, through submission to the bank. The bank will return a pre-approved form within seven working days stating whether a loan can be granted or not, in order to mitigate risks for both the buyers and the Company. In addition, the Company provides housing units with a rather large number of medium to low price ranges for selection. Customers thus can opt for a lower price house in accordance with the stricter regulations or policy.

Furthermore, the Company has set up a working team to regularly monitor the economic situations and the formulation of various bank policies that may impact the performance of the Company. The Company's strategy will be adjusted in accordance with the changes and situations including discussions with commercial banks and the Government Housing Bank (GHB) in facilitating the customers' application for loan, and setting up measures to help customers obtain a loan quickly.

According to the Company's long-term plan, the Company intends to support customers to get the highest home loans approval in accordance with each customer's ability to repay. As a result, the Company has discussed and worked in partnership with many commercial banks in order to increase the efficiency of the working process such as loan application process, credit support team, including information technology system.

1.2 RISKS FROM CONSTRUCTION COSTS AND CONSTRUCTION MATERIALS SHORTAGE

Most of the Company's sales are made prior to the construction. The Company has set the selling price on a cost-plus basis. Thus, if there are any changes in the construction material prices or change in wages after the Company has set up the selling price and those customers have already booked for the housing units, the Company's costs will increase, and thereby lowering the initial profit margin.

Construction materials are considered major costs of construction. The price of construction materials and oil price have been increasing from higher demand in the real estate sector and various large infrastructure projects that have impacted the costs of construction and transportation, and finally have driven the Company to higher costs. The Company may not be able to adjust the selling price spontaneously, or in case the Company can adjust the price up in accordance with the said higher costs, this may impact the sales volume, and as such will impact the financial position and the performance of the Company.

Furthermore, the fact that there are more construction projects may cause construction material shortage vis-a-vis of the demand. If such shortage occurs and the Company may have to pay higher price or wait for the materials to the point that it cannot proceed to complete the housing construction within the required timeframe, it will as well impact the business, financial position, and the performance of the Company.

But the fact that the Company has acquired a quick construction process, it can construct townhouses and single detached house within 45 and 70 days respectively, and can thereby reduce the risk to a certain degree. The Company can therefore set the cost for construction materials that will be used in the next few months. The setting of selling prices is adjusted according to the said costs. In addition, the Company has policy to sell house during construction in order to reduce risk of built to order house's costs that might fluctuate for built to order house. With regards to the condominium units, the Company is still at risk because of the longer construction period. However, in order to mitigate risk, since 2006 the Company has been using the selection strategy for main suppliers of construction materials by bidding practice among groups of all suppliers of construction materials. This measure allows the Company to maintain consistent costs throughout the year.

In order to prevent a lack of construction materials, especially the main ones, the Company has adopted a policy on building business partnerships aiming at setting the selection process, assessment and clear operating guidelines. Furthermore, the Company has been organizing monthly meeting on changes of major construction materials, while considering the impact on selling costs in order to consider price adjustment or other materials for substitution.

I.3 RISK FROM SHORTAGE OF WORKFORCE

The problem of construction worker shortage will remain a big problem for the real estate sector for at least another couple of years. Currently, there are a number of construction projects, including several large infrastructure projects. These may lead to the shortage of contractors and skilled workers in some specialized areas. If the Company cannot find specialized contractors to undertake the Company's projects, constructions of the Company may be delayed, and thus the transfer of housing units to the buyers cannot be made within the scheduled time.

Based on the construction method for low-rise houses designed for assembly at construction sites, precast concrete panel is used as the main construction structure. Also, the Company manages the main construction by itself for its various projects, by having its own engineers and foremen to supervise and oversee the construction work. Therefore, the Company only hires specialized contractors or labor contractors to undertake each part of the construction work, such as laying foundation, installing building parts, tiling, roofing, and painting, which are supervised and overseen by the engineers who are in turn controlled by the Company's staff. Regarding condominium units, since 2009 the Company has been hiring for a turn-key construction of high-rise buildings or condominium for the first time including build affiliate contractors who has outstanding performance and high quality in order to mitigate risk in the expansion of production capacity or construction to support the Company's leap expansion in the future.

In order to reduce dependency on labor, working hours, and to use the existing limited labor for the utmost benefits, the Company has introduced a construction technology called Real Estate Manufacturing (REM). This is to supervise the construction of low-rise house in a sequential process during construction so as to attain quality house. REM represents a system that uses the work force effectively by having the contractors work only on their areas of expertise, such as tiling by tiling workers only, or painting by painters only. Thus, the production process is similar to car manufacturing. In 2014, for low-rise housing the Company can managed the average period of time from booking to transfer housing to its clients (business cycle time) to 87 days.

In addition, new innovation such as technology, new construction management or prefabricated materials (prefabricated bathroom) has been implemented. This has helped the Company not only reduce dependency on labor and construction duration but also enhance the quality of construction work.

I.4 RISK FROM SHORTAGE OF KNOWLEDGEABLE AND EXPERIENCED STAFF TO PERFORM THE WORK

The housing construction process of the Company is the construction that uses Cast-Institu Load Structure with tunnel-like technology or Tunnel Technology and RC Load Bearing Wall Fabrication Technology. These are new construction systems, therefore the Company must rely on experienced, knowledgeable, capable, and skilful staff, especially engineers and foremen. Transfer of such engineers or foremen may negatively impact the continuity of the business, which in turn will negatively and substantially impact the financial position and performance of the Company.

The Company has therefore set up a training policy to enhance know-how and competency of the staffs in a consistent manner and developing them in order to support the future growth of business. In 2014, the Company held a training course (In-House Training) 442 courses and sent its staffs trained with the educational institutions (Public Training) 66 programs which on the average of 42 courses/month (total 508 courses in 2014). Training programs were covered in every employees' career and focus on developing

skills in the practice of work actually based on the model 70:20:10 (70 : learning from experience, 20 : learning from others and 10 : learning from the classroom).

Such programs of the Company which are prepared for all its employees divided into six main categories which are :

1. The fundamental courses for new employees (On boarding program)
2. The foundation courses
3. The career group courses
4. The quality and safety courses
5. The leadership and expertise courses
6. Elective courses

For the development plan as to support the growth of business in the future, the company has initiated Talent & Succession Planning project which the supervisors have cooperated with Human Resources (Human Capital) to identify staffs who have high abilities (Talent) in consideration of one's performance and the personal potential including the ability of management and the ability to perform the job. The succession plan was prepared for senior management level and above (Department, Division, SBU/BU). Not only defining the talent and successor but also take into account the business necessity with regard to the analysis of long-term strategic goals of the organization as well. The Company has also established fair hiring rules and fringe benefits. Labor relationship activities have been organized so as to create a continuous hiring for those knowledgeable, skilled and experienced to remain with the Company. In addition, the Company has successor program for the key position of the Company that ensure human resource development to be grew with the Company. Furthermore, it also reduce the risk of shortage of personnel in the key position including strengthen sustainability.

1.5 RISK FROM THE ACQUISITION OF LAND FOR DEVELOPMENT

The Company has no policy in stocking Land bank for various projects in the future. This is in view that the Company purchasing land without any obvious construction planning will cause a financial burden that may lead to problems of liquidity for the Company. In the past, the Company would buy land only when it wants to develop such land within four months. When the Company wants to buy land in the area desired, the Company may have to buy land at higher prices than it has envisaged, or may not be able to buy as many plots of land as desired, or may not be able to buy any plots of land at all. In such case, this will impact the Company for higher cost of construction because the fixed cost of precast wall from manufacturing factory will become higher if construction amount is less than forecasted, or may not be able to start any projects at all. This will also impact the performance based on the business plan, the financial position and the performance of the Company. Regarding land procurement in the past, the Company purchased land from several agents at the appropriate market prices. Thereafter, the Company would start developing the land at a lower cost of production than many other developers. Therefore, the land bought at the market price would reflect in the selling price of housing units of the Company, which would be lower than the general market price. Thus, the Company has more opportunities for selling than other developers. As the Company has more opportunities to buy plots of land than other developers, coupled with its greater purchasing power than medium to small developers, and the on-time payment of land purchased, the land agencies are thus more willing to offer the land to the Company. Currently, there are

over 800 agencies offering land plots. The Company has worked in partnership with many agents and has continued making direct purchase from land owners. Moreover, the management of land information has been developed efficiently so that related units can access to the information and choose land which is most consistent with the development plan of each business unit.

In addition, the Company set a framework for considering a purchase of land which is in line with each business unit's capabilities in each period. In order to achieve the future income target, the plan of advance land purchase is frequently reviewed and analysed so that suitable land can be obtained in each period.

Also, the Company has increased the development for a variety of housing models and prices, allowing it to have more flexibility in considering land purchase to suit each diversified project.

1.6 RISK FROM UNDERTAKING BUSINESS UNDER STRINGENT LAWS AND REGULATIONS

The business of the Company pertains to housing construction and is therefore under stringent laws and regulations such as obtaining land appropriation permission, land trading permission and construction permission from the relevant government authorities.

In case of sizeable projects, the Company must submit the Environmental Impact Assessment (EIA) report to the Office of Natural Resources and Environment Plans and Policy. If the concerned governmental authorities do not issue the relevant permits in timely manner or disapprove, it may result in implementation delays, or the Company may not be able to undertake the projects, which will significantly affect the Company's business, financial position, and performance.

Therefore, any enactment or amendments of laws, regulations or policies, will impact the Company. For example, the governmental requirement for implementing the law governing escrow account is being reviewed by the Juridical Council Office, for enactment. The said law will require real estate developers not to use down payments or instalment payments they receive from buyers as capital funds, but must maintain such payments in a separate escrow account. This will require the developers to have sufficient working capital or have sufficient funding sources to complete construction. If the Company cannot find sufficient funding sources to be used for working capital, or the loans bear high interest rates, this may be substantially impact the Company's financial position and performance.

In this regards, the Company has set up a working team to study related laws and amendments. The working team meets regularly for updates and to improve the working process, especially on the Escrow Account law which has limited impact on the Company. This is because for products like townhouses and low-rise houses, the Company requires down payments within a short period of only 3-4 months for low-rise houses and in rather low ratio. The Company relies largely on its own funding with a debt ratio lower than other developers in the same industry.

For condominium projects, down payment terms are much longer. The Company follows the policy of self-funding management and seeks other funding sources at lower costs than borrowing from financial institutions.

In addition, the impact from the 2011 severe inundation may lead to major changes in laws and regulations of the industry, such as Bangkok's city plan, which has been changed in 2013, has impacted to land price and selection project to be developed in Townhouse, Single Detached House and Condominium for target group.

2. RISKS FROM BUSINESS UNDERTAKINGS ABROAD

In 2014, the Company has continued developing overseas projects only in Bangalore of the Republic of India. However, the joint-venture business in Mumbai and Chennai of the Republic of India has not made any progress in housing development projects because proper land has not been supplied by local partners yet. Substantial risks in undertaking Business abroad are classified as follows:

2.1 RISKS CAUSED BY ECONOMIC SITUATION AND MARKET SITUATION IN EACH COUNTRY

The Company has been monitoring economic indicators, data on property development business, and market competition in each country in order that marketing strategies can be employed to satisfy consumers' needs as well as compete with other local developers. In the event that the Company considers increasing investment in each city, economic situation and market situation will be closely monitored. Therefore, the use of resources will be efficient and effective, and subject to circumstances at that time.

2.2 RISK FROM LAND ALLOCATION IN PRIME AREAS AT PRODUCTS REASONABLE PRICES

The Company realizes the weakness of lacking understanding and experience in negotiating for the purchase of land. As a result, the Company has urgently built a network with local real estate agents, real estate consulting companies, and financial institutions for providing advice and coordinating with interested land sellers, and acquiring desired size of land plots required by the Company. At the present, land acquisition is not much issue.

2.3 RISKS CAUSED BY A SHORTAGE OF CONSTRUCTION CRAFTSMEN AND WORKERS

The Company's construction policy is to use Precast Concrete Wall construction method which helps speed up construction work with good quality. Nowadays, local construction workers in India are getting used to the mentioned method, so risks involved with the construction are likely to decrease. However, the Company has not only continued closely controlling the quality of construction work but only increased training for both new staff and construction workers. This will help support the opening of new project in Bangalore.

2.4 RISKS CAUSED BY APPLICABLE BUSINESS LAWS AND REGULATIONS, APPLICATION FOR LICENSES

The Company's policy is to strictly operate its business in compliance with each country's business laws and regulations. For joint ventures, the Company has required its partners to coordinate with government agencies and to provide support regarding a request for various permits related to project development. This starts on land acquisition, other investments, a request for a construction permit, and a transfer of registered units to customers. All support is required, especially during the beginning of project development, to help manage project time efficiently.

2.5 RISKS CAUSED BY THE FLUCTUATION OF FOREIGN EXCHANGE RATE

As of December 31, 2014, Pruksa International Company Limited and Pruksa Overseas Company Limited have totally authorized share capital of Bt1,600m, which partly was invested in the affiliating companies in foreign countries with the payment of Bt938.9m or 1.67% of total assets from the consolidated financial statement of Pruksa Real Estate Public Company Limited. Also the Company has received the revenue from oversea residential transferring equivalent to Bt441m or 1.03% of total transferring.

Hedging policy for the Risk from fluctuation of the Foreign Exchange Rate that the Company has continued has been controlled and managed by the Committee of Foreign Investment and the Committee of Compliance every month. Moreover, the Company set up foreign exchange policy which indicated approval financial instrument to mitigate its foreign currency exposure through a natural hedging approach by accommodating Foreign Forward Contracts, Options and Swaps, for example.

For overseas project development, including an expansion, the Company's policy is to increase a proportion of local funds in each country and local currency loans. In the event of further investment in the same city or investment in a new country, the Company will closely monitor currency and economic trends of each country, so investment can be managed in the right timing and a risk of loss due to currency fluctuations will be reduced.

3. OTHER RISK FACTORS

3.1 RISKS FROM THE COMPANY'S PERFORMANCE BEING UNDER THE CONTROL OF MAJOR SHAREHOLDERS

As at December 30, 2014, the largest group of shareholders is Vijitpongpun's Group, who hold 1,547,499,500 shares, or 69.50% of the total paid-up capital of the Company. Therefore, the Group is able to control shareholders' resolutions in relation to major matters, which are required by the laws or Articles of Association of the Company to be passed by a majority vote of shareholders with voting rights being present at the meetings. Moreover, Mr. Thongma Vijitpongpun, a major shareholder of the Company by holding 1,214,000,000 shares or 54.52% of the paid up capital of the Company, will remain the Chairman of the Executive Committee, Chief Executive Officer and Authorized Director of the Company. Therefore, other shareholders may not be able to obtain sufficient votes to counter check or provide equilibrium among major shareholders.

3.2 RISKS FROM IMPACT ON SHARE PRICE AND CONTROLLING POWER IN EXERCISING THE RIGHTS AS PER WARRANTS OF THE COMPANY CAPITAL INCREASE

The Company had issued warrants to buy ordinary shares of the Company to Directors and Executives and/or subsidiaries for 3 types that were PS-WD, PS-WE and PS-WF (please see more detail of warrant in topic "Capital Structure"). However the Company still has risks from impact on share price and controlling power in exercising the rights as per warrants of the Company capital increase.

GENERAL INFORMATION

CORPORATE INFORMATION

Name	:	Pruksa Real Estate Public Company Limited
Current Type of Business	:	Real estate developer for residential purposes, including townhouses, single detached houses, and condominiums in Thailand and Asia region such as Republic of Maldives and the Republic of India
Head Office	:	27 th Floor, SM Tower, 979/83, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
PS Precast Factory	:	54/1 Moo 4, Lamlookka Road, Tambon Ladsawai, Amphur Lamlookka, Pathumthani
Registration No.	:	Bor. Mor. Jor. 0107548000307
Home Page	:	http:// www.pruksa.com
Telephone	:	0-2298-0101
Facsimile	:	0-2298-0102
Ordinary Shares and Registered Capital (shares, baht)	:	2,270,298,800
Ordinary Shares and Paid-up Capital (shares, baht)	:	2,226,675,700
Purpose	:	Investment in Property Development

THE COMPANY AND SUBSIDIARIES' INFORMATION

	Name	Address	Business Type	Registration No.	Contact
1	Pruksa Real Estate Public Company Limited	Head Office Address 27 th Floor, SM Tower, 979/83, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Real estate developer for residential purposes, including townhouses, single-detached houses, and condominiums	Bor. Mor. Jor. 0107548000307	Telephone 0-2298-0101 Fax 0-2298-0102 www.pruksa.com
2	PS Precast Factory (Lamlookka)	Head Factory Address 54/1 Moo 4, Lamlookka Road, Tambon Ladsawai, Amphur Lamlookka, Pathumthani	Precast concrete factory and Precast fence and pillar factory	-	Telephone 0-2532-8124-32 Fax 0-2532-8123
3	PS Precast Factory (Navanakorn)	Head Factory Address 69/5 Moo 11, Phahon Yothin Road, Tambon Khlong Nueng, Amphur Khlong Luang, Pathumthani	Precast concrete factory and Precast fence and pillar factory	-	Telephone 0-2532-8124-32 Fax 0-2532-8123
4	Kaysorn Construction Co., Ltd. (Subsidiary)	Head Office Address 29 th Floor, SM Tower, 979/95, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Contractor for housing decoration	-	Telephone 0-2298-0101 Extension 172
5	Putthachart Estate Co., Ltd. (Subsidiary)	Head Office Address 30 th Floor, SM Tower, 979/99, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Real estate developer	-	Telephone 0-2298-0820
6	Phanalee Estate Co., Ltd. (Subsidiary)	Head Office Address 30 th Floor, SM Tower, 979/97, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Real estate developer	-	Telephone 0-2298-0010
7	Pruksa Overseas Co., Ltd. (Subsidiary)	Head Office Address 30 th Floor, SM Tower, 979/100, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Real estate developer in other countries	-	Telephone 0-2298-0101 Fax 0-2298-1000

	Name	Address	Business Type	Registration No.	Contact
8	Pruksa International Co., Ltd. (Subsidiary)	Head Office Address 30 th Floor, SM Tower, 979/98, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Real estate developer in other countries	-	Telephone 0-2298-0101 Fax 0-2298-1000
9	Pruksa Overseas Services Co., Ltd. (Subsidiary)	Head Office Address 27 th Floor, SM Tower, 979/84, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	Regional Operating supports & services	-	Telephone 0-2298-0101
10	Pruksa India Housing Private Limited (Subsidiary)	Head Office Address Ferns Icon, Unit No. 7, 1 st Floor, Daddanekundi Village, Next to Akme Ballet, Marathahalli Outer Ring Road, Bangalore 560 037 Karnataka, Republic of India	Real estate developer in Republic of India	-	Telephone +91 9632707654
11	Pruksa India Construction Private Limited (Subsidiary)	Head Office Address Ferns Icon, Unit No. 7, 1 st Floor, Daddanekundi Village, Next to Akme Ballet, Marathahalli Outer Ring Road, Bangalore-560 037 Karnataka, Republic of India	Construction contractor in Republic of India	-	Telephone +91 9632707654
12	Pruksa-Mohan Mutha Real Estate Private Limited (Joint Venture Company)	Head Office Address Brooklyn Business Centre, 6 th Floor West Wing, 103- 105, Poonamallee High Road, Chennai-600085 Tamil Nadu, Republic of India	Real estate developer in Republic of India	-	-

Name	Address	Business Type	Registration No.	Contact
13 Pruksha-Luxora Housing Private Limited (Joint Venture Company)	Head Office Address Soham House, Hari Om Nagar, Off. Eastern Express Highway, Mulund (East), Mumbai – 400081 Maharashtra, Republic of India	Real estate developer in Republic of India	-	-
14 Pruksha Vietnam Company Limited (Joint Venture Company)	Head Office Address Unit A, 8 th Floor, No.116 Nguyen Duc Canh, Cat Dai Ward, Le Chan District, Hai Phong, Vietnam	Real estate developer in Vietnam	-	-
15 Pruksha Vietnam Construction Co., Ltd (Subsidiary)	Head Office Address Unit B, 8 th Floor, No.116 Nguyen Duc Canh, Cat Dai Ward, Le Chan District, Hai Phong, Vietnam	Construction contractor in Vietnam	-	-
16 Pruksha-HDC Housing Private Limited (Joint Venture Company)	Head Office Address 2 nd Floor, HDC Building, Hulhumale, Republic of Maldives	Real estate developer in Republic of Maldives	-	-
17 Kaysorn Construction Limited, Maldives Branch (Subsidiary)	Head Office Address 2 nd Floor, HDC Building, Hulhumale, Republic of Maldives	Contractor for housing decoration in Republic of Maldives	-	-
18 Thanathep Engineering and Construction Co., Ltd (Subsidiary)	Head Office Address 37/1, 3 rd Floor, Limcharoen Building 2, Vibhavadi Road, Phayathai, Bangkok 10400	Construction contractor	-	-

SECURITY REGISTRAR

Name : Thailand securities depository Co., Ltd.

Head Office : 62 The Stock Exchange of Thailand, Ratchadapisek Road, Klong Toey, Bangkok 10110

Telephone : 0-2229-2800

DEBENTURE REGISTRAR NO. 1/2009

Registrar name : Kasikornbank Public Company Limited

Head Office : 1 Soi Kasikornthai, Rajburana Road, Rajburana, Bangkok 10140

Telephone : 0-2222-0000, 0-2888-8888

DEBENTURE REGISTRAR NO. 1/2010

Registrar name : CIMB Thai Bank Public Company Limited

Head Office : 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330

Telephone : 0-2626-7000

AUDITOR

Miss Vipavan Pattavanvive	Certified Public Accountant Registration No. 4795 and/or
Miss Somboon Supasiripinyo	Certified Public Accountant Registration No. 3731 and/or
Mr. Supot Singhasaneh	Certified Public Accountant Registration No. 2826 and/or
Miss Wanaporn Jongpeeradechanon	Certified Public Accountant Registration No. 4098 and/or
Mr. Charoen Phosamritlert	Certified Public Accountant Registration No. 4068

KPMG POOMCHAI AUDIT LTD.

Head Office 195 Empire Tower, 22nd Floor, South Sathon Road, Yannawa, Sathon, Bangkok 10120

Telephone 0-2677-2000

LEGAL ADVISOR

BAKER & MCKENZIE LTD.

Head Office 25th Fl., Abdulrahim Place, 990 Rama 4 Road, Bangkok 10500

Telephone 0-2636-2000

Investors can obtain further information on the Company's annual registration statement (56-1 Form) at www.set.or.th or the Company's website www.pruksa.com

CAPITAL STRUCTURE

I. COMPANY'S SECURITIES:

I.1 COMMON SHARES

As on December 4, 2014 Pruksa Real Estate Public Company Limited had registered capital of Bt2,270,298,800 (2,270,298,800 ordinary shares with one baht par value) with issued and paid-up share capital of Bt 2,226,675,700 (2,226,675,700 ordinary shares with one baht par value).

Date	Capital Registered (Baht)	Warrants exercised (Unit)	Shares Purchased from warrants exercised (Baht, Share)	Registration at Ministry of Commerce	Paid-Up Capital (Baht)
Jun 30, 06	2,232,500,000	6,992,400	6,992,400	Jul 5, 06	2,166,745,800
Jan 31, 07	2,232,500,000	7,104,600	7,104,600	Feb 07	2,173,850,400
Apr 20, 07	2,224,753,400	Decrease Registered Capital	-	Apr 20, 07	2,173,850,400
Jun 23, 07	2,255,753,400	Increase Registered Capital to serve ESOP	-	Jun 23, 07	2,173,850,400
Jul 31, 07	2,255,753,400	6,327,800	6,327,800	Aug 9, 07	2,180,178,200
Jan 31, 08	2,255,753,400	5,774,500	5,774,500	Feb 6, 08	2,185,952,700
Jul 31, 08	2,255,753,400	5,441,500	5,441,500	Aug 8, 08	2,191,394,200
Jan 30, 09	2,255,753,400	5,169,900	5,169,900	Feb 5, 09	2,196,564,100
Apr 23, 09	2,224,753,400	Decrease Registered Capital by cutting unused ESOP	-	Apr 23, 09	2,196,564,100
Jul 31, 09	2,224,753,400	5,086,500	5,086,500	Aug 7, 09	2,201,650,600
Nov 30, 09	2,224,753,400	5,161,400	5,161,400	Dec 4, 09	2,206,812,000
May 3, 10	2,206,812,000	Decrease Registered Capital by cutting unused ESOP	-	May 3, 10	2,206,812,000
May 6, 10	2,228,812,000	Increase Registered Capital to serve ESOP	-	May 6, 10	2,206,812,000

Date	Capital Registered (Baht)	Warrants exercised (Unit)	Shares Purchased from warrants exercised (Baht, Share)	Registration at Ministry of Commerce	Paid-Up Capital (Baht)
Feb 28, 11	2,228,812,000	667,700	667,700	Mar 7, 11	2,207,479,700
May 3, 11	2,250,812,000	Increase Registered Capital to serve ESOP	-	May 3, 11	2,207,479,700
May 31, 11	2,250,812,000	947,900	947,900	June 6, 11	2,208,427,600
Aug 31, 11	2,250,812,000	979,600	979,600	Sep 8, 11	2,209,407,200
Aug 31, 12	2,250,812,000	1,275,500	1,275,500	Sep 11, 12	2,210,682,700
Aug 31, 12	2,250,812,000	509,200	509,200	Sep 11, 12	2,211,191,900
Nov 30, 12	2,250,812,000	1,475,000	1,475,000	Dec 13, 12	2,212,666,900
Nov 30, 12	2,250,812,000	555,100	555,100	Dec 13, 12	2,213,222,000
Feb 28, 13	2,250,812,000	8,126,900	8,126,900	Mar 5, 13	2,221,348,900
May 9, 13	2,265,812,000	Increase Registered Capital to serve ESOP (PS-WE)	-	May 9, 13	2,221,348,900
May 29, 13	2,265,812,000	1,103,000	1,103,000	Jun 7, 13	2,222,451,900
Aug 30, 13	2,265,812,000	57,400	57,400	Sep 6, 13	2,222,509,300
Nov 29, 13	2,265,812,000	323,300	323,300	Dec 4, 13	2,222,832,600
Feb 28, 14	2,265,812,000	969,400	969,400	Mar 14	2,223,802,000
May 2, 14	2,255,298,800	Decrease Registered capital by cutting unused ESOP (PS-WC)	-	May 2, 14	2,223,802,000
May 6, 14	2,270,298,800	Increase Registered capital to serve for ESOP (PS-WF)	-	May 6, 14	2,223,802,000
May 30, 14	2,270,298,800	399,900	399,900	Jun 4, 14	2,224,201,900
Aug 29, 14	2,270,298,800	2,376,200	2,376,200	Sep 2, 14	2,226,578,100
Nov 28, 14	2,270,298,800	97,600	97,600	Dec 4, 14	2,226,675,700

1.2 WARRANTS

The Company has issued a number of warrants to the Company's directors, management, employees, advisors and/or the subsidiaries as per the following details:

Name	Warrants to purchase the ordinary shares of Pruksha Real Estate Public Company Limited (PS-WD)
Number of Warrants Issued	22,000,000 Units
Offering Price Per Unit	-0-
Exercise Price Per Unit	Bt15.30
Term of Warrants	Four years from the date of issuance
Exercise Ratio	1 : 1 (One Warrant per one ordinary share)
Offering Period	Within a year as of the approval of the shareholder meeting
Exercise Period	4 times per year (February, May, August and November of each year)
Control Dilution	The effect to the profit sharing or voting right of existing shareholders (control dilution) is decreased by 0.99% (22,000,000/2,228,812,000 shares)

Name	Warrants to purchase the ordinary shares of Pruksha Real Estate Public Company Limited (PS-WE)
Number of Warrants Issued	15,000,000 Units
Offering Price Per Unit	-0-
Exercise Price Per Unit	Bt28.19
Term of Warrants	Four years from the date of issuance
Exercise Ratio	1 : 1 (One Warrant per one ordinary share)
Offering Period	Within a year as of the approval of the shareholder meeting
Exercise Period	4 times per year (February, May, August and November of each year)
Control Dilution	The effect to the profit sharing or voting right of existing shareholders (control dilution) is decreased by 0.67% (15,000,000/2,228,222,000 shares)

Name	Warrants to purchase the ordinary shares of Pruksha Real Estate Public Company Limited (PS-WF) ⁽¹⁾
Number of Warrants Issued	15,000,000 Units
Offering Price Per Unit	-0-
Exercise Price Per Unit	Bt16.28
Term of Warrants	Four years from the date of issuance
Exercise Ratio	1 : 1 (One Warrant per one ordinary share)
Offering Period	Within a year as of the approval of the shareholder meeting
Exercise Period	4 times per year (February, May, August and November of each year)
Control Dilution	The effect to the profit sharing or voting right of existing shareholders (control dilution) is decreased by 0.67% (15,000,000/2,237,832,600 shares)

Remark : ⁽¹⁾ Warrant (PS-WF) has not been allotted to the Management of the Company and/or its subsidiary

2. SHAREHOLDER STRUCTURE

Major shareholders

As reported in the latest Ministry of Commerce's certification dated December 4, 2014, Pruksa Real Estate Public Company Limited had registered capital of Bt2,270,298,800 comprising 2,270,298,800 ordinary shares at one baht par value with issued and paid-up share capital of Bt2,226,675,700 comprising Bt2,226,675,700 ordinary shares at one baht par value.

The top ten shareholders of the Company as of the latest share register book closing, on December 30, 2014 are as follows:

	Shareholders	Shares held	Percentage
1	Vijitpongpun Group	1,547,499,500	69.50
	Mr. Thongma Vijitpongpun	1,214,000,000	54.52
	Mrs. Tipsuda Vijitpongpun	85,000,000	3.82
	Ms. Chanya Vijitpongpun	85,000,000	3.82
	Miss Malinee Vijitpongpun	85,000,000	3.82
	Mrs. Rattana Promsawad	78,399,500	3.52
	Mr. Chamlong Promsawad	100,000	0.00
2	UBS AG Singapore Branch	100,000,000	4.49
3	Thai NVDR Co.,Ltd.	51,654,566	2.32
4	State Street Bank Europe Limited	30,029,476	1.35
5	Social Security Office (2 cases)	24,521,600	1.10
6	State Street Bank and Trust Co.,Ltd.	24,128,600	1.08
7	Chase Nominees Limited 28	17,979,849	0.81
8	N.C.B.Trust Limited-Norges Bank 1	13,515,200	0.61
9	Mr. Anucha Kitthanamongkolchai	13,480,000	0.61
10	SCB Open-end Long Term Fund Dividend 70/30	10,151,700	0.46
Total Top 10 Shareholders		1,832,960,491	82.32
Top paid-up share capital		2,226,675,700	100.00

Restriction on foreigners' shareholding

The foreign shareholders are able to hold in an aggregate portion of no more than 40.0% of the Company's total issued and paid-up shares. As of December 30, 2014 foreign shareholders held approximately 12% of the Company's issued and paid-up capital.

3. Debenture

As on December 31, 2014 there was Bt20,000m outstanding which can be divided into six tranches as follows:

Name of Debentures of Pruksa Real Estate Public Company Limited	No.1/2010 Due 2015	No.2/2010 Due 2015	No.1/2012 Due 2016 and 2017	No.1/2013 Due 2016 and 2018	No.1/2014 Due 2017	No.2/2014 Due 2017 and 2018
Type of Debentures	Name Registered Debenture					
Status	Unsubordinated and Unsecured					
Lead Underwriter, Registrar and Paying Agent	Bangkok Bank Pcl., Kasikorn Bank Pcl. and CIMB Thai Bank Pcl.	Bangkok Bank Pcl., Kasikorn Bank Pcl. and CIMB Thai Bank Pcl.	Bangkok Bank Pcl. and Kasikorn Bank Pcl.	Kasikorn Bank Pcl. and Siam Commercial Bank Pcl.	Bank of Ayudhya Pcl. and Kasikorn Bank Pcl.	Bank of Ayudhya Pcl. and United Overseas Bank (Thai) Pcl.
Par Value	Bt1,000					
Issue Price/Unit	Bt1,000					
Issue Size	Bt1,000,000,000	Bt2,000,000,000	Bt5,000,000,000	Bt6,000,000,000	Bt2,000,000,000	Bt4,000,000,000
No.of Debenture	1,000,000 units	2,000,000 units	5,000,000 units	6,000,000 units	2,000,000 units	4,000,000 units
Duration	5 years from issuing date	5 years from issuing date	3.6 years and 5 years from issuing date	3.1 years and 5 years from issuing date	3 years from issuing date	2.9 years and 3.6 years from issuing date
Issuing Date	24-Jun-10	10-Nov-10	21-Sep-12	15-May-13	31-Jan-14	17-Sep-14
Maturity Date	Series 2 : 24-Jun-15	Series 2 : 10-Nov-15	Series 1 : 21-Mar-16	Series 1 : 15-Jun-16	Series 1 : 31-Jan-17	Series 1 : 17-Jun-17
			Series 2 : 21-Sep-17	Series 2 : 15-May-18		Series 2 : 17-Mar-18
			Series 3 : 21-Mar-16			
			Series 4 : 21-Sep-17			

Name of Debentures of Pruksa Real Estate Public Company Limited	No.1/2010 Due 2015	No.2/2010 Due 2015	No.1/2012 Due 2016 and 2017	No.1/2013 Due 2016 and 2018	No.1/2014 Due 2017	No.2/2014 Due 2017 and 2018
Coupon Rate	Series 2 : 3.75% per annum of Bt1,000,000,000	Series 2 : 3.75% per annum of Bt2,000,000,000	Series 1 : 4.22% per annum of Bt600,000,000	Series 1 : 3.58% per annum of Bt3,000,000,000	Series 1 : 3.78% per annum of Bt2,000,000,000	Series 1 : 3.61% per annum of Bt2,000,000,000
			Series 2 : 4.50% per annum of Bt600,000,000	Series 2 : 3.99% per annum of Bt3,000,000,000		Series 2 : 3.80% per annum of Bt2,000,000,000
			Series 3: 4.22% per annum of Bt2,400,000,000			
			Series 4 : 4.50% per annum of Bt1,400,000,000			
Coupon Payment Period	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Redemption	The issuer shall redeem the debentures with the single payment of principal and the final unpaid interest (if any) at maturity.					
Repurchase of Debenture	The issuer is entitled to repurchase the debentures from the secondary market or otherwise at any time.					
Credit Rating by TRIS	"A" as issued on 7-May-10	"A" as issued on 7-May-10	"A" as issued on 14-Aug-12	"A" as issued on 20-Mar-13	"A" as issued on 20-Dec-13	"A" as issued on 10-Jul-14

DIVIDEND PAYMENT POLICY & INFORMATION

The Company's Board of Directors may consider paying annual dividends, subject to approval by a shareholders meeting. However, due to the fact that Federation of Accounting Professions (FAP) announced that the Thai Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" under which FAP announcement No. 26/2006 requires a parent company has to record investments in a subsidiaries and associates with the cost method instead of the equity method. By this respect the Company has adopted the accounting change according to foregoing announcement since January 1, 2007 which resulted that the net profit amount shown in the Company's Consolidated Financial Statements are not equivalent to the Company's Separate Financial Statements. In order to ensure the same understanding between the Company and its shareholders and investors, the Board of Directors at the meeting No.5/2007 on August 7, 2007 has approved the Company's dividend payment policy of making annual dividend payment to its shareholders at a rate of not less than 30.0% of the Company's net profit after deduction of all legal reserves, however, are subject to change depending on the Company's investment plans, necessities as well as other justifications and considerations that the Board of Directors deems appropriate.

In respect of dividend payment policy by the subsidiaries, such subsidiaries will pay dividends to the Company from their net profits. The dividend payment is, however, subject to many factors such as their financial condition and results of operations, liquidity, business expansion and factors related to the operation of their business.

Moreover, dividends from net profits from the businesses with BOI privileges are exempted from income tax and the Company is not obligated to deduct withholding tax from such dividend payment.

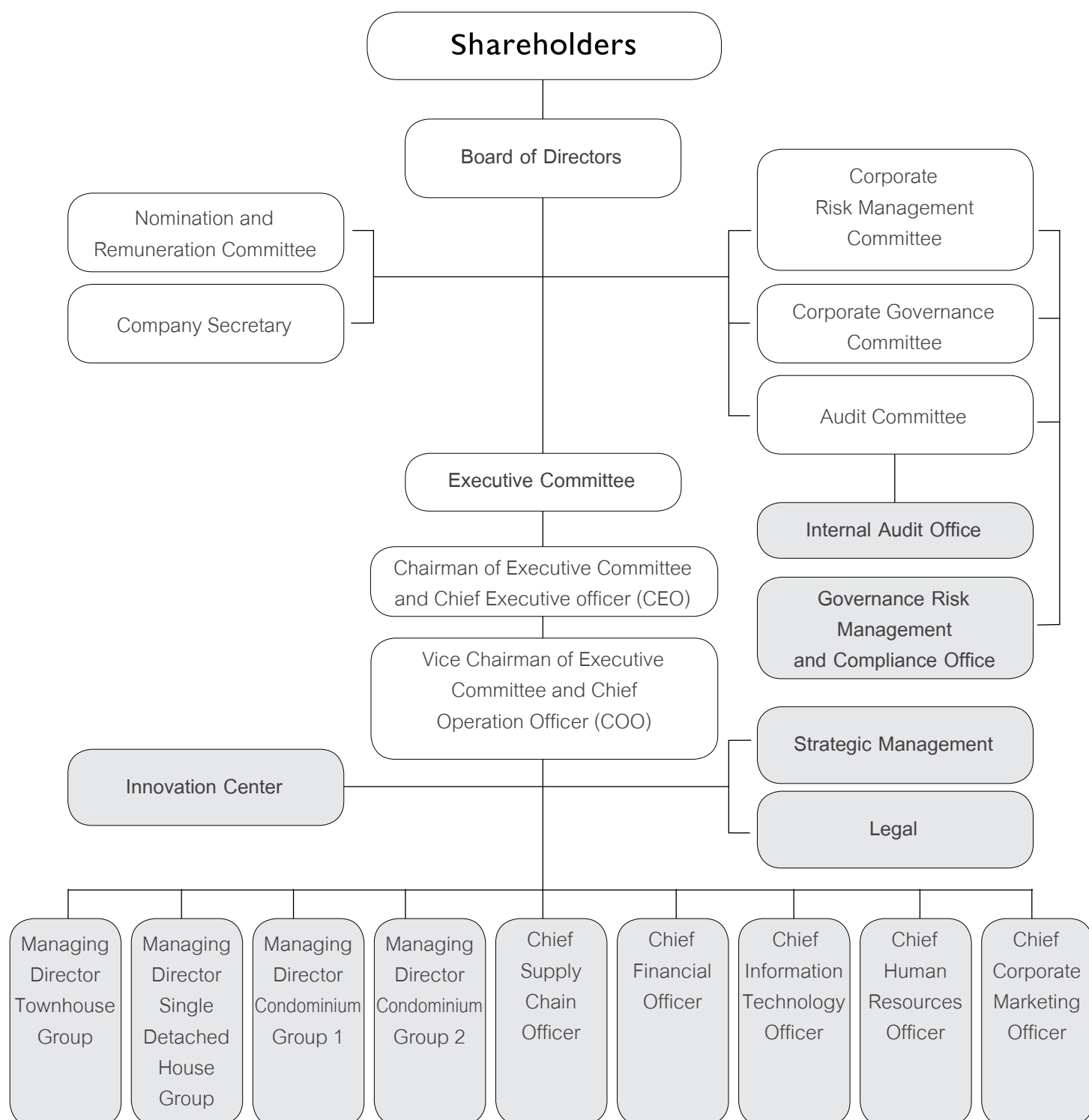
The following are dividends that the Company paid to its shareholders as follow:

Performance Year	Consolidated net profit (Bt m)	Company's Net Profit (Bt m)	Earnings per share (Bt)	Dividend per share (Bt)	Dividend Payout Ratio from Separate FS (%)	Dividend Payment Date
2013	5,801.82	5,175.03	2.61	0.85	36.5	May 15, 2014
2012	3,898.14	3,266.80	1.76	0.50	33.8	May 17, 2013
2011	2,834.82	2,844.30	1.28	0.40	31.0	May 17, 2012
2010	3,488.15	3,545.83	1.58	0.50	31.1	May 13, 2011
2009	3,621.83	3,341.16	1.65	0.55	36.2	May 13, 2010

MANAGEMENT STRUCTURE

I. ORGANIZATION CHART

Management structure of the company as of December 30, 2014 as follow:



2. MANAGEMENT STRUCTURE

Management structure of the Company consists of the Board of Directors and five of subcommittees which are Audit Committee, Corporate Risk Management Committee, Corporate Governance Committee, Nomination and Remuneration Committee and Executive Committee.

2.1 THE BOARD OF DIRECTORS

According to the Articles of Association of the Company, the Board of Directors shall consist of not less than five Directors. Not less than one half of the total number of Directors shall have domicile in the Kingdom. The directors are integral part of corporate governance. They must provide unbiased views and opinions to the Board of Directors and protect the mutual interest of all shareholders. The Directors must foster accountability and integrity. As reported in the latest Ministry of Commerce's certification on December 15, 2014 the Board of Directors of Pruksa Real Estate Public Company Limited, who possessed qualifications in accordance with Section 68 the Public Company Act B.E.2535 (1992) and the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), consists of 13 members as follows :

	Name	Position
1	Dr. Pisit Leeahtam	Chairman and Independent Director
2	Mr. Thongma Vjittpongpan	Executive Vice Chairman
3	Professor Emeritus Dr. Trungjai Buranasomphop	Independent Director
4	Mr. Weerachai Ngamdeevilaisak	Independent Director
5	Mr. Abdul Chandanachulaka	Independent Director
6	Mr. Kanchit Bunajinda	Independent Director
7	Dr. Piyasvasti Amranand ⁽¹⁾	Independent Director
8	Mr. Wichian Mektrakarn ⁽²⁾	Independent Director
9	Dr. Anusorn Sangnimnuan ⁽³⁾	Independent Director
10	Mr. Lersuk Chuladesa	Director
11	Mr. Prasert Taedullaysatit	Director
12	Ms. Rattana Promsawad	Director
13	Mr. Piya Prayong	Director

Remark:

- (1) Dr. Piyasvasti Amranand was appointed by Board of Director's meeting No.3/2014 on March 21, 2014 as independent committees (replacement of Mr. Mayta Chanchamcharat) and effective on March 21, 2014.
- (2) Mr. Wichian Mektrakarn was appointed by Board of Director's meeting No.10/2014 on November 10, 2014 as independent committees (replacement of Mr. Edward Joseph Cooper, Jr) and effective on November 10, 2014.
- (3) Dr. Anusorn Sangnimnuan was appointed by Board of Director's meeting No.11/2014 on December 4, 2014 as independent committees (replacement of Mr. Wisudhi Srisuphan) and effective on December 4, 2014.

Authorized directors who can sign on behalf of the company

Authorized Directors who can jointly sign and bind the Company are either Mr. Thongma Vijitpongpan or Mr. Lersuk Chuladesa or, signing with Mr. Piya Prayong or Mr. Prasert Taedullayasatit or Mrs. Ratana Promsawad, a total is two directors with the Company's seal affixed jointly.

Separation of function roles

The Chairman is not an Executive Director, and has no relations with the management team. The roles of making Director Policies and management of the Company are clearly defined.

Roles and duties of the chairman

The Chairman has the role of the leader and presides over the Board of Directors' Meeting to ensure effectiveness and efficiency by encouraging all the directors to participate in the meeting, helping, advising and supporting to ensure smooth operation of the management. The Chairman also has the freedom to propose agendas for the meetings, provide opinions on the Company's operation in various ways, conducts himself with integrity and avoids conflict of interests for rightness and transparency.

Scope of powers and duties of the Board of directors

1. The Board of Directors shall perform with responsibility, caution, and faithfulness and conduct the Company's business according to the laws, Company's objectives, Articles of Association, and resolutions of the shareholders' meeting, except for matters required by law to be approved at shareholders' meetings, entering into connected transactions, and any purchase or sale of material assets pursuant to the regulations of the SET or those prescribed by other government authorities.
2. To oversee the corporate governance with ethic for example making Code of Business Conduct for Directors, Management and employees of the Company as well as acknowledge rules and follow up on the implementation.
3. To consider approval of the business policies, targets, operation plans, business strategies and annual budgets of the Company.
4. To consider appointment of a person who possesses qualifications and does not possess any characteristics prohibited under the Public Company Act B.E. 2535 (1992) and the laws governing securities and exchange and any relevant rules, regulations and/or notifications to be Director in case there is a vacancy due to a cause other than retirement by rotation.
5. To consider appointment of Independent Directors by taking into consideration qualifications and prohibited characteristics under the laws governing securities and exchanges, notifications of the Capital Market Supervisory Board, including relevant rules, regulations and/or notifications of the Capital Market Supervisory Board, SET or propose to a shareholders' meeting for such appointment.
6. To consider appointment of Audit Committee members who have qualifications under the laws governing securities and exchange notifications of the Capital Market Supervisory Board, including rules, regulations and/or notifications of the SET.
7. To consider appointment of Executive Directors from among the directors or the management of the Company and prescribe their roles, powers, duties and responsibilities.
8. To consider appointment of sub-committee to assist in the operation according to the Board of Director's responsibilities.
9. To appoint and change the names of Directors who can have the power to sign to bind the Company.

10. The Board of Directors may nominate other person to manage the operations of the Company under the control of the Board or authorize the person to have power for the time period, as the Board deems appropriate. The Board may remove or change the power of the person.
11. To consider approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval by a shareholders' meeting. Such approval must be in compliance with the notifications of the Capital Market Supervisory Board, and/or SET's relevant rules, regulations and/or notifications.
12. To consider approval of connected transactions, except where such transactions require approval from a shareholders' meeting. Such approval must be in compliance with the Capital Market Supervisory Board and/or SET's relevant rules, regulations and/or notifications.
13. To consider approval for interim dividend payment when it considers that the Company has sufficient profits to do so and to report such payment to the following shareholders' meeting.

The Board of Directors shall elect a Director to be the Chairman. If it is deemed appropriate, the Board of Directors may consider electing one or many directors to be Vice Chairman, who shall be assigned by the Chairman to perform duties to conduct the Company's business according to the Articles of Association. The Board of Directors shall meet at least once every three months.

However, in granting of powers, duties and responsibilities, the Board of Directors shall not be granted power, or sub-grant powers to a grantee to approve transactions in which the Board of Directors, or any person who may have any conflict of interest (as defined in the notification of the SEC), have a vested interest, or may have any other conflict of interest with the Company or its subsidiaries, except where the approval of such transaction is consistent with the policy and criteria approved by the meeting of shareholders or of the Board of Directors.

Structure and appointment of the Board of directors

The structure of the Board of Directors and appointment, removal or release of Directors as stipulated in the Company's Articles of Association can be summarized as follows:

1. The Company shall consist of not less than five Directors. Not less than one half of the total number of Directors shall have domicile in the Kingdom.
2. The election of Directors by the shareholders' meeting shall be in accordance with the following rules and procedures be in accordance with the following rules and procedures:
 - Each shareholder shall have one vote per share
 - Each shareholder shall use all his or her votes under (1) To elect one or several persons as a Director. However, he or she may not divide his or her votes among the candidates
 - The persons who received the highest number of votes in their respective order of the votes in a number not exceeding the number of directors to be elected at that meeting, shall be appointed as directors. In the event of equal votes for the last person, the Chairman of the meeting shall exercise a casting vote
3. At the Annual General Meeting, the Directors shall retire by one-third. If the number of Directors is not divisible by three, it has to be the nearest one-third. Directors to be retired from their office in the first and second year after the registration of the Company, they shall be retired by drawing. After that, the Directors who have stayed in the office longest shall be retired. Directors who retired may be re-elected.
4. A Director may resign from office by submitting a resignation letter to the Company. The resignation shall become effective from the day the resignation letter arrives at the Company.

5. A resolution for any Director to leave office prior to the expiration of his term requires the votes of at least three fourths of the number of the shareholders attending the meeting and having voting rights and holding in aggregate shares amounting to not less than half of the number of shares held by shareholders who attend the meeting and have voting rights.

Independent directors

The current Board of Directors consists of eight independent Directors who do not participate in the management of the company and are free and clear of the control of the Company's management and shareholders, including not having any business relation with the Company which makes him/her incapable of expressing independent opinions which is in accordance with the regulation issued by Capital Market Supervisory Board, SEC and SET. The regulation states that not less than one-third of all of the directors of the Company must be independent directors, and it shall not be less than three. The Board of Directors determined the qualifications of the independent directors, as regulated by the SEC, as follows:

1. Holding not more than 1.0% of the total voting shares of the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, with the number of shares held by the director's related persons being counted.
2. Being a director who is not or has never been an executive director, employee, staff member, salaried advisor, or controlling person of the Company, its subsidiary, associated company, same-level subsidiary, juristic persons with potential of conflict of interest, major shareholder, or controlling person, unless such characteristics have lapsed for at least two years before being appointed.
3. Being a director who has no relationship by blood or by legal registration under the status of father, mother, spouse, sibling, and child, including the child's spouse, of other directors, executives, major shareholders, controlling persons, or persons who are being nominated for appointment as directors, executives, or controlling persons of the Company or its subsidiary.
4. Being a director who does not have or has never had a business relationship with the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person in a manner that may hinder the exercise of his/ her independent judgment, and not being a person who is or has been a significant shareholder, or controlling person, or a person with a business relationship with the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, unless such characteristics have lapsed for at least two years before being appointed.

The business relationship in paragraph one includes normal trading transactions for the purpose of business operations, rental or lease of immovable property, transaction related to assets or services, or granting or receiving financial assistance by receiving or giving loans, guarantee, using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other at an amount of 3% or more of the net tangible asset or Bt20m or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board's Notification: Re Criteria on Undertaking Connected Transactions, mutatis mutandis, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

5. Being a director who is not or has never been an external auditor of the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, and not a significant shareholder, controlling person, or partner of an audit firm to which an external auditor of the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person belongs, except in case such characteristics have lapsed for at least two years before being appointed.

6. Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with the service fee thereof exceeding Bt2.0m per year from the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, and not a significant shareholder, controlling person, or partner of the provider of such professional service, except in case such characteristics have lapsed for at least two years before being appointed.
7. Being a director who is not appointed as representative of a director, major shareholder or shareholder with a relationship to a major shareholder of the Company.
8. Not undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor, or shareholder with over 1.0% of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary.
9. Not having any other characteristic that may hinder the exercise of his/her independent judgment about the Company's business operations.

After having been appointed as independent director with characteristics under items 1-9, the independent director may be assigned by the Board of Directors to make decision on operations of the Company, its subsidiary, associated company, same-level subsidiary, juristic persons with potential of conflict of interest, major shareholder, or controlling person, in the form of collective decision.

2.2 AUDIT COMMITTEE

The Company's Audit Committee consists of Independent Directors with qualifications in accordance with Section 68 the Public Company Act B.E.1992, the Announcements of the Capital Market Supervisory Board and the regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Committee must consist of at least three members, with at least one who is qualified in accounting or finance and has adequate experience to ascertain the integrity of the financial statements of the Company. The current Audit Committee comprises of four Independent Directors as follows:

	Name	Position
1	Dr. Piyasvasti Amranand ⁽¹⁾	Chairman of the Audit Committee
2	Mr. Wisudhi Srisuphan ⁽²⁾	Chairman of the Audit Committee
3	Professor Emeritus Dr. Trungjai Buranasomphop	Member
4	Mr. Adul Chandanachulaka	Member
5	Mr. Weerachai Ngamdeevilaisak	Member

Remark -

(1) Dr. Piyasvasti Amranand was appointed as Chairman of Audit Committee on December 4, 2014

(2) Mr. Wisudhi Srisuphan resigned from Chairman of Audit Committee on November 17, 2014

Secretary of the Audit Committee is Mr. Preamsak Wanlikui, Director of Internal Audit (Head of internal audit).

Scope of Powers, Duties and Responsibilities of the Audit Committee

1. To review the Charter of the Audit Committee at least once a year and make adjustments as deemed necessary and appropriate.
2. To conduct reviews of financial reports and disclosure of financial statements in accordance with accounting standards stipulated by laws in a transparent, accurate and sufficient manner.
3. To consider and approve any changes in significant accounting principles or procedures as proposed by management of the Company.
4. To conduct reviews to ensure that the Company has appropriate and effective internal control and an internal audit system in accordance with generally accepted procedures and standards.
5. To review the independency of the Internal Audit Unit and to give consent to the appointment, transfer and termination of the Vice President, Internal Audit.
6. To review Internal Audit reports submitted to management and to review management's action plan to correct the internal audit finding.
7. To have unrestricted access to management and employees and relevant information.
8. To conduct reviews with relevant units (such as Legal) to ensure that the Company complies with laws related to Securities and the Stock Exchange and any other laws related to the Company's business.
9. To select and nominate independent persons to act as External Auditors of the Company and propose their remuneration.
10. To have at least one meeting a year with External Auditors without management's presence.
11. To review any connected transactions or any transactions with potential conflict of interest for compliance with the laws and requirements of the Stock Exchange in order to ensure that the transactions are reasonable and most beneficial to the Company.
12. To prepare a report of the Audit Committee for disclosure in the Company's annual report. The report, which is to be signed by the Chairman of the Audit Committee, shall include at least the following information;
 - 12.1 An opinion regarding accuracy, completeness and integrity of the Company's financial reports.
 - 12.2 An opinion regarding adequacy of the internal control system of the Company.
 - 12.3 An opinion regarding compliance with the laws relevant to securities and the stock market, the requirements of the Stock Exchange of Thailand (SET) or the laws related to the business of the Company.
 - 12.4 An opinion regarding the suitability of the auditors.
 - 12.5 An opinion regarding transactions which may have conflict of interest.
 - 12.6 The number of Audit Committee's meetings and the attendance of each member of the Audit Committee.
 - 12.7 An opinion or an observation of the Audit Committee drawn from the performance of their duties according to the Charter.
 - 12.8 Any other matters within the scope of duties and responsibilities specified by the Company's Board of Directors which the shareholders and general investors should know.
13. To perform other tasks within the scope of its duties and responsibilities stipulated in its Charter, including any tasks as may be assigned by the Board of Directors upon which the Audit Committee agrees.

14. In performing the duties, if the Audit Committee finds or suspects that there is a transactions with conflict of interest, a fraud case, an irregularity, or deficiency of a significant magnitude in the internal audit system or any violation of laws and regulations related to Securities or the Stock Exchange or any laws related to the business of the Company which may significantly affect the financial position and the performance of the Company, the Audit Committee is required to submit a report to the Board of Directors for improvement or correction within a timeframe considered appropriate by the Audit Committee.

Selection of the Audit Committee

The Board of Directors shall appoint at least three Audit Committee members from the Independent Directors of the Company who have qualifications as stipulated by the laws governing securities and exchange and the announcements of the Capital Market Supervisory Board, including the notifications rules, and/or regulations of the Stock Exchange of Thailand (SET) governing qualifications and the scope of power and duties of the Audit Committee. At least one member of the Audit Committee must be qualified in accounting or finance and has adequate experience to ascertain the integrity of the financial statements of the Company. The term of each member of the Audit Committee shall be three years and shall terminate upon the directors' retirement by rotation.

2.3 CORPORATE RISK MANAGEMENT COMMITTEE

The Board of Directors appointed the Corporate Risk Management Committee for organization level which is tasked with ensuring that the Company's risks are managed appropriately and efficiently. The current Corporate Risk Management Committee consists of six members as follows:

	Name	Position
1	Mr. Weerachai Ngamdeevilaiak	Chairman of the Corporate Risk Management Committee
2	Mr. Thongma Vijitpongpan	Member
3	Mr. Prasert Taedullayasatit	Member
4	Mr. Edward Joseph Cooper, Jr. ⁽¹⁾	Member
5	Mr. Kanchit Bunajinda	Member
6	Mr. Lersuk Chuladesa	Member
7	Mr. Piya Prayong	Member

Remark - (1) Mr. Edward Joseph Cooper, Jr. resigned from member of Corporate Risk Management Committee and effective on April 30, 2014

Secretary of the Corporate Risk Management Committee is Mr. Cherd Suppana, Executive vice present of Governance & Risk Management and Compliance.

Scope of Powers, Duties and Responsibilities of the Corporate Risk Management Committee

1. To acknowledge and make recommendations on policy, strategy, and enterprise risk management.
2. To verify risk management plans of management division, including the organization's overall risk management process.
3. To be informed of significant risks and consider whether management division responds to them properly.
4. To monitor and ensure full compliance with the framework of the implementation of enterprise risk management.
5. To carry out other duties as assigned by the Board of Directors.

2.4 CORPORATE GOVERNANCE COMMITTEE

To comply with the principles of corporate governance and the code of conduct of directors of listed companies, the Board of Directors appointed the Corporate Governance Committee on February 22, 2006. The Corporate Governance Committee consists of three members as follows

	Name	Position
1	Professor Emeritus Dr.Trungjai Buranasomphop	Chairman of the Corporate Governance Committee
2	Mr. Adul Chandanachulaka	Member
3	Mr. Wisudhi Srisuphan ⁽¹⁾	Member
4	Mrs. Ratana Promsawad	Member

Remarks - (1) Mr. Wisudhi Srisuphan resigned from member of Corporate Governance Committee on November 17, 2014

Secretary of the Corporate Governance Committee is Mr. Cherd Suppana, Executive vice president of Governance & Risk Management Compliance.

Scope of Powers, Duties and Responsibilities of the Corporate Governance Committee

1. To consider, review, and present the following policies for the Board of Directors' approval. Such policies are Corporate Governance Policy, Code of Conduct, Corporate Social and Environmental Responsibility Policy, Sustainable Development Policy, and any practice for supporting the Company's operation in compliance with corporate governance, transparency, fairness, and sustainable growth.
2. To supervise and ensure that the aforementioned policies/ practices are continually executed by the Management and the aforementioned policies/practices must be appropriate and consonant with the Company's business, recommendations of regulatory unit or relevant unit, and international standards.
3. To monitor, review and ensure that systems in the organization comply with code of conduct and best practices as defined.
4. To monitor and command in the event that management division or employees do not comply with policies and practices as defined.
5. To monitor and report the organization's performance as said in Corporate Governance Policy and relevant policies to the Board of Directors and external organizations as appropriate.
6. To carry out other duties as assigned by the Board of Directors.

2.5 NOMINATION AND REMUNERATION COMMITTEE

To comply with the principles of corporate governance and the code of conduct of directors of listed companies, the Board of Directors appointed a Nomination and Remuneration Committee on December 28, 2005. The committee consists of three members as follows:

	Name	Position
1	Mr. Wisudhi Srisuphan ⁽¹⁾	Chairman of the Nomination and Remuneration Committee
2	Dr. Pisit Leeahtam	Member
3	Mr. Thongma Vijitpongpan	Member
4	Mr. Weerachai Ngamdeevilaisak	Member

Remarks - (1) Mr. Wisudhi Srisuphan resigned from chairman of Nomination and Remuneration Committee on November 17, 2014

Secretary of the Nomination and Remuneration is Mr. Porntep Suppataratarn, deputy executive vice president of Human Capital.

Scope of Powers, Duties and Responsibilities of the Nomination and Remuneration Committee

1. To set up the policy and selection criteria for the Board of Directors, Sub-Committee, President, Director, and Managing Director.
2. To select the Board of Directors, Sub-Committee, President, Director, and Managing Director and propose the Board of Directors and/or shareholders for their approval, as the case may be.
3. To set up the policy and remuneration payment criteria for the Board of Directors, Sub-Committee, President, Director and Managing Director and propose the Board of Directors and/or shareholders for their approval, as the case may be.
4. To determine necessary and appropriate remuneration, both cash and non-cash payments, in order to attract and keep the Board of Directors, Sub-Committee, President, Director and Managing Director committed to the Company.
5. To set up criteria and methods for appraising the performance of the Board of Directors, Sub-Committee, President, Director and Managing Director.
6. To review the selection criteria and policy as well as the system and payment of remuneration in compliance with responsibilities, the Company's performance, and market situation by taking account of making the most of the Company benefits.
7. To carry out other duties as assigned by the Board of Directors.

2.6 EXECUTIVE COMMITTEE

For the best management serving the Company's policies, objectives to achieve long term goal, stability and sustainable business growth, Executive Committee, with qualifications in accordance with the Public Company Act B.E.2535 and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, to control and responsible on their job assignment by Board of Directors. All the currently consists of four members as follows:

	Name	Position
1	Mr. Thongma Vijitpongpan	Chairman of Executive Committee
2	Mr. Lersuk Chuladesa	Vice Chairman Executive Committee
3	Mr. Prasert Taedullayasatit ⁽¹⁾	Executive Committee
4	Mr. Mayta Chanchamcharat ⁽²⁾	Executive Committee
5	Mr. Piya Prayong ⁽³⁾	Executive Committee
6	Mr. Edward Joseph Cooper, Jr. ⁽⁴⁾	Executive Committee
7	Ms. Suporn Treewichayapong ⁽⁵⁾	Executive Committee

Remarks - (1) Mr. Prasert Taedullayasatit resigned from Executive Committee and effective on March 21, 2014.

(2) Mr. Mayta Chanchamcharat resigned from Executive Committee and effective on March 21, 2014.

(3) Mr. Piya Prayong was appointed as Executive Committee on September 25, 2014.

(4) Mr. Edward Joseph Cooper, Jr resigned from Executive Committee and effective on April 30, 2014.

(5) Ms. Suporn Treewichayapong was appointed as Executive Committee on March 21, 2014.

Secretary of the Executive Committee is Dr. Torsak Lertsrisakulrat, senior executive vice president for strategic and operation department.

Scope of Powers and Duties of Executive Committee

1. To set up business plan, targets, strategies, operations plans, annual budget and administrative powers to propose to the Board of Directors for approval.
2. To oversee business performance operation according to the policies of the Company, targets, business strategy, and budget as approved by the Board of Directors in an efficient manner and corresponding to the condition of the business as well as provide consultant, recommendation, management to Executive committee.
3. To consider and approve capital expenditure or financial transaction with financial institutions for open account, borrowing or seeking credit facilities, mortgage, loan guarantees and other activities, including any trading/ registered land transactions in the normal course of business under the defined Company's budget.
4. To establish an organization structure and efficient management and administration, covering recruitment, training, hiring and termination of employees, who are executives or members of senior management The Executive Committee may authorize Chief Executive Officer of the Company to act on the Company's behalf in signing employment agreements.
5. To supervise, control and approve matters relating to the operations of the Company. The Executive Committee may appoint or authorize one or more persons to take any action on behalf of the Executive Committee as it may deem appropriate and may terminate, change or amend such authority.

6. To scrutinize all pieces of work presented to the Board of Directors, with the exception of ones under responsibilities and/or authority of other Sub-Committees who scrutinize their pieces of work and directly present them to the Board of Directors
7. To carry out other duties as assigned by the Board of Directors.

However, in the granting of powers, duties and responsibilities, the Executive Committee shall not be granted or sub-grant power to a grantee that causes the Executive Committee or the grantee to approve transactions in which the Executive Committee or the grantee, or any person who may have any conflict of interest (as defined in the notification of the SEC), may have a vested interest, or any other conflict of interest with the Company or its subsidiaries. Approval of such transaction is required to be presented to the Board of Directors Meeting and/or the Shareholders. Meeting as the case may be, for approval, as required by the Articles of Association of the Company or the subsidiaries or the relevant laws, except where the approval of such transactions is consistent with normal business practice and has a clearly defined scope.

Selection of executive committee

The Board of Directors shall nominate Directors, the Company Management, and/or outsiders and appoint them to Executive Committee. Equally important, Executive Committee shall have knowledge, experience and abilities required of the position, devote more of his time to the Company and understand his qualifications, duties and responsibilities, including not having prohibited characteristics under the laws.

2.7 MANAGEMENT

Executive (who has qualifications in accordance with the Public Company Limited Act B.E. 2535 (1992) and the related notifications of the Office of the Securities and Exchange Commission). As of December 30, 2014, the Company's executive consists of seven persons as follows:

	Name	Position
1	Mr. Thongma Vijitpongpan	Chief Executive Officer
2	Mr. Lersuk Chuladesa	Chief Operating Officer / Acting Managing Director - Supply Chain
3	Mr. Piya Prayong	Managing director – Townhouse
4	Mr. Prasert Taedullayasatit	Managing director – Condominiums
5	Mr. Nimit Poonsawat	Managing Director - Single Detached House
6	Mr. Wirasak Kaewnoo	Managing Director - Special Business
7	Ms. Suporn Treewichayapong	Executive Vice President – Accounting & Finance

Notes: Management (as defined by SEC) mean Chief Executive Officer or person (s) in the next four executive levels immediately under Chief Executive Officer including every person (s) who is equivalent to that fourth level and also include the Financial Officer in the case that the Financial Officer is not in the same level as the fourth-executive level.

Scope of Powers and Duties of Chief Executive Officer

1. To be responsible for overall and day-to-day operations of the business.
2. To coordinate with Internal Audit Department in relation to accounts and payment procedures of the Company should he find or suspect that it is not in accordance with the Company's policy.
3. To establish an organization structure and efficient management in accordance with the guidelines which is may be set up by the Executive Committee. This shall include recruitment; training, hiring and termination of employees who are not Management or members of senior management. The Chief Executive Officer is authorized to sign employment agreements on behalf of the Company.
4. To consider and approve any capital expenditure or operating expenses for the Company's business operation or any borrowing or credit facilities from financial institutions, including acting as a guarantor in the normal course of business, in an amount not exceeding Bt20m, or equivalent.
5. To conduct any other affairs necessary for operation of the Company as assigned by the Board of Directors or Executive Committee.
6. To participate in the budget review with the Executive Committee and later with the Board of Directors.
7. To negotiate and review agreements or documents in relation to the normal business operations of the Company, advise and propose such matters to the Board of Directors and/or Executive Committee and/or persons in charge of such matters for consideration, review and finding solutions.
8. To have the power to authorize and/or appoint a person or persons to undertake specific business on his behalf, provided that such authorization and/or appointment is subject to the scope of authority given under the power of attorney and/or in accordance with the rules, regulations or orders empowered by the Board of Directors and/ or Executive Committee and/or the Company or Chief Executive Officer to cancel, change or amend such powers.

However, the granting of powers, duties and responsibilities to Chief Executive Officer shall not empower Chief Executive Officer to approve transactions in which he or any person who may have a conflict of interest may have a vested interest or any other conflict of interest with the Company or subsidiaries (as defined in the notification of the SEC). Approval of such transactions is required to be reported to the Board of Directors Meeting or Shareholders' Meeting, as the case may be, for approval as prescribed by the Articles of Association of the Company or the subsidiaries or the relevant laws, except where the approval of such transaction is consistent with normal business practice and has a clearly defined scope.

2.8 COMPANY SECRETARY

The Board of Directors appoints a person as Company Secretary to be responsible for organizing the Board of Directors and Shareholders' meetings and other activities of the Board of Directors to ensure that the Board of Directors and the Company properly comply with the related laws and regulations, including the promotion of good governance practices. At present, the Board of Directors has appointed Mr. Paisarl Rumphan as the Company Secretary, effective on May 9, 2008 (details appear in the section of bibliography of Board of Directors and management).

Duties and responsibilities

1. Organize the meetings of Shareholders, the Board of Directors and Specific Committees in accordance with laws, the Company's Articles of Association, each Committee's Charter and best practices.
2. Inform the related management of the resolutions and policies of the Board of Directors and Shareholders and follow up on the implementation of the resolutions and policies.
3. Give initial advice and recommendations to the Board of Directors and Specific Committees on issues in regard to laws, regulations, the Company's Articles of Association and best practices on good governance, follow up on the implementation to ensure correctness and continuity, including report on significant changes to the Board of Directors.
4. Take the minutes of the meeting of the Shareholders and the Board of Directors and follow up on the implementation of the resolutions of the Shareholders and the Board of Directors' meetings.
5. Supervise the disclosure and report of information under responsibility to the regulatory agencies to ensure compliance with laws and regulations and the Company's information disclosure policy.
6. Communicate with the Shareholders to ensure they are informed of their rights and have access to the Company's information.
7. Keep reports on stake holding submitted by directors or management and other important documents such as the Register of the Company's Directors, notices and minutes of the meetings of Board of Directors and the Company's annual reports, including the notices and minutes of the Shareholders' meetings.
8. Supervise the Company's Secretariat to serve as the center of corporate records such the Company's Certificate of Juristic Person Registration, Memorandum of Association, Articles of Association, Shareholders' Register, etc.
9. Give suggestions and advice to newly appointed directors on their directorship.
10. Supervise the activities of the Board of Directors and carry out other matters as provided by law or assigned by the Board of Directors or as announced by SEC.

THE BOARD AND MANAGEMENT PROFILE



Dr. Pisit Leeahtam Age 64 Years

Chairman of the Board of Directors / Member of Nomination and Remuneration Committee / Independent Director

(Started on April 27, 2005)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Doctorate Degree (Economics),
Erasmus University, Rotterdam, The Netherlands
- Master Degree (Economics),
Erasmus University, Rotterdam, The Netherlands
- Bachelor Degree (Economics),
Erasmus University, Rotterdam, The Netherlands

Other Position(s) (Listed Companies and Others)

- Vice Chairman of the Board of Directors /
Chairman of the Audit Committee - KGI Securities (Thailand) Pcl.
- Independent Director / Chairman of the Audit Committee - Tirathai Pcl.
- Independent Director / Chairman of the Audit Committee
- Global Connections Pcl.
- Director / Chairman of the Audit Committee
- Muangthai Life Assurance Pcl.
- Director - OHTL Pcl.

Others

- Member of the National Reform Council
- Dean-Faculty of Economics, Chiang Mai University
- Chairman - Thai Tank Terminal Ltd.
- Country Chairman (Thailand) - Jardines Matheson (Thailand) Ltd.
- Chairman - Netherlands-Thai Chamber of Commerce
- President - Provident Fund Association
- Council Member - Rajamangala University of Technology Krungthep
- Council Member - King Mongkut's University of Technology, Thonburi
- Council Member - Faculty of Commerce and Accountancy,
Thammasat University

Work Experience

2001-2003	President & CEO, TT&T Pcl.
1997-2001	Deputy Minister of Finance, Ministry of Finance
1995-1997	Executive Vice President, Head of Investment Banking Group, Bangkok Bank Pcl.
1991-1994	Director, Office of the Governor, Bank of Thailand
1987-1990	Economist, Exchange and Trade Relations Department, The International Monetary Fund, Washington D.C., USA

Training

- Directors Certification Program - DCP 18/2002,
Thai Institute of Director (IOD)

Mr. Thongma Vijitpongpun Age 57 Years

Authorised Director / Executive Vice Chairman of the Board of Directors / Chairman of Executive Committee / Member of Corporate Risk Management Committee / Member of Nomination and Remuneration Committee / Chief Executive Officer

(Started on April 27, 2005)

Shareholding (%)

1. Myself : 54.521%
(1,214,000,000 shares as of December 30, 2014)
2. Spouse and Minor Children : 7.635%
(170,000,000 shares as of December 30, 2014)

Family Relationship Among the Executives

Elder brother of Mrs.Rattana Promsawad

Education

- Bachelor Degree (Engineering),
Chulalongkorn University

Other Position(s) (Listed Companies and Others)

-

Others

- Director - Pruksa Overseas Co.,Ltd.
- Director - Pruksa International Co.,Ltd.
- Director - Pruksa Overseas Service Co.,Ltd.

Work Experience

- | | |
|-------------|--|
| 1998 - 2004 | Managing Director
- Kaysorn Restaurant Co., Ltd.

(stopped operating the business
on January 28, 2005) |
| 1985 - 1993 | Manager
- Siam Engineering Limited Partnership |

Training

- Directors Certification Program - DCP 51/2004,
Thai Institute of Director (IOD)
- Finance for Non-Finance Directors,
Thai Institute of Director (IOD)





Mr. Lersuk Chuladesa Age 60 Years

Authorized Director / Vice Chairman of Executive Committee /
Member of the Corporate Risk Management Committee /
Chief Operating Officer / Acting Managing Director - Supply Chain
(Started on February 22, 2013)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Honorary Ph.D. (Business) Western University
- M.A. (Public Administration),
National Institute of Development Administration - NIDA
- B.A. (Marketing), Chulalongkorn University

Other Position(s) (Listed Companies and Others)

-

Others

- President of the Pacific Institute of Management
- Executive Committee Member at Office for National Education
Standards and Quality Assessment (ONESQA)
- Advisor to Double A (1991) Pcl.

Work Experience

2008 – 2012	President & CEO, Government Saving Bank
2009 - 2012	Director - MFC Asset Management Pcl.
2008 – 2012	Director - IRPC Pcl.
2008 - 2013	Chairman - Regional Urban Development Fund Office (RUDF)
2010 – 2013	Chairman – The GHB Foundation
2011 - 2014	Chairman – Saiyai Foundation
2002 – 2008	Chairman of Executive Committee – Siam City Insurance Pcl.
2007 – 2008	Chairman of Executive Wholesale Banking and Operation Officer, Siam City Bank Pcl.
2005 – 2007	Senior Executive Vice President – Siam City Bank Pcl.
2002 – 2004	Executive Vice President – Siam City Bank Pcl.

Training

- Nation Defence College Diploma (Class 17, 2004),
Nation Defence College
- Executive Officers Program No.9, Capital Market Academy
- Mini MBA II, Thammasat University
- Management Development Program for Middle Manager,
Standard Chartered, Singapore
- Banking and Financial Institutes Executive Development Program No.4,
The Thai Institute of Banking and Financial Association
- Directors Accreditation Program (DAP),
Thai Institute of Directors Association (IOD)

Mr. Prasert Taedullayasatit Age 47 Years

Authorized Director / Member of Corporate Risk Management Committee / Managing Director - Condominium (Started on April 27, 2005)

Shareholding (%)

1. Myself : 0.031%
(693,000 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Master Degree (Business Administration (Marketing & Finance)), Chulalongkorn University
- Bachelor Degree (Accountancy: 2nd class Honor), Thammasat University

Other Position(s) (Listed Companies and Others)

-

Others

- President - Thai Condominium Association
- Advisor - Housing Business Association
- Vice Chairman - Thai Appraisal Foundation
- Director - Chulalongkorn University Demonstration School Parents and Teachers Association
- Advisor - MBA Alumni Association Chulalongkorn University
- Advisor - Board of Directors of Property Management office, Thammasat University

Work Experience

2010 - 2013	Director / Senior Executive Vice President / Chief Business Officer (CBO) Pruksa Real Estate Pcl.
2008 - 2009	Director / Senior Executive Vice President / Chief Operating Officer (COO) Pruksa Real Estate Pcl.
2007 - 2008	Director / Senior Executive Vice President / Chief Business Officer (CBO) Pruksa Real Estate Pcl.
2005 - 2007	Director / Executive Vice President (Marketing / Sales & Business Development) Pruksa Real Estate Pcl.
2002 - 2005	Director / Executive Director / Executive Vice President (Business Development) Lalin Property Pcl.
1999 - 2002	Senior Marketing and Business Development Manager Lalin land and house Co., Ltd.
1993 - 1999	Marketing and Business Development Manager Lalin land and house Co., Ltd



Training

- 3rd Metropolis Development Program for Top Executive (Metropolis 3), Institute of metropolitan development (Navamindradhiraj University)
- Directors Certification Program - DCP 56/2005, Thai Institute of Director (IOD)
- Director Accreditation Program - DAP 1/2003, Thai Institute of Director (IOD)
- Public Economic Management for Executives Program - 5/2007, King Prajadhipok's Institute
- Property Management for Executives Program - RECU10, Faculty of Architecture, Chulalongkorn University



Mrs. Rattana Promsawad Age 53 Years

Authorized Director /
Member of Corporate Governance Committee /
Director of CEO Office
(Started on April 27, 2005)

Shareholding (%)

1. Myself : 3.521%
(78,399,500 shares as of December 30, 2014)
2. Spouse and Minor Children : 0.004%
(100,000 shares as of December 30, 2014)

Family Relationship Among the Executives

Younger sister of Mr.Thongma Vjijtpongpun

Education

- Bachelor Degree (Law), Ramkhamhaeng University

Other Position(s) (Listed Companies and Others)

-

Others

- Director - Prukso Overseas Co.,Ltd.
- Director - Prukso International Co.,Ltd.
- Director - Kaysorn Construction Co.,Ltd.
- Director - Prukso India Housing Private Limited

Work Experience

- 2003 - 2005 Finance Advisor - Preukso Real Estate Co., Ltd.
- 1998 - 2004 Director - Kaysorn Restaurant Co., Ltd.
(stopped operating the business on January 28, 2005)
- 1993 - 2003 Finance Manager - Preukso Real Estate Co., Ltd.
- 1986 - 2001 Finance Manager - Siam Engineering Limited Partnership

Training

- Directors Certification Program - DCP 52/2004,
Thai Institute of Director (IOD)

Mr. Piya Prayong Age 45 Years

Authorized Director / Member of Executive Committee /
Member of Corporate Risk Management Committee /
Managing director - Townhouse
(Started on April 27, 2005)

Shareholding (%)

1. Myself : 0.030%
(678,500 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Bachelor Degree (Engineering),
Kasetsart University

Other Position(s) (Listed Companies and Others)

-

Others

- Director - Kaysorn Construction Co.,Ltd.
- Director - Prukso Overseas Service Co.,Ltd.

Work Experience

2010	Deputy Chief Business Officer - Prukso Real Estate Pcl.
2008	Deputy Chief Operating Officer - Prukso Real Estate Pcl.
2004	Executive Vice President - Prukso Real Estate Company Limited
2003	Project Construction Manager - Prukso Real Estate Company Limited

Training

- Directors Certification Program - DCP 59/2005,
Thai Institute of Director (IOD)





Mr. Wisudhi Srisuphan Age 66 Years

Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee / Member of Corporate Governance Committee (Started on September 29, 2010)

(Note: Mr. Wisudhi Srisuphan has resigned from his position as director of the Company, effective from November 17, 2014)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- M.A. Business Economics, Thammasat University
- Master of Engineering (Civil Engineering), Lamar University, U.S.A
- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- LL.B. (Second Class Honour), Ramkhamhaeng University
- Diploma (Class 38), National Defence College of Thailand
- Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 6), King Prajadhipok's Institute
- Capital Market Academy Leadership Program (Class 6), Capital Market Academy, The Stock Exchange of Thailand

Other Position(s) (Listed Companies and Others)

-

Others

- Deputy Minister of Finance
- Director, 5th group of Office of the Council of State

Work Experience

2010 - 2011	Chairman of the Board, CAT Telecom Pcl.
2009 - 2010	Chairman of the Board, Siam City Bank Pcl.
2009 - 2009	Director-General, The Customs Department, Ministry of Finance
2008 - 2010	Deputy Chairman, Dhipaya Insurance Pcl.
2009 - 2010	Director, The Electricity Generating Authority of Thailand
2008 - 2009	Deputy Permanent Secretary, Ministry of Finance
2007 - 2008	Director-General, The Customs Department, Ministry of Finance
2007 - 2007	Director-General, The Excise Department, Ministry of Finance
2006 - 2009	Chairman of the Board, The Government Saving Bank
2006 - 2009	Director, Thai Airways International Pcl.
2006 - 2008	Chairman of the Board of Director, Thailand Tobacco Monopoly, Ministry of Finance
2005 - 2006	Chairman of the Board, CAT Telecom Pcl.
2003 - 2007	Director-General, The Treasury Department, Ministry of Finance
2002 - 2006	Director, PTT Exploration And Production Pcl.
2002 - 2003	Director General, Fiscal Policy Office, Ministry of Finance
2000 - 2006	Chairman of the Board, The Government Housing Bank
2000 - 2006	Director, PTT Pcl.
1999 - 2002	Comptroller-General, The Comptroller's Department, Ministry of Finance

Training

- Directors Certification Program - DCP 3/2000,
Thai Institute of Director (IOD)
- Role of the Chairman Program - RCP 12/2005,
Thai Institute of Director (IOD)

Professor Emeritus Dr. Trungjai Buranasomphop

Age 72 Years

Independent Director / Member of the Audit Committee /
Chairman of Corporate Governance Committee
(Started on October 4, 2005)

Shareholding (%)

1. Myself : 0.009%
(200,000 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Diplome de 3 eme Cycle d' Architecture, Ecole Des Beaux Arts, Paris, France
- Doctorate Degree (City Planning, Mention Tres Bien), Pantheon-Sorbonne , Paris, France
- Post Grad Certificate (Energy Conscious Building Design), Sogesta, Italy
- Post Grad Diploma (Housing Planning and Building), Bouwcentrum, The Netherlands
- Master Degree (Tropical Architecture), Pratt Institute, New York, USA
- Bachelor Degree (Architecture), Chulalongkorn University
- Advanced Certificate, Public Administration and Law (King Prajadhipok's Institute)
- Honorable Ph.D Architectural Heritage Management and Tourism, Silpakorn University.

Other Position(s) (Listed Companies and Others)

-

Others

- Member of the National Reform Council
- Chairman of Advisory Board of the Committee on the Reformatory on Arts and Culture, Ethics and Religions
- Chairman of the Sub Committee on the Reformatory on Planning and Land Management
- Member of the Committee and Sub Committee of the Office of the Higher Education Commission
- President - NT Estate International Co., Ltd.
- Part time lecturer, International Program, Graduate School, Silpakorn University

Work Experience

2008 - 2014	2 terms of member of Senate of Thailand
1968 - 2008	Professor Emeritus Level 11 - Faculty of Architecture, Silpakorn University
2002 - 2008	Chairman of the International Programs of Master and Doctorate Degrees in "Architectural Heritage Management and Tourism" - Silpakorn University
2006 - 2007	Advisor of the Governor of Bangkok
2002 - 2007	Vice President - Council of Thai Architects
2004 - 2006	President - Zonta International Association Bangkok 7



1996 - 2000	President - Silpakorn University
1988 - 1992	Dean, Faculty of Architecture - Silpakorn University
1989 - 2000	Committee Member of Building Control - Civil and City Planning Department
1989 - 2000	Committee Member of Energy Conservation Fund - Office of Energy Plan and Policy
1987 - 1996	President of Land Readjustment Association - Civil and City Planning Department
1975 - 1986	Committee Member of The Association of Siamese Architects
1966 - 1967	Architect - Alfred Easton Poor, New York, USA
1965 - 1966	Architect - Louis Berger Inc. / Architect - Ammann & Whitney Int. / Architect - Intaren Co.,Ltd.

Training

- Directors Certification Program - DCP 67/2005, Thai Institute of Director (IOD)
- Directors Accreditation Program - Thai Institute of Director (IOD)
- Audit Committee Program - Thai Institute of Director (IOD)



Mr. Weerachai Ngamdeevilaissak Age 52 Years

Independent Director / Member of the Audit Committee /
Member of Nomination and Remuneration Committee /
Chairman of Corporate Risk Management Committee
(Started on April 27, 2005)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Bachelor Degree (Commerce and Accountancy),
Thammasat University
- Advanced Certificate, Public Administration and Law
(King Prajadhipok's Institute)

Other Position(s) (Listed Companies and Others)

- Independent Director / Member of the Audit Committee
/ Member of Nomination and Remuneration Committee /
Chairman of Risk Management Committee
Srisawad Power (1979) Pcl.
- Independent Director / Chairman of the Audit Committee
Capital Engineering Network Pcl.

Others

- Independent Director / Chairman of the Audit Committee
Alla Co., Ltd.
- Director - Professional Outsourcing Solutions Co., Ltd.
- Director - Accounting & Business Advisory Co., Ltd.
- Director - Audit One Co., Ltd.
- Director - Associated One Co., Ltd.

Work Experience

- | | |
|-------------|---|
| 1999 - 2003 | Executive Director
- Arthur Andersen Thailand's Group of companies |
| 1996 - 1999 | Assistant Director - SGV-Na-Thalang Co., Ltd |
| 1992 - 1996 | Audit Manager - SGV-Na-Thalang Co., Ltd |
| 1985 - 1992 | Assistant Auditor - SGV-Na-Thalang Co., Ltd |

Training

- Directors Certification Program (DCP 0/2000) /
Thai Institute of Director (IOD)
- Finance for Non-Finance Director (FN 1/2003) /
Thai Institute of Director (IOD)
- Role of the Compensation Committee (RCC 3/2007) /
Thai Institute of Director (IOD)
- Successful Formulation & Execution of Strategy (SFE 4/2009) /
Thai Institute of Director (IOD)
- Chartered Director Class (CDC 8/2014)) /
Thai Institute of Director (IOD)

Mr. Adul Chandanachulaka อายุ 69 Years

Independent Director / Member of the the Audit Committee /
Member of Corporate Governance Committee
(Started on April 27, 2005)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Bachelor Degree (Commerce and Accountancy),
Chulalongkorn University

Other Position(s) (Listed Companies and Others)

- Independent Director and Audit Committee of
Jutha Maritime Pcl.

Others

-

Work Experience

- | | |
|-------------|--|
| 2003 - 2004 | Director - Siam Press Management Co., Ltd. |
| 2001 - 2002 | Chairman of the Board of Directors
- Siam Integrated Service Co., Ltd.
Director - Dusit Sinthorn Co., Ltd. |
| 2000 - 2002 | Director - Jalapathan Cement Pcl. |
| 1968 - 2002 | Last Position: Executive Vice President
- Siam Commercial Bank Pcl. |

Training

- Directors Accreditation Program - DAP 5/2003,
Thai Institute of Director (IOD)
- Audit Committee Program - ACP 7/2005,
Thai Institute of Director (IOD)
- Role of the Compensation Committee - 3/2007,
Thai Institute of Director (IOD)





Mr. Kanchit Bunajinda **Age** 47 Years

Independent Director /
Member of the Corporate Risk Management Committee
(Started on April 26, 2013)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Master Degree (Finance & International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor Degree (Engineering), Chulalongkorn University

Other Position(s) (Listed Companies and Others)

- Director / Member of Risk Management Committee / Member of Nomination and Compensation Committee - Central Pattana Pcl.
- Director- Robinson Department Store Pcl.

Others

- Director - Aksorn Education Company Limited
- Director - Zen Corporation Group Company Limited

Work Experience

- | | |
|------------|--|
| 2007- 2012 | Alternate Director
- Asian Corporate Governance Association, Hong Kong |
| 2002- 2012 | Director-Private Equity (Thailand) Co., Ltd.
(An Affiliate of Lombard Investment, Inc.) |
| 1991- 2002 | Senior Vice President and Head of the Financial Institutions Groups / Mergers and Acquisition
- Merrill Lynch Phatra Securities Co., Ltd. |

Training

- Directors Certification Program - DCP 30/2003, Fellow Member, Thai Institute of Director (IOD)
- Directors Accreditation Program - DAP 35/2005, Thai Institute of Director (IOD)
- Audit Committee Program - ACP 14/2006, Thai Institute of Director (IOD)
- Monitoring the System of Internal Control and Risk Management - MIR 4/2008, Thai Institute of Director (IOD)
- Monitoring the Quality of Financial Reporting - MFR 8/2009, Thai Institute of Director (IOD)

Dr. Piyasvasti Amranand **Age** 61 Years

Independent Director / Chairman of the Audit Committee
(Started on March 21, 2014)

Shareholding (%)

1. Myself : 0.001%
(18,500 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Ph.D. Economics, London School of Economics, University of London, U.K.
- Master's Degree (Distinction) Economics, (Econometrics and Mathematical Economics), London School of Economics, University of London, U.K.
- Bachelor's Degree (First Class Honors) Mathematics, University of Oxford, U.K.

Other Position(s) (Listed Companies and Others)

- Chairman of the Board of Directors (Independent Director) PTT Pcl.
- Member of the Audit Committee (Independent Director) Kasikorn Bank Pcl.

Others

2010-Present Chairman,
Energy for Environment Foundation

Work Experience

2009-2012 President, Thai Airways International Pcl.
2008-2009 Chief Advisor to Chief Executive Officer,
Kasikorn Bank Pcl.
2006-2008 Minister, Ministry of Energy

Training

- Directors Accreditation Program (DAP) 35/2005, Thai Institute of Director





Mr. Wichian Mektrakarn Age 61 Years

Independent Director
(Started on November 10, 2014)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- B.Sc.EEE (Honor) / California State Polytechnic University, Pomona

Other Position(s) (Listed Companies and Others)

- Executive Advisor to Advanced Info Service Pcl.
- Member of Executive Committee - Intouch Holdings Pcl.

Others

- Chairman - AIRA & AIFUL Pcl.
- Director - Thanachart Insurance Pcl.
- Director - Advanced Datanetwork Communications Co.,Ltd.
- Director - Advanced Wireless Network Co.,Ltd.
- Director - Advanced MPAY Co.,Ltd.
- Director - Wireless Device Supply Co.,Ltd.
- Director - Advanced Magic Card Co.,Ltd.
- Director - AIN Global Comm Co.,Ltd.
- Director - Advanced Internet Revolution Co.,Ltd.
- Director - Advanced Broadband Network Co.,Ltd.
- Director - International School of Engineering, Chulalongkorn University
- Director - The Telecommunications Association of Thailand Under The Royal Patronage

Work Experience

- 2009 - June 2014 Chief Executive Officer - Advanced Info Service Pcl.
2006 - 2009 President - Advanced Info Service Pcl.

Training

- Advanced Technical in Microwave, California State University - Northridge
- Mini MBA for Shinawatra Executives, Chulalongkorn University
- Advanced Executive Program, Kellogg School of Management, Northwestern University, USA
- Capital Market Academy Class 8 (CMA 8), Capital Market Academy, The Stock Exchange of Thailand
- Director Certification Program (DCP107/2008), Thai Institute of Directors
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 17, The College of Politics and Governance, King Prajadhipok's Institute

Mr. Anusorn Sangnimnuan Age 60 Years

Independent Director
(Started on December 4, 2014)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Ph.D. (Chemical Engineering),
Monash University, Melbourne, Australia
- M.Eng. (Environmental Engineering),
Asian Institute of Technology (AIT)
- B.Sc. (Chemical Engineering),
Chulalongkorn University

Other Position(s) (Listed Companies and Others)

- Chairman-The Hydrotek Pcl.
- Director -The Loxley Pcl.
- Senior Consultant -The Bangchak Petroleum Pcl.

Others

- Member of the National Reform Council
- Chairman - Office of Vocational Education Commission
- Chairman - The Transport Co.,Ltd.
- Board Member, Office of the National Economic and Social Development Board
- Director - Petroleum Institute of Thailand
- Director - The Thailand Environment Institute (TEI)
- Committee member- Audit and Evaluation Committee,
Ministry of Science and Technology
- Director - The Krungthep Thanakom Co.,Ltd.
- Consultant - The Ubon Bio Ethanol Co.,Ltd.

Work Experience

2005 - 2012	President - The Bangchak Petroleum Pcl.
2011 - 2012	Chairman -The Bangchak Solar Energy Co.,Ltd.
2011 - 2012	Chairman - The Ubon Bioethanol Co.,Ltd.
2008 - 2012	Chairman - The Bangchak Biofuel Co.,Ltd.
2008 - 2011	Chairman - Thailand Business Council for Sustainable Development (TBCSD)
2008 - 2011	Director - Thai Capital Market Organizations
2007 - 2011	Director - Thai Listed Companies Association
2006 - 2008	Member - The Legislative Assembly, : Commissioner and Secretary, Energy Committee



Training

- Diploma, The Joint State-Private Sector Course,
National Defense College (Class of 20th)
- Leadership Program, Capital Market Academy
(Class of 10th), The Stock Exchange of Thailand
- Advanced Diploma, Public Administration and Public Law,
King Prajadhipok's Institute
- Public Director Certification Program,
Public Director Institute (Class of 1st)
- Director Certification Program (DCP),
Thai Institute of Directors
- Director Accreditation Program (DAP),
Thai Institute of Directors



Mr. Nimit Poonsawat Age 54 Years

Managing Director - Single Detached House
(Started on June 9, 2008)

Shareholding (%)

1. Myself : 0.024%
(540,400 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Bachelor Degree (Engineering), Chiang Mai University
- Master Degree (Business Administration), Thammasat University

Other Position(s) (Listed Companies and Others)

-

Others

-

Work Experience

1990-2008	Quality House Pcl.
1985-1990	Metropolitan Waterworks Authority Organization
1983-1985	Royal Irrigation Department
1983	Land and House Co., Ltd.

Training

- Executive Coaching
- Executive Development Program (EDP)

Mr. Wirasak Kaewnoo Age 56 Years

Managing Director - Special Business
(Started on August 1, 2007)

Shareholding (%)

1. Myself : 0.004%
(87,200 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Master Degree (MBA),
National Institute of Development Administration (NIDA)
- Bachelor Degree (BA), Srinakharinwirot University
- Bachelor Degree (Political Science), Ramkhamheng University

Other Position(s) (Listed Companies and Others)

-

Others

-

Work Experience

- Director, Human Resources,
Microchips Technology (Thailand) Co., Ltd.
- Director, Human Resources,
Toshiba Semiconductors (Thailand) Co., Ltd.
- Senior Manager, Human Resources,
Chromalloy Corporation (Thailand) Co., Ltd.
- Manager, Training & Development,
AT&T Microelectronics (Thailand) Co.,Ltd.
- Manager, Quality Improvement Program,
AT&T Microelectronics (Thailand) Co.,Ltd.
- Supervisor, Production,
Philips Semiconductors (Thailand) Co., Ltd.

Training

- Role of the Compensation Committee-RCC,
Thai Institute of Director (IOD)
- Executive Development Program by Sasin
- Mini MRE (Master Real Estate) by Thammasat University
- Quality College, Signetics Corporated (USA)
- Quality Control Circle, Toshiba Semiconductor (Japan)
- Building the Aggregate System, Microchip Technology (USA)





Ms. Suporn Treewichayapong Age 54 Years

Executive Director / EVP - Accounting and Finance
(Started on February 1, 2011)

Shareholding (%)

1. Myself : 0.002%
(35,000 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Master Degree (Finance), Thammasat University
- Master Degree (Accounting), Thammasat University
- Bachelor Degree (Commerce and Accountancy, 2nd Honor), Thammasat University

Other Position(s) (Listed Companies and Others)

-

Others

- Kaysorn Construction Co. Ltd.
- Phanalee Estate Co. Ltd.
- Putthachart Estate Co. Ltd.
- Prukso International Co. Ltd.
- Prukso Overseas Co. Ltd.
- Prukso Overseas Service Co. Ltd.

Work Experience

2011 - Present	EVP - Accounting and Finance - Prukso Real Estate Pcl.
1997 - 2005	EVP - Accounting and Finance - Prukso Real Estate Pcl.
1992 - 1994	System Development Manager - American Engineering Co., Ltd
1988 - 1992	Accounting Manager - Bradford Contracting & Engineering (Thailand) Co., Ltd.
1983 - 1988	Senior Accountant - Nava Finance & Securities Co. Ltd.

Training

- CFO (Chief Finance Officer Certification Program) from Federation of Accounting Professions
- DCP (Directors Certification Program) from Thai Institute of Directors

Mr. Premsak Vallikul **Age** 50 Years

Vice President - Internal Audit
(Started on September 24, 2008)

Shareholding (%)

1. Myself : 0.000%
(100 shares as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- Master Degree in Commerce /
University of New South Wales, Australia
- Graduate Diploma in Information Systems /
University of Wollongong, Australia
- Bachelor Degree in Accounting /
Chulalongkorn University

Other Position(s) (Listed Companies and Others)

-

Others

-

Work Experience

2009 - Present	Vice President - Internal Audit, Pruksa Real Estate Pcl.
2008 - 2009	Vice President - Land Acquisition, Pruksa Real Estate Pcl.
2007 - 2008	Chief Audit Officer, Grande Asset Development Pcl.
2004 - 2007	Manager, Pruksa Real Estate Pcl.
2003 - 2004	Senior Manager Internal Audit Department, Betagro Group Co., Ltd.
1999 - 2002	Manager, PricewaterhouseCoopers Co., Ltd.
1996 - 1999	Senior Internal Auditor, Shell Company of Thailand

Training

- Certified Information System Audit - CISA 0126580/2001 /
ISACA
- Director Certification Program - DCP 56/2005,
Thai Institute of Directors (IOD)





Mr. Paisarl Rumphon Age 55 Years

Company Secretary
(Started on April 1, 2008)

Shareholding (%)

1. Myself : None
(as of December 30, 2014)
2. Spouse and Minor Children : None
(as of December 30, 2014)

Family Relationship Among the Executives

-

Education

- LL.B., Thammasat University
- Barrister-at-Law,
The Institute of Legal Education, Thai Bar Association

Other Position(s) (Listed Companies and Others)

-

Others

-

Work Experience

2009 - Present	Company Secretary, Pruksa Real Estate Pcl.
2008 - 2009	Senior Legal Manager / Company Secretary, Pruksa Real Estate Pcl.
2005 - 2006	Vice President, Broker Business Department Ayudhya Allianz C.P. Life Pcl.
1992 - 2005	Vice President, Legal Department Ayudhya Allianz C.P. Life Pcl. Member of the Law Sub-committee, The Thai Life Assurance Association

Training

- Company Secretary Program - CSP 27/2008,
Thai Institute of Director (IOD)
- Effective Minute Taking - EMT 13/2009,
Thai Institute of Director (IOD)
- Board Reporting Program - BRP 3/2010,
Thai Institute of Director (IOD)

CONTROLLING PERSONS OF THE COMPANY AND ITS SUBSIDIARIES (AS OF DECEMBER 30, 2014)

Name	The Company	Kaysorn Construction Co. Ltd.	Phanalee Estate Co. Ltd.	Putthachart Estate Co. Ltd.	Pruksa International Co. Ltd.	Pruksa Overseas Co. Ltd.	Pruksa Overseas Services Co. Ltd.
1. Dr. Pisit Leeahtam	X	-	-	-	-	-	-
2. Mr. Thongma Vijitpongpan	/ & //	-	-	-	X	X	X
3. Professor Emeritus Trungjai Buranasomphop	/	-	-	-	-	-	-
4. Mr. Adul Chandanachulaka	/	-	-	-	-	-	-
5. Mr. Weerachai Ngamdeevilaiak	/	-	-	-	-	-	-
6. Mr. Wisudhi Srisuphan ⁽¹⁾	/	-	-	-	-	-	-
7. Mr. Prasert Taedullayasatit	/	-	-	-	-	-	-
8. Mr. Mayta Chanchamcharas ⁽²⁾	/	-	-	-	/	/	/
9. Mrs. Rattana Promsawad	/	/	-	-	/	/	-
10. Mr. Piya Prayong	/ & //	/	-	-	-	-	/
11. Mr. Edward Joseph Cooper, Jr. ⁽³⁾	/	-	-	-	-	-	-
12. Mr. Lersuk Chuladesa	/ & //	-	-	-	-	-	-
13. Mr. Kanchit Bunajinda	/	-	-	-	-	-	-
14. Dr. Piyasvasti Amranand ⁽⁴⁾	/	-	-	-	-	-	-
15. Mr. Wichian Mektrakarn ⁽⁵⁾	/	-	-	-	-	-	-
16. Dr. Anusorn Sangnimnuan ⁽⁶⁾	/	-	-	-	-	-	-
17. Mr. Wirasak Kaewnoo ⁽⁷⁾	-	-	-	-	-	/	/
18. Miss Suporn Treewichayapong ⁽⁸⁾	//	/	/	/	/	/	/

Remarks : / = Director, X = Chairman, // = Executive Director

- (1) Mr. Wisudhi Srisuphan resigned from the Company Director since November 17, 2014.
- (2) Mr. Mayta Chanchamcharas resigned from the Company Director since March 3, 2014 and resigned from the Director of Pruksa International Co. Ltd., Pruksa Overseas Co. Ltd. and Pruksa Overseas Services Co. Ltd. since August 1, 2014.
- (3) Mr. Edward Joseph Cooper, Jr. resigned from the Company Director since April 30, 2014.
- (4) Dr. Piyasvasti Amranand was appointed as the Company Director since March 21, 2014 onward.
- (5) Mr. Wichian Mektrakarn was appointed as the Company Director since November 10, 2014 onward.
- (6) Dr. Anusorn Sangnimnuan was appointed as the Company Director since December 4, 2014 onward.
- (7) Mr. Wirasak Kaewnoo resigned from the Director of Pruksa Overseas Co.,Ltd. and Pruksa Overseas Services Co.,Ltd. since August 25, 2014.
- (8) Miss Suporn Treewichayapong was appointed as the Company Executive Director since March 21, 2014 and was appointed as the Director of Pruksa Overseas Co. Ltd. since September 3, 2014.

Meeting attendance of the directors in 2014 and 2013

Name	Board of Director		Executive Committee		Audit Committee		Corporate Risk Management Committee		Corporate Governance Committee		Nomination and Remuneration Committee	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
1. Dr. Pisit Leeahtam	10/11	6/7	-	-	-	-	-	-	-	-	12/13	5/6
2. Mr. Thongma Vijitpongpan	11/11	7/7	12/12	-	-	-	12/12	9/11	-	1/2	13/13	6/6
3. Professor Emeritus Trungjai Buranasomphop	11/11	7/7	-	-	12/12	13/13	-	-	4/5	3/3	-	-
4. Mr. Wisudhi Srisuphan ⁽¹⁾	10/10	7/7	-	-	11/11	13/13	-	-	5/5	3/3	12/12	2/2
5. Mr. Adul Chandanachulaka	9/11	7/7	-	-	12/12	13/13	-	-	5/5	5/5	-	-
6. Mr. Weerachai Ngamdeevilaiak	11/11	7/7	-	-	12/12	13/13	12/12	11/11	-	-	13/13	6/6
7. Mr. Kanchit Bunajinda ⁽²⁾	10/11	4/6	-	-	-	-	10/12	5/5	-	-	-	-
8. Dr. Piyasvasti Amranand ⁽³⁾	8/8	-	-	-	1/1	-	-	-	-	-	-	-
9. Mr. Wichian Mektrakarn ⁽⁴⁾	1/1	-	-	-	-	-	-	-	-	-	-	-
10. Dr. Anusorn Sangnimnuan ⁽⁵⁾	0/0	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Lersuk Chuladesa ⁽⁶⁾	11/11	6/6	12/12	-	-	-	12/12	5/5	-	-	-	-
12. Mr. Prasert Taedullayasatit	10/11	7/7	2/2	-	-	-	11/12	8/11	-	2/2	-	-
13. Mr. Piya Prayong	10/11	7/7	3/3	-	-	-	11/12	4/5	-	-	-	-
14. Mrs. Rattana Promsawad	9/11	7/7	-	-	-	-	-	-	4/5	3/3	-	-
15. Mr. Mayta Chanchamcharas ⁽⁷⁾	3/3	7/7	-	-	-	-	-	-	-	-	-	-
16. Mr. Edward Joseph Cooper, Jr. ⁽⁸⁾	3/3	7/7	2/2	-	-	-	4/4	10/11	-	-	-	-
17. Mr. Wirasak Kaewnoo ⁽⁹⁾	-	-	-	-	-	-	-	-	-	2/2	-	3/4
18. Miss Suporn Treewichayapong ⁽¹⁰⁾	-	-	11/12	-	-	-	-	-	-	-	-	-

Remark:

- (1) Mr. Wisudhi Srisuphan resigned from the Company Director, Chairman of the Audit Committee and Chairman of Nomination and Remuneration Committee since November 17, 2014.
- (2) Mr. Kanchit Bunajinda was appointed by Annual General Shareholders' Meeting 2013 on April 26, 2013 as director and Independent Director.
- (3) Dr. Piyasvasti Amranand was appointed by Board of Directors' meeting No.3/2014 on March 21, 2014 as Independent Director (replacing, Mr. Mayta Chanchamcharas, who resigned) and be effective on March 21, 2014 onward. And was appointed by Board of Directors' meeting No.11/2014 on December 4, 2014 as Chairman of the Audit Committee (replacing, Mr. Wisudhi Srisuphan) which be effective on December 4, 2014 onward.
- (4) Mr. Wichian Mektrakarn was appointed by Board of Directors' meeting No.10/2014 on November 10, 2014 as Independent Director (replacing, Mr. Edward Joseph Cooper, Jr., who resigned) and be effective on November 10, 2014 onward.
- (5) Dr. Anusorn Sangnimnuan was appointed by Board of Directors' meeting No.11/2014 on December 4, 2014 as Independent Director (replacing, Mr. Wisudhi Srisuphan, who resigned) and be effective on December 4, 2014 onward.
- (6) Mr. Lersuk Chuladesa was appointed by Board of Directors' meeting No.1/2013 on February 22, 2013 as Director and Independent Director and be effective on February 22, 2013. Then he was appointed by Executive Committees' Meeting No. 3/2013 on July 12, 2013 as Chief Operating Officer as a result he was not independent director in accordance to the notification of SEC.
- (7) Mr. Mayta Chanchamcharas resigned from Executive director since March 3, 2014.
- (8) Mr. Edward Joseph Cooper, Jr. resigned from Executive director since April 30, 2014.
- (9) Mr. Wirasak Kaewnoo resigned from Corporate Governance Committee and Nomination and Remuneration Committee since July 12, 2013.
- (10) Miss Suporn Treewichayapong was appointed as Executive Director and be effective on March 21, 2014 onward.

REMUNERATION OF DIRECTORS AND MANAGEMENT

I. Monetary remuneration of Independent Directors

1.1 Remuneration of Independent Director

The 2014 Annual General Shareholders' Meeting, held on April 26, 2014 has approved 2014 remuneration of Directors. Such amount is not exceeding Bt33m (in 2012 the amount was set at Bt22m maximum and 2013 the amount was set not to exceed Bt18m each year). Such remuneration is to pay only to Independent Directors and Non-Executive Directors who are Board members, Audit Committee, Corporate Risk Management Committee, Nomination and Remuneration Committee, and Corporate Governance Committee. For Non - executive Directors who are entitled to receive such remuneration must not be any shareholder's representative. The directors other than the mentioned qualification will not receive any. The details of remuneration paid in 2014 compared to that of 2013, 2012 are as follows:

Unit : Bt

Name/Position	2014		2013		2012	
	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾
1. Dr. Pisit Leeahtam Chairman of the Board of Directors and Nomination and Remuneration Committee	3,960,000	2,541,628	3,924,000	1,808,873	3,804,000	1,371,416
	6,501,628		5,732,873		5,175,416	
2. Professor Emeritus Trungjai Buranasomphop Independent Director, Audit Committee and Chairman of Corporate Governance Committee	2,294,193	1,254,396	2,445,380	1,131,345	2,246,400	822,850
	3,548,589		3,576,725		3,069,250	
3. Mr. Adul Chandanachulaka Independent Director, Audit Committee and Corporate Governance Committee	2,280,000	1,038,977	2,255,000	1,085,324	2,020,000	731,422
	3,318,977		3,340,324		2,751,422	
4. Mr. Weerachai Ngamdeevilaisak Independent Director, Audit Committee, Chairman of Corporate Risk Management Committee and Nomination and Remuneration Committee	2,580,000	1,653,977	2,785,400	1,085,324	2,378,100	731,422
	4,233,977		3,870,724		3,109,522	
5. Mr. Wisudhi Srisuphan Independent Director, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and Corporate Governance Committee	2,436,667	1,091,218	2,198,710	1,067,852	1,500,000	548,566
	3,527,885		3,266,562		2,048,566	

Name/Position	2014		2013		2012	
	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾	Remuneration	Bonus ⁽¹⁾
6. Mr. Kanchit Bunajinda Independent Director and Corporate Risk Management Committee	2,010,000	838,093	1,293,333	639,462	-	-
	2,848,093		1,932,795		-	
7. Dr. Piyasvasti Amranand Independent Director / Chairman of the Audit Committee	1,314,194	1,080,685	-	-	-	-
	2,394,879		-		-	
8. Mr. Wichian Mektrakarn Independent Director	238,000	155,659	-	-	-	-
	393,659		-		-	
9. Mr. Anusorn Sangnimnuan Independent Director	126,451	-	-	-	-	-
	126,451		-		-	
Grand Total	17,239,505	9,654,633	14,901,823	6,818,180	11,948,500	4,205,676
	26,894,138		21,720,003		16,154,176	

Remark (1) Bonus of the year is paid in 2 tranches: first and second half of the year. The second half-year bonus is paid in January in the next year and is included in the amount.

1.2 Remuneration of Executive Directors and Management

Total remuneration of Executive Directors and Management details of which are as follows:

Nature of Compensation	2014		2013		2012	
	No. of Management	Amount (Bt)	No. of Management	Amount (Bt)	No. of Management	Amount (Bt)
Salary/Wage	10	86,832,471	10	77,505,871	8	53,532,844
Bonus ⁽¹⁾	10	62,464,132	10	43,098,220	8	21,818,167
Contribution to Provident Fund	10	6,459,607	10	2,555,674	8	1,901,305
Others	10	4,007,405	10	6,643,000	8	10,682,102
Total	10	159,763,616	10	129,802,765	8	87,934,418

Remark (1) Bonus of the year is paid in 2 tranches: first half is paid on July, 31 and second half is paid on January, 31. The second half-year bonus is included in the amount.

2. Other remuneration

Other remunerations are in the form of warrants to purchase ordinary shares offered to the Company's directors and management, and/or the subsidiaries. In 2011, the Company's annual shareholders' meeting approved the forth issuance of 22,000,000 warrants (PS-WD) with the exercise ratio of one warrant per one ordinary share (1:1) to the Company's directors and management, and/or the subsidiaries. In 2013, the Company's annual shareholders' meeting approved the fifth issuance of 15,000,000 warrants

(PS-WE) with the exercise ratio of one warrant per one ordinary share (1:1) to the Company's directors and management, and/or the subsidiaries. The exercise of both warrants can be done four times a year, from 8.30 am. to 15.30 pm., on the last business day of February, May, August and November each year. However, the final exercise can be done on the maturity date of warrants. The warrants to purchase ordinary shares were allocated to directors¹ and seven of management (management means Chief Executive Officer, the next four Senior Executive Vice President, those whose positions equal to the fourth rank, including management level in Accounting and Finance department whose positions are upper or equivalent level to Department Manager). For the total warrant of 4,441,656 units, there were allocated as 3,458,300 units (PS-WD) and 983,356 units (PS-WE). The exercise of warrants by the Company's directors and management in 2014 is shown as follows:

The warrants allocated (PS-WD and PS-WE) and warrants exercised in 2014

Name	No. of Warrant Allocated (Unit)		No. of Warrant Exercised (Unit)	
	PS-WD	PS-WE	PS-WD	PS-WE
1. Mr. Prasert Taedullayasatit	693,000	97,100	693,000	-
2. Mr. Piya Prayong	260,100	118,400	260,100	118,400
3. Mr. Mayta Chanchamcharat	85,400	-	85,400	-
4. Mr. Edward Joseph Cooper, Jr.	267,300	-	-	-
5. Mr. Wirasak Kaewnoo	87,200	-	87,200	-
6. Ms. Suporn Treewichayapong	52,700	30,200	52,700	-
7. Mrs. Narisa Wetpanyawong	53,700	-	53,700	-
Total	1,499,400	245,700	1,232,100	118,400

Remark (1) The allotment of warrants as the Executive Director, however those executive directors hold the position of director of the Company as well. Therefore, it must be considered a allotment of warrants to directors pursuant to the Capital Market Supervisory Board No. Tor. 32/2551 on the proposed sale of securities issued to directors or employees dated December 15, 2008.

3. Personnel and employee Benefit

3.1 Personal

As at December 31, 2014 the Company employed the total of 3,383 employees. Details are as follows:

Pruksa Real Estate Public Company Limited	Number of Employees
Chief Executive Officer's Division - CEO	20
Business Development Division - MDCDG1	216
Business Development Division - MD-CDG2	138
Business Development Division - MD-SDH	834
Business Development Division - MD-TH	1,211
Business Development Division - CSCO- Supply Chain Group	669
Chief Finance and Risk Officers' Division - CFRO	117
Chief Operating Officer's Division - COO	178
Total	3,383

3.2 The change of number of employees, excluding the management, in the last five years was shown as follows:

As at 31 December,	2014	2013	2012	2011	2010
Number of Employees (persons)	3,383	3,119	2,737	2,619	2,054

3.3 Employee Benefits (excluding the Management)

The Company has provided employee benefits in the form of salaries, overtime payment, bonuses, contributions to provident fund etc. Furthermore, other benefits such as annual leave, military service leave, maternity leave and financial assistance for funerals, housing, medical treatment and child's education etc. are provided to employees. As at December 31, 2014 and 2013 the overall employees' benefits were shown as follows:

Benefits	As at	
	December 31, 2014	December 31, 2013
Salaries	1,517,457,575	1,304,171,423
Bonuses ⁽¹⁾	964,531,199	677,499,676
Contributions to provident fund	96,022,900	41,228,053
Contributions to the social security fund	30,440,054	22,605,040
Overtime payment	96,179,384	89,384,628
Other benefits	311,720,737	345,985,933
Total	3,016,351,850	2,480,874,753

Remark: Total Benefits are the total benefits of employees in Thailand of the Company and its subsidiaries.

(1) Bonuses are paid twice a year. Bonuses based on performance of the first half of a year are paid on July, 31 of that year while those of the second half of a year paid on January, 31 of next year. Bonuses figures shown above are the amount paid twice a year.

3.4 Provident Fund

Besides, the Company registered a provident fund, which complied with Provident Fund Act B.E. 2530 (1987), in 2000. The Company (employer) and employees make equal contributions, 4.0%, to the Fund.

GOOD CORPORATE GOVERNANCE

CORPORATE GOVERNANCE POLICY AND BUSINESS ETHIC

The Company adheres and complies to corporate governance principles which are consistent with international principles and the Stock Exchange of Thailand's policy, The Company has established "The Principles of Good Corporate Governance" in order to ensure the ethical conduct of its business. The Company strongly believes that its good corporate governance procedures are beneficial to the Company's performance, being one of the keys to achieving its objectives. The Company's Corporate Governance Policy is divided into seven categories, as follows:

1. The Board of Directors
2. Rights of shareholders
3. Equitable Treatment of shareholders
4. Role of Stakeholders
5. Disclosure and Transparency
6. Internal Controls and Risk Management
7. Philosophy and Code of Conduct

The Company disseminated "The Principles of Good Corporate Governance and Business Ethic" through Pruksa's journal and the Company's website (www.pruksa.com) and has encouraged the Directors, Management and employees to acknowledge, observe, adopted and continuously monitor performance of tasks related to any particular issue must strictly adhere and any significant issue must get approval from various committees such as Management committees, Executive committee and Board of Directors.

I. THE BOARD OF DIRECTORS

The Board of Directors is accountable to the shareholders for ensuring that the business of the Company is managed properly in the best interests of the shareholders and other stakeholders, society as well as environment. The Board of Directors has a key role in making sure that management commit themselves to performance excellence, with due consideration to the risk exposure of the Company.

1.1 Structure of the Board of Directors

The Board of Directors of Pruksa Real Estate Public Company Limited, as of December 31, 2014 consists of 13 members with diversify of professional skills, specialization and gender that are 11 Males and 2 Females with age range 30 - 50 years old for 3 persons and age range over 50 years old for 10 persons. One out of eight non-executive directors, Professor Emeritus Dr. Trungjai has management experience in related to the Company's business (8 Independent Directors: Dr. Pisit Leeahtam, Professor Emeritus, Dr. Trungjai Buranasomphop, Mr. Weerachai Ngamdeevilaiak, and Mr. Adul Chandanachulaka, Mr. Kanchit Bunajinda, Mr. Piyasvasti Amranand, Mr. Wichian Mektrakarn and Dr. Anusorn Sangnimnuan which exceeds one - third of the entire Board) and 5 management Directors. Besides, Chairman of the Board of Directors (Dr. Pisit Leeahtam) and Chairman of the Executive Committee (Mr. Thongma Vijitpongpan) is not the same person and has different responsibilities (details appear in section of bibliography of Board of Directors and Executives in topic of responsibility of chairman of Board of Directors and responsibility of Executives).

1.2. Director Qualifications

Directors on the Board of Directors shall possess all the qualifications stated in the public company law and other related laws. They shall not possess any characteristic unsuitable to manage business which the general public is the shareholders pursuant to the section No.89/3 of the No. 4 Securities and Exchange Act B.E. 2551.

Directors must also have sufficient knowledge and a high standard of integrity and business ethics. In addition, they must be able to commit enough time to contribute their knowledge and expertise to perform their duties for the Company.

Independent Directors must additionally meet the independence criteria adopted by the Company and in compliance with the same qualifications in accordance with the Notification of Capital Market Supervisory Board.

Independent directors are expected to be capable of safeguarding the interests of all the shareholders with fairness and without the conflict of interest including making unconditional opinions.

1.3 Term of service of being a Director

Number of term of being a Director

A Board of Director's term of service is fixed for three years. A period of one year is hereby defined as the period between the Annual General Meeting of Shareholders of the year of appointment and the Annual General Meeting of Shareholders of the following year. Upon the expiration of the term, a director may be re-elected by the shareholders.

Sub-Committees' term of service is in line with the term of the Boards'. Upon the expiration of the term, a committee may be re-elected by the Boards.

Number of consecutive term of a Director

The Company understands that all of their directors are qualified, knowledgeable, capable, ethical, and moral with good practices all through their services. If the Company's shareholders are still trust them so that they re-elect such directors to resume their services, the Company must comply to shareholders' rights. Thus, the Company doesn't strictly fix the number of consecutive term of being a Director.

1.4 Board of Director meeting

To set the date for the Company's Board of Director and Annual General Shareholders' Meeting in advance

The Company has set the Meeting date for the Company's Board of Director and Annual General Shareholders' Meeting in advance every year and has communicated the said matter to every Director, so that the directors can spare their time and attend the Meeting. In the Board of Director and Annual General Shareholders' Meeting, every Director of the Company contributes to the consideration and selection of items to be included in the agenda.

The attendance of Board of Director meeting/Obtaining the meeting documents in advance

The Company has scheduled more than 6 Board of Director meetings per year and sends out the meeting documents to the Directors in advance for not less than 7 days prior to the meeting. In 2014, the Company has arranged 11 meetings and directors attended meeting over 80.0% and also not less than 75% of aggregate number of meetings in a year. In case where there is no monthly meeting, the Company will send the performance report to the Company's Directors for acknowledgement in the month where no meeting is held, in order for the Board of Directors to be able to monitor, control, and supervise the performance of the Management on a continual basis and in a timely manner (details appear in the section of the attendance of directors in 2014 and 2013).

Minimum number of directors present at the time of vote casting

At the time of vote casting by the Board of Directors, there must be at least 2/3 tiers of the total number of Directors present.

1.5 The disclosure of audit committee meetings in a year

(Details appear in section of the attendance of Board of Directors in 2014 and 2013)

1.6 Corporate's vision and mission

The directors have participated in set up corporate vision and mission for executive and employees in order to have same objective and direction. This Corporate vision and mission will review and approve annually (Details appear in section of vision, mission, culture and value of Pruksa).

1.7 Sub-Committees

The Company has established Sub-Committees pursuant to the regulations of the SET for example the Audit Committee. Furthermore, the Company has also established the following Sub-Committees to carry out duties as assigned by the Board of Directors for example the Risk Management Committee for organization level, the Corporate Governance Committee, and the Nomination and Remuneration Committee.

1.7.1 Audit Committee

The Audit Committee is responsible for reviewing the Company's financial statements and financial reports to ensure the accuracy and completeness of the financial statements, approval for any change in audit's principal and significant audit practice and the reports with adequate and effective internal control and internal audit system; reviewing the independence of internal audit and also approve the appointment, removal and termination of the Chief Internal Auditor or any other function responsible for internal auditing, reviewing internal audit report to Management, including reviewing management's comment toward auditing issues. Furthermore Audit Committee has unrestricted access to management, corporate staff and related information. Considering the disclosures of information, connected transaction(s) and transactions with a potential conflict of interest pursuant to laws and the regulations of the Stock Exchange of Thailand (SET) to

ensure the reasonableness of the transaction and to the benefit of the Company; Preparing the Audit Committee Report for disclosure in the Company's Annual Report; Reviewing to ensure compliance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) or laws and regulations relevant to the business of the Company, Making recommendations on the appointment of external auditors of the Company; Reviewing charter at least once a year and propose their remuneration for consideration of the Board of Directors; Performing any other tasks within the scope assigned by the Board; Reviewing and giving opinions in an independent and objective manner on any internal auditing tasks performed by Internal Audit Department whom directly report to Audit Committee; and Consulting regularly with the external auditors.

1.7.2 Corporate Risk Management Committee

The Corporate Risk Management Committee has the duty to acknowledge and to provide suggestions on the policy, strategy, and directions in order to manage organizational risk, reviews the risk management plan of the Management, including risk management process at the organizational level, to acknowledge critical risks and to review whether the Management has appropriately responded to various risk types or not, and to follow up the operational results according to the framework risk management at the organizational level.

1.7.3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the duty to establish policy and criteria for selection, and to consider the selection of Company's Board of Directors, the Sub-Committee, the Chief Executive Officer, the Executive Managing Director, and the Managing Director, for submission to the Company's Board of Directors for approval, and/or for submission to the Annual General Shareholders' Meeting for approval. The Nomination and Remuneration Committee also has the duty to establish policy and criteria for determining the necessary and appropriate compensation, both in the monetary and non-monetary forms. In addition, the Nomination and Remuneration Committee also has the duty to establish performance evaluation criteria, to review policy and criteria for selection and to decide on compensation, including a systematic payment appropriate for the duty and responsibility, always in accordance with the Company's performance and market conditions.

1.7.4 The Corporate Governance Committee

The Corporate Governance Committee has the duty to consider, review, and submit to the Board of Directors for approval of a good governance policy, business ethics, policy for social and environmental responsibility, policy for long-term development of the Company, and any other policies and procedures to support the Company's continuous performance in compliance with the good governance practice. The Corporate Governance Committee also oversees that the Management implements the said policy and procedures for the development of the Company in a continuous manner. It also follows up and reviews different work processes within the organization for compliance with ethics and good governance, follows up and instructs in case the Management and the employees have any issues for not complying to the established policies and procedures, follows up and reports on the organizational performance according to the corporate governance policy and other policies related to the Board of Directors and external organizations as appropriate.

1.7.5 The Executive Committee

The Executive Committee has the duty to formulate policies, goals, strategies, work planning, fiscal budget, and various executive authorities of the Company for submission to the Board of Directors for approval, to oversee business performance of the Company for operational effectiveness and favourable to the business ambience.

The Executive Committee also provides consultation and suggestions on management to the High Ranking Executives. It also approves payment for investments, financial activities with financial institutions, purchase and sale or registration of properties for the usual business of the Company; still, it sets up the organizational structure for effective management, supervises and approves matters pertaining to the organizational performance including screening all matters to be submitted to the Board of Directors, except for matters under the duty and responsibility of other Sub-Committees.

1.8 Inviting High Ranking Executives to the Meeting

According to the Company's policy, the High Ranking Executives are only invited to the Company's Board of Directors Meeting under the concerned agenda, so as to provide additional details and be accorded the opportunity to meet the Board of Directors. This also provides a base for succession planning.

1.9 Charter of the Board of Directors and Sub-Committees

In order for the performance of the Board of Directors and the Sub-Committees to be clearly stipulated, the Company has created different charters for the Board of Directors and the Sub-Committee members. These include charter for the Audit Committee, charter for the Risk Management Committee, charter for the nomination and Remuneration Committee, charter for the Corporate Governance Committee, and charter for the Executive Committee. The subject matters of each charter will be categorized into different sections which are continuously reviewed for further improvements, such as the sections on objectives, constituting factors and characteristics, agenda on the tenure, authorization and duty, responsibility, meetings and meeting members, minutes, the details of which are shown in the Company's website at www.pruksa.com.

1.10 Orientation for new committee or Knowledge Development and Training for Board of Directors

A newly appointed director shall be firstly served their first orientation so he or she is adequately informed of the rules and regulations and also business of the Company including any relevant information for business operation before perform duty. In addition, the Board of Directors shall participate in training courses regularly in domestic and abroad for example attended training course of Thai Institute of Directors (IOD), Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) and other courses that operated by private or public sectors. Therefore Board of Directors can contribute to the efficient oversight of the business.

In 2014, Mr. Weerachai Ngamdeevilaiak, one of Board of Directors, was trained Chartered Director Class (CDC) 8/2014 which arranged by Thai Institute of Directors(IOD).

In addition, from the total of 13 company's directors, 10 directors have attended the Director Certification Program (DCP), eight attended the Director Accreditation Program (DAP), three attended Audit Committee Program (ACP), two attended the Role of Compensation Committee, one attended Successful Formulation & Execution of Strategy, three attended Finance for Non-Finance Directors, one attended Monitoring the System of Internal Control and Risk Management (MIR), one attended Monitoring the Quality of Financial Reporting (MFR), one attended Chartered director Class and one attended DCP Refresher Course. All of such programs are arranged or advised by the Thai Institute of Directors (IOD).

1.11 Internal Control Policy/Risk Management Policy and Risk Management Approach

The Board of directors has established an Internal Control Policy, a Risk Management Policy and Risk Management Approach to cover the entire organization. A review of the system or an evaluation of

the effectiveness is made at least once a year and at any period of time when the risk level is changed, including any warning sign and all the unusual matters. The Board of Directors and the Audit Committee will comment on the sufficiency of the internal control system in addition to the risk management (details appear in section of internal audit, risk management and internal committee's report).

1.12 Compliance Unit

On July 1, 2014 the Company established Compliance Unit, which has internally been named "Governance Risk Management and Compliance" or "GRC Management". It has three main functions: Corporate Governance, Risk, and Compliance. Its duties are as follows:

- (1) To set up the principle of good governance practice in compliance with the Company's vision and mission representing accountability, transparency, and efficiency in management system. This helps build trust and confidence among Shareholders, Investors, Stakeholders, and all parties concerned.
- (2) To set up the structure and relationship process among Directors, Management, and Shareholders. This will build the Company's competitiveness and leads to the growth and increase in long-term shareholder value, with regards to other stakeholders.
- (3) To achieve the Company's capabilities to use available information to manage risk in accordance with its objectives, to minimize the complexity and inconsistency in the operation, and to control operational efficiency.

1.13 The establishment of Internal Audit Department

The Internal Audit Department was established by the Board of Directors. Mr. Premsak Vallikul, Vice President of Internal Audit is Chief of Internal Audit Department. In order to work independently, Internal Audit Department shall report directly to the Audit Committee as determined by the Board of Directors.

The Audit Committee is responsible for reporting to the Board of Directors in respect of its primary performance and operational performance, or views on relevant subjects such as the disclosure of the number of Audit Committee's meetings per year, assessment and review of the internal control system, connected transactions, nominating the auditors, review of financial report, and supervision of rules, regulations, policies, including the Audit Committee's conclusion/opinion on the overall operation (details appear in the section of the attendance of the Audit Committee in 2014 and 2013, and the section of Audit Committee Report).

1.14 Conflict of Interest policy

The Board of directors attaches great importance to proper management of conflicts of interests of parties concerned in both corporate level and employee level, handling them in a careful, fair, transparent manner and set up policy and best practice in handling the conflict of interest. Full disclosure of information thereof is required in all cases.

Where a member of the Board of Directors or an Executive has an interest in a matter under consideration, he or she shall leave the meeting room or no vote in that agenda (details appear in business ethic; section of conflicts of interests).

1.15 The Board of Directors, Non-dependency of the Management

The Board of Directors is free to provide opinions on the performance of the Management in order to reach the utmost benefits for the Company and the Shareholders. There is a clear segregation of duty and responsibility between the Board of Directors and the Management. There is at least one member of the Board of Directors who is not an executive director and is experienced in the essential industry in which the Company operates (details appear in business ethic; section of conflicts of interests).

1.16 Approval powers of the Board of Directors

Apart from the Board of Directors' powers prescribed by law and regulations, the Board of Directors has the authority to approve any matters as defined in the charter of the Board of Directors as follows:

- (1) To consider approval of the business policies, targets, operational plans, business strategies, and annual budget of the Company.
- (2) To consider appointment of a person who possesses qualifications and does not possess any prohibited characteristics under the Public Company Act B.E. 2535 (1992) and the laws governing the Securities and Exchange, including any relevant rules, regulations and/or notifications of appointment of Director in case of vacancy due to a cause other than retirement by rotation.
- (3) To consider appointment of Independent Directors by taking the following factors into consideration: qualifications and prohibited characteristics under the laws governing the Securities and Exchange, notification of the Capital Market Supervisory Board, including relevant rules, regulations and/or notification of the Stock Exchange of Thailand (SET) or to propose to a shareholders' meeting for such appointment.
- (4) To consider appointment of Audit Committee members who have qualification under the laws governing the Securities and Exchange, notification of the Capital Market Supervisory Board, including relevant rules, regulations and/or notification of the Stock Exchange of Thailand (SET).
- (5) To consider appointment of Executive Directors from among Directors or the Management of the Company, or outsiders and to prescribe the scope of their roles, powers, duties, and responsibilities.
- (6) To consider appointment of Sub-Committees to assist in the operating according to the Board of Directors' responsibilities.

- (7) To determine and make a change in names of authorized signatories.
- (8) To appoint any other person to manage the Company under the control of the Board of Directors or to grant the mentioned person powers, so he/she has such authorities and/or within time period as the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, alter, or amend such granted powers.
- (9) To consider approval of transactions relating to acquisition or disposition of assets, except where such transactions shall obtain shareholders' approval at a shareholders' meeting. Such approval must be in compliance with the notification of the Capital Market Supervisory Board, and/or relevant rules, regulations and/or notification of the Stock Exchange of Thailand (SET).
- (10) To consider approval of connected transactions, except where such transactions shall obtain shareholders' approval at a shareholders' meeting. Such approval must be in compliance with the notification of the Capital Market Supervisory Board, and/or relevant rules, regulations and/or notification of the Stock Exchange of Thailand (SET).
- (11) To consider approval of interim dividend payment when sufficient distributable profits are available and to report such payment to shareholders at the next shareholders' meeting.

1.17 Appraisal of Board of Directors and Sub-Committees' Performance

It is stipulated that the performance of the Committee members and the Sub-Committee members must be evaluated at least once a year, by appraisal the performance of the Committee as a whole and each individual member, for the usefulness to the overall performance of the Board of Directors. This will also show the main subject matters that the Board of Directors believes to be more useful to the Company than in the current situation. The objective of the performance appraisal is to increase the efficiency of the Board of Directors and Sub-Committees, including the useful implementation of the evaluation results for improving the duty of the Board of Directors and Sub-Committees.

The process in appraisal committees

At the end of the year, the Company Secretary shall send Directors the Board performance appraisal form so that Directors evaluate their performance annually.

Each Director shall complete the performance appraisal form and send it back to the Company Secretary who shall collect, summarize, and report the annual performance appraisal results to the Board of Directors.

Criteria for Evaluating the Board Performance

Score Range	Performance
85 – 100	Very Good – Excellent
75-85	Good
65-75	Quite Good
50-65	Fair
Below 50	Poor

To evaluate the performance of the Board of Directors, factors taken into consideration are qualifications and structure of the Board of Directors, roles/duties and responsibilities of the Board of Directors, meeting attendance of the Board of Directors, carrying out their duties, relationship between the Management and the Board of Directors, individual development for Directors, and Executive development.

1.18 Appraisal of Chief Executive Officer's Performance

The Nomination and Remuneration Committee appraises the work performance of highest ranking of Chief Executive Officer from the Company's performance, the practice according to the policy assigned from Board of Directors. The Company can get the result to set the Chief Executive officer's compensation.

1.19 Chief Executive Officer's Remuneration Policy

The remuneration is paid to Chief Executive Officer (CEO) in both the long and short term based on the Company's transparent and fair appraisal process. The Nomination and Remuneration Committee is responsible for appraising Chief Executive Officer's performance by taking the following factors into consideration: performance appraisal scores, the Company's operational performance, and his carrying out other duties as assigned by the Board of Directors (details appear in the section of the appraisal of Chief Executive Officer's performance and the section of remuneration of directors and management).

1.20 Remuneration Structure for Non-Executive Board

The remuneration structure for Non-Executive Board has been disclosed by The Board of Directors (details appear in the section of remuneration of directors and management).

1.21 Role of Chairman of the Board of Directors

The Board of Directors disclosed role of Chairman of the Board of Directors (details appear in section of role of Chairman of the Board of Directors).

1.22 Propose, appoint and terminate the external auditor and internal auditor

The Audit Committee has right to consider, select, propose, appoint and terminate the external auditor and also internal auditor.

1.23 Female Independent directors and has management experience in related to the Company's business

The Company has 1 female independent director and have management experience related to the Company's business that is Professor Emeritus, Dr. Trungjai Buranasomphop (details appear in section of Board of Directors).

1.24 Succession Planning for the Top Executive

In case the Top Executive of the Company cannot perform his function, the Company has set up a succession planning for the said position by having the second-in-command executive or an executive in similar position be in charged until the selection process can be made to select a person fully qualified under the law. The person must have the knowledge or capability, attitude, and experiences suitable to the Company, under the consideration of The Nomination and Remuneration Committee in order to present to the Board of Directors and/or the shareholders for approval of the substitute position.

1.25 Criteria for appointment process for new Directors and High Ranking Executives

In case of vacancies for the positions of Director and High Ranking Executive of the Company, the Company has a transparent criteria and process in selecting a Director and a High Ranking Executive. The Nomination and Remuneration Committee will follow the procedures of selecting a new Director and a new High Ranking Executive by considering their characteristics, knowledge and capability, work experiences, necessary skills which are lacking among the existing Board of Directors and among other High Ranking Executives, to be of any gender, who are ready to sacrifice their time for the work, but who do not possess any characteristics forbidden by the law, while having the good governance principles. For the nomination of a member of the Board of Directors, part of the consideration will be drawn from the Director Pool which will lead to a diversified structure of the Committee and also has Board skill matrix for set up qualification of Nomination and Remuneration Committees by considering necessary skills that Board of Directors are lack of expertise for proposing to the Board of Directors and/or the Annual General Shareholders' Meeting for approval in each case. Those are the process of appoint Board of Directors.

1.26 Remuneration for Directors and Management

The Company remunerates the directors for their service at an appropriate and motivating level in order to retain quality directors. The remuneration is offered both in monetary and non-monetary forms. The Nomination and Remuneration Committee is responsible for reviewing and proposing appropriate remuneration for directors, for approval by shareholders annually. Management directors shall only be remunerated only for their service in the capacity of Management. Such remuneration shall be based on the Company's operation performance and their individual performance.

1.27 The Non-Executive Board Meeting

The Board of Directors has assigned the Non-Executive Board members to hold meetings as appropriated without any management (both Board and non-Board). The purpose is to open review any issues (business and non-business) that are of interest. In 2014, there is only one meeting.

1.28 Position held in Other Listed Company of the Chief Executive Officer

The Company stipulates that Chief Executive Officer can hold only one position in a listed company which is Pruksa Real Estate Public Company Limited.

1.29 Appointment of a Company Secretary

The Board of Directors appoints a person as Company Secretary whose responsibilities are providing advice to Directors in regard to laws and regulations, and supervision of activities of Directors, including following up on the implementation of resolutions of Directors. The Company Secretary's information, roles, and duties have been disclosed by the Company (see more details in the section of Company Secretary and the section of Company Secretary's profile).

1.30 Participation in Thai Private Sector Collective Action Coalition Against Corruption

The Company is committed to conducting its business with integrity and transparency, and will not engage in corruption. As a result, the Company has announced its intention of participating in Thai Private Sector Collective Action Coalition against Corruption on September 1, 2014.

1.31 None of fraud conviction/Breach of Ethics and Corporate Governance and notoriety

In 2014, the Board of Directors, the Management, and employees did not commit any offense against fraud or breach of Ethics or violated regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In addition, there were no Executives resigning due to both Corporate Governance issues and notoriety issues resulting from failure to oversee those issues.

2. RIGHTS OF SHAREHOLDERS

2.1 Basic rights of Shareholders

Recognizing the importance of the rights of shareholders, the Company refrains from any act that may violate or curtail the rights of the shareholders, for instance, rights to receive equally dividend paid from net profit, rights to repurchase the Company's shares, rights of communication, rights to propose agenda of the meeting, rights to propose name of Board of Directors, rights to submit the questions in advance for any meeting's agenda, rights to attend shareholders' meeting and vote, rights to grant proxy to anyone to attend the meeting and vote on behalf, rights to ask make comments and ask questions in the Annual General Shareholders' Meeting, rights to vote for appoint directors individually, rights to consider the remuneration for directors and rights to vote for appoint external auditors and determine auditors' fees.

2.2 Annual General Shareholders' Meeting

2.2.1 Set Date, time, and venue of the Annual General Shareholders' Meeting for facilitating and enhancing participation from all shareholders including institutional investors

The organization of the Annual General Shareholders' Meeting is set to be held within four month's time of the annual financial statement closing date. The Company will fix the date, time, and place where the meeting will be held. The facility offered is deemed to support all groups of shareholders including Institutional shareholders to join the Annual General Shareholders' Meeting of the Company. The policy is to avoid holding meetings on holidays and commercial bank holidays. The meeting start at 8:30 am till 16:30 pm, and will allow for every shareholders to register or to send a power of attorney to the Company for pre-registration. The meeting will be held in Bangkok Metropolis or in the area where the Head Office is located so that the shareholders can easily join the meeting. Information on the date, time, place, and agenda, will be provided with description and reason in each agendum, or to support a consensus specified in the invitation to the Annual General Shareholders' Meeting or in the attachments to meeting agenda without limiting the opportunity of the shareholders to learn about the Company's information. The Company may call an extraordinary meeting of the shareholders if the Board of Directors deems this necessary.

2.2.2 Stamp duty service

In order to facilitate a proxy who attend a shareholder meeting, stamp duty will be supplied without any charge at registration desk in order to reduce burden for shareholder to bring stamp duty.

2.3 The Company's shareholding structure

Shareholding structure is proved that the Company has mechanisms to prevent the management or the authorities from taking over business which they will use as a shield to protect themselves due to lack of efficiency and transparency in management. Such mechanisms consist of neither shareholding of the Company's affiliates and nor pyramid shareholding structure of the Company's affiliates. In addition, the proportion of free float share is both greater than that specified by law and higher than 25.0%.

2.4 Offering the opportunity for the shareholders to present agenda, to propose Board of Directors' name or to send questions prior to the meeting date

The Company offers the opportunity for the shareholders to add items to the meeting agenda, to propose Board of Directors' name or to send questions about the Company prior to the meeting date. The Company also clearly specifies the regulations for fair treatment and transparency in consideration and informing the shareholders, including publicizing of the regulations on the Company's website.

For the 2014 Annual General Shareholder's Meeting, the Company will invite the shareholders to propose agenda items, propose Board of Directors' name or submit the matters they wish to propose for consideration at the meeting in advance, since October 1, 2014 till December 30, 2014. The Company announced such notice to Stock Exchange of Thailand (SET) and on its website www.pruksa.com on part of "Investor Relations".

2.5 The process on Annual General Shareholders' Meeting

2.5.1 Shareholders' attendance and Registration Process.

In attending a meeting, shareholders should carry a document showing their identity, for example, an ID card or passport. In case of attendance by a proxy of a natural person, the documents of the appointer must also be produced, i.e. a filled-out proxy, a copy of ID card or passport. In case of proxy of a juristic person, the documents of the appointer must be produced, i.e. a filled-out proxy form and a certified copy of the juristic person registration. The Company will arrange for the shareholders to register for the meeting in advance of the meeting time.

2.5.2 Chairman of Board of Directors, Chairman of Sub-Committees and Highest Ranking Executives' attendance in Annual General Shareholders' Meeting

The annual General Shareholders' Meeting is considered very important and the directors will normally attend such a meeting, which is usually chaired by the Chairman of the Board of Directors. In addition, the Chairman of each sub-committee, Highest Ranking Executive (Managing Director), and the Company's auditors or representative and legal advisor will also attend the meeting to listen to comments and answer queries of the shareholders.

The name of the Directors	No. of attended and Rights to attend Annual General Shareholders' Meeting 2014
1. Dr. Pisit Leeahtam	1/1
2. Mr. Thongma Vijitpongpun	1/1
3. Professor Emeritus Dr. Trungjai Buranasomphop	1/1
4. Mr. Weerachai Ngamdeevilaiak	1/1
5. Mr. Adul Chandanachulaka	1/1
6. Mr. Wisudhi Srisuphan*	1/1
7. Dr. Piyasvasti Amranand**	1/1
8. Mr. Kanchit Bunajinda	1/1
9. Mr. Wichian Mektrakarn***	0/0
10. Dr. Anusorn Sangnimnuan****	0/0
11. Mr. Lersuk Chuladesa	1/1
12. Mr. Prasert Taedullaysatit	1/1
13. Mrs. Rattana Promsawad	1/1
14. Mr. Piya Prayong	1/1
15. Mr. Mayta Chanchamcharat*****	1/1
16. Mr. Edward Joseph Cooper, Jr.*****	1/1

Remark :

- * Mr. Wisudhi Srisuphan resigned from position as director of the Company, Chairman of the Audit Committee, Chairman of Nomination and Remuneration Committee and Member of Corporate Governance Committee and effective on November 17, 2014
- ** Dr. Piyasvasti Amranand was appointed by Board of Director's meeting No.3/2014 on March 21, 2014 as independent committees (replacement of Mr. Mayta Chanchamcharat) and effective on March 21, 2014
- *** Mr. Wichian Mektrakarn was appointed by Board of Director's meeting No.10/2014 on November 10, 2014 as independent committees (replacement of Mr. Edward Joseph Cooper, Jr) and effective on November 10, 2014
- **** Dr. Anusorn Sangnimnuan was appointed by Board of Director's meeting No.11/2014 on December 4, 2014 as independent committees (replacement of Mr. Wisudhi Srisuphan) and effective on December 4, 2014
- ***** Mr. Mayta Chanchamcharat resigned from director of the Company and effective on March 3, 2014
- ***** Mr. Edward Joseph Cooper, Jr resigned from director of the company, Risk Management Committee and executive committee and Executive Vice President for finance and Risk Management and effective on April 30, 2014

2.5.3 Defining the Meeting Agenda

For the Annual General Shareholders' Meeting, in case where an agenda has several items, the Company will set the meeting agenda separately and clearly, and will provide for resolution for each item, such as the election of the Board of Directors members, power and authorization, and compensations.

The Company avoids to add "others" agenda that is not specified in the Meeting agenda in advance as it might not be fair to other shareholders who are not present at the Meeting.

2.5.4 Vote Checkers

The Company provides independent individuals for counting and checking the votes in the Annual General Shareholders' Meeting, including disclosure to the Meeting and recording in the Meeting Minutes.

2.5.5 Announcement of Procedures in Vote Counting and Offering of Opportunity for Shareholders to Query/Comment

For the Annual General Shareholders' Meeting, the Company will inform about the method of vote casting and counting to the shareholders prior to the start of the meeting according to the agenda, by separating the counting method for those who come to the meeting in person, and those who have delegated, with ballot sheet for shareholders to vote, for disagreeing shareholders, and for abstaining shareholders. In voting for the committee members, the Company allows for the shareholders to vote by individuals by using the vote cards so that shareholders can truly vote for the committee member of their choice. And during the meeting, every shareholder will have equal opportunity to present their views and discuss within appropriate time frame. The Company will count 1 to 1 vote and will consider the highest vote side to be the resolution. If the votes are equal, the Chairman of the meeting will have the final vote in addition to voting in the right as a shareholder.

2.5.6 The Use of Ballot Sheet

The Company supports the use of ballot sheet both for the main agenda in general by law, and for important agenda such as marking of items, acquisition or sale of assets, etc. for transparency and audit purpose in case of future objections.

2.5.7 Recording of the Meeting Minutes

The Company records that it has informed the shareholders of the voting method, vote counting, and use of ballot sheet prior to the meeting. The Company also informs about the name list and the position title of the Directors present at the meeting, Directors who sent their apologies, and questions, answers, replies,

opinions, resolution of the meeting for each agenda. Voting is divided into agreeing, disagreeing, and abstaining votes. All these are recorded in writing in the meeting minutes in details so as to inform shareholders who didn't attend meeting and to recheck on the participation of the Board of Directors in each Shareholder's Meeting. In case where any member of the Board of Directors has a stake in a particular agendum, the said member shall not be present at the meeting and therefore has no voting right thereof, except for election voting or voting for removal of a Director.

2.6 The disclosure of AGM's resolution

The Company will disclose the result of voting after meeting or at late the morning of the next day from date of meetings by sending letter to SET and disclose in the Company's website at www.pruksa.com.

2.7 Dividend Payment

The annual dividend payment must be approved at a shareholders meeting. Dividends can be paid to shareholders only when the Company has earned profit from its operation and registered no accumulated losses. The dividend amount is divided equally by the number of Company shares.

According to the Company's dividend payment policy of making annual dividend payment to its shareholders at a rate of not less than 30.0% of the Company's net profit after deduction of all legal reserves. By considering dividend payment, the Company will consider the operating result and also long term returns for shareholder.

In case the Company has earned profit from its operation enough to pay dividend, from time to time the Board may consider interim dividend payment and inform shareholders in the next shareholders' meeting. The residual amount of annual dividend payment or interim payment shall be allocated to reserves and is subject to justification and consideration that the Board of Directors deems appropriate.

The payment of dividends shall be made within one month of the date of the shareholders' resolution, or one month of the date of the Board of Directors' resolution in case of interim dividend payment. The shareholders will be informed in writing of the dividend payment, which will also be announced in a newspaper.

2.8 Appointment of the Company's Auditors and fix the audit fee

The Annual General Shareholders' Meeting will appoint the Company's external auditors and also fix the audit fee, proposed by the Board of Directors. The Company's auditors shall not be a director, officer or employee or anyone who hold position of the Company.

3. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company is responsible for the fair and equitable treatment of all the shareholders in order to uphold their basic rights.

3.1 Presentation of Name List to the Position of Company's Director

A process for a shareholder to nominate a candidate for directorship has been established, according to which a shareholder can nominate a qualified person to be elected as director by submitting background information as well as the consent of the nominee to the Chairman of the Board of Directors in advance of The Annual General Shareholders' Meeting.

For the 2014 Annual General Meeting of shareholders, the Company has invited shareholders to nominate a person deemed qualified, knowledgeable and competent as their representatives to be a director since October 1, 2014 until December 30, 2014. The Company announced such notice to Stock Exchange of Thailand (SET) and on its website at www.pruksa.com on part of "Investor Relations".

3.2 Shareholders' meeting

3.2.1 To appointment an attorney-in-fact to the shareholder meeting and to vote on his behalf

In case where any shareholder cannot join the meeting, the Company will facilitate by sending both Power of Attorney Form B and Form C together with the invitation to the meeting which informs about the document/evidence, including advices, procedure for providing a Power of Attorney so that the Shareholder can prepare right document and not has any problem to delegate his power to nominee during meeting . In addition, the Shareholder can delegate his power to a nominee who will join the meeting and cast a vote on his behalf by 1 to 1 vote. The Shareholder will fill in the form as described in the detailed procedure of giving the Power of Attorney, sent by the Company together with the invitation to the meeting. The procedure is simple without any complicate conditions in giving the Power of Attorney to nominee for attending meeting. In addition, the Power of Attorney Form B and Form C can also be downloaded from the Company's website at www.pruksa.com, under Investor Relation/Shareholder Meeting. The Company will present at least 2 independent Directors as another choice for the delegation of authority of the shareholders.

3.2.2 Invitation of the meeting

According to the regulations of the Company, it is specified that the sending out of invitation to the shareholders be made at least 7 days prior to the Annual General Shareholder's Meeting. But in practice, the Company' s policy will send the invitation to the meeting together with supporting documents both in Thai and English languages to the Shareholders in advance for at least 21 days prior to the shareholder meeting. However the sending of invitation letter might be changed upon the situation and readiness in each year but it should not later than the legal time frame and also Company 's regulation. This is to allow the shareholders sufficient time to consider about the meeting agenda and matters to present to the meeting with sufficient details to support decision making. It will be clearly specified for each matter whether it is for acknowledgement, for approval, or for consideration depending on each case. It also includes the opinion of the Company's Directors on the relevant matters.

The Company publicizes the invitation to the Annual General Shareholders' Meeting (completed version) in daily Thai and English newspapers at least 3 days before the meeting date and at least 30 days on its website at www.pruksa.com in order to facilitate for both Thai and foreign shareholder by announcing the date, time and place, meeting agenda, including information relevant to matters that require decision-making during the meeting, to the shareholders sufficiently and timely.

3.3 Financial assistance transaction

In 2014, The Company does not have any related transaction in case of financial assistance such as loan, credit guarantee for non subsidiary Company.

3.4 Prevention of internal information use

The Company has implemented a procedure to safe keep and to prevent the use of internal information in the writing form. Such measure is cascaded down to the staff for complying. The Directors and the Management have the duty to report their holding of securities by law and must submit such report to the Directors for acknowledgement on a regular basis. In the last year, the Company Directors and the Management did not trade the securities by using internal information.

3.5 Making related transactions

In case where the Company has to make related transactions and must disclose information or must seek approval from the Shareholders, the Company policy is to clearly disclose information on the names and the relationship of related persons, prices and value of the transaction, including the opinion of audit committee and Board of Directors, to the Shareholders. The said related transactions must be made fairly based on the market price and processed in the usual business manner. (Fair and at arms' length)

In 2014, the Company did not have any related transactions that violated or were not in compliance with the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC). In addition, the Company group's structure did not have any related transaction that might create conflict of interest. By considering the level of transaction, not only revenue but also expense are less than 25% without any exemption.

3.6 Violation/non-compliance with the rules of buying and selling assets

In 2014, in term of buying and selling assets, the Company did not have any transactions that violated or were not in compliance with regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

3.7 Policy on declaration of dealings in corporate shares owned by Directors and Executives

According to the policy, the Directors and the Executives have to notify the company secretary about dealings in share of the Company at least one day before a transaction date .So that such information shall be kept for each Director and Executive.

4. ROLE OF SHAREHOLDERS

The Company recognizes and respects the rights of all stakeholders and has established a code of conduct outlining the guidelines in this respect. The purpose is to ensure that the lawful rights of stakeholders, whether it be shareholders, employees, Executives, customers, partners, creditors, or the general public and society, are properly protected and cooperation among these groups is promoted. It is believed that these factors will ensure the sustainable growth of Company's business and benefits generated to all concerned in a fair manner.

4.1 The setting up of treatment policy for stakeholders

4.1.1 The Board of Directors has set up the treatment policy for each group of stakeholders as follows:

Shareholders : the Company has set forth to act as a good representative for the Shareholders as it is well aware that the Shareholders are the owner of the business. Therefore, in doing business, the Company is determined to create the highest satisfaction to the shareholders by taking into account the growth of the Company in the long term with good and continuous return. This includes the disclosure of information in a transparent manner and reliable for the shareholders through the following procedures

- (1) By performing the duty with loyalty including decision making for any undertaking with precaution and fair to every Shareholder for the highest benefit of all the shareholders.
- (2) By presenting a report on the status of the Company, performance, financial status, accounting, and other reports on a regular basis, and complete based on the truth.
- (3) By reporting to the Shareholders in a similar manner about the future trends of the Company, both on the positive and negative perspectives, based on feasibility with supporting information and sufficient reasons.
- (4) By not exploring for benefits to self and others through using any information of the Company which are not yet disclosed to the public or by proceeding on any matters in such a manner so as to create conflicts of interests to the organization.
- (5) The Company must treat all Shareholders equally in the Annual General Shareholders' Meeting.

Employees : The employees are the most valuable assets and are the most important success factors of the Company. The Company therefore aims to develop a good culture and working environment while enhancing teamwork, and politely treat the employees and respect each individual. The hiring and position transfer will be made on the basis of fair treatment, morale and the use of human resources for the utmost benefits of the Company. The Company treats the employees equally without discriminating against sex, race, nationality, ethnic group, religion, or belief.

The Company policy for compensation, welfare and provident fund

The Company is responsible for keeping the work environment safe for life and personal assets of the employees at all times, and strictly follows the labor law.

In addition, the Company abides to the policy regarding compensations that corresponds to the Company's performance, both for the short term and long term, by considering the profitability in each year and the performance measurement based on the Balanced Scorecard. This also includes employee welfare such as provident fund, housing loan, social security fund, fitness and sport club, compensation fund in case of sickness/accident from work, gift in case of hospitalization, and donations to victimized employees by natural disaster, monetary support for funerals, through the following means:

(1) Privacy

Personal rights and freedom must be protected and prevented from being violated through the use, disclosure, or transfer of personal information such as biography, health history, work history, or other personal information to other unconcerned people. This may cause damages to the individual owner or any other persons. Violation is considered a disciplinary fault, unless done according to the duty and innocently, or by law or for common benefits.

- 1.1 Protect personal information of the employee under possession or under safekeeping of the Company.
- 1.2 Disclosure or transfer of personal information of an employee to the public can only be made under the employee's consent.
- 1.3 Limit the disclosure or use as necessary of personal information of an employee and persons related to the Company.

(2) Equality and equal opportunity

- 2.1 The Company will treat the employees with respect to their honor and prestige
- 2.2 The Company will select people for hiring in different positions with justice by considering the requirements of each position, level of education, experiences and other criteria necessary to the job without discrimination against sex, age, race, and religion.
- 2.3 The Company will determine the compensations fairly and appropriate to the type of work.
- 2.4 To allow for opportunity to the employees to grow in their career, **in the past year of 2014, each employee underwent training and development program for 19 hours on the average.**
- 2.5 The Company is aware that good communication will lead to effectiveness and good relationship in working together, thus the Company will oversee that employees always receive news of their concern as much as possible.
- 2.6 The Company will allow for the employees to have communication channels for suggestions and complaints about uncomfortable matters pertaining to their work. All these matters will be seriously considered and remediation will be made so as to attain the utmost benefits to all parties and create a good relationship in working together.

(3) Violation

- 3.1 The department's head should behave such that they can gain respect from employees and the latter should not perform any acts of disrespect to the bosses.
- 3.2 The employees should not perform any acts of violation or offense whether verbally or in action to others on the basis of race, sex, religious, age and physical and mental disability.
- 3.3 Respect one another's opinion (details appear in sustainable development report, section of Human right management).

Policy on Development of Employee's Knowledge and Capability

The Company's policy on development of employee's knowledge and capabilities is aimed at both employees and stakeholders such as sub-contractors to enhance capabilities and development guidance. Besides, career management has been set up for employees through various means as follows:

- To develop Learning Management System and SAP to assist staff and supervisor in quick, convenient, and consistent managing and planning his own development plan and his team's plan in compliance with needs of individual development.
- To develop Employee Performance Appraisal System which will be linked to fair long term and short term benefits.
- To enhance sub-contractors' skills.
- To provide training to employees at all levels and give them a right to apply for courses which meet their needs and demands.
- To develop and improve Competency Model in line with business directions and situations.
- To develop Career Management System so that every employee has an opportunity to grow with the organization.
- To organize "Career Day" and "Career Roadshow" in order to enhance employees' knowledge of career path.
- To develop Talent Management System in order to seek remarkably talented employees. Such employees' potential can be developed outstandingly and most perfectly, so they will be part of the major team to drive the Company forward.
- To develop Succession Planning System in order to prepare an employee to be ready for filling a vacancy, who shall be named 'successor', due to several circumstances such as retirement, job transfer, resignation, or taking up a new position (details appear on the section of sustainable development report on topic of human rights management).

Policy on non-participating in violating human rights

According to the Company policies, the Company shall not engage in violating human rights. Means that the Company uses to deal with human rights consist of fair and ethical recruitment, regardless of race, religion, color, and sex. Responsibilities which suit each person shall be used as criteria for hiring. Next, there shall be no child labor, conscript labor, or forced labor in the Company. None of subordinates and supervisors who are relatives or family members shall be hired. As a result, everyone has an equal opportunity to be selected as an employee of the Company because of his abilities and his suitability for that position. Besides, the Company has not only followed employment laws-disability but also cooperated with public agencies and several Associations of People with Disabilities to hire people with disabilities in order to enhance them to access employment. If the Company is unable to employ people with disabilities in any year, the Company will contribute money to Fund for Promotion and Development of Life Quality of Disabled Persons to serve as the fund for expenditure on protection and development of life quality of disabled persons (details appear in sustainable development report, Section of Human right management).

Client : the Company aims at developing real estate by desiring to see creativity and management of products and services to the client based on standard and moral under the following work principles:

- (1) To deliver products and services of quality, according to the standard under the fair conditions, and to aim to leverage the standard on a continual basis and in a serious way, including to disclose complete, correct, and undistorted information on the products and services.
- (2) To provide correct, sufficient, and up-to-date information on products and services to the clients, so that clients can have sufficient information to make decision, and without exaggerating in both advertisement or in other channel of communication with clients so as to cause misunderstanding about the quality, quantity, or any other conditions of the products or services.
- (3) To respond to client's need in a timely manner and provide for an effective system and accessibility or complain channels about the quality of products and services through www.pruksa.com and Pruksa Contact Center by calling 1739.
- (4) Keep and safekeeping client information and confidentiality by not using the information in a negative way, except for information that must be disclosed to relevant external people under the full force and effect of the Law.

Competitors : The Company aims at undertaking real estate business with the objective of achieving sustainable success and maintains its business leading status under the competition in the industry with morale. It supports and promotes the policy of free and fair trade competition, with no monopolizing or requirement that the counterparty must sell only the Company's products. In addition, it does not have the policy of trade competition by using any available means to acquire information of competitors in an illegal manner and against the morale. The Company adopts the principles of dealing with competitors as follows:

- (1) To proceed under framework of fair competition;
- (2) Not to acquire confidential information of business competitors through dishonest or inappropriate means for the benefits of its business undertakings;
- (3) Not to accuse in a negative sense or aim to destroy the reputation of its business competitors; and,
- (4) Not to enter into agreement or accord that may result in the termination of business competitor in an improper way.

Business Partner and Counter Party in Agreement : The Company have treatment policy toward business partners in accordance with good Corporate Governance in selection process, procurement and hire contractor, designer or consultant. The Company provide fair, equitable and transparent opportunity to all business partners / vendors / contractors and tenant. Hereinafter referred to as partners to bid, propose for contract work, propose for material, equipments or design for the Company's projects with fair disclosure for all business partners. In case business partner was contacted by Executives, employees or any person for compensation

or remuneration's requests or other benefits except provided by moral whether by direct or indirect, in order for business partner obtain benefit in return of their business. In case, the business partner found that selection of partner was not transparency or unfair to other business partners or to eliminate other competitors. The Company requested those business partner immediately notified the Company as well as suggested improvement process in order to ensure transparency and fairness in procurement process to all the business partners. The company is committed to ensure fairness and protection all the business partner fairly and equally.

Selection, procurement and practices to business partners

1. The Company desires that merchandise and service supplying is proceeded with standard under the procedure as follows:
 - 1.1 Competition is made upon equal information;
 - 1.2 Criteria exist in the evaluation and selection of business partner and counter party;
 - 1.3 Create the appropriate agreement format;
 - 1.4 Provide for management and follow-up system to ensure that the conditions stipulated in the agreement are totally followed, and to prevent misconduct in every step of the procurement; and,
 - 1.5 Payment to the business partner and counter-party in a timely manner according to the payment conditions as earlier agreed.
2. The Company aims to develop and maintain good and long-lasting relationship with business partner and counter party who possess clear objectives regarding technical quality and mutual credentials.
3. Executives and employees are prohibited from accepting any personal benefits from business partner and counter party, whether directly or indirectly.
4. Executives and employees shall not be involved in the procurement with the business partner and counter party having a relationship, i.e., family members, relatives, or own business or partnership.
5. Use of information received from the procurement process for personal or others' benefits is prohibited.

How to evaluate the business partner

1. To investigate and evaluate the work readiness
2. To evaluate the quality of work, commodities, service
3. To evaluate the delivery work, commodities and service on times
4. To evaluate the cooperation ability, solving problem and teamwork readiness

Complaints

1. Complaints channels

If the Company found any Executives, employees, staffs or any related to the Company have any behaviour that might be fraud, unfair or compensation requests. The business partner can immediately inform to the Company through Pruksa contact center, tel 1739 or at www.pruksa.com or Governance, Risk and Compliance committee (GRC@Pruksa.com) or post mail to GPC committee or Khun Yuwatida Saewong, tel: 02-298-0101 Ext 1143.

2. Protection measure for complainants or those who cooperate in scrutiny process

Complainants or those who cooperate in scrutiny process will be protected in accordance with the following guidelines:

- 2.1 Complainants or those who cooperate in scrutiny process can choose not to identify themselves if disclosures may cause danger or any negative effect. However, if the disclosure occurs, the Company can report on progress and facts, or reduce negative effect easily and quickly.
- 2.2 The Company shall not reveal a name, surname, address, photo, or any personally identifiable information of complainants or those who cooperate in scrutiny process. The Company then shall carry on the investigation.
- 2.3 A complaint recipient has to keep complaint information confidential and disclose as required. Safety and negative effect on complainants, those who cooperate in scrutiny process, sources of information, or person concerned has to be taken into account.
- 2.4 If complainants or those who cooperate in scrutiny process are worried about possible detrimental repercussions, they can request the Company to set appropriate protection measures. If an issue is likely to cause any damage or danger, the Company can set appropriate protection measures without their request.

Impartial and appropriate relief procedures shall be applied to those who suffer any detrimental result.

Creditors : Creditor policy and practice was set up and clearly defined, especially guarantee terms and conditions, capital management, and events of default. The Company shall not fail to make payment on a due date and shall strictly conform to terms and conditions defined by creditors (financial institutions) and trade creditors as follows:

- (1) To repay debts to creditors punctually and in compliance with specified terms and conditions in order to avoid default.
- (2) In terms of loan payment, interest payment, and collateral responsibility or guarantees, the Company shall strictly commit to terms and conditions as agreed on a contract or agreement.
- (3) Whenever the Company faces critical situations which may significantly affect the Company's financial position and debts repayment, creditors shall be notified of capital management, so that creditors and the Company shall resolve problems in order to avoid losses.
- (4) To strictly conform to terms and conditions defined by creditors.

Community and Society : The Company sees the importance of the community and society in general, and is well aware of being a part of the society with which it will proceed to develop the society and the environment towards sustainability. The Company therefore launches activities for the community and the society in a continuous way, and has established a policy on social responsibility as a framework for various activities. The Company's Board of Directors, Executives, and every employee are guided accordingly in order to create social responsibility throughout all the processes, and throughout the organization coupled with business undertaking under social responsibility as a whole as follows:

- (1) To have business policy essentially based on environmental awareness in strict compliance with the enforcing law and regulations pertaining to the environment;

- (2) To have a work policy on Corporate Social Responsibility (CSR) that is clear and observed in the organization;
- (3) To promote the employees' awareness of social responsibility;
- (4) To respect the local culture and civilization in every country where the Company undertakes business;
- (5) To launch activities for participation in social, community, and environmental developments on a regular basis so that the community where the Company is situated, has a better life style. This is for both the Company's own operation and jointly with governmental agencies, private sector, and community;
- (6) To cooperate in various activities with the community around the area where the Company has launched business as appropriate to each case;
- (7) To prevent accidents, to monitor the operation including the control of waste release to be within the standard practice;
- (8) To respond quickly and effectively to events that affect the environment, community, life and personal affects, caused by the Company's operations, by fully cooperate with the governmental officers and relevant units.

Externally, the Company works with society to enhance sustainability through society through 3 aspects of CSR 1) Education 2) Society and Environment and 3) Religious, art and culture (details appear in CSR Report).

Furthermore, the Company developed its standard of business operation in term of CSR that it completed the report in line with the Global Reporting Initiative (GRI version 3.1) covering economics, social, environment to support social sustainability with clear and concrete (details appear in sustainability report in topic of social activities).

The performance on social responsibility on a continual basis leads to the Company winning the following awards:

1. Outstanding on social responsibility or the "Corporate Social Responsibility Awards 2014" as being an outstanding organization in undertaking business with responsibility towards the society. The Award was bestowed as a model to other business sectors.
2. The CSRI Recognition Awards 2014 for general award type organized by the CSRI and bestowed to the companies that are aware of the importance and aims to do business with continuous social responsibility.
3. The Sustainability Report Awards 2014 for outstanding award type, from the sustainability report competition organized by CSR Club and the Thai Registration Club awarded to companies with complete, reliable, and well-presented sustainability report. Pruksa Real Estate Public Company Limited is the only company in the real estate industry to receive this award.

Safety, Health, and Environment : The Company has concrete policy regard to safety, health and environment by given the priority to safety, health, community, and surrounding society, with the awareness of being part of the society to jointly proceed to the development of the society and environment

for sustainability. The Company therefore launches activities for the community and the society in a continuous way, coupled with business undertaking under social responsibility in general as follows:

- (1) By providing support for activities while complying to the law, safety, and other relevant regulations;
- (2) By stipulating that work safety is the prime duty and responsibility for every employee in operating;
- (3) By providing that Executives at all level must be a good model, be a leader, assist in training, teaching, influence staff to perform with precaution;
- (4) By stipulating that every employee must essentially be aware of his own safety, that of his colleagues, including the Company's assets while operating;
- (5) By stipulating that every employee must look after, clean up and keep his working area tidy at all times;
- (6) By providing support for activities on safety that stimulate and develop the mindset of the employees for creating safety at work;
- (7) By providing support for review, improvement, and development of safety management system in a continual way;
- (8) By urging to find means to mitigate impact on the environment, by checking, monitoring and controlling the release of pollution, including the management of dangerous and non-dangerous waste in order to maintain natural resources; and,
- (9) By using the resources and energies highest effectiveness, including the prevention of water, air, waste, and other pollutions that result from the Company's activities, so as to minimize impact on the environment and the community.

(Details appear in sustainability report, section on the topic of safety, health and working environment and also topic of environmental activities)

Summary of accidents during work for 2014: 27 people were injured or sick from working.

4.2 Policy and guidelines on efficient use of resources and non-infringement of intellectual property or copyright

As the Company's Code of Conduct, the Company has policy and guidelines on efficient use of resources and non-infringement of intellectual property or copyright such as policies on protecting the Company assets and using computer and information technology systems. The employees must sign and certify that they will not violate basic rights of any people or other companies whom have copyright protection, trade secrets, patents or any intellectual properties or other laws or any similar regulations including installation, dissemination of illegal software or any software that didn't get right permission from the Company .

4.3 Anti-corruption and Anti-bribery policy

(1) Giving and taking bribes

- 1.1 Executives and employees are prohibited from asking or receiving any benefits or properties by which Executives and employees are motivated to perform or abandon duties incorrectly or likely cause the Company to fail to legitimately earn benefits.
- 1.2 Employees shall refrain from offering benefits or properties to third party in order to induce them to do or omit to do anything against laws or malpractice.

(2) Gifts and hospitality

- 2.1 Employees shall avoid offering or receiving any gift or benefit from our business partners or stakeholders, with exception of reasonable value, festive season or conventional practices, unless recipients consider consulting with their direct supervisors.
- 2.2 Employees must not receive or offer any gift or souvenir in the form of cash, cheques, bonds, shares, gold, jewellery, real estate or similar items.
- 2.3 Gifts or souvenirs which are reasonable in value such as calendars, New Year diaries or stationery items are acceptable.
- 2.4 If employees receive any gift, souvenir, gift basket, and/or other items which exceed Bt 3,000 (three thousand baht) in value, they have to inform their direct supervisors of the receipt and shall return those items or hand over them to Gift Allocation Committee, with exception of perishable items or limited shelf life.
- 2.5 Employees shall avoid offering or receive hospitality appearing out of the ordinary based on the particular business relationship from those whose business is involved in the Company business.

4.4 The compliance monitoring/evaluating anti-corruption policy

Apart from setting the anti-corruption policy, the Company supports the entire employees in the organization to get involved and perform the mentioned policy via various means such as 'Tai-rum Pruksa' journal, e-mail, intranet, training and VDO shown on new employee orientation, including compliance monitoring through survey of Executives and employee 's opinion toward anti-corruption policy.

4.5 The process in evaluating the risk on corruption

The Company issued letter of intent in accordance to the Collective Action Coalition Against Corruption on September 1, 2014.

4.6 The guideline on supervise and control to prevent and monitor the risk of corruptions

The Company has assessed the risks associated with the delivery of goods and services, land selection and procurement process as well as set up standard for pricing the construction of houses and condominiums and Precast Plant in regulation guidelines. In addition, the Company also provide complaint channel through website and call center for consumers, employees, people and government sectors.

4.7 Providing employees the training in the Company's anti-corruption policy and practices

The in-house training in the Company's anti-corruption policy and practices has been provided to employees having charge of or involving in internal corruption prevention. In addition, employees have attended the said training organized by both public and private sectors. The mentioned training is provided to employees

starting from an orientation day. Various means are used to encourage knowledge about anti-corruption such as video, billboard, announcement, Code of Conduct manual, reporting concerns regulations, complaints against anti-corruption, and giving/gifts and hospitality regulations, including measures against corruption.

4.8 Providing employees knowledge and training in environment

The policy on Corporate Social Responsibility (CSR) has been publicly announced, both inside and outside the Company, as follows:

“Pruksa Real Estate Public Company Limited is determined to develop real estate business in order to promote social and economic development, including environmental conservation by means of producing quality products and providing quality services, cultivating values of governance practices among employees, taking interests of all stakeholder groups into account, and providing environmental training to all employees working at Pruksa Precast Concrete Factory since their first working day, including dissemination of knowledge about environmental stewardship to organizations and university students visiting Pruksa Precast Concrete Factory etc.” (details appear in section of sustainable development report on the topic of environmental performance).

4.9 Complaints procedure

Board of Directors has provided the communication / complaint channel to all stakeholders for any issue that might damage to the Company. The details and procedures are as follows:

(1) Reporting concerns

If employees or stakeholders suspect whether any action will violate or not be compliant with Code of Conduct, you can make inquiries or inform those who are in charge as follows:

- Supervisors at all levels whom you trust.
- Internal Audit Department or the Secretary of Corporate Governance Committee.
- Units or other means set by the Company such as complaints via Corporate Communications Department, a call at 1739, and e-mail: webmaster@pruksa.com.

(2) Procedures

- Gather evidence

Evidence of action violating or not conforming to Code of Conduct must be gathered by a complaint recipient himself; otherwise, Human Resources Department or a unit having the same duties but different name is assigned to do the job.

- Processing and screening of information

A complaint recipient has to conduct the processing and screening of information by himself so that he can consider appropriate procedures and methods for each issue; otherwise, Human Resources Department or a unit having the same duties but different name is assigned to do the job. If not, Investigation Committee appointed by Corporate Governance Committee, on a case by case basis, is assigned to do the job.

(3) Measures

- A complaint recipient presents measures to suspend action violating or not conforming to Code of Conduct and reduce damage to those who are affected. In any case, the overall damage is taken into account.

(4) A report on results

- A complaint recipient's responsibility is to report to person concerned on results. In case of important issues, Managing Director and/or Audit Committee and/or Corporate Governance Committee and/or the Board of Directors have to be informed on a case-by-case basis.

(5) Measures to protect complainants or those who cooperate in scrutiny process (details appear in section of business partners and counter parts on the topic of complaint).

4.10 Employee compensation

The Company set up the employees' compensation in related the Company's operating performance in both short term and long term. The compensation aims to encouraged employees to work efficiently and effectively in order to achieve Company's goal. The concept of Balanced Scorecard (BSC) and Key Performance indicator (KPI) is a tool for manage compensation in related to their performance including other benefits. To Build the employee engagement with without discrimination base on salary or basic compensation. The compensation yield between females and males is 1:1 such as raise salary, bonus as a reward in accordance to their performance, commission and etc.

5. DISCLOSURE AND TRANSPARENCY

It is a policy of the Company to fully and sufficiently disclose useful information, both financial and non-financial with reliable, regular and a timely manner through the Annual Registration Statement (Form 56-1), annual report in the Company's website and media in both Thai and English. The Company has established an Investor Relations Department, tasked with coordinating with shareholders, securities analysts, investors, government agencies and other parties concerned.

The Company's policy is to emphasize the regular disclosure of accurate, reliable and complete information, both financial and non-financial with sufficient information for investors to make decision and in time for example subsidiaries' structure, shareholder structure which demonstrate the completed latest major shareholders and minor shareholders and the users know the real beneficial owner of the Company. Furthermore Policy on Good Corporate Governance, Code of Conduct, Policy on Risk Management, Policy on the Care of Society and Environment, the Responsibility for the Financial Reporting of the Board of Directors, Audit Report of Certified Public Accountant, Management Discussion and Analysis or MD&A, Audit Fee and other expenses on services, Role and Responsibilities of Committee and Sub-Committee, Meeting Attendance of the Directors in 2014, Professional Knowledge Development and Training for Board of Directors, and Remuneration of Directors and Management. In addition, such disclosed information strictly conforms to the rules and regulations of the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), as well as relevant laws.

5.1 To comply good Corporate Governance

The Company recognizes and focus on good governance . The Company assigned the managements to implement principles of Corporate Governance in order to develop organization and the Company's projects for ensuring the sustainable benefit to the Company and stakeholders in all the section of rights of shareholders, equitable treatment of shareholders, concerning role of stakeholders, disclosure and transparency information and also the responsibility of committees. The Company is committed to comply principles in all sections. However, the Company are unable to comply all term in some sections because they are not consistent with the organization's structure of the Company. Nevertheless, the Company will endeavor to completely comply by appropriate reorganization in accordance to the principle.

5.2 Financial statement and operating performance

(Details appears in section of Management Discussion and Analysis (MD&A))

5.3 The level of customer satisfaction. (A measure of the non-monetary)

The Company is committed to create satisfaction toward customer by focus on continuing research and development products in order to delivery house to meet customers' demand. The Company has established marketing research center and management innovation center including hire outside expert to explore, research and analysis the demand of consumers in each location as well as the potential location for projects in term of any public utilities. Therefore, the Company has sufficient database to recognize the demand of consumers in the residential property's market. This includes the role and style of housing, location, price level. The Company has adopted the results of the research to implement the new projects (details appear in the section of sustainable development report on the topic of product responsibility).

5.4 Nature of business and competition situation

(Details appear in the section of nature of business)

5.5 The structure of business' group

(Details appear in the section of nature of business)

5.6 Major key risk in business operation

(Details appear in the section of risk factor)

5.7 Dividend policy

(Details appear in the section of dividend policy)

5.8 The whistle blowing policy

(Details appear in the section of complaints)

5.9 The bibliography of Board of Directors

(Details appear in the section of bibliography of Board of Directors and managements)

5.10 To indicate directors who are Independent committees

(Details appear in the section of Board of Directors, management structure and bibliography of Board of Directors and managements)

5.11 Disclosure the remuneration criteria for Board of Directors by individual

(Details appear in the section of remuneration of Board of Directors and Managements)

5.12 Remuneration policy and criteria for High Ranking Executives.

(Details appear in the section of remuneration of Board of Directors and Managements)

5.13 Disclosure the meetings attendance of Board of Directors by individual

(Details appear in the section of meeting attendance of Board of Directors in 2014 and 2013)

5.14 Disclosure of professional knowledge development and training for Board of Directors

(Details appear in the section of Board of Directors on topic of professional knowledge development and training for Board of Directors)

5.15 Disclosure of related transaction

(Details appear in the section equitable treatment of shareholders in the topic of related transactions)

5.16 The policy for Board of directors to disclose / trading shares / hold the Company's shares to the Board of Directors meetings.

Corporate Governance committee determined the first of four directors and Executives to report the holding shares / trading shares including their spouses and minor children to the Board of Directors.

5.17 Changing of holding the Company 's share of the Board of Directors and High Ranking Executives

Unit : Bt

The name of the Directors	Position	2013	2014
		Outstanding shares as of December 27, 2013	Outstanding shares as of December 30, 2014
1. Dr. Pisit Leeahtam	Chairman of Board of Directors and Independent committee	-	-
2. Mr. Thongma Vijitpongpan	Executive Vice Chairman	1,208,257,500	1,214,000,000
3. Professor Emeritus Dr.Trungjai Buranasomphop	Independent committee	1,300,000	200,000
4. Mr. Weerachai Ngamdeevilaisak	Independent committee	-	-
5. Mr. Adul Chandanachulaka	Independent committee	-	-
6 .Mr. Kanchit Bunajinda	Independent committee	-	-
7. Dr. Piyasvasti Amranand*	Independent committee	-	18,500
8. Mr. Wichian Mektrakarn**	Independent committee	-	-
9. Dr. Anusorn Sangnimnuan***	Independent committee	-	-
10. Mr. Lersuk Chuladesa	Director	-	-
11. Mr. Prasert Taedullaysatit	Director	480,100	693,000
12. Mrs. Rattana Promsawad	Director	79,078,600	78,399,500
13. Mr. Piya Prayong	Director	878,600	678,500
14. Mr. Nimit Poonsawat	Managing director for Single Detached House	544,600	540,400
15. Mr. Weerasak Kaewnoo	Managing director for Special Business Department	205,400	87,200
16. Ms.Suporn Treewichayapong	Executive Vice President of Accounting and Finance Department	55,000	35,000

Remark

- * Dr. Piyasvasti Amranand was appointed by Board of Director's meeting No.3/2014 on March 21, 2014 as independent committees (replacement of Mr. Mayta Chanchamcharat) and effective on March 21, 2014
- ** Mr. Wichian Mektrakarn was appointed by Board of Director's meeting No.10/2014 on November 10, 2014 as independent committees (replacement of Mr. Edward Joseph Cooper, Jr) and effective on November 10,2014
- *** Dr. Anusorn Sangnimnuan was appointed by Board of Director's meeting No.11/2014 on December 4, 2014 as independent committees (replacement of Mr. Wisudhi Srisuphan) and effective on December 4, 2014

5.18 Report on vested interest

Directors and Management have to disclose not only their own vested interest but also their spouse's and related person's one. The Company has submitted such information to a Company Secretary who will present a copy of report to Chairman and Chairman of the Audit Committee within seven business days from the date of receipt.

In the event of an amendment to the vested interest, Directors and Management have to submit the amended report (amendment) to a Company Secretary within three business days from the date of amendment. Company Secretary will then present a copy of amended report (amendment) to Chairman and Chairman of the Audit Committee within seven business days from the date of receipt.

5.19 Important related transaction must consider and approve by Board of Directors

In 2014, the Company does not have any important related transaction for consideration or approve by Board of Directors (details appear in related transactions).

5.20 Policy to set up Investor Relations Department

The Company assigned investor relations as the coordinator of the Company and investors, analysts and government sector and stakeholder with equal basic and fairness and also offer the opportunity to meet with Company's managements as appropriate under the principal that the provided information is disclosed to public.

Company information is reported via the electronic system of the SET for displaying on its website, www.set.or.th. Relevant information is also reported to the SEC and SET and also displayed in both Thai and English on the Company's own website, www.pruksa.com (Investor Relations).

In 2014, the Stock Exchange of Thailand (SET) granted 2 awards to Pruksa Real Estate Pcl. for Best Investor Relations Award and Outstanding Investor Relations Award. Furthermore, the Investor Relations Department arranged investor relations activities on a regular basis as follows:

- Organizing Analyst & Investor Meetings to convey quarterly operating result (4 times/year), the Company's annual business plan announcement (once a year) and Annual General Shareholder's Meeting (once a year), after submission of the Financial Statements and the Analytical Report of Operating Results to the SEC and the SET.
- Producing and publicizing information and documents pertaining to the Annual Business Plan and the Company's operating results to securities analysts, investors and interested parties on a quarterly basis.
- Creating opportunities for securities analysts and investors to arrange a Company visit or have a conference call with the Executives to discuss policies, strategies and business plans, as well as financial information (audited by the Certified public Auditor) external auditor, following notification to the SET and the SEC), non-financial issues and progress of the implementation of various projects of the Company, including exchange of business views on a regular basis. In 2014, there were 49 companies visits and 9 Conference Calls, 1 plant visits and 14 project 's site visits.
- Organizing visits for securities analysts and investors to the precast concrete factory which uses the Semi-Automated Pallet Circulating System, the most advanced system in Thailand, as well as visits to various single-detached house, townhouse and condominium projects.
- Attending the activities with SET for example "SET in the City" and "Opportunity Day" to provide information and answer any inquiries from shareholders, analysts and media.

- Conducting road shows domestically and internationally at the invitation of the SET and/or securities companies to provide information and answer any inquiries including discuss viewpoint of business with shareholders, securities analysts and corporate investors. In 2014, there were 5 local roadshows and 4 international roadshows.
- Arrangement of executive interviews on newspaper, journal and television such as TNN, Money channel, CNBC and others including participate in activities of the Thai IR Club to exchange knowledge and share experiences with a view to further developing the Company's Investor Relations function.

For inquiries, shareholders, securities analysts, investors, Government agencies and parties concerned should contact the Investor Relations Department at (66) 02298 0101 Extension 2669 or Email: ir@pruksa.com

6. INTERNAL CONTROL AND RISK MANAGEMENT

The Company has comprehensive internal control and internal audit systems, covering matters concerning finance, operations, compliance, and risk management.

6.1 Internal control and internal audit systems

The Company requires that its internal control system be reviewed and reported by responsible Executives regularly while the Internal Audit Department, which is an independent unit, is responsible for internal auditing on a regular basis, to ensure that Executives and employees strictly comply with the rules and regulations, as well as the Management Authorities. These functions are under the supervision of the Audit Committee. The Management who is head of Internal Audit is Mr. Premsak Vallikul (detail appear in the the section of bibliography of Board of Directors and managements).

6.2 Risk management

The Company's risk management policy requires that internal and external risk factors be reviewed regularly in order to contain risk within appropriate and acceptable levels. Such a review shall cover strategic risks, financial risks, construction management risks, and other operational risks. The review also includes an assessment of risk exposure and possible impacts, prevention and impact mitigation measures, the assignment of responsible persons, and the setting up of reporting and follow-up procedures. The Corporate Risk Management Committee provides recommendations on guidelines and/or policies on the handling of critical risks.

7. PHILOSOPHY AND CODE OF CONDUCT

The Company has a firm intention to encourage all the Executives and employees to adopt the same standard of conduct under the changing of business environment. Toward this purpose, since 2006, the Company announced "Code of Conduct" for guideline for practices including rule and regulations of the Company's

group under the framework of ethics, loyalty and equitable in creative ways covering security of community and environment, anti-corruption, anti-bribery, clear from political interference and conflicted interest, legal validity and human right. All employees will get such manual of Corporate Governance and Code of Conduct with their signed & endorsement of acceptance to follow.

In 2010, the #8/2010 Board Meeting held on November 12, approved the development on “Code of Conduct” manual to cover all up to date practice and to serve the SET's corporate governance. Moreover, it will bring up the standard of Board, management, employee practice comprising ethics and moral to be socially accepted. The release of such manual is on intranet and the Company's website (www.pruksa.com on part of “Investor relations”) including disseminate through Tai-rum Pruksa' journal, E-mail and etc as well as prepare channel for stakeholder and employees to send their complain to board of director through the Company's website.

Furthermore, the Company has made a video (VDO) to promote and encourage Code of Conducts through various medias for the employees' awareness. The event is also arranged for new employee's orientation. The company continuously review such manual and VDO to fit with current situations. The Board of Directors will participate in review or update or set up vision, mission, value and culture of the Company and continuously review in order for Managements and staffs to have the same direction.

Internal control of information

The Company has a policy and methods of governing utilization of the Company's inside information by Executives as follows:

- (1) The Company has informed its Directors and Executives of their duties to disclose their holding of securities of the Company and provisions on penalties stipulated in the Securities and Exchange Act B.E 2535 and the regulations of the SET.
- (2) The Company requires its Directors and Executives to report any change in their holding of Company securities to the Office of the Securities and Exchange Commission (SEC) in accordance with Section 59 of Securities and Exchange Act B.E. 2535, and to submit one copy of the securities disclosure report to Company on the same day.
- (3) The Company has instructed its Directors and Executives who have access to inside information which may affect changes in the Company share price to exercise caution in selling or buying securities of the Company 15 days before and one day after the disclosure of financial statements or such inside information to the public.

The Company will instruct persons involved with any inside information not to disclose it to other persons until it is reported to the SET. Sanctions by the Company for breach of the above rules include appropriate disciplinary sanctions, i.e., verbal warning, written warning, salary cut, work suspension, employment termination and legal actions.

AUDIT FEE

Pruksa Real Estate Public Company Limited and its subsidiaries have paid for the 2014 audit expenses to KPMG Phoomchai Auditing Company Limited for audit review and for auditing the financial statement of the Company and its subsidiaries in Thailand. As for audit expenses for subsidiaries in foreign countries such as India, Maldives and Vietnam, the Company has paid to KPMG as per the following details:

Unit : Bt

	2014	2013	2012	2011	2010
Audit expenses for the Companies and its subsidiaries in Thailand	3,980,000	3,600,000	3,600,000	3,900,000	3,850,000
Audit expenses for subsidiaries in foreign countries	1,437,420	1,795,950	1,077,536	1,342,345	840,078
Other expenses	132,000	157,000	245,500	131,760	105,205
Total	5,549,420	5,552,950	4,923,036	5,374,105	4,795,283

In addition, there are other expenses on services as follows:

1. KPMG Phoomchai Auditing Company Limited

Unit : Bt

	2014	2013	2012	2011	2010
Audit Report as per BOI requirements	1,551,500	2,134,300	1,675,115	721,220	1,504,563

2. KPMG Phoomchai Business Consultant Company Limited

Unit : Bt

	2014	2013	2012	2011	2010
Audit expenses on receivables and payables	-	-	-	107,877	-
Audit expenses on Information Technology System	1,064,650	-	-	-	-
Audit expenses on PISIS system	856,000	-	-	-	-
Expenses of the Business Continuity Management Project (BCM)*	500,000	-	-	-	-
Total	2,420,650	-	-	107,877	-

Remark : * Total services is Bt5,000,000 which is an ongoing services. This is scheduled to pay in proportion to deliver results.

3. KPMG Phoomchai Tax Agency Company Limited

Unit : Bt

	2014	2013	2012	2011	2010
Expenses on investment advisory service	-	4,368,000	-	-	3,969,700
Expenses on Indian law reporting	-	-	-	32,100	-

Remark : KPMG Phoomchai Business Consultant Company Limited and KPMG Phoomchai Tax Agency Company Limited are different legal entities than KPMG Phoomchai Auditing Company Limited. Also, the scope of work on the said advisory services is not redundant to the audit work.

COMPLYING TO THE CORPORATE GOVERNANCE PRINCIPLE IN OTHER ISSUES

The Company adheres and comply to corporate governance principles for Listed Company which are consistent with the Stock Exchange of Thailand's policy in other issues for example the meeting attendance of the directors in Board of director and subcommittee which was disclosed in Management structure in topic "Meeting attendance of Directors" and etc.

CORPORATE SOCIAL RESPONSIBILITY



Pruksa builds a sustainable society (CSR in Process)

Pruksa Real Estate aims to achieve sustainable growth while prioritizing all groups of stakeholders. Throughout the years, priority has been given to research and development of products, including the continuous search for innovation in construction. This is to create quality housing for customers while emphasizing on good quality housing which is also environmentally friendly.

The Company built two new factories in 2013, the Pruksa Precast Factory. The world most advanced technology and machinery from Germany are used in these factories, the production process is computer-controlled in every step, and thus products delivered are of above-standard quality. It is also the first Green Factory of Thailand that is friendly to the environment, possessing the concrete recycling process that leaves no waste material from the production.

Pruksa policy on social responsibility (CSR After Process)

Pruksa Real Estate has established the social responsibility policy that is external to the business process (CSR after Process) by emphasizing on 3 aspects:

- **Education and Youth Development Aspect**

The Company foresees the importance of education and the development of youth by launching a number of projects as follows:

- The “Pruksa Scholarship” has been on-going for the 13th year. In 2014 the Company awarded 501 “Pruksa scholarships” for value over Bt3.3m to the children of customers, employees, and the youth in either the primary or secondary schools, who had obtained good educational results but lacked financial support. In addition, the Company has a policy to provide financial support to those studying engineering at the undergraduate level, as they will become a crucial taskforce in the development of the nation.
- The “Pruksa Precast Factory Learning Center” provides the facility for students from various universities and interested organizations to visit and see the housing construction process using precast concrete produced under modern technology from Pruksa Precast Factory. In 2014 the facility accommodated a large number of people from leading faculties and organizations such as Chulalongkorn University, Kasetsart University, Chiangmai University, the King Mongkut’s University of Technology Thonburi, Assumption University, the Asian Institute of Technology, etc.
- The “1 Helping 9” project in cooperation with The Office for National Education Standards and Quality Assessment (NESQA)(Public Organization) provides assistance in the development of educational quality to 9 educational institutes.

- **Social and Environmental Aspect**

- The “PRUKSA Green Living Healthy 2014” offers free health check by physician teams from leading hospitals to customers, employees, and people living in the proximity of the housing projects. Small plants are provided free of charge in order to promote cooperation in creating green habitation. This project has been on-going for the 12th year.
- The “Pruksa Ruamjai Rak Pakdee blood donation campaign in Honor of the Father of the Kingdom” in cooperation with the Thai Red Cross, promotes blood donation in order to help those in need of blood throughout the country. In 2014 the Company donated as much as 237,200 cc. of blood to the Thai Red Cross. This activity has been carried on for the 9th year.
- “The Environmental Management by the Dweller Project” in cooperation with Bangkok Metropolitan provides the technical know-how to the dwellers for waste and water waste treatments from within the original source. The objective is to prevent pollution to the environment in as sustainable way. The Pruksa 70 (situated at Chalokkrung-Nikom Ratkrabang) is the pioneer project.

- To assist in the crisis from the case of fire at the garbage waste site in Praeksa District of Samuthprakarn Province. The Company provided safety masks to firemen and volunteers who participated in the fire drill, and to the impacted people living in the proximity. The Company also provides medical assistance by physician teams to check the health of those affected by the fire incident, and provides guides to health care for self-protection from dust and toxic chemicals in the air.

In addition to all these, the Company promotes employees' participation in various activities with regards to social development during 2014 as follows:

- Participation in the "Art for All: Stepping over Limitations" project in cooperation with the "Art for the Humankind Foundation", allows for joint learning and sharing the living between the employees and the handicaps by using art as a means of learning from each other.
- Participation by donating used books to support the "Read for the Nation" project under the Mirror Foundation in order to set up the "Cool Book Shelf" for subsequent delivery to the communities in need.
- Delivery of used calendars to the "Support to the Blind Foundation of Thailand" for use as learning means for the blinds.

• **Religious and Art and Civilisation**

The Company foresees the importance of preserving Buddhism and the art and civilization of Thailand. In 2014 the Company organized the "Dhamma... Creates Happiness" project in order to promote employees and their families' participation in the lecturing of Dhamma, teaching and meditation on a regular basis.

The Company also foresees the importance of preserving the culture and tradition of Thailand. Activities were organized on several important religious days such as merit making for the New Year, social service rendering by cleaning up the religious places, and Phansa candle offering with monetary donation on the Phansa Day, water pouring for the executives on Songkran Day, etc.



INTERNAL CONTROL AND ENTERPRISE RISK MANAGEMENT

The Company gives a high priority to the internal control and risk management by assigning the Audit Committee to check and review the assessment results on the sufficiency of the internal control system in order to emphasize the sufficiency and appropriateness to the business undertaking. The Company has therefore introduced the operational framework regarding internal control under the international standard of COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) for improvement, coupled with the enterprise risk management framework (Enterprise Risk Management: ERM) as a tool for the Management in developing the internal control and risk management systems to become more complete. In addition, the Company has provided for a review process by the Internal Control Department in order to evaluate and improve the efficiency of the control system, risk management, and compliance in a systematic manner. The Audit Committee has the authority to approve the appointment, transfer, and dismissal of the head of the Internal Audit Committee, and to evaluate the performance of the Internal Control Department.

In the first Internal Audit Meeting (1/2014) convened on January 19, 2015 the Internal Audit Committee considered the assessment result of the internal control system of the Company carried out by the Executives based on the assessment form of the Securities and Exchange Commission (SEC) based on the five factors which are: internal control of the organization, risk assessment, operational control, information technology and information communication, and systematic monitoring. The Audit Committee is of same opinion with the Executives that the Company has sufficient internal control system, and has additional opinion regarding the improvement of the work process and the delegation of authority of each work process of the Company.

In addition, it emphasized the balance between control and facilitation of each process by arranging to have a systematic monitoring, rechecking, and performance assessment on a regular basis.

As such, in the first Company's Board of Directors' meeting (1/2015) convened on January 21, 2015 the Company's Board of Directors evaluated the internal control system from the Performance Assessment Report produced by the Audit Committee. It concluded that from the assessment of the internal control system of the Company in the said five factors, the Company Board of Directors views that the internal control system of the Company is sufficiently appropriate. Accordingly, the Company has provided for sufficient personnel to effectively carry out the process, including an internal control process for following up the performance of affiliated companies so as to protect the Company's assets and those of the affiliated companies from being mismanaged by any Directors or Executives, or without the delegation of power, as well as to enter into contract with conflicting parties and related persons. As for control in other areas, the Company's Board of Directors views that the Company already has sufficient control in place. The subject matters can be summarized as follows:

THE ORGANIZATIONAL INTERNAL CONTROL (CONTROL ENVIRONMENT)

The Company has provided for an environment and organizational structure that facilitate the process of internal control in the directions envisaged by the Company. This includes goal setting for business undertaking that must be clear and measurable and that must be approved by the Board of Directors. This will serve as the direction for the employees. An appropriate organizational structure has also been set up to facilitate the Management in effectively implement. The Management has given a priority to loyalty and morale in doing business. The Company also provides for a good governance policy and business ethics as a principle guideline to the Directors, Executives, and employees since 2006, by providing communication channel for publicizing the Company's Annual Report, Ethics Handbook, and the Company's website at www.pruksa.com. In addition, the Company regularly reviews and updates its business ethics to keep up with the economic situations, and both domestic and international economic expansion, in compliance with the good governance policy.

RISK ASSESSMENT

The Company has set up a Risk Committee whose duty is to provide suggestions to the Management for setting up the framework and means to manage and monitor risk in a systematic way. The Company's Board of Directors and the Executives give a high priority to risk management by requiring the risk factor assessment and a preventive measure to be made in order to mitigate the eventual impact to business undertaking of the Company. In the Risk Management Committee Meeting, representatives from each operating functions are invited to present their actions taken according to the Risk Management Committee guidelines, so that the latter are aware of any problems or obstacles to the implementation, including any remarks or additional suggestions.

Thus, in 2014 there were altogether 12 Risk Management Committee meetings. As to encourage the Good Governance process which according to Visions and Missions of the Company in order to indicate the effective management system with are transparency and capability to verify as to create the confident and trustworthy of its shareholders, investors and all the relevance stake holders. Therefore, the Company has setup the GRC unit which has accountability to take care the related assignment with the Good Governance, Risk Management and the Compliance issues; also undertaking policy and the counsel of the Corporate Governance Committee, Risk Management Committee and Audit Committee. Then the GRC will designate, communicate or implement and monitor the imperative rules along with presented the progression of process to the relevance committees.

Furthermore, the Company also set up the Business Continuity Management Project (BCM) in order to determine development guidelines and monitoring and controlling business continuity. As to support the continuously operation, also including to minimize the impacts in various fields that may occur, the Company provided consultants team with have experience and expertise to actualize the project.

CONTROL ACTIVITIES

The Company has control activities by introducing the management and organizational assessment known as Balanced Scorecard, and the Key Performance Indicators (KPI), as a tool for planning and controlling. Duties and responsibilities are segregated for counter-checking. The Company has an employee handbook which is the framework for operating in a systematic and effective way, preventive and mitigating risks to any damages that may occur from the activities and work processing of different units. Furthermore, the Company also has a process of authority decentralizing for use in clearly fixing the scope of authority and credit limit at each level for smooth and clear processing. Besides, in order for the operation to proceed properly and in compliance with the Company's regulations, a procedure has been established to ensure that the Company has complied with the relevant law and regulations, with a strict and appropriate measure in case where the Company has business activities with major shareholders, directors, etc., so as to prevent benefit transfer. For example, such activities must go through an approval process by non-beneficiary parties in the said activities, including the disclosure of such activities as per the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand, and the Capital Market Exchange Commission. The information on related people and businesses must be disclosed according to the Accounting Standards.

INFORMATION AND COMMUNICATION

The Company has continuously developed the information and communication by providing information system and communication channels both within and outside the organization that are effective and efficient. That is, complete, correct, timely, and sufficient to support decision-making, whether it be financial or other types of information. As for communication, the Company provides necessary information that is sufficient and up-to-date for the job. Every employee can have access to the information through the intranet of the Company. Regarding communication with external parties whether individuals or organizations, the Company has acquired a communication system that provides information through the Company's website (www.pruksa.com) including sending out the Annual Report to various institutions as per the regulations of the Securities Exchange Commission and the Stock Exchange of Thailand, the Capital Market Exchange Commission effectively within the timeframe.

The Company monitors the receipt and sending or uploading of information into the system, with work segregation and appointing the persons in charge, and the authority of the staff and work units related to information and communication are clearly set. In addition, the Company has established the access rights to the information for the responsible employees only.

MONITORING ACTIVITIES

The Company has set up monitoring activities on performance through the measurement of performance against the set objectives for each department by its executives on a regular basis. This will allow for an adjustment of strategy appropriately and in a timely manner. As such, the Board of Directors has acknowledge and compares whether the performance follows the objectives or not, in the Board of Director Meeting regularly every quarter.

CONNECTED TRANSACTIONS



The Company enters into connected transactions as it may consider appropriate by complying with the laws governing securities and exchange, regulations, notifications, orders or rules of the Stock Exchange of Thailand (SET) as well as accounting standards regarding information disclosure of related persons or business as prescribed by the Certified Public Accountant Association of Thailand.

In case of transactions that occur regularly and continuously in the future, the Company prescribed a policy and practice guidelines to be in accordance with the general business conditions, in reliance upon prices and conditions that are suitable, fair and appropriate and can be inspected and can prevent siphoning. Such guidelines shall be proposed to the Audit Committee for consideration and approval after which execution can be made. Should the Company enter into a connected transaction? It will arrange for the Audit Committee to give an opinion as to the appropriateness of such transaction. In case the Audit Committee has unprofessional on practice in occur connected transactions. The Company will arrange the specialists such CPAs or evaluator who can give an independent opinion. Such appraisal will be considered by the Board or shareholders so that they are confident that it will not cause siphoning of benefits between the Company and its shareholders, and that the transaction is conducted in the best interests of all shareholders.

I. DISCLOSURE OF CONNECTED TRANSACTIONS

The Company has connected transactions with related person as follow:

Related person	Relationship with the Company	Type of transaction and business requirement	Connected transaction value (Bt m) as of		Price and Detail
			December 31,2014	December 31,2013	
Item 1 Mr. Thongma Vijiitpongpan	Director and Shareholder of the Company	The Company leased space in Laksi Plaza, 10 th Floor, from Mr.Thongma Vijiitpongpan to use as a training center.	3.2	3.2	Lease and Service Agreement of 425.68 square metre area, effective from October 1, 2013 to September 30, 2015 is charged at Bt268,148 per month. In summary - Such rental and service fees are at the rates comparable to the market rates and conditions that are not different from the cases the Company enters into agreements.

2. NECESSITY AND APPROPRIATENESS OF CONNECTED TRANSACTIONS

The Audit Committee has issued the opinion regarding the connected transaction as mentioned was under normal business practice and no benefit to a related person or a person who might have a conflict of interest.

3. MEASURES OR PROCEDURES FOR APPROVING CONNECTED TRANSACTIONS

For any connected transaction of the Company, or the Company together with a person who may have a vested interest or may potentially have a conflict of interest, the Audit Committee will provide an opinion on the necessity of entering into the transaction and appropriateness of the pricing aspect of the transaction by considering various conditions to determine whether it is in accordance with the normal course of business in the industry. Further, there shall be a price comparison with a third party or the market price. In the event that the Audit Committee does not have appropriate expertise to consider the connected transaction, the Company will arrange for an independent expert or the Company's Auditor to provide an opinion as input for the Audit committee's decision. The opinion of the Audit Committee or the expert will be used by the Board of Directors or the Shareholders, as the case may be, to make a decision. The Director who has a vested interest shall have no voting right in the consideration of the transaction, which will be disclosed in the Notes to the Financial Statements, audited or reviewed by the auditors.

MANAGEMENT DISCUSSION AND ANALYSIS

Pruksa Real Estate Public Company Limited (PS) would like to clarify the company and its subsidiaries operating result for the year ended December 31, 2014 as follows:

Comparison performance of the Company between the year ended December 2014 and December 2013

Unit: Bt m

Statement of Comprehensive Income	Year 2014	%	Year 2013	%	Increase/ (Decrease)	%
Revenue from sale of real estate	42,781	99.4	38,848	99.5	3,933	10.1
Other income	246	0.6	193	0.5	53	27.2
Total income	43,027	100.0	39,041	100.0	3,986	10.2
Cost of real estate sales	27,095	63.3	25,350	65.3	1,745	6.9
Gross profit	15,932	36.7	13,691	34.7	2,241	16.4
Selling and Administrative expenses	7,091	16.5	6,077	15.6	1,014	16.7
Selling expenses	3,364	7.8	3,046	7.8	318	10.4
Administrative expenses	3,727	8.7	3,031	7.8	696	23.0
Profit before finance cost and income tax expense	8,841	20.5	7,614	19.5	1,227	16.1
Financial cost	376	0.9	415	1.1	(39)	(9.4)
Profit before income tax expense	8,465	19.7	7,199	18.4	1,266	17.6
Income tax expense	(1,811)	(4.2)	(1,398)	(3.6)	(413)	29.6
Profit for the period	6,654	15.5	5,801	14.9	853	14.7

Remark: Percentage in statement of Comprehensive Income derived from total income, while percentage of cost of real estate sales is only related to revenue from real estate sales.

TOTAL REVENUE

For the year 2014, the Company and its subsidiaries generated a total revenue of Bt43,027m, an increase of Bt3,986m or a 10.2% increase from the previous year. The main factor was an increase of real estate sales of Bt3,933m or a 10.1% increase from the previous year.

For the year 2014, revenue from townhouses the main segment of the Company was Bt22,791m, an increase of Bt2,122m or a 10.3% increase from the previous year. Revenue from single-detached houses was Bt9,776m, an increase of Bt581m or a 6.3% increase from the previous year. Revenue from condominium was Bt9,694m, an increase of Bt1,244m or a 14.7% increase from the previous year. As a result of the company and its subsidiaries

have expanded its investment in many projects in both townhouses and single-detached houses and were able to reduce the business cycle time (booking to transfer) to its customers. Thus, increased the revenue from townhouses and single-detached house while there were completed construction of the condominium projects waiting to be recognized for this year which have increased the income of condominium.

COST OF REAL ESTATE SALES

In 2014, the Company and its subsidiaries incurred cost of real estate sales of Bt27,095m or 63.3% of the revenue as compared to Bt25,350m or 65.3% from the previous year which was due our ability to control costs and the increasing the effectiveness of cost management for the Company's projects.

SELLING & ADMINISTRATIVE EXPENSE

In 2014, the Company and its subsidiaries incurred selling and administrative expenses of Bt7,091m, an increase of Bt1,014m or a 16.7% increase from the previous year. The selling expenses were Bt3,364m and an increase of Bt318m or a 10.4% increase. The major factor was the incremental of advertising and sale promotion expenses of Bt123m and Bt48m respectively. Moreover, special business tax and transferred fee increased by Bt147m. Administrative expenses were Bt3,727m or an increase of Bt696m or a 23.0% increase. The major factors were the incremental of employees' expense of Bt348m, provision for asset devaluation of Bt172m, rental fee of Bt37m and also others administrative expenses of Bt154m.

FINANCING COST

In 2014, the Company and its subsidiaries incurred financing cost of Bt376m or 0.9% of total revenue, an decrease of Bt39m or a 9.4% decline from the previous year.

INCOME TAX EXPENSES

In 2014, income tax expenses were Bt1,811m or 4.2% of total revenue, an increase of Bt413m from the previous year, resulting from an increase of revenue for the Company and its subsidiaries.

Corporate income tax rate in 2014 was 21.4% of net profit before income tax expense, while corporate income tax of the previous year was 19.4% of net profit before income tax expenses.

NET PROFIT

In 2014, the net profit of the Company and its subsidiaries was Bt6,654m or 15.5% of total revenue, an increase of Bt853m or a 14.7% increase from the previous year. The main factor was an increase of revenues from sales of real estate which split into profit attributed to owners of the Company was Bt6,655m and loss attributed to non-controlling was Bt0.7m.

THE RESPONSIBILITY FOR THE FINANCIAL REPORTING OF THE BOARD OF DIRECTORS

The Board of Directors of Pruksa Real Estate Public Company Limited takes responsibilities of the consolidated Financial Statements including financial data presenting in this Annual Report. In preparing the Financial Statements, the Company and its subsidiaries have used appropriate accounting standards policies and consistently applied. The Financial Statements are adequately disclosed of significant data in notes to Financial Statements, also audited with unqualified opinion from independent auditors, thus, reflects a true and fair view of Balance Sheet, Income Statement and Cash Flow Statement of the Company and subsidiaries.

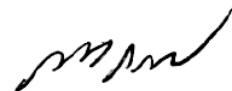
The Board of Directors set up and maintained effective risk management and internal audit system to ensure that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy, completeness and adequacy of financial positions, to safeguard assets of the Company and its subsidiaries, to be aware of weakness, and to prevent any risk from material irregularities.

In so doing, the Board of Directors appointed the Audit Committee taking responsibilities of the quality of Financial Statements and effective internal audit system. This is to ensure the correct, adequate, timely accounting booking and also to prevent fraud or irregularity. The opinion of the Audit Committee has shown in Audit Committee Report attributed in this Annual Report.

The Board of Directors is of the opinion that the Company's internal audit system is generally satisfactory and should assure the creditability of the consolidated Financial Statements of the Company and its subsidiaries as of December 31, 2014.



Dr. Pisit leehtam
Chairman of the Board of Directors



Mr. Thongma vijitpongpan
Executive Vice Chairman of the Board of
Directors and Chief Executive Officer

AUDIT COMMITTEE REPORT

Pruksa Real Estate Public Company Limited's Audit Committee comprises of Independent Directors who are highly qualified and have management experience. In 2014, Board of director meeting No.11/2014 appointed Dr. Piyasvasti Amranand as the Chairman of the Audit Committee and be effective on December 4, 2014 onward (replacing, Mr. Wisudhi Srisuphan, who resigned since November 17, 2014). Later, on December 31, 2014 Professor Emeritus Trungjai Buranasomphop resigned from the Audit Committee by reason of the retirement, as specified in the Charter of Directors. As of the report date, the Company's Audit Committee comprised of 3 members which were Dr. Piyasvasti Amranand as the Chairman of the Audit Committee, Mr. Adul Chandanachulaka and Mr. Weerachai Ngamdeevilai as Members.

The Audit Committee performed the duties in accordance with the scope of the responsibilities assigned by the Company's Board of Directors, in supervising the operations of the Company to ensure that the Company is clearly managed by the Executive Committee or Management with appropriate levels of integrity and accountability to the shareholders, and that the Executive Committee and Management followed the Company's policies properly, completely, and up to professional standards.

In 2014, 12 meetings were held, with the attendance of executives, internal auditors, and the Auditor, during which presentations, discussions and exchanges of views on relevant subjects were included. Below is a summary of the main points:

I. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS

The Audit Committee approved the Quarterly Financial Statements and the 2014 Financial Statements prior to submission to the Board of Directors for approval. Inquiries were made to the Auditors on the accuracy and completeness of the Financial Statements and the sufficiency of information disclosure. The Auditors' Management Letter which made recommendations on the internal control system and the 2014 Audit Schedule were also reviewed.

The Audit Committee is of the opinion that the Company's process of accounting and financial reporting procedures are under sufficient control for ensuring that the financial reports on its financial positions and operations are accurate and up to the legally required accounting standards, and that the Financial Statements disclose sufficient information.

2. REVIEW AND APPROVAL OF THE PRACTICE GUIDELINES FOR ENTERING INTO CONNECTED TRANSACTIONS

The Audit Committee reviewed the adequacy of the practice guidelines for entering into connected transactions or transactions with potential conflicts of interest, including reviews of transactions which could be categorized as connected, or ones with potential conflicts of interest, which took place during the year, as well as reviews of the disclosure of pertinent information to ensure that it was accurate, complete and in compliance with the Stock Exchange of Thailand's relevant notifications, regulations and guidelines.

The Audit Committee is of the opinion that Management entered into such transactions for the Company's best interests, on an arm's length basis, at reasonable prices, and with sufficient disclosure of information.

3. REVIEWS OF COMPLIANCE WITH LAWS

The Company's operational review and monitoring of compliance with securities laws, the Stock Exchange of Thailand's regulations and other major laws related to the Company's core business were set by the Audit Committee. The Internal Audit Committee was instructed to include compliance audit as one of its key tasks. The meetings with the Company's Legal Department regarding its performance are held quarterly.

According to the review, the Audit Committee found no indications leading to a belief that the Company intended to be in non-compliance and/or practices conflicting with or violating provisions of laws significantly, except lawsuits were filed against the Company by customers. In order to avoid disputes over misunderstanding between the Company and customers, the Audit Committee suggested that the Company should be more careful to present information of projects.

4. REVIEWS OF THE INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Audit Committee reviewed the internal control system and risk management to assess its adequacy and effectiveness in accordance with the guidelines of the Office of the Securities and Exchange and the standard of the system, including the consideration of the internal audit report against the approved work plan and the audit report of the external consultant firm. In addition, the Company has hired an Internal Auditor for both its subsidiaries and the joint venture companies in over sea.

In 2014, the internal auditor was hired to audit the key task of the Company. No significant weaknesses or deficiencies were found. Moreover, the Company is also aware of the risks of business operations caused by external factors that could not be controlled and may affect the reputation, business continuity and trustworthy of the Company. The Company has set up the Business Continuity Management Project (BCM) by providing consultants team with experience and expertise to actualize the project. In order to ensure business continuity management systems are effective and ensure that if the crisis may occur, the company is able to operate continuously or to conduct business in a timely manner. The Audit Committee is of the opinion that the Company has an appropriate, sufficient and effective internal control system.

5. SUPERVISION OF THE INTERNAL CONTROL FUNCTION

The Audit Committee considered the mission, the scope of operations of internal audit unit, duties and responsibilities, auditor independence, organization and manpower, as well as reviewed and approved the 2014 Audit Schedule, prepared in accordance with the risks assessment of the Company's departments,

the Audit Quality Improvement Plan, the development of the knowledge skills and expertise of the internal audit personnel, and the survey of satisfaction of executives and the audited departments at all levels.

6. THE GOOD CORPORATE GOVERNANCE

In 2014, the Audit Committee approved the Company announced its intention to participate in Thai Private Sector Collective Action Coalition Against Corruption. In order to express and commitment in the fight against all forms of the corruptions, including focus on the management of good corporate governance such a control procedure that could create operational efficiency, transparency, ethics and accountability of the Company. Caused trustworthy and confidence of its shareholders, investors and all groups of its stakeholders. Thus will support the operations of the Company including the stability and sustainable growth in long term.

Moreover, the Company has setup the GRC unit which has accountability to take care the related assignment with the good corporate governance, risk management and the compliance issues; also undertaking policy and the counsel of the Corporate Governance Committee, Risk Management Committee and Audit Committee. Then the GRC will designate, communicate or implement and monitor the imperative rules that could enhance the effectiveness of good corporate governance of the Company.

7. THE REPORT ON THE OPERATIONAL PERFORMANCE

The Audit Committee reported the Quarterly reports on the operation of the Audit Committee to the Board of Directors. Opinions and recommendations for managerial purposes were presented to Management, who has made appropriate improvements and adjustments as recommended. Furthermore, the self-assessment on the operation of the Audit Committee was arranged in order to use as a guideline to improve their operational performance.

8. REVIEW OF THE AUDIT COMMITTEE CHARTER

In 2014, The Audit Committee Charter was reviewed in order to assess the scope of duties, responsibilities, and authority as assignation of the Board of Director. The charter is the key to support the duties and responsibilities of the Audit Committee as the Audit Committee can operate effectively in accordance to the regulation of the Stock Exchange of Thailand. The Audit Committee is of the opinion that the charter is suitable and complies with the policy of good corporate governance outline.

9. SELECTION OF THE AUDITORS FOR 2015

Nominating the Auditors and proposing their fee to the Board of Directors for submission to the 2015 Shareholders' Meeting for approval.

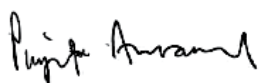
The Audit Committee considered the independence, performance and service of the Auditors, as well as the appropriateness of the fee and was of the opinion that the Auditors had expressed opinions and made recommendations beneficial for the preparations of financial reports and internal control. It was therefore deemed appropriate to propose that the Board of Directors request approval from the Shareholders' Meeting to re-appoint the auditors from KPMG Phoomchai Audit Ltd, as the Company's Auditors, for 2015.

In 2014, the Audit Committee performed its assigned duties and responsibilities, using the members' knowledge and competence with carefulness and sufficient independence, without limitation to access to information from the executives, staff members or the relevant people. The Committee also expressed opinions and made recommendations for equitable benefits to all relevant stakeholders.

As a summary of the overall perspective, the Audit Committee is of the opinion that the Company's Board of Directors and its executives are ethical and committed to performing their duties to achieve its objectives, and have placed utmost importance to managing the operation under an effective internal control environment, appropriate and watertight risk management, sufficient good corporate governance with transparency and trustworthiness, as well as continual improvement of the operations systems.

This Audit Committee Report was reviewed and approved by the Audit Committee on January 19, 2015.

On behalf of the Audit Committee



Dr. Piyasvasti Amranand

Chairman, Audit Committee

Pruksa Real Estate Public Company Limited

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Prukسا Real Estate Public Company Limited.

I have audited the accompanying consolidated and separate financial statements of Prukسا Real Estate Public Company Limited and its subsidiaries (the "Group") and of Prukسا Real Estate Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate 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 consolidated and separate financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Vipavan Pattavanvivek)

Certified Public Accountant

Registration No. 4795

KPMG Phoomchai Audit Ltd.

Bangkok

17 February 2015

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
(in Baht)					
Current assets					
Cash and cash equivalents	5	523,694,616	1,036,163,459	359,044,672	618,165,903
Current investments	6	447,522,764	779,035,806	206,623,838	173,803,259
Receivable from subsidiaries	4	-	-	482,899,191	671,562,423
Short-term loans and accrued interest income-subsidiaries	4	-	-	2,496,381,287	3,823,405,003
Real estate projects under development	7	53,826,796,216	48,686,640,960	44,596,727,971	40,250,263,593
Deposits for purchase of land		293,012,695	562,133,852	293,012,695	562,133,852
Advance payment for goods		706,542,584	866,456,811	640,193,974	846,417,766
Other current assets		230,696,648	360,659,146	152,738,309	174,208,250
Total current assets		56,028,265,523	52,291,090,034	49,227,621,937	47,119,960,049
Non-current assets					
Investments in subsidiaries	8	-	-	3,199,998,800	3,199,998,800
Investment properties	10	466,789,962	610,611,907	258,518,594	432,850,450
Property, plant and equipment	11	3,890,265,735	2,702,346,175	3,817,754,018	2,599,784,850
Intangible assets	12	271,430,145	252,533,990	268,201,348	247,723,203
Deferred tax assets	13	202,432,922	200,097,763	164,501,774	163,976,205
Other non-current assets		174,297,114	137,668,445	117,402,413	107,658,415
Total non-current assets		5,005,215,878	3,903,258,280	7,826,376,947	6,751,991,923
Total assets		61,033,481,401	56,194,348,314	57,053,998,884	53,871,951,972

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		(in Baht)			
<i>Current liabilities</i>					
Short-term loans from financial institutions	14	2,047,611,611	6,697,550,116	2,047,611,611	6,697,550,116
Trade accounts payable					
- Subsidiary	4, 15	-	-	117,186,524	224,289,169
- Others	15	2,129,163,370	2,090,331,626	1,796,220,788	1,687,318,500
Payables for purchase of land		2,094,324,444	3,197,502,510	2,094,324,444	3,197,502,510
Short-term loans and accrued interest					
expense-subsiidiaries	4, 14	-	-	630,827,096	566,289,979
Current portion of long-term loans	14	247,000,000	250,000,000	247,000,000	250,000,000
Current portion of long-term debentures	14	3,000,000,000	-	3,000,000,000	-
Current portion of finance lease liabilities	14	4,349,503	7,205,345	4,349,503	7,205,345
Customers' deposits		1,439,821,092	1,749,285,605	1,304,495,637	1,503,576,055
Income tax payable		820,021,658	652,222,376	567,336,257	420,531,107
Other current liabilities	16	2,194,405,661	2,352,821,455	1,877,299,105	2,072,212,036
Total current liabilities		13,976,697,339	16,996,919,033	13,686,650,965	16,626,474,817
<i>Non-current liabilities</i>					
Long-term debentures	14	17,000,000,000	14,000,000,000	17,000,000,000	14,000,000,000
Finance lease liabilities	14	1,839,232	7,563,133	1,382,177	6,653,689
Employee benefit obligations	17	203,930,675	114,695,469	196,964,004	112,416,093
Provision for litigation and claims	33	143,876,733	142,550,000	119,299,150	141,000,000
Total non-current liabilities		17,349,646,640	14,264,808,602	17,317,645,331	14,260,069,782
Total liabilities		31,326,343,979	31,261,727,635	31,004,296,296	30,886,544,599

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
(in Baht)					
Equity					
Share capital	18				
Authorised share capital		2,270,298,800	2,265,812,000	2,270,298,800	2,265,812,000
Issued and paid-up share capital		2,226,675,700	2,222,832,600	2,226,675,700	2,222,832,600
Premium on ordinary shares	18	1,672,383,027	1,594,285,717	1,672,383,027	1,594,285,717
Warrants	19	17,665,787	18,393,474	17,665,787	18,393,474
Retained earnings					
Appropriated					
Legal reserve	20	227,029,880	226,581,200	227,029,880	226,581,200
Unappropriated		25,702,391,534	20,938,556,306	21,958,479,236	18,923,294,263
Other components of equity	20	(140,098,541)	(69,788,214)	(52,531,042)	20,119
Equity attributable to owners of the Company		29,706,047,387	24,930,861,083	26,049,702,588	22,985,407,373
Non-controlling interests		1,090,035	1,759,596	-	-
Total equity		29,707,137,422	24,932,620,679	26,049,702,588	22,985,407,373
Total liabilities and equity		61,033,481,401	56,194,348,314	57,053,998,884	53,871,951,972

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2014	2013	2014	2013
		(in Baht)			
Continuing Operations					
Income					
Revenue from sale of real estate		42,781,025,500	38,847,725,460	33,829,327,743	32,049,115,474
Revenue from sale of raw materials	4	-	-	666,420,267	536,261,726
Dividend income	4, 8	-	-	-	599,999,788
Other income		245,945,598	193,397,929	420,888,814	446,130,939
Total income		43,026,971,098	39,041,123,389	34,916,636,824	33,631,507,927
Expenses					
Cost of real estate sales		27,094,617,521	25,349,908,981	21,787,306,389	21,158,869,143
Cost of raw material sales		-	-	554,452,457	517,404,076
Selling expenses	22	3,363,567,509	3,046,022,233	2,704,132,406	2,569,575,520
Administrative expenses	23	3,727,383,626	3,030,750,788	3,282,419,666	2,779,158,166
Finance costs	26	375,865,951	415,062,211	394,959,074	422,654,292
Total expenses		34,561,434,607	31,841,744,213	28,723,269,992	27,447,661,197
Profit before income tax expense		8,465,536,491	7,199,379,176	6,193,366,832	6,183,846,730
Income tax expense	27	(1,811,690,444)	(1,398,606,065)	(1,267,501,479)	(1,008,815,490)
Profit for the year		6,653,846,047	5,800,773,111	4,925,865,353	5,175,031,240

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Other comprehensive income				
Foreign currency translation differences for				
foreign operations	(14,284,992)	4,796,434	-	-
Net change in fair value of available-for-sale investments	(121,705)	(284,512)	8,535	(16,325)
Defined benefit plan actuarial losses	(55,903,630)	-	(52,559,696)	-
Other comprehensive income for the year, net of income tax	(70,310,327)	4,511,922	(52,551,161)	(16,325)
Total comprehensive income for the year	<u>6,583,535,720</u>	<u>5,805,285,033</u>	<u>4,873,314,192</u>	<u>5,175,014,915</u>
Profit (loss) attributable to:				
Owners of the Company	6,654,515,608	5,801,817,562	4,925,865,353	5,175,031,240
Non-controlling interests	(669,561)	(1,044,451)	-	-
Profit for the year	<u>6,653,846,047</u>	<u>5,800,773,111</u>	<u>4,925,865,353</u>	<u>5,175,031,240</u>
Total comprehensive income attributable to:				
Owners of the Company	6,584,205,281	5,806,329,484	4,873,314,192	5,175,014,915
Non-controlling interests	(669,561)	(1,044,451)	-	-
Total comprehensive income for the year	<u>6,583,535,720</u>	<u>5,805,285,033</u>	<u>4,873,314,192</u>	<u>5,175,014,915</u>
Earnings per share				
Basic earnings per share	29	2.99	2.61	2.21
Diluted earnings per share	29	2.99	2.61	2.33

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF CHANGES IN EQUITY

Consolidated financial statements											
Retained earnings						Other components of equity					
	Issued and paid-up share capital	Premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments (in Baht)	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non - controlling interests	Total equity
Year ended 31 December 2013											
Balance at 1 January 2013	2,213,222,000	1,451,559,091	17,192,869	225,575,340	16,248,182,209	625,447	(74,925,583)	(74,300,136)	20,081,431,373	354,047	20,081,785,420
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	30	-	-	-	(1,110,437,605)	-	-	-	(1,110,437,605)	-	(1,110,437,605)
Share-based payment transaction	19	-	-	-	-	-	-	-	12,329,696	-	12,329,696
Warrants exercised	18	9,610,600	142,726,626	-	-	-	-	-	141,208,135	-	141,208,135
Total contributions by and distributions to owners of the Company		9,610,600	142,726,626	-	(1,110,437,605)	-	-	-	(956,899,774)	-	(956,899,774)
Changes in ownership interests in subsidiaries											
Acquisition of indirect subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	2,450,000	2,450,000
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	2,450,000	2,450,000
Total transactions with owners, recorded directly in equity		9,610,600	142,726,626	-	(1,110,437,605)	-	-	-	(956,899,774)	2,450,000	(954,449,774)
Comprehensive income for the year											
Profit for the year		-	-	-	5,801,817,562	-	-	-	5,801,817,562	(1,044,451)	5,800,773,111
Other comprehensive income		-	-	-	-	(284,512)	4,796,434	4,511,922	4,511,922	-	4,511,922
Total comprehensive income for the year		-	-	-	5,801,817,562	(284,512)	4,796,434	4,511,922	5,806,329,484	(1,044,451)	5,805,285,033
Transfer to legal reserve		-	-	1,005,860	(1,005,860)	-	-	-	-	-	-
Balance at 31 December 2013		2,222,832,600	1,594,285,717	18,393,474	226,581,200	20,938,556,306	340,935	(70,129,149)	24,930,861,083	1,759,596	24,932,620,679

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

Consolidated financial statements												
	Retained earnings				Other components of equity							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Warrants	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	(in Baht)				
								Currency translation differences	Defined benefit plan actuarial differences	Total other components of equity	Equity attributable to owners of the Company	Non - controlling interests
Total equity												

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES **STATEMENT OF CHANGES IN EQUITY**

Separate financial statements						
	Note	Retained earnings				Other components of equity
		Issued and paid-up share capital	Premium on ordinary shares	Warrants	Legal reserve (in Baht)	Fair value changes in available-for-sale investments
Year ended 31 December 2013						
Balance at 1 January 2013		2,213,222,000	1,451,559,091	17,192,869	225,575,340	14,859,706,488
Transactions with owners, recorded directly in equity						36,444
Contributions by and distributions to owners of the Company						
Dividends to owners of the Company	30	-	-	-	-	(1,110,437,605)
Share-based payment transaction	19	-	-	12,329,696	-	-
Warrants exercised	18	9,610,600	142,726,626	(11,129,091)	-	-
Total transactions with owners, recorded directly in equity		9,610,600	142,726,626	1,200,605	-	-
Comprehensive income for the year						
Profit for the year		-	-	-	-	5,175,031,240
Other comprehensive income		-	-	-	-	(16,325)
Total comprehensive income for the year		-	-	-	-	5,175,031,240
Transfer to legal reserve		-	-	-	1,005,860	(1,005,860)
Balance at 31 December 2013		2,222,832,600	1,594,285,717	18,393,474	226,581,200	18,923,294,263
						20,119
						22,985,407,373

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF CHANGES IN EQUITY

Separate financial statements										
	Note	Retained earnings			Other components of equity					
		Issued and paid-up share capital	Premium on ordinary shares	Warrants	Legal reserve	Unappropriated (in Baht)	Fair value changes in available-for-sale investments	Defined benefit plan actuarial differences	Total other components of equity	
										Total equity
Year ended 31 December 2014										
Balance at 1 January 2014		2,222,832,600	1,594,285,717	18,393,474	226,581,200	18,923,294,263	20,119	-	20,119	22,985,407,373
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Dividends to owners of the Company	30	-	-	-	-	(1,890,231,700)	-	-	-	(1,890,231,700)
Share-based payment transaction	19	-	-	11,824,158	-	-	-	-	-	11,824,158
Warrants exercised	18	3,843,100	78,097,310	(12,551,845)	-	-	-	-	-	69,388,565
Total transactions with owners, recorded directly in equity		3,843,100	78,097,310	(727,687)	-	(1,890,231,700)	-	-	-	(1,809,018,977)
Comprehensive income for the year										
Profit for the year		-	-	-	-	4,925,865,353	-	-	-	4,925,865,353
Other comprehensive income		-	-	-	-	-	8,535	(52,559,696)	(52,551,161)	(52,551,161)
Total comprehensive income for the year		-	-	-	-	4,925,865,353	8,535	(52,559,696)	(52,551,161)	4,873,314,192
Transfer to legal reserve										
		-	-	-	448,680	(448,680)	-	-	-	-
Balance at 31 December 2014		2,226,675,700	1,672,383,027	17,665,787	227,029,880	21,958,479,236	28,654	(52,559,696)	(52,531,042)	26,049,702,588

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Cash flows from operating activities				
Profit for the year	6,653,846,047	5,800,773,111	4,925,865,353	5,175,031,240
Adjustments for				
Allowance for decline in value of real estate projects under development (reversal of)	55,743,356	(34,934,744)	(10,463,452)	(36,338,093)
Allowance for impairment loss on investment properties	41,656,823	45,063,710	41,656,823	6,027,525
Allowance for impairment loss on assets	76,808,138	-	-	-
Reversal of allowance for deposits for purchase of land	-	(12,230,800)	-	(12,200,000)
Depreciation and amortisation	348,585,067	374,011,368	303,346,334	304,233,323
Loss (gain) from disposal of equipment	(4,157,914)	(7,689,535)	4,811,636	(939,628)
Loss from disposal of intangible assets	8,628,501	-	8,628,501	-
Gain on sale of investment properties	(91,975,646)	-	(91,975,646)	-
Dividend income from subsidiaries	-	-	-	(599,999,788)
Currency translation differences	(18,000,892)	5,666,244	-	-
Employees benefits	19,355,669	20,943,599	18,848,291	20,056,231
Shared-based payment transaction	11,824,158	12,329,696	11,824,158	12,329,696
Provision for litigation and claims (reversal of)	1,326,733	36,655,000	(21,700,850)	35,105,000
Gain on disposal of current investments	(5,034,050)	(14,520,260)	(1,605,626)	(7,726,269)
Finance costs	375,865,951	415,062,211	394,959,074	422,654,292
Income tax expense	1,811,690,444	1,398,606,065	1,267,501,479	1,008,815,490
	9,286,162,385	8,039,735,665	6,851,696,075	6,327,049,019
Changes in operating assets and liabilities				
Receivable from subsidiaries	-	-	188,663,232	(209,903,873)
Real estate projects under development	(4,490,885,891)	(10,648,689,810)	(3,757,331,233)	(8,271,967,593)
Deposits for purchase of land	269,314,722	254,658,154	269,121,157	254,627,354
Advance payment for goods	159,892,777	(345,121,813)	206,223,792	(344,820,332)
Other current assets	52,754,170	(81,090,044)	183,492,645	(49,696,580)
Other non-current assets	(36,628,669)	(22,713,186)	(9,743,998)	(24,275,880)
Trade accounts payable-subsiary	-	-	(107,102,645)	(99,121,266)
Trade accounts payable-others	39,136,720	563,289,911	108,902,288	379,777,915
Payables for purchase of land	(1,103,178,066)	2,729,406,965	(1,103,178,066)	2,729,406,965

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Customers' deposits	(309,464,513)	(219,213,834)	(199,080,418)	(160,284,753)
Other current liabilities	(209,656,310)	799,671,427	(218,977,699)	736,918,380
Cash generated from operating activities	3,657,447,325	1,069,933,435	2,412,685,130	1,267,709,356
Income tax paid	(1,628,647,055)	(1,292,111,391)	(1,108,081,973)	(1,010,444,367)
Net cash from (used in) operating activities	2,028,800,270	(222,177,956)	1,304,603,157	257,264,989
<i>Cash flows from investing activities</i>				
Dividend received from subsidiaries	-	-	-	599,999,788
Purchase of investment properties	-	(24,263,063)	-	(24,263,063)
Proceeds from sale of investment properties	236,949,800	-	236,949,800	-
Purchase of property, plant and equipment	(1,515,960,559)	(848,814,510)	(1,477,585,849)	(795,443,237)
Proceeds from sale of equipment	40,440,678	41,165,850	10,429,162	28,937,233
Purchase of intangible assets	(60,556,703)	(93,384,015)	(60,556,703)	(93,384,015)
Increase in short-term loans to subsidiaries	-	-	(3,688,892,407)	(2,881,549,630)
Cash received from short-term loans to subsidiaries	-	-	4,853,893,419	1,857,083,178
Purchase of current investments	(13,588,572,007)	(25,784,270,865)	(8,534,392,202)	(19,797,669,402)
Sale of current investments	13,924,966,967	25,869,700,843	8,503,185,785	20,084,010,238
Decrease (increase) in investments in subsidiaries	-	2,450,000	-	(1,025,000,000)
Net cash used in investing activities	(962,731,824)	(837,415,760)	(156,968,995)	(2,047,278,910)
<i>Cash flows from financing activities</i>				
Finance costs paid	(1,104,755,649)	(1,089,908,835)	(966,995,834)	(874,059,062)
Dividends paid	(1,890,231,700)	(1,110,437,605)	(1,890,231,700)	(1,110,437,605)
Increase in short-term loans from subsidiaries	-	-	82,261,809	585,723,045
Repayment of short-term loans from subsidiaries	-	-	(48,239,728)	(524,020,393)
Increase (decrease) in short-term loans from financial institutions, net	(4,649,938,505)	5,168,796,191	(4,649,938,505)	5,418,796,191

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Proceeds from long-term loans	1,087,000,000	-	1,087,000,000	-
Repayment of long-term loans	(1,090,000,000)	(3,229,580,000)	(1,090,000,000)	(3,229,580,000)
Proceed from long-term debentures	6,000,000,000	6,000,000,000	6,000,000,000	6,000,000,000
Repayment of long-term debentures	-	(4,500,000,000)	-	(4,500,000,000)
Proceeds from issue of ordinary shares	69,388,565	141,208,135	69,388,565	141,208,135
Net cash from (used in) financing activities	<u>(1,578,537,289)</u>	<u>1,380,077,886</u>	<u>(1,406,755,393)</u>	<u>1,907,630,311</u>
Net increase (decrease) in cash and cash equivalents	(512,468,843)	320,484,170	(259,121,231)	117,616,390
Cash and cash equivalents at beginning of year	1,036,163,459	715,679,289	618,165,903	500,549,513
Cash and cash equivalents at end of year	<u>5</u> <u>523,694,616</u>	<u>1,036,163,459</u>	<u>359,044,672</u>	<u>618,165,903</u>
Non-cash transactions:				
Equipment payable which have not yet been paid	32,425,724	(16,741,277)	35,647,750	(12,995,412)
Transfer of investment properties from real estate projects under development, net	42,809,032	503,582,963	12,299,122	286,785,321

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

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 17 February 2015.

I General information

Pruksa Real Estate Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 979/83, SM Tower 27th floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 2005.

The Company’s major shareholder during the financial year was Vijitpongpun family (69.49% shareholding).

The principal activity of the Company is real estate development in Thailand. Details of the Company’s subsidiaries and jointly-controlled entities as at 31 December 2014 and 2013 are disclosed in notes 4, 8, and 9.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting

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TFRS	Topic
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets - Web Site Costs

The Initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 35.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Available-for-sale financial assets are measured at fair value;
- The present value of the defined benefit obligations.

(c) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) *Use of estimates and judgments*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3 (s)	Current and deferred taxation
Note 13	Utilisation of tax losses
Note 17	Measurement of defined benefit obligations
Note 19	Measurement of share-based payments
Note 33	Provisions and contingent liability

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basic of consolidation*

The consolidated financial statements relate to the Company, its subsidiaries and proportionately-consolidated jointly-controlled entities (together referred to as the "Group").

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, income and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate arising from investing and financing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of interest rates

Derivatives are recognised on an accrual basis in the same aspect as interest expense of the hedged loans. Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

(d) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activity for the purpose of the statement of cash flows.

(e) *Other accounts receivable*

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Real estate projects under development*

Real estate projects under development are projects which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and estimated net realisable value.

Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate projects under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

The cost of construction materials is calculated using the moving-weighted average cost principle.

The cost of sample houses and real estate projects under development is calculated using standard cost adjusted to approximate average cost which includes an appropriate share of production overheads based on normal operating capacity.

The cost of land is calculated using specifically identified costs.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(g) *Investments*

Investments in subsidiaries and jointly-controlled entities

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in jointly-controlled entities in the consolidated financial statements are accounted for using the proportionate consolidation method.

Investments in mutual fund

Mutual funds are marketable equity securities, classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss.

The fair value of investments in mutual fund is determined as the net asset value at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties comprised land, which is stated at cost less impairment losses.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	8 - 10 years
Building and decoration	3 - 27 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	3, 5 years
Public utilities	20 years
Transportation equipment	5 years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(j) *Intangible assets*

Software licenses

Software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are 10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The calculation is performed by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of share-based payment warrants granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the warrants. The amount recognised as an expense is adjusted to reflect the actual number of qualified warrants for which the related service and non-market vesting conditions are expected to be met.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Real estate development projects

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or after delivery, revenue is recognised when the criteria described above for sales of goods and services are met.

Dividend income

Dividend income is recognised in the profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income are recognised in the profit or loss as they accrue.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(t) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(u) *Segment reporting*

Segment results that are reported to the Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly primarily the Company's headquarters assets and head office revenues and expenses and tax assets.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 8 to the financial statements. Relationships with jointly-controlled entities, key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Pruksha HDC Housing Private Limited	Maldives	Jointly-controlled entity, 80.00% shareholding by a subsidiary
Pruksha - Luxora Housing Private Limited	India	Jointly-controlled entity, 50.00% shareholding by a subsidiary
Kaysorn Construction Company Limited	Maldives	Branch of Kaysorn Construction Company Limited
Thongma Vijitpongpun	Thai	Major shareholder, 10% or more shareholding, and a director
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Significant transactions and pricing policies for the years ended 31 December with related parties were as follows:

Transactions		Pricing policies	Separate financial statements	
			2014	2013
(in million Baht)				
Subsidiaries				
Sales of raw materials	Cost plus margin	666.42	536.26	
Sale of lands	Agreed price	167.83	38.30	
Dividend income	The declared amount	-	600.00	
Interest income	MMR and MLR	210.25	290.51	
Other income	Cost plus 1% to 5%	7.90	2.49	
Interest expense	MLR -1.5%	30.62	21.05	
Cost of real estate projects under development	Agreed price	126.96	-	

Key management personnel compensation

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in million Baht)</i>				
Short-term employee benefits	124.50	116.60	124.50	116.60
Post-retirement benefits	2.34	2.20	2.34	2.20
Share-base payments	3.47	3.71	3.47	3.71
Total key management personnel compensation	130.31	122.51	130.31	122.51

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Balances as at 31 December with related parties were as follows:

	Separate financial statements	
	2014	2013
	(in million Baht)	
<i>Receivable from subsidiaries</i>		
Phanalee Estate Co., Ltd.	427.42	463.19
Putthachart Estate Co., Ltd.	14.21	159.08
Kaysorn Construction Co., Ltd.	41.27	36.33
Prukha Vietnam Construction Co., Ltd.	-	12.50
Prukha India Housing Private Limited	-	0.46
	<u>482.90</u>	<u>671.56</u>
<i>Short-term loans to subsidiaries</i>		
Phanalee Estate Co., Ltd.	2,251.52	2,287.75
Putthachart Estate Co., Ltd.	38.96	966.70
Kaysorn Construction Co., Ltd.	184.67	385.70
	<u>2,475.15</u>	<u>3,640.15</u>
<i>Accrued interest income-subsidiaries</i>		
Phanalee Estate Co., Ltd.	13.77	60.00
Putthachart Estate Co., Ltd.	1.44	85.16
Kaysorn Construction Co., Ltd.	6.02	38.10
	<u>21.23</u>	<u>183.26</u>
<i>Total short-term loans and accrued interest income-subsidiaries</i>	<u>2,496.38</u>	<u>3,823.41</u>
<i>Advance for construction-real estate projects under development - subsidiary (presents under other current assets)</i>		
Thanatep Engineering and Construction Co., Ltd.	<u>17.34</u>	<u>1.48</u>
<i>Trade accounts payable-subsidiary</i>		
Kaysorn Construction Co., Ltd.	<u>117.19</u>	<u>224.29</u>

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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	Separate financial statements	
	2014	2013
	(in million Baht)	
<i>Short-term loans from subsidiaries</i>		
Prukso International Co., Ltd.	430.00	410.00
Prukso Oversea Co., Ltd.	154.00	135.00
Phanalee Estate Co., Ltd.	-	0.02
Putthachart Estate Co., Ltd.	2.50	-
Kaysorn Construction Co., Ltd.	0.15	7.60
	<u>586.65</u>	<u>552.62</u>
<i>Accrued interest expense-subsidiaries</i>		
Prukso International Co., Ltd.	33.28	10.50
Prukso Oversea Co., Ltd.	10.80	3.17
Putthachart Estate Co., Ltd.	0.10	-
	<u>44.18</u>	<u>13.67</u>
<i>Total short-term loans and accrued interest expense-subsidiaries</i>	<u>630.83</u>	<u>566.29</u>

Movements during the years ended 31 December of short-term loans to subsidiaries were as follows:

	Separate financial statements	
	2014	2013
	(in million Baht)	
At 1 January	3,640.15	2,615.68
Increase	3,688.89	2,881.55
Decrease	(4,853.89)	(1,857.08)
At 31 December	<u>2,475.15</u>	<u>3,640.15</u>

Movements during the years ended 31 December of short-term loans from subsidiaries were as follows:

	Separate financial statements	
	2014	2013
	(in million Baht)	
At 1 January	552.62	490.92
Increase	82.26	585.72
Decrease	(48.23)	(524.02)
At 31 December	<u>586.65</u>	<u>552.62</u>

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Significant agreements with related parties

The Company entered into lease agreements covering office space (including related service charges) with a major shareholder and also a director of the Company, commencing October 2013 up to October 2015. The rental and service charges for the year ended 31 December 2014 amounted to Baht 3.2 million.

The Company and subsidiaries have partly registered land servitude accumulative value at 31 December 2014 of Baht 4.2 million and Baht 1,103.3 million, respectively, which is subject to servitudes and restrictions to the projects of the Group for construction of the utilities of the projects with no time limit. During the year ended 31 December 2014, the subsidiaries have registered land servitude and ceded land for the public interest amounting to Baht 272.3 million and for which the subsidiaries have received compensation of Baht 275.1 million.

In 2011, the Company and subsidiaries entered into loan agreements for loan lines totaling Baht 4,100 million. In addition, the subsidiaries entered into advance agreement with the Company. Loans and advances under such agreements are repayable on demand and bear interest at rates referenced to interest rates quoted by financial institutions.

The Company entered into property development agreements with Thanatep Engineering and Construction Co., Ltd., its subsidiary, totaling Baht 230.4 million. As at 31 December 2014, the Company had outstanding commitments of Baht 116.5 million with respect to the agreements.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Cash on hand	7	12	6	10
Cash at banks-current accounts	18	75	7	49
Cash at banks-savings accounts	261	167	145	28
Highly liquid short-term investments	-	82	-	1
Cheques on hand	237	699	200	529
Others	1	1	1	1
Total	524	1,036	359	618

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Thai Baht	433	850	359	618
India Rupee	4	89	-	-
Rufiyaa	9	9	-	-
US Dollars	77	88	-	-
Dong	1	-	-	-
Total	524	1,036	359	618

6 Current investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
<i>Current investments</i>				
Mutual fund-available for sale investments	448	778	207	173
Other	-	1	-	1
Total	448	779	207	174

Movements during the years ended 31 December of mutual fund-available for sale investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
At 1 January	778	849	173	451
Purchases during the year	13,589	25,784	8,534	19,798
Sales during the year	(13,919)	(25,855)	(8,500)	(20,076)
At 31 December	448	778	207	173

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The currency denomination of current investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Thai Baht	277	640	207	174
India Rupee	171	139	-	-
Total	448	779	207	174

7 Real estate projects under development

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in million Baht)			
Construction materials		414	439	331	339
Construction materials		1,107	1,007	918	889
Projects under development					
- land		25,181	25,601	20,506	21,191
- land improvements		2,126	1,802	1,588	1,404
- construction cost		9,486	6,054	8,390	5,538
- public utilities		2,134	1,633	1,695	1,298
- overhead costs		1,856	2,040	1,589	1,701
- interest costs		674	886	723	625
		41,457	38,016	34,491	31,757
Land, and land and houses for sale		8,926	5,999	7,227	4,876
Land held for development		2,066	3,313	1,687	2,456
Total		53,970	48,774	44,654	40,317
Less allowance for decline in value of real estate projects under development		(143)	(87)	(57)	(67)
Net		53,827	48,687	44,597	40,250
Finance costs capitalised during the year	26	748	689	591	465

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(projects)			
<i>Number of projects under development</i>				
Townhouse	139	146	95	102
Single house	57	61	49	54
Twin house	1	3	1	3
Condominium	44	42	36	39
Foreign	2	3	-	-
Total projects	243	255	181	198

Real estate projects under development (land and structure thereon) are used as collateral for credit facilities from banks (see note 14 to the financial statements).

8 Investments in subsidiaries

	Separate financial statements	
	2014	2013
	(in million Baht)	
At 1 January	3,200	2,175
Additional investments	-	1,025
At 31 December	3,200	3,200

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

	Type of business	Country of incorporation	Separate financial statements							
			Ownership interest		Paid-up capital		Cost method		Dividend income	
			2014	2013	2014	2013	2014	2013	2014	2013
			(%)				(in million Baht)			
			2014	2013	2014	2013	2014	2013	2014	2013
<i>Subsidiaries</i>										
<i>Direct</i>										
	Kaysorn Construction Co., Ltd.	Services, management, home decoration and construction	Thailand	100.00	100.00	100.0	100.0	100.0	-	-
	Puthachart Estate Co., Ltd.	Sale of real estate	Thailand	100.00	100.00	800.0	800.0	800.0	-	300.0
	Phanalee Estate Co., Ltd.	Sale of real estate	Thailand	100.00	100.00	800.0	800.0	800.0	-	300.0
	Pruksa Oversea Co., Ltd.	Investment	Thailand	100.00	100.00	500.0	500.0	500.0	-	-
	Pruksa International Co., Ltd.	Investment	Thailand	100.00	100.00	1,000.0	1,000.0	1,000.0	-	-

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Type of business	Country of incorporation	Ownership interest (%)		Separate financial statements			
					Paid-up capital		Cost method	
					2014	2013	2014	2013
								(in million Baht)
<i>Indirect</i>								
Pruksa India Housing Private Limited	Property development and construction	India	100.00	100.00	13.1	13.1	-	-
Pruksa India Construction Private Limited	Construction	India	100.00	100.00	0.7	0.7	-	-
Pruksa Vietnam Construction Company Limited	Construction	Vietnam	100.00	100.00	46.0	46.0	-	-
Pruksa Vietnam Company Limited	Property development and construction	Vietnam	100.00	100.00	106.1	106.1	-	-
Pruksa Oversea Service Company Limited	Service and management	Thailand	100.00	100.00	2.5	2.5	-	-
Pruksa Mohan Mutha Real Estate Private Limited	Pruksa Mohan Mutha Real Estate Private Limited	India	84.85	84.85	0.6	0.6	-	-
Thanatep Engineering and Construction Company Limited	Construction	Thailand	51.00	51.00	5.0	5.0	-	-
Total					3,200.0	3,200.0	-	600.0

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

9 Investments in jointly-controlled entities

The following summarised financial information on interests in jointly-controlled entities which have been proportionately consolidated in the consolidated financial statements represents the Group's share:

Type of business	Ownership interest (%)	(in million Baht)						Net profit (loss)
		Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	
2014								
Pruksa HDC Housing Private Limited	80	78	28	106	-	4	4	7 (7)
Pruksa - Luxora Housing Private Limited	50	-	-	-	-	-	-	-
Total		78	28	106	-	4	4	7 (7)
2013								
Pruksa HDC Housing Private Limited	80	84	28	112	4	-	4	102 20
Pruksa - Luxora Housing Private Limited	50	-	-	-	-	-	-	-
Total		84	28	112	4	-	4	102 20

The joint venture agreement provides that the joint venturers have joint control and management even though the voting right is less than 50%.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

10 Investment properties

	Consolidated financial statements	Separate financial statements
	(in million Baht)	
<i>Cost</i>		
At 1 January 2013	128	128
Additions	24	24
Transfer from real estate projects under development	583	366
At 31 December 2013 and 1 January 2014	735	518
Disposals	(145)	(145)
Transfer from real estate projects under development	43	12
At 31 December 2014	633	385
<i>Impairment loss</i>		
At 1 January 2013	-	-
Additions	45	6
Transfer from real estate projects under development	79	79
At 31 December 2013 and 1 January 2014	124	85
Additions	42	41
At 31 December 2014	166	126
<i>Net book value</i>		
At 1 January 2013	128	128
At 31 December 2013 and 1 January 2014	611	433
At 31 December 2014	467	259

The Group's and the Company's investment properties comprise land held for which there is no specific intention to use in the future. Investment properties of the Group and the Company as at 31 December 2014 appraised by firms of independent professional valuers, at market values were Baht 587.5 million and Baht 332.1 million (2013: Baht 771.5 million and Baht 514.8 million), respectively.

Collateral

The investment property at book value of Baht 127.8 million as at 31 December 2013 of the Company is used as collateral for credit facilities from banks (see note 14 to the financial statements). During 2014, the Company released collateral and sold such investment property.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

II Property, plant and equipment

	Consolidated financial statements						Total
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	
<i>Cost</i>							(in million Baht)
At 1 January 2013	304	886	1,922	378	17	67	3,664
Additions	502	1	74	71	-	5	859
Transfers, net	18	36	65	(16)	-	-	-
Disposals	-	(6)	(75)	(33)	-	(18)	(132)
Effect of movements in exchange rates	-	-	2	-	-	1	3
At 31 December 2013 and 1 January 2014	824	917	1,988	400	17	55	4,394
Additions	-	-	97	38	-	5	1,541
Transfers, net	21	7	70	(4)	-	1	-
Disposals	-	-	(155)	(17)	-	(9)	(196)
At 31 December 2014	845	924	2,000	417	17	52	5,739

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Consolidated financial statements								
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation	Total
								(in million Baht)
Accumulated depreciation and impairment losses								
At 1 January 2013	2	208	898	261	17	57	1	1,444
Depreciation charge for the year	2	66	210	63	-	5	-	346
Disposals	-	(4)	(50)	(27)	-	(16)	(1)	(98)
At 31 December 2013 and 1 January 2014	4	270	1,058	297	17	46	-	1,692
Depreciation charge for the year	3	54	206	48	-	4	-	315
Disposals	-	-	(135)	(15)	-	(8)	-	(158)
At 31 December 2014	7	324	1,129	330	17	42	-	1,849

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

Consolidated financial statements								
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation	Total
	(in million Baht)							
Net book value								
At 1 January 2013								
Owned assets	302	678	1,024	99	-	10	89	2,202
Assets under finance leases	-	-	-	18	-	-	-	18
	302	678	1,024	117	-	10	89	2,220
At 31 December 2013 and 1 January 2014								
Owned assets	820	647	930	89	-	9	193	2,688
Assets under finance leases	-	-	-	14	-	-	-	14
	820	647	930	103	-	9	193	2,702
At 31 December 2014								
Owned assets	838	600	871	81	-	10	1,484	3,884
Assets under finance leases	-	-	-	6	-	-	-	6
	838	600	871	87	-	10	1,484	3,890

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Separate financial statements						
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation
	<i>(in million Baht)</i>						
Cost							Total
At 1 January 2013	304	895	1,718	336	17	57	86
Additions	502	-	46	61	-	3	193
Transfers, net	18	25	70	(12)	-	-	(101)
Disposals	-	(4)	(59)	(29)	-	(12)	-
							(104)
At 31 December 2013 and 1 January 2014	824	916	1,775	356	17	48	178
Additions	-	-	67	34	-	4	1,401
Transfers, net	21	7	71	(4)	-	-	(95)
Disposals	-	-	(98)	(13)	-	(7)	-
							(118)
At 31 December 2014	845	923	1,815	373	17	45	1,484
							5,502

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Separate financial statements						Total
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation
					<i>(in million Baht)</i>		
<i>Accumulated depreciation and impairment losses</i>							
At 1 January 2013	2	217	788	238	17	50	1,312
Depreciation charge for the year	2	56	166	52	-	3	279
Disposals	-	(5)	(37)	(23)	-	(12)	(77)
At 31 December 2013 and 1 January 2014	4	268	917	267	17	41	1,514
Depreciation charge for the year	3	53	171	41	-	3	271
Disposals	-	-	(84)	(11)	-	(6)	(101)
At 31 December 2014	7	321	1,004	297	17	38	1,684

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Separate financial statements						Total
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	
	<i>(in million Baht)</i>						
<i>Net book value</i>							
At 1 January 2013							
Owned assets	302	678	930	80	-	7	2,083
Assets under finance leases	-	-	-	18	-	-	18
	302	678	930	98	-	7	2,101
At 31 December 2013 and 1 January 2014							
Owned assets	820	648	858	75	-	7	2,586
Assets under finance leases	-	-	-	14	-	-	14
	820	648	858	89	-	7	2,600

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Separate financial statements						Total
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation
At 31 December 2014							
Owned assets	838	602	811	71	-	7	3,813
Assets under finance leases	-	-	-	5	-	-	5
	838	602	811	76	-	7	3,818

(in million Baht)

The gross amount of the Company and the Group's fully depreciated property, plant and equipment but was still in use as at 31 December 2014 amounted to Baht 454 million and Baht 506 million, respectively.

Collateral

At 31 December 2014, the Company's property, plant and equipment with a net book value of Baht 1,498 million (2013: Baht 1,067 million) are used as collateral for credit facilities with banks (see note 14 to the financial statements).

Property, plant and equipment under construction

The Company is expanding the factory in order to increase the capacity for production of construction materials. Presently, this work is in the process of installation of machinery. The costs for the year ended 31 December 2014 were Baht 1,401 million.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

12 Intangible assets

	Consolidated financial statements Software licenses (in million Baht)	Separate financial statements Software licenses
<i>Cost</i>		
At 1 January 2013	285	267
Additions	93	93
At 31 December 2013 and 1 January 2014	378	360
Additions	61	61
Disposals	(9)	(9)
At 31 December 2014	430	412
<i>Accumulated amortisation</i>		
At 1 January 2013	98	87
Amortisation charge for the year	27	25
At 31 December 2013 and 1 January 2014	125	112
Amortisation charge for the year	34	32
At 31 December 2014	159	144
<i>Net book value</i>		
At 1 January 2013	187	180
At 31 December 2013 and 1 January 2014	253	248
At 31 December 2014	271	268

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

13 Deferred tax

Movements in total deferred tax assets and liability during the years were as follows:

	Consolidated financial statements			
		(Charged) / credited to		
	As at 1 January 2014	Profit or loss (Note 27)	Other comprehensive income	As at 31 December 2014
	(in million Baht)			
<i>Deferred tax assets</i>				
Real estate projects under development	16	(4)	-	12
Investment properties	25	8	-	33
Property, plant and equipment	28	(6)	-	22
Employee benefit obligations	20	4	14	38
Customers' deposits	84	2	-	86
Provision for litigation and claims	28	-	-	28
Foreign currency translation for foreign operations	18	-	3	21
Others	12	(4)	-	8
Total	231	-	17	248
<i>Deferred tax liability</i>				
Property, plant and equipment	(31)	(15)	-	(46)
Total	(31)	(15)	-	(46)
Net	200	(15)	17	202

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Consolidated financial statements		
	(Charged) / credited to		
	As at 1 January 2013	Profit or loss (Note 27)	Other comprehensive income
			As at 31 December 2013
<i>(in million Baht)</i>			
<i>Deferred tax assets</i>			
Real estate projects under development	49	(33)	-
Property, plant and equipment	26	27	-
Employee benefit obligations	17	3	-
Customers' deposits	59	25	-
Provision for litigation and claims	21	7	-
Foreign currency translation for foreign operations	19	-	(1)
Others	10	2	-
Total	201	31	(1)
<i>Deferred tax liability</i>			
Property, plant and equipment	(19)	(12)	-
Total	(19)	(12)	-
Net	182	19	(1)

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

	Separate financial statements			
		(Charged) / credited to		
	As at 1 January 2014	Profit or loss (Note 27)	Other comprehensive income	As at 31 December 2014
	(in million Baht)			
<i>Deferred tax assets</i>				
Real estate projects under development	13	(2)	-	11
Investment properties	17	8	-	25
Property, plant and equipment	22	-	-	22
Employee benefit obligations	20	4	13	37
Customers' deposits	84	(1)	-	83
Provision for litigation and claims	28	(4)	-	24
Others	11	(2)	-	9
Total	195	3	13	211
<i>Deferred tax liability</i>				
Property, plant and equipment	(31)	(15)	-	(46)
Total	(31)	(15)	-	(46)
Net	164	(12)	13	165

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

	Separate financial statements		
	(Charged) / credited to		
	As at 1 January 2013	Profit or loss (Note 27)	Other comprehensive income
			As at 31 December 2013
<i>(in million Baht)</i>			
<i>Deferred tax assets</i>			
Real estate projects under development	34	(21)	-
Property, plant and equipment	25	14	-
Employee benefit obligations	16	4	-
Customers' deposits	69	15	-
Provision for litigation and claims	21	7	-
Others	10	1	-
Total	175	20	-
<i>Deferred tax liability</i>			
Property, plant and equipment	(19)	(12)	-
Total	(19)	(12)	-
Net	156	8	-

As of 31 December 2014, deferred tax assets resulting from temporary differences and loss carry forward were not recognised in the consolidated financial statements totalling Baht 36 million as it is not probable that the Group will be able to utilise the benefits in the foreseeable future.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

14 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
<i>Current</i>				
Short-term loans from financial institutions				
Secured	650	1,018	650	1,018
Unsecured	1,398	5,680	1,398	5,680
Current portion of long-term loans				
Secured	247	-	247	-
Unsecured	-	250	-	250
Current portion of long-term debentures				
Unsecured	3,000	-	3,000	-
Short-term loans from subsidiaries				
Unsecured	-	-	587	553
Current portion of finance lease liabilities	4	7	4	7
Total current interest-bearing liabilities	5,299	6,955	5,886	7,508
<i>Non-current</i>				
Long-term debentures				
Unsecured	17,000	14,000	17,000	14,000
Finance lease liabilities	2	7	1	7
Total non-current interest-bearing liabilities	17,002	14,007	17,001	14,007
Total	22,301	20,962	22,887	21,515

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Within one year	5,299	6,955	5,886	7,508
After one year but within five years	17,002	14,007	17,001	14,007
Total	22,301	20,962	22,887	21,515

As at 31 December 2014, unutilised credit facilities totaled Baht 25,288 million, US Dollars 4 million and India Rupee 65 million for the Group, and Baht 24,754 million, US Dollars 4 million and India Rupee 65 million for the Company.

Credit facilities of the Company and the Group that used assets as collateral as at 31 December 2014 were as follows:

- (a) Loan lines from banks of Baht 6,644 million for the Company and the Group.
- (b) Bank overdraft lines of Baht 50 million for the Company and the Group.
- (c) Letter of guarantee lines of Baht 4,632 million, US Dollars 4 million and Indian Rupee 65 million for the Company and Baht 5,302 million, US Dollars 4 million and India Rupee 65 million for the Group.
- (d) Promissory note lines from bank of Baht 8,244 million for the Company and the Group.
- (e) Other credit facilities of Baht 555 million for the Company and the Group.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Credit facilities were secured on the following assets at carrying value:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Property, plant and equipment	1,498	1,067	1,498	1,067
Investment properties	-	128	-	128
Real estate projects under development (Land and properties)	10,287	11,005	9,709	10,007
Total	11,785	12,200	11,207	11,202

In addition, some part of subsidiaries' credit facilities are guaranteed by the Company.

Loans from financial institutions

Loans from financial institutions bear interest at market rates.

Certain loans contain restrictions on financial ratios, interest-bearing liabilities to equity ratio and payment of dividends.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Debenture

Debentures of the Group as at 31 December 2014 and 2013 were unsubordinated and unsecured with face value of Baht 1,000 per unit. At shareholders' meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Consolidated financial statements / Separate financial statements			
						Units		Amount	
						2014	2013	2014	2013
						(million units)			
						(in million Baht)			
No. 1/2010*									
Set 2	3.95% (former 3.75%)	every 3 months	5 years	June 2010	June 2015	1.0	1.0	1,000	1,000
No. 2/2010*									
Set 2	3.95% (former 3.75%)	every 3 months	5 years	November 2010	November 2015	2.0	2.0	2,000	2,000
No. 1/2012**									
Set 1	4.22%	every 3 months	3 years 6 months	September 2012	March 2016	0.6	0.6	600	600
Set 2	4.50%	every 3 months	5 years	September 2012	September 2017	0.6	0.6	600	600
Set 3	4.22%	every 3 months	3 years 6 months	September 2012	March 2016	2.4	2.4	2,400	2,400
Set 4	4.50%	every 3 months	5 years	September 2012	September 2017	1.4	1.4	1,400	1,400

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Consolidated financial statements / Separate financial statements			
						Units	Amount	2014	2013
						(million units)	(in million Baht)		
No. 1/2013***									
Set 1	3.58%	every 3 months	3 years 1 month	May 2013	June 2016	3.0	3,000	3,000	3,000
Set 2	3.99%	every 3 months	5 years	May 2013	May 2018	3.0	3,000	3,000	3,000
No. 1/2014**									
Set 1	3.78%	every 3 months	3 years	January 2014	January 2017	2.0	-	2,000	-
No. 2/2014****									
Set 1	3.61%	every 3 months	2 years 9 months	September 2014	June 2017	2.0	-	2,000	-
Set 2	3.80%	every 3 months	3 years 6 months	September 2014	March 2018	2.0	-	2,000	-
Total						20.0	14.0	20,000	14,000
Less current portion of long-term debentures						(3.0)	-	(3,000)	-
Unsubordinated and unsecured debentures - net of current portion						17.0	14.0	17,000	14,000

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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- * At the meeting of the debentures' holder of the Company held on 24 April 2012, the debenture holders approved the increase in interest rate by 0.20% from the original rate, effective from 24 April 2012 to the maturity date and approved the adjustment of liabilities to equity ratio that the Company is required to maintain from 1.5:1 to 2:1.
- ** At the annual general meeting of the shareholders of the Company held on 27 April 2012, the shareholders approved the issuance and offer for sale of debt securities not exceeding Baht 7,000 million to decrease the financial costs and support the expansion of project development. Such debentures will be offered to public investors and/or private investors following the declaration of the Securities and Exchange Commission that the Company may offer one-time sales and/or separate sales from time to time. During the third quarter of 2012, the Company issued debenture no. 1/2012 amounting to Baht 5,000 million and during the first quarter of 2014, the Company issued debenture no. 1/2014 amounting to Baht 2,000 million.
- *** At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the issuance and offer for sale of debt securities to support future expansion of the Company in the aggregate principle amount of not exceeding Baht 6,000 million and maturity of not exceeding 5 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the second quarter of 2013, the Company issued debenture no. 1/2013 amounting to Baht 6,000 million.
- **** At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the issuance and offer for sale of debt securities to support future expansion of the Company in the aggregate principal amount of not exceeding Baht 7,000 million and maturity of not exceeding 7 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the third quarter of 2014, the Company issued debenture no. 2/2014 amounting to Baht 4,000 million.

Movements during the years ended 31 December of debentures were as follows:

	Consolidated financial statements/ Separate financial statements	
	2014	2013
	(in million Baht)	
At 1 January	14,000	12,500
Issued during the year	6,000	6,000
Matured during the year	-	(4,500)
At 31 December	20,000	14,000

Interest-bearing liabilities of the Group and the Company as at 31 December 2014 and 2013 are entirely in Thai Baht.

15 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in million Baht)			
Related party	4	-	-	117	224
Other parties		2,129	2,090	1,796	1,687
Total		2,129	2,090	1,913	1,911

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht	2,129	2,072	1,913	1,911
US dollars	-	5	-	-
India Rupee	-	13	-	-
Total	2,129	2,090	1,913	1,911

16 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Accrued for real estate projects				
under development	280	786	188	679
Accrued for public utility	535	487	440	417
Accrued bonus	428	348	403	323
Retention payable	385	284	355	266
Accrued interest expense	67	48	67	48
Accrued withholding tax	56	47	47	41
Others	443	353	377	298
Total	2,194	2,353	1,877	2,072

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

17 Employee benefit obligations

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows:

Consolidated financial statements					
	2014	2013	2012	2011	2010
	(in million Baht)				
Present value of unfunded obligations					
Post-employment benefit	204	115	94	76	50

Separate financial statements					
	2014	2013	2012	2011	2010
	(in million Baht)				
Present value of unfunded obligations					
Post-employment benefit	197	112	92	75	47

Movement in the present value of the defined post-employment benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Defined benefit obligations at 1 January	115	94	112	92
Current service costs	16	18	16	17
Interest cost	5	3	5	3
Benefits paid by the plan	(2)	-	(2)	-
Actuarial losses in other comprehensive income	70	-	66	-
Defined benefit obligations at 31 December	204	115	197	112

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<i>Expense recognised in profit or loss</i>				
Current service cost	16	18	16	17
Interest on obligation	5	3	5	3
Total	21	21	21	20

Principal actuarial assumptions at the reporting date:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate (%)	3.6	3.6	3.6	3.6
Future salary increase (%)				
Employees	5 and 8	5 and 8	5 and 8	5 and 8
Retirement age (<i>year old</i>)	60	60	60	60

Assumptions regarding future mortality are based on published statistics and mortality tables.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

18 Share capital

	Par value	2014		2013	
	per share	Number	Amount	Number	Amount
	(in Baht)	(million shares / in million Baht)			
<i>Authorised</i>					
At 1 January					
ordinary shares	1	2,266	2,266	2,251	2,251
Reduction of ordinary shares	1	(11)	(11)	-	-
Issue of ordinary shares	1	15	15	15	15
At 31 December					
ordinary shares	1	2,270	2,270	2,266	2,266
<i>Issued and paid-up</i>					
At 1 January					
ordinary shares	1	2,223	2,223	2,213	2,213
Warrant exercise	1	4	4	10	10
At 31 December					
ordinary shares	1	2,227	2,227	2,223	2,223

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Reduction of authorised share capital

At the annual general meeting of shareholders of the company held on 25 April 2014, the shareholders approved the reduction in the Company's authorised share capital from Baht 2,266 million (2,266 million ordinary shares with a par value of Baht 1 per share) to Baht 2,255 million (2,255 million ordinary shares with a par value of Baht 1 per share) by canceling 10.5 million ordinary shares which are reserved for the exercising of warrants. The Company registered the reduction in the authorised share capital with the Ministry of Commerce on 2 May 2014.

Issue of authorised share capital

At the annual general meeting of shareholders of the Company held on 25 April 2014, the shareholders approved the increase in the Company's authorised share capital from Baht 2,255 million (2,255 million ordinary shares with a par value of Baht 1 per share) to Baht 2,270 million (2,270 million ordinary shares with a par value of Baht 1 per share) to accommodate the exercise of warrants (PS-WF). The Company registered the increase in the authorised share capital with the Ministry of Commerce on 4 June 2014.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Issue of ordinary shares

During the years ended 31 December 2014 and 2013, holders of warrants exercised their option to purchase ordinary shares of the Company as follows:

	Exercise price per share (in Baht)	Consolidated financial statements / Separate financial statements	
		2014	2013
		(in million units)	
PS-WC	14.35	-	6.1
PS-WD	15.30	3.0	3.5
PS-WE	28.19	0.8	-
Total		3.8	9.6

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19 Warrants

PS-WC

At the annual general shareholders' meeting held on 27 April 2010, the shareholders passed resolutions to approve the issuance of 22 million units of warrants under the Employee Stock Option Program (ESOP) to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	3 years from the issuance date of warrant
Propose to	Directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries
Issued and allotted	14,796,000 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 14.35 per share
Exercise period	First year was 2011 and expired in 2014.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

PS-WD

At the annual general shareholders' meeting held on 22 April 2011, the shareholders passed resolutions to approve the issuance of 22 million units of warrants under the Employee Stock Option Program (ESOP) to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries as followings:

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Propose to	Directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries
Issued and allotted as at 31 December 2014	11,689,700 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 15.30 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2012), the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.

Measurement of fair value

The fair value of the PS-WD warrants granted was measured based on the Binomial option pricing model. Expected volatility is estimated by considering historic at average share price volatility during the period 19 April 2010 to 19 April 2012.

The inputs used in the measurement of the fair values of PS-WD warrants were as follows:

Average fair value at grant date (Baht)	3.55
Share price at grant date (Baht)	14.6
Exercise price (Baht)	15.3
Expected volatility (%)	45.0
Expected dividends (%)	3.1
Risk-free interest rate (%)	3.00-3.53
Termination rate (%)	10.0

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The Company granted the rights to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries on 19 April 2012, which is the date that the Company informed conditions and agreements of the rights to exercise options to the directors and employees.

PS-WE

At the annual general shareholders' meeting held on 26 April 2013, the shareholders passed resolutions to approve the issuance of 15 million units of warrants under the Employee Stock Option Program (ESOP) to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Propose to	Directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries
Issued and allotted as at 31 December 2014	4,838,447 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 28.19 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2014), the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.

Measurement of fair value

The fair value of the PS-WE warrants granted was measured based on the Binomial option pricing model. Expected volatility is estimated by considering historic at average share price volatility during the period 24 February 2009 to 25 February 2014.

The inputs used in the measurement of the fair values of PS-WE warrants were as follows:

Average fair value at grant date (Baht)	2.55
Share price at grant date (Baht)	18.8
Exercise price (Baht)	28.19
Expected volatility (%)	45.0
Expected dividends (%)	3.0
Risk-free interest rate (%)	2.27-3.09
Risk-free interest rate (%)	10.0

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The Company granted the rights to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries on 25 February 2014, which is the date that the Company informed conditions and agreements of the rights to exercise options to the directors and employees.

PS-WF

At the annual general shareholders' meeting held on 25 April 2014, the shareholders passed resolutions to approve the issuance of 15 million units of warrants under the Employee Stock Option Program (ESOP) to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 16.28 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year.

As at 31 December 2014, there were no warrants in issue.

Movements during the years ended 31 December 2014 and 2013 in the units warrants were as follows:

	PS-WC	PS-WD	PS-WE	Total
	<i>(in million units)</i>			
At 1 January 2013	6.3	9.9	-	16.2
Warrants exercised during the year	(6.1)	(3.5)	-	(9.6)
Cancellation of warrants of resigned employees	(0.2)	(0.2)	-	(0.4)
At 31 December 2013 and 1 January 2014	-	6.2	-	6.2
Warrants issued during the year	-	-	4.8	4.8
Warrants exercised during the year	-	(3.0)	(0.8)	(3.8)
Cancellation of warrants of resigned employees	-	(0.8)	(0.2)	(1.0)
At 31 December 2014	-	2.4	3.8	6.2

The Thai Financial Reporting Standard 2 (TFRS2): Share-based Payment was effective for share-based payment awards granted on or after 1 January 2011. Therefore, according to TFRS2, the Company has to measure the fair value of the PS-WD and PS-WE Project warrants on the grant date.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Movements during the years ended 31 December 2014 and 2013 in the fair value of warrants were as follows:

	Consolidated financial statements / Separate financial statements		
	PS-WD	PS-WE	Total
	<i>(in million Baht)</i>		
At 1 January 2013	17.2	-	17.2
Warrants granted during the year	12.3	-	12.3
Warrants exercised during the year	(11.1)	-	(11.1)
At 31 December 2013 and 1 January 2014	18.4	-	18.4
Warrants granted during the year	5.0	6.8	11.8
Warrants exercised during the year	(10.9)	(1.7)	(12.6)
At 31 December 2014	12.5	5.1	17.6

The expense recognised in respect of share-based payment transactions for the year ended 31 December 2014 was Baht 11.8 million and Baht 11.8 million (2013: Baht 12.3 million and Baht 12.3 million), for the consolidated and separate financial statements, respectively.

20 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Defined benefit plan actuarial differences

The defined benefit plan actuarial differences account within equity comprises the cumulative net change in actuarial assumptions.

21 Segment information

The Group comprised the following reportable segments:

Segment 1 SBU Townhouse: Baan Pruksha, Pruksha Ville, The Connect, and SD3

Segment 2 SBU Condominium: Condominium I, Condominium II, and Condominium IV

Segment 3 SBU Single house: Pruksha Town, Passorn, and Pruksha Village

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Information about reportable segments:

Year ended	Segment 1		Segment 2		Segment 3		Total reportable segments		Others		Total	
31 December	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>											
External revenue	20,189	17,970	7,462	7,767	11,629	11,306	39,280	37,043	3,492	1,794	42,772	38,837
Inter-segment revenue	-	-	-	-	-	-	-	-	2,873	2,055	2,873	2,055
Other revenue	100	31	61	31	116	16	277	78	66	50	343	128
Total segment revenues	20,289	18,001	7,523	7,798	11,745	11,322	39,557	37,121	6,431	3,899	45,988	41,020
Segment profit (loss) before income tax	4,765	3,571	1,310	1,581	2,485	2,189	8,560	7,341	319	(176)	8,879	7,165
Segment assets as at 31 December	18,754	18,170	13,242	11,178	15,210	14,180	47,206	43,528	7,124	5,830	54,330	49,358
Segment liabilities as at 31 December	9,590	10,702	7,501	6,643	7,055	7,116	24,146	24,461	3,555	3,422	27,701	27,883

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2014	2013
	(in million Baht)	
Revenues		
Total revenue from reportable segments	39,557	37,121
Other revenue	6,431	3,899
	45,988	41,020
Elimination of inter-segment revenue	(2,873)	(2,055)
Other unallocated amounts	(88)	76
Consolidated revenue	43,027	39,041
Profit or loss		
Total profit for reportable segments	8,560	7,341
Other profit	319	(176)
	8,879	7,165
Elimination of inter-segment profits	(188)	67
Unallocated amounts	(226)	(33)
Consolidated profit before income tax	8,465	7,199
Assets		
Total assets for reportable segments	47,206	43,528
Other assets	7,124	5,830
	54,330	49,358
Other unallocated amounts	6,703	6,836
Consolidated total assets	61,033	56,194
Liabilities		
Total liabilities for reportable segments	24,146	24,461
Other liabilities	3,555	3,422
	27,701	27,883
Other unallocated amounts	3,625	3,379
Consolidated total liabilities	31,326	31,262

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenues		Non-current assets	
	2014	2013	2014	2013
	(in million Baht)			
Thailand	42,550	38,527	4,958	3,816
India	461	393	18	24
Maldives	16	120	29	47
Vietnam	-	1	-	16
Total	43,027	39,041	5,005	3,903

22 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Advertising expenses	1,102	994	882	844
Transfer expenses	1,674	1,527	1,344	1,278
Sales promotion	508	460	401	383
Public relation expenses	80	65	77	65
Total	3,364	3,046	2,704	2,570

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Employee benefit expenses	2,191	1,843	2,096	1,764
Allowance for impairment loss on assets	172	-	28	-
Professional fee	118	133	107	117
Rental fee	178	141	159	126
Others	1,068	914	892	772
Total	3,727	3,031	3,282	2,779

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Wages and salaries	1,677	1,489	1,548	1,373
Contributions to provident fund	104	46	97	42
Others - bonus and welfare	1,334	1,176	1,221	1,062
Total	3,115	2,711	2,866	2,477

Defined benefit plan

Details of the defined benefit plan are given in note 17 to the financial statements.

Defined contribution plan

The defined contribution plan comprises provident fund established by companies in the Group for their employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 5 - 10% of their basic salaries and by the Group at rates 5 - 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

25 Expenses by nature

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirement of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in million Baht)			
Changes in land, land and houses for sale, and real estate projects under development		(6,368)	(13,743)	(5,085)	(10,604)
Raw materials and consumables used		19,068	11,098	14,757	8,562
Employee benefit expenses	24	3,115	2,711	2,866	2,477
Depreciation and amortisation		349	374	303	304

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

26 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in million Baht)			
Finance costs					
Subsidiaries	4	-	-	31	21
Financial institutions		1,124	1,104	955	867
Total		1,124	1,104	986	888
Less amounts included in the cost of qualifying assets:					
- real estate projects under development	7	(748)	(689)	(591)	(465)
Net		376	415	395	423

27 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in million Baht)			
<i>Current tax expense</i>					
Current year		1,789	1,420	1,255	1,017
Adjustment for prior years		8	(2)	-	-
		1,797	1,418	1,255	1,017
<i>Deferred tax expense</i>	13				
Movements in temporary differences		15	(21)	12	(8)
Income tax reduction - deferred		-	2	-	-
		15	(19)	12	(8)
Total		1,812	1,399	1,267	1,009

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of effective tax rate

Consolidated financial statements			
	2014		2013
	Rate (%)	(in million Baht)	Rate (%)
		(in million Baht)	(in million Baht)
Profit for the year		6,654	5,800
Total income tax expense		1,812	1,399
Profit before tax		8,466	7,199
Income tax using the Thai corporation tax rate	20	1,693	20
Income tax reduction - deferred		-	2
Effect of different tax rates in foreign jurisdictions		23	-
Income not subject to tax		(49)	(214)
Expenses not deductible for tax purposes		43	25
Eliminated income		88	151
Under (over) provided in prior years		8	(2)
Others		6	(3)
Total	21	1,812	19

Separate financial statements			
	2014		2013
	Rate (%)	(in million Baht)	Rate (%)
		(in million Baht)	(in million Baht)
Profit for the year		4,926	5,175
Total income tax expense		1,267	1,009
Profit before tax		6,193	6,184
Income tax using the Thai corporation tax rate	20	1,238	20
Income not subject to tax		(7)	(247)
Expenses not deductible for tax purposes		36	21
Others		-	(2)
Total	20	1,267	16

PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Foreign currency translation differences for foreign operations	(17)	3	(14)	6	(1)	5
Defined benefit plan actuarial differences	(70)	14	(56)	-	-	-
Total	(87)	17	(70)	6	(1)	5

	Separate financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Defined benefit plan actuarial differences	(66)	13	(53)	-	-	-

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

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28 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income (where the usable area in each unit shall not be less than 31 square meters and the contracted sale amount is less than Baht 600,000).

On 10 June 2009, the Board of Investment added a new condition in respect to pricing for projects located in zone 1 requiring that any apartment building must have area per unit of at least 28 square meters and with a maximum selling price of Baht 1 million (including land cost) and any town house or detached house, area per unit must not be less than 70 square meters with a maximum selling price of Baht 1.2 million (including land cost).

The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges.

As promoted companies, the Company and its subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

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29 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company				
(basic)	<u>6,654.52</u>	<u>5,801.82</u>	<u>4,925.87</u>	<u>5,175.03</u>
Number of ordinary shares at 1 January	2,222.83	2,213.22	2,222.83	2,213.22
Effect of shares issued :				
On 28 February 2013	-	6.83	-	6.83
On 31 May 2013	-	0.65	-	0.65
On 30 August 2013	-	0.02	-	0.02
On 29 November 2013	-	0.03	-	0.03
On 28 February 2014	0.82	-	0.82	-
On 31 May 2014	0.24	-	0.24	-
On 29 August 2014	0.81	-	0.81	-
On 28 November 2014	<u>0.01</u>	<u>-</u>	<u>0.01</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic)	<u>2,224.71</u>	<u>2,220.75</u>	<u>2,224.71</u>	<u>2,220.75</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>2.99</u>	<u>2.61</u>	<u>2.21</u>	<u>2.33</u>

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Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (diluted)	6,654.52	5,801.82	4,925.87	5,175.03
Weighted average number of ordinary shares outstanding (basic)	2,224.71	2,220.75	2,224.71	2,220.75
Effect of exercise of share options	1.35	2.44	1.35	2.44
Weighted average number of ordinary shares outstanding (diluted)	2,226.06	2,223.19	2,226.06	2,223.19
Earnings per share (diluted) <i>(in Baht)</i>	2.99	2.61	2.21	2.33

The Company did not adjust the effect of exercise of share options in PS-WE project warrant to calculate diluted earnings per share for the year ended 31 December 2014 because the Company's warrant's exercise price per unit was higher than the average market price for the year.

30 Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the appropriation of dividend of Baht 0.85 per share, amounting to Baht 1,890 million. The dividend was paid to shareholders on 15 May 2014.

At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the appropriation of dividend of Baht 0.5 per share, amounting to Baht 1,111 million. The dividend was paid to shareholders on 17 May 2013.

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31 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure. In addition, the Group has to maintain interest-bearing liabilities to equity ratio as stipulated in loan facility and debentures agreements, and requires to have debenture credit rating by qualified credit rating institutions.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (note 14). The Group mitigates this risk by entering that the majority of its borrowings at fixed interest rates and uses derivative financial instrument, interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

Foreign currency risk

The Group has risk from foreign currency as stated in related notes to financial statements. Management believes that the Group has minimal currency exchange rate risk. However, the Group enters into forward exchange rate contracts to hedge risks from purchasing machinery in foreign currency.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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Determination of fair values

The Group uses the following methods and assumptions in estimating the fair values of financial instruments.

Cash and cash equivalents, and current investments and receivables and payables approximate their fair values due to the relative short-term maturity of these financial instruments.

Bank overdrafts and short-term loans and long-term loans approximate their fair values because these financial instruments bear interest at market rates.

As at 31 December 2014, the carrying and fair value of debentures amounted to Baht 20,000 million and Baht 20,381 million, respectively (2013: Baht 14,000 million and Baht 14,030 million, respectively). The fair value is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest for similar liabilities at the reporting date.

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Office building operating lease commitments				
Within one year	81	88	76	83
After one year but within five years	46	136	42	127
Total	127	224	118	210
Other operating lease commitments				
Within one year	69	81	63	71
After one year but within five years	51	80	49	76
Total	120	161	112	147
Other commitments				
Land purchasing agreements	2,815	3,058	2,815	3,058
Development and construction agreements	2,366	2,377	2,003	1,879
Services and professional consulting agreements	41	25	41	24
Forward contracts	79	143	79	143
Machinery purchasing agreements	81	447	81	447
Total	5,382	6,050	5,019	5,551

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Others

As at 31 December 2014;

- (a) The Company and the Group had commitment for letters of guarantee issued by certain local banks totaling Baht 5,060 million and Baht 6,367 million (2013: Baht 4,508 million and Baht 5,802 million), respectively.
- (b) The Company had commitment with the banks as a guarantor of overdraft lines of Baht 115 million (2013: Baht 80 million), letters of guarantee lines of Baht 6,907 million (2013: Baht 4,373 million), promissory note lines of Baht 8,415 million (2013: Baht 8,700 million) and other credit facilities of Baht 520 million (2013: Baht 520 million) of the subsidiaries.

33 Contingent liability

At 31 December 2014, the Company and its subsidiaries have been sued by other companies and persons in cases of alleged violation of agreements, prosecution claims and other cases totaling Baht 369 million (2013: Baht 317 million). Presently, the cases are being considered by the court. However, the Group has set aside provision of Baht 144 million (2013: Baht 143 million) for liabilities that may arise as a result of these cases, based on the opinion of their management and legal department.

34 Events after the reporting period

At the Board of Directors' meeting held on 17 February 2015, the Board passed a resolution proposing to the annual general shareholders' meeting the following topics;

- (a) Approval of the payment of dividends for the year 2014, at the rate of Baht 1.00 per share, amounting to Baht 2,227 million. The proposed dividends shall be submitted for approval by the shareholders at the Annual General Meeting to be held on 28 April 2015.
- (b) Approval of issuance of authorised shares capital of the Company from Baht 2,270,298,800 to Baht 2,285,298,800 by issuing 15,000,000 ordinary shares which are reserved for the exercising of warrants.
- (c) Approval of issuance and allotment of new warrants to purchase the Company's ordinary shares to the Company's and/or its subsidiaries' directors and management no.7 (PS-WG) of 15,000,000 units. The exercise ratio is 1 unit of warrant to 1 new ordinary share. In this regard, the Company needs to increase its authorised share capital by Baht 15,000,000 from Baht 2,270,298,800 to Baht 2,285,298,800 by issuing 15,000,000 ordinary shares with a par value of Baht 1 and reserve those ordinary shares entirely for the exercising of the warrants to purchase ordinary shares of the Company.

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NOTES TO THE FINANCIAL STATEMENTS

- (d) Approval of the issue of a financial debt instrument as appropriate within the credit line of Baht 10,000 million with a contractual maturity within 7 years by allotment to investors in accordance with the rules announced by the Thai Securities and Exchange Commission.

35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 11 (revised 2014)	Construction Contracts	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015

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TFRS	Topic	Year effective
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 2 (revised 2014)	Share-based Payment	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate	2015


The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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