

รายงานประจำปี

ANNUAL REPORT

WHA
Warehouse Asia

บริษัท ดับบลิวเอชเอ คอร์ปอเรชั่น จำกัด (มหาชน)
WHA CORPORATION PUBLIC COMPANY LIMITED



Message from Chairman

The Year 2015 is regarded as one of the greatest years of WHA Corporation Public Company Limited (“the Company”) that the Company has reached the significant growth after signing the Share Purchase Agreement with major shareholders of Hemaraj Land and Development Public Company Limited (“Hemaraj”) on 24 December 2014, including Tender Offer of Hemaraj in the beginning of 2015. This makes the Company become the major shareholder of Hemaraj, holding 92.88% of all Hemaraj shares. As a result, the Company has consolidated Hemaraj’s financial performance and financial status since 17 March 2015. The acquisition of Hemaraj is the significant milestone of the Company’s business growth that the Company is enable to provide a comprehensive and diverse services to leading multinational

customers through upward integration and in terms of one-stop service for industrial estate development, properties sale and development for rental and service income, utilities i.e. water supply and treatment and power for customers in industrial estate, solar rooftop service and other renewable energies in accordance with the government’s policies.

After the merger between the Company and Hemaraj, the Company has set the Group business structures, Group organization structure, management team, including personnel development plan for future business growth in all 4 business hubs: Industrial Hub, Logistics Hub, Utilities and Power Hub and Digital Hub. Such 4 business hubs provide a more diverse service and total solution services to meet leading domestic and foreign customers’ requirement. The Company aims to be the leader in ASEAN region for the development of warehouses, distribution centers and premium factories, including the leader of industrial hub providing fully integrated services both utilities and digital and the largest market share and covering full services with high quality: upstream, midstream and downstream. Hence, the Company is well-equipped to render services to leading customers and correspond with the official inauguration of the Asean Economic Community or AEC. Moreover, the Company has planned to expand business and provide fully integrated services to ASEAN countries, i.e. Vietnam and Indonesia. As the customers are always our priority, the Company supported and took a part in helping lower their operation cost, logistics cost and utilities cost. Currently, the Company is trusted and awarded a project by a customer to build a distribution center in Indonesia, the first overseas project of the Company. With the concept of Built-to-suit in warehouses, distribution centers and premium factories and fully integrated services, the Company still retains this concept and continuously gains recognition from customers. With upward integration in the industrial estate the Company is truly confident that it will be able to respond to customer needs in a more flexible manner with total solution concept.

Furthermore, financial discipline is always the Company's priority, particularly after the acquisition of Hemaraj which the Company's debt has increased by THB 31,891 mm. However, the Company strengthened the optimal capital structure by issuing new shares together with issuance of WHA-W1 warrants totaling approximately THB 8,938 mm and maintain the interest-bearing debt to equity ratio below 2.5 times, including reducing the finance costs throughout the year 2015 via divestment of non-core assets of Hemaraj, divestment of the Company's office buildings to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust ("WHABT"), divestment of warehouse distribution to WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust ("WHART"), exercise of WHA-W2 warrants and dividend proceeds from Hemaraj to repay debts from financial institutions totaling THB 13,355 mm or 42% of total acquisition loan. Moreover, financial engineering is also priority to the Company to increase assets value and divest these assets at the appropriate time. Besides, the Company will use the proceeds from financial engineering to repay loan from financial institutions to reduce finance cost and utilize for capital expenditures (Capex) and working capital. The Company believes that the Company's business partners, strategic partners, stakeholders and financial institutions will mutually benefit from cost savings and the optimal capital structure.

In the end of 2015, the Company submitted tender offer for delisting of Hemaraj from the Stock Exchange of Thailand ("SET") at THB 4.40 per share. On 2 March 2016 is the effective date of delisting Hemaraj from the SET. After this delist, the Company holds 98.54% of all Hemaraj shares, increasing by 5.66% from 92.88%.

Finally, I would like to extend my gratitude to all shareholders, business partners, strategic partners, stakeholders and financial institutions who have always trusted and supported the Company. The Company hopes that we will walk and grow together in the long term in pursuit of our business slogan, "Better Together Better to Greatest".



Dr. Somyos Anantaprayoon
Chairman of the Board of Directors



Audit Committee Report

To the Shareholders:

The Audit Committee comprises the 3 honorable and independent members, namely Mr. Pichi Akrathit, the Chairman of the Audit Committee, Mr. Apicahi Boontharawara, and Mr. Somsak Pratomsrimek, the Audit Committee members. All three of them have sufficient knowledge and experience in reviewing the reliability of financial statements.

In 2015, there were 6 Audit Committee meetings. All the members attended every meeting, except an audit committee member who absented by 2 times. The Audit Committee consulted with the Chairman, the Directors, the Management, the auditor, and the Internal Auditor in many occasions as appropriate, and gave independent opinion and suggestion. The Audit Committee reported its resolution of the six meetings as concluded as follows:

Accuracy, Completeness and Reliability of Financial Report

The Audit Committee reviewed both quarterly and annual financial statements, significant accounting policy, and sufficiency of information disclosure, including considered jointly with the Management and the auditor. The Audit Committee viewed that the Company's financial statements was prepared in compliance with the generally accepted accounting principles, accurate, relevance with the decision, complete, and reliable, as well as the accounting policies were properly selected to reflect the Company's operating performance and the financial position.

The adequacy of internal controls, risk management and good corporate governance

The Audit Committee reviewed the reports of the internal audit and the auditor on the evaluation of the internal controls, risk management and good corporate governance, including gave comments on improvement of the operations as a result of the said reports. The Audit Committee viewed that the Company's internal controls were adequate and appropriate to the situation as well as at the level of supporting the secured growth of the business.

The Audit Committee reviewed the annual internal auditing program which was prepared in accordance with the Risk-Based Audit Plan that focused on auditing to identify the high impact risk in the business operations, as well as gave helpful suggestions to manage the risk at the acceptable level. The Audit Committee always consulted with the internal auditor without the management, and viewed that the internal audit was independent and appropriate.

Compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws related to the Company's business

The Audit Committee reviewed the compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws related to real estate business which is the Company's core business, as well as evaluated the Management's compliance with legal requirements on a regular basis. The Audit Committee viewed that the Company were in compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and laws related to the Company's business properly.

Transactions which may cause conflict of interests

The Audit Committee paid significant attention on considering the transactions that might cause conflict of interest in order to comply with the regulations of the Stock Exchange of Thailand, as well as the relevant accounting standard in every quarter. The Audit Committee assigned the internal audit to review the compliance and reported to the Audit Committee, including evaluated the connected transactions as disclosed in the auditor's notes in the financial statements in every quarter. The Audit Committee had the opinion that the connected transactions considered were the transactions in normal business having commercially ordinary conditions that were reasonable, fair and of optimized benefit to the Company.

Appropriateness, selection, and appointment of the auditor

The Audit Committee evaluated the independence and performance of the auditor for the year 2015 and it concluded that its performance in overall was at the satisfied level with sufficient independence.

On selection and appointment of the audit for 2016, after comparing the audit fee with the previous year, the Audit Committee considered the performance, scope of service, and volume of transactions compared with the audit fee in 2015 proposed by the auditor, and agreed to propose to the Board of Directors to appoint PricewaterhouseCoopers ABAS Ltd to be the auditor of the Company and its subsidiaries for 2016, with the audit fee at the total amount of Baht 13,984,000.

Overall opinion and remark of the Audit Committee

The Audit Committee evaluated its performance by evaluating the committee as a whole in 2015 in 2 parts:

1. the overall performance of the Audit Committee, and
2. the specific performance of the Audit Committee in the 6 areas: 1) reviewing for the completeness and sufficiency of the Company's financial report; 2) reviewing for efficiency and effectiveness of the Company's internal controls and Internal audit; 3) reviewing for the Company's compliance with the law governing securities and exchange, regulations of the Stock Exchange of Thailand, and relevant law; 4) selecting and proposing to appoint the auditor; 5) considering the connected transactions; and 6) preparing the report of the Audit Committee. The Audit Committee viewed in overall that it performed sufficiently and completely.



Mr. Pichit Akrathit
Chairman of the Audit Committee



1. Dr. Somyos Anantaprayoon
Chairman of the Board of Directors
Chairman of the Executive Committee
2. Ms. Jareeporn Jarukornsakul
Vice Chairman of the board of directors
Group Chief Executive Officer
3. Dr. Pichit Akrathit
Independent Director and
Chairman of the Audit Committee

4. Mr. Surathian Chakthranont
Director
5. Mr. Jakrit Chaisanit
Director
Chief Operating Officer
6. Mr. Arttavit Chalernsaphayakorn
Director
Chief Financial Officer

Board of Directors



7. Mr. Narong Kritchanhai
Director
Chief Legal Officer

8. Mr. Somsak Boonchoyruengchai
Director
Director of Accounting Department

9. Dr. Kritsana Sukboonyasatit
Independent Director

10. Dr. Apichai Boontherawara
Independent Director and
Member of the Audit Committee

11. Dr. Somsak Pratomsrimek
Independent Director and
Member of the Audit Committee

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Summary of Financial Performance

Unit : THB mm

Details	20 13	20 14	20 15
	(consolidated)	(consolidated)	(consolidated)
Rental, service and utilities income	501	551	2,971
Income from sales of real estate	6,585	4,337	8,466
Total revenue	7,169	5,058	13,102
Cost of real estate	4,962	3,050	6,074
Cost of rental and service	179	219	1,357
Selling and administrative expenses	332	283	903
Net profit for the year	1,463	979	2,167
Total assets	11,049	15,952	79,095
Total liabilities	6,895	11,472	57,436
Total shareholders' equity	4,154	4,480	21,659
Dividend per share (THB)	1.31	N/A	N/A
ROE	41.57%	22.67%	14.95%
ROA	31.47%	16.26%	20.24%



Warehouse and Factory Locations

1 Outer Eastern Bangkok Zone

Bangna-Trad Rd., Km.18-23
Ladkrabang / Phantong, Chonburi

- Convenient access to the City Center of Bangkok, Suvarnabhumi Airport and Laemchabang Seaport



WHA Mega Logistics Center Bangna Km.19



WHA Mega Logistics Center Ladkrabang



WHA Mega Logistics Center Chonlathampichit Km.5

3 Industrial Estate Zone

Hemraj Saraburi Industrial Land

Amata City, Rayong

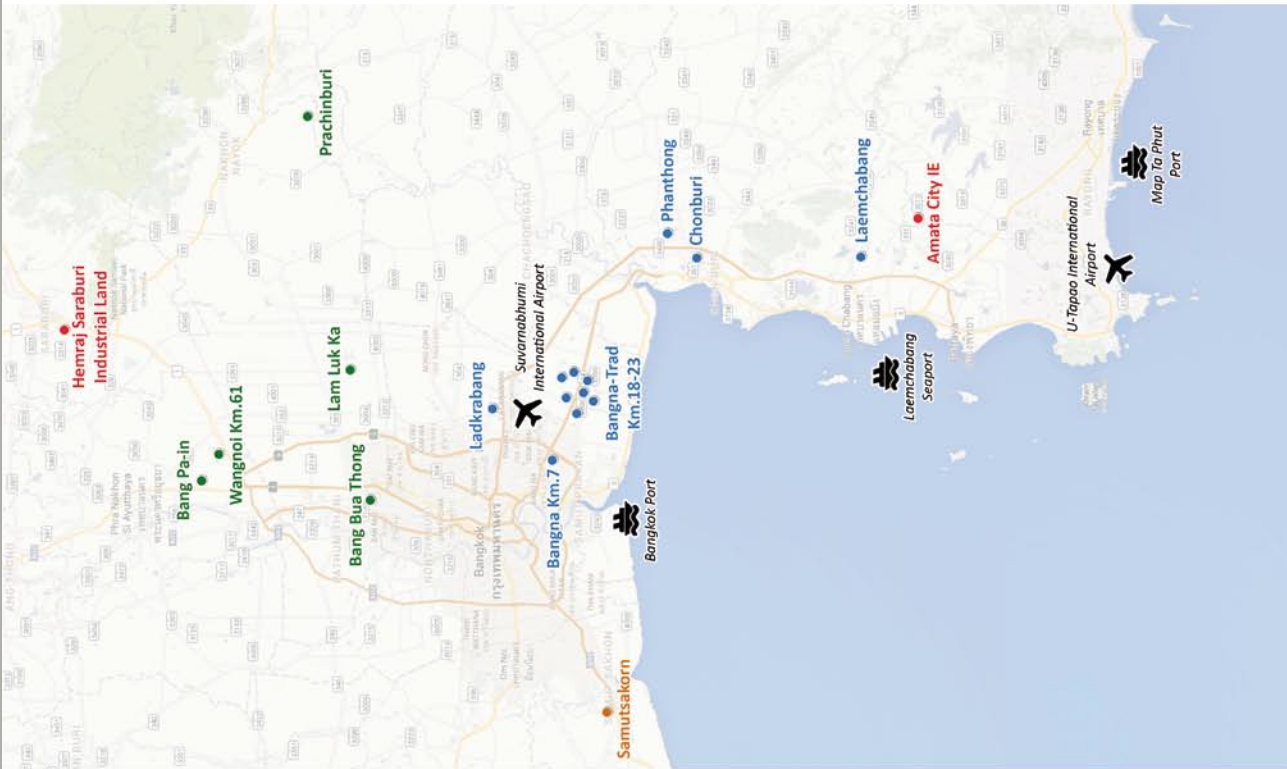
- Tax privileges from BOI
- Convenient access to Suvarnabhumi Airport and Laemchabang Seaport



Amata City IE, Rayong



Amata City IE, Rayong



2

Outer Northern Bangkok Zone

Bang Pa-in, Ayutthaya
Wangnoi, Ayutthaya
Lam Luk Ka, Phatthum Thani

- Logistics hub to North and Northeast region of Thailand



WHA Mega Logistics Center Wangnoi Km.61

4

Outer Southern Bangkok Zone

Rama II, Samutsakorn

- Logistics hub for Cold Storages to South region of Thailand

5

Up-Country Zone

Khonkaen / Surabani / Lumpoon

- To serve client's business expansion in every region.



WHA Mega Logistics Center - Premium Warehouse Spec.

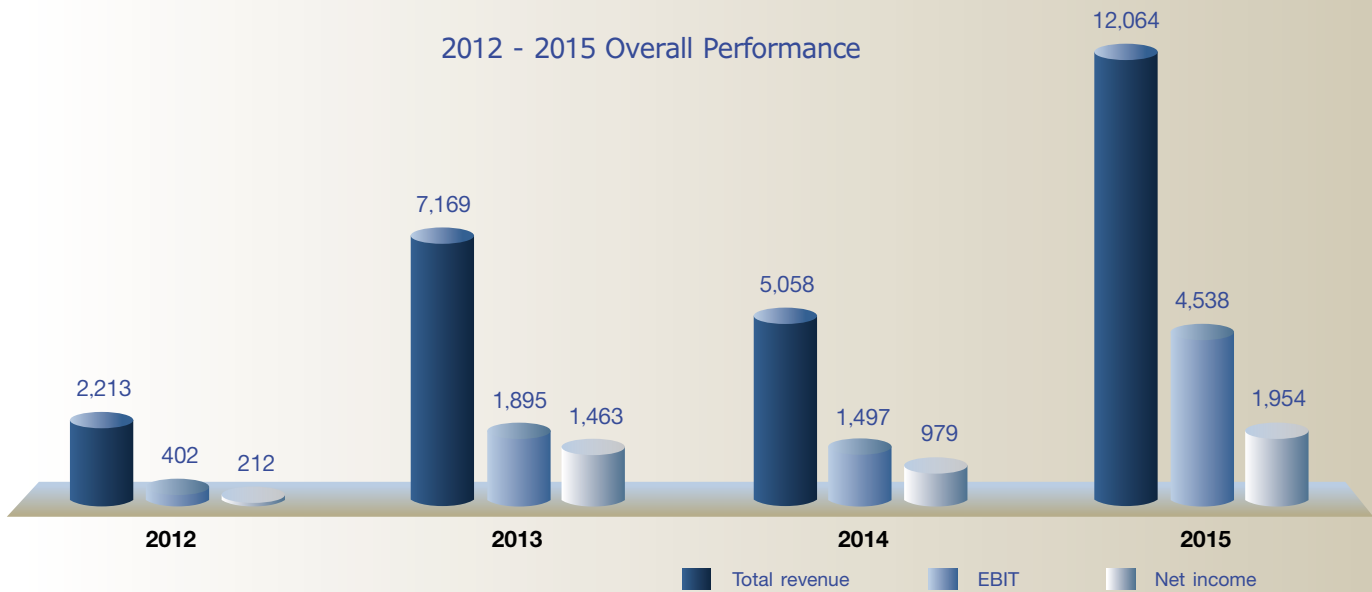
Industrial Estate and Industrial Land Locations



Financial Highlights

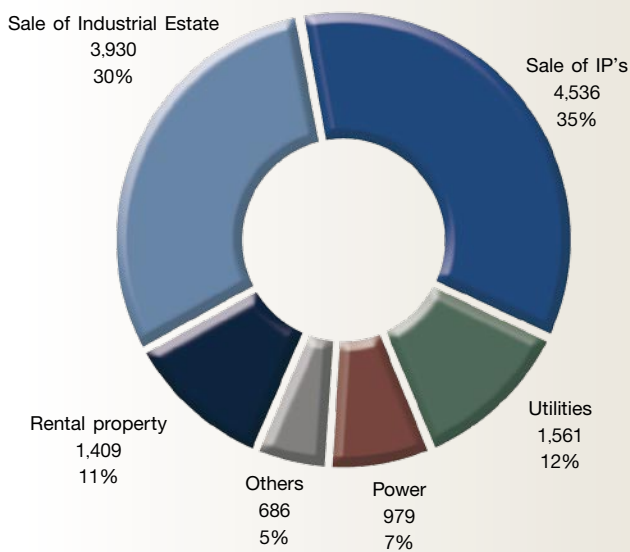
2012 - 2015 Overall Performance

(Unit: THB mm)



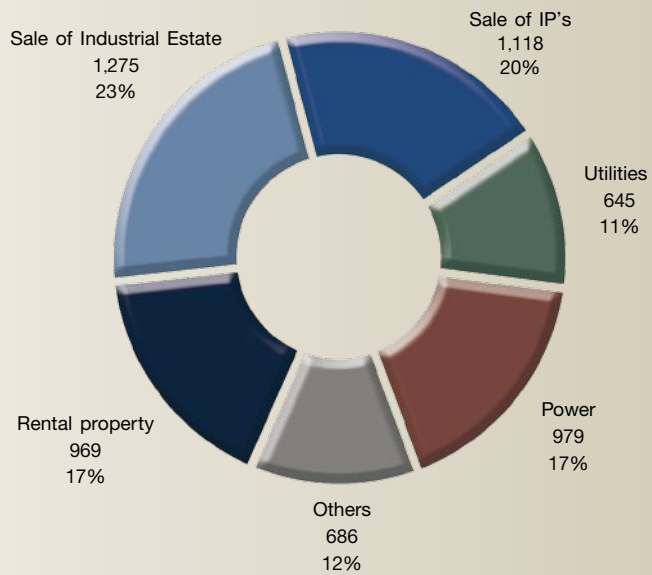
Revenue and Share of Profit Breakdown

(Unit: THB mm)



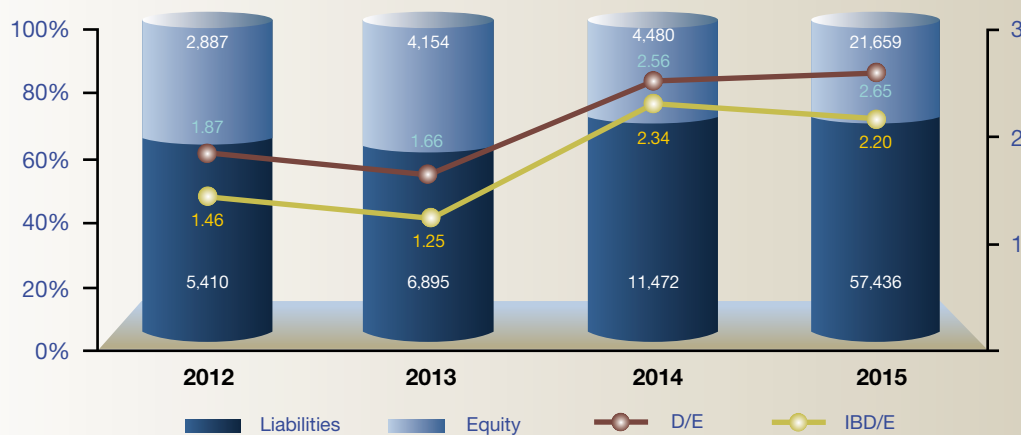
Gross Profit and Share of Profit Breakdown

(Unit: THB mm)



Capital Structure and Financial Ratios

(Unit: THB mm)





Vision

Be recognized as a market leader in aligning vertical integrated logistics facilities provider, total solution industrial estates, utilities, power, and digital infrastructure platforms with high quality capturing throughout value chain in Asia.

Mission

- Fulfill requirement of the key major business partners, shareholders and stakeholders
- Focused on innovative and effective strategic, business, financial, service quality, safety, environment, community, and governance disciplines.
- Create a last-long relationship with strategic alliance
- Provide unrivalled quality products with knowledge and expertise leading to win-win-win solution
- Maintain financial discipline to maximize return on equity
- Develop world class logistics, industrial estates, utilities, power and property customer solutions
- Differentiate a comprehensive platform for both infrastructure data center as well as customized service solutions for leading MNCs and Thai conglomerates
- Develop, engage talent and experience team and enhance organizational core competency



Policy and Overall Business Description

1. Policy and Overall Business Description

1.1 Vision, Mission and Goal of the Group of Companies on Business Operation

Vision

Be recognized as a market leader in aligning vertical integrated logistics facilities provider, total solution industrial estates, utilities, power, and digital infrastructure platforms with high quality capturing throughout value chain in Asia.

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- Develop, engage talent and experience team and enhance organizational core competency



2. History and Key Developments

2013

- In January, WHA Premium Factory and Warehouse Fund (“The Fund”) effected the 2nd capital increase of approximately THB 2,142 mm for purchase of assets and taking delivery of leasehold right of 3 warehouse projects with the total leased area of 69,529.28 sq.m. from the Company and Warehouse Asia Alliance Co., Ltd. The Company was appointed as the property manager.
- In April, the Company effected the registered capital for THB 102 mm from THB 510 mm to be THB 612 mm to serve the stock dividend at the ratio of 5 existing shares to 1 new share.
- In August, the Company and Gunkul Engineering Public Company Limited incorporated 11 companies to invest in Solar PV Rooftop project. 74.99% of shares in all 11 companies is held by WHA Corporation Public Company Limited and 25.01% by Gunkul Engineering Public Company Limited. The joint venture companies filed an application with Metropolitan Electricity Authority and Provincial Electricity Authority for proposal to sell electricity to them, and it was selected as the operator for such Solar PV Rooftop for 5 companies with capability of 4.28 MW (details of which are shown in Section 2.1, Descriptions of Products and Services).
- In August, the Company decreased its registered capital in respect of the unpaid up shares of THB 1,017 by deleting the authorized but unissued 1,017 shares which remained after the issuance of stock dividend pursuant to the resolution of the annual general meeting in 2013. After such capital decrease the Company had registered and paid up capital at THB 611,998,983.
- In September, the Company increased its registered capital for THB 305,999,491 from THB 611,998,983 to be THB 917,998,474 to serve the stock dividend at the ratio of 2 existing shares to 1 new share.
- In September, the Company offered the debentures to institutional investors and high net worth investors in the amount of THB 2,700 mm divided into 3 tranches as detailed below:

No.	No. of units	Size (THB mm)	Fixed interest rate (per annum)	Tenture (years)
1	1,630,000	1,630	4.24	3
2	500,000	500	4.55	4
3	570,000	570	4.84	5

- In October, the Company and group of KPN incorporated WHA KPN Alliance Co., Ltd. with the registered capital of THB 1 mm and have the plan to increase the capital to be THB 768 mm to develop the premium warehouse and distribution center project which is the Built-to-Suit and Warehouse Farm projects on Bangna-Trad Road, KM 23, Bangplee, Samut Prakan. 64.97% of shares in the joint venture company will be held by WHA Corporation Public Company Limited and 35.03% by Mr. Krit Narongdetch.
- In November, the Fund effected the 3rd capital increase of approximately THB 4,056 mm for the purchase of assets and taking delivery of leasehold right for 5 warehouse projects and 1 movable asset at the total value of THB 4,536 mm (including loan from institution at THB 600 mm) with the leasable area of 173,366.79 sq.m. from the Company, Warehouse Asia Alliance Co., Ltd. and WHA Alliance Co., Ltd. The Company was appointed as the property manager.

- In December, the Fund held the unitholders' meeting to consider the 4th capital increase in additional investment comprising of 4 warehouse projects and 1 project modification in the amount of up to THB 4,590.0 mm. The agenda was approved by the unitholders' meeting and has 1 year validity period since the approval date.

- In February, the Company issued THB 500 mm debentures No. 1/2557 for sale to institutional investors and high net worth investors, having a tenure of 3 years at a fixed rate of 4.01% per annum.
- In May, the Company issued THB 1,810 mm debentures No. 2/2557 for sale to institutional investors and high net worth investors. The debentures were split into 2 sets. One was THB 700 mm debentures having a tenure of 3 years, and the other was THB 1,110 mm debentures having a tenure of 5 years as outlined in the below table.

No.	No. of units	Size (THB mm)	Fixed interest rate (per annum)	Tenure (years)
1	700,000	700	3.75	3
2	1,100,000	1,100	4.42	5

- In July, the Company issued THB 1,700 mm debentures No. 3/2557 for sale to institutional investors and high net worth investors. The debentures were split into 4 sets comprising THB 435 mm, THB 385 mm, THB 600 mm, and THB 280 mm having a tenure of 3, 5, 7, and 10 years respectively as outlined in the below table:

No.	No. of units	Size (THB mm)	Fixed interest rate (per annum)	Tenure (years)
1	435,000	435	3.85	3
2	385,000	385	4.40	5
3	600,000	600	4.70	7
4	280,000	280	5.00	10

- In October, the Company issued THB 200 mm debentures No. 4/2557 for sale to institutional investors and high net worth investors, having a tenure of 2.9 years at a fixed rate of 3.85% per annum.
- In November, the Company issued THB 290 mm debentures No. 5/2557 for sale to institutional investors and high net worth investors, having a tenure of 4 years at a fixed rate of 4.00% per annum.
- In December, Premium Growth Freehold and Leasehold Real Estate Investment Trust ("The Trust" or "WHART") was set up. The Company sold 11 warehouse buildings covering a total area of 167,107.45 sq.m., valued at THB 4,420 mm, to WHART for which WHA Real Estate Management Co., Ltd. ("WHAREM"), a subsidiary company, was appointed the manager.
- In December, the Company entered into a share sale and purchase agreement (the "Share Sale and Purchase Agreement") with Hemaraj's major shareholders to purchase shares in Hemaraj Land and Development Public Co., Ltd. ("Hemaraj").
- The Company declared its intent to voluntarily and conditionally take over Hemaraj's securities. It arranged a voluntary tender offer to acquire the securities at THB 4.50 (Four Baht and Fifty Satang) per share on the condition that it would cancel the tender offer if the number of the offered

shares at the end of the offer period was less than 50 (fifty) percent of Hemaraj's issued shares. The voluntary tender offer would take effect only if the following conditions have been satisfied. Offer)

- (1) The conditions precedent specified in the Share Sale and Purchase Agreement to offer the shares in Hemaraj for sale at THB 4.50 (Four Baht and Fifty Satang) per share by the major shareholders in the voluntary tender offer have been satisfied.
- (2) The shareholders' meeting approved the Company and/or subsidiaries to acquire Hemaraj's shares as specified in the Share Sale and Purchase Agreement and the Company to proceed with the voluntary tender offer.
- (3) The meeting of the Company's shareholders approved the issue and offer of increased shares for sale to the existing shareholders (right offering) and the Company successfully issued and sold the shares and registered the capital increase with the additional paid-up capital of THB 8,937,905,473.50.
- (4) The Company was approved credit facilities by financial institutions of approx. THB31,982 mm, when combining with the proceeds from the right offering, sufficient for acquiring all shares in Hemaraj under the first voluntary tender offer.

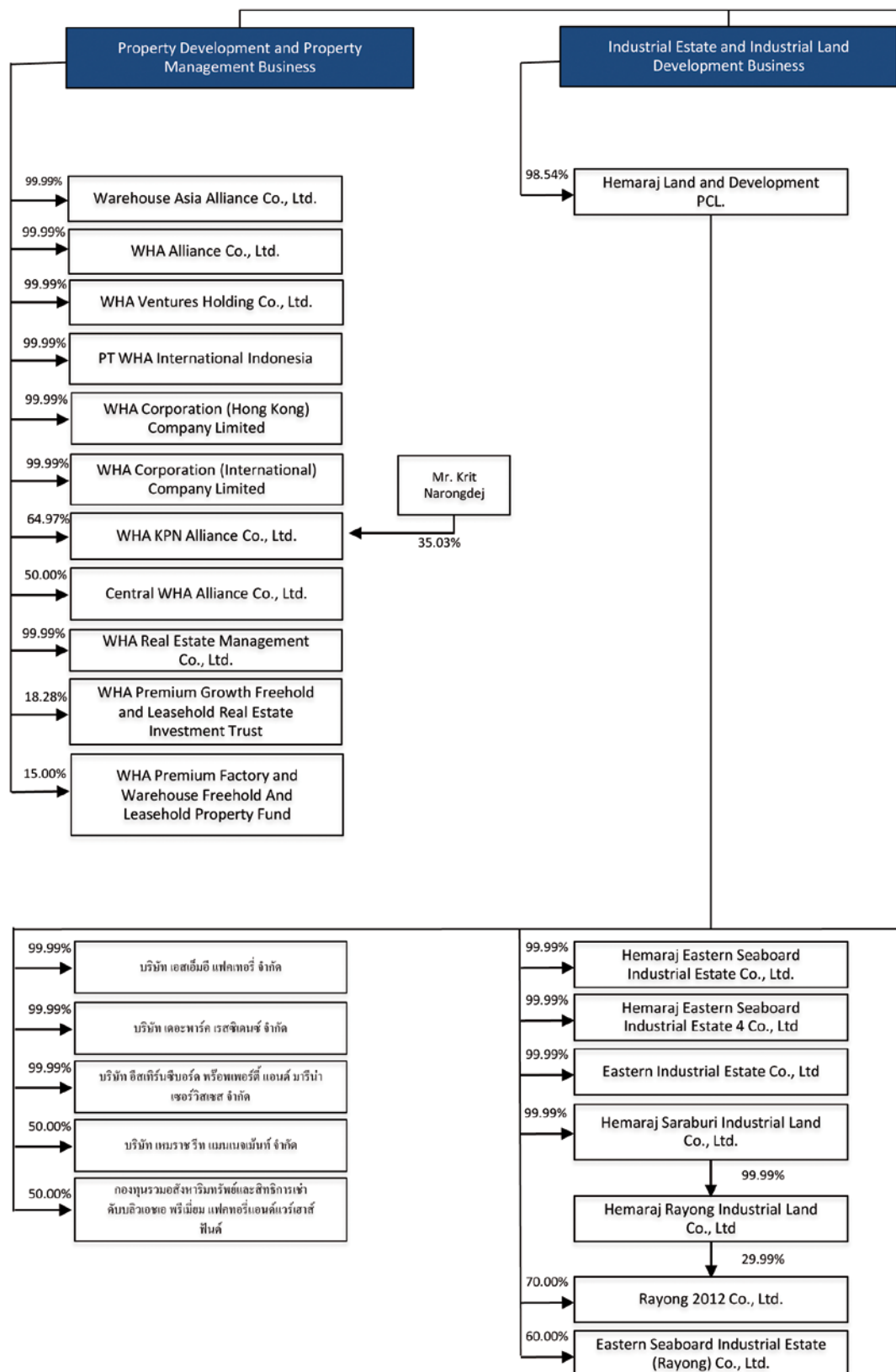
2015

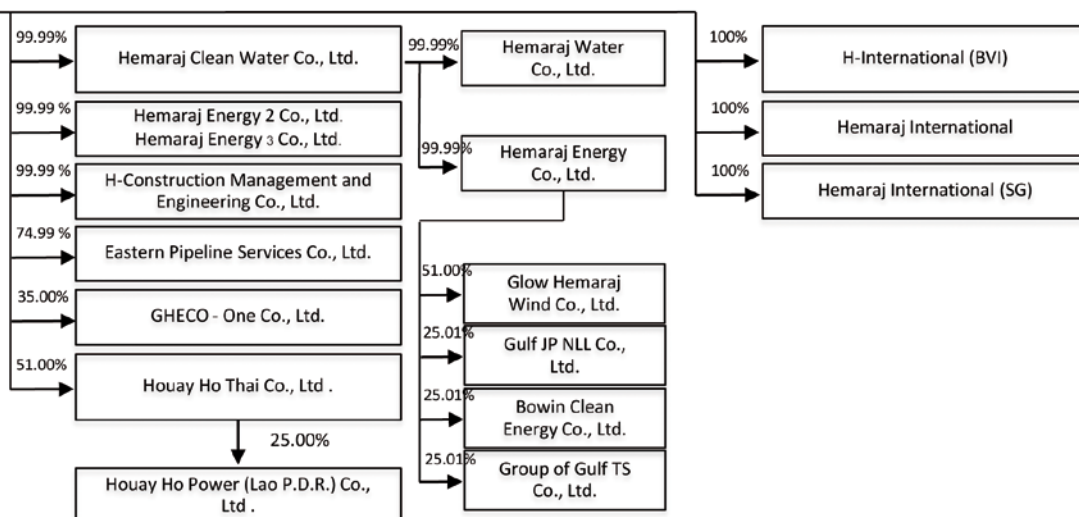
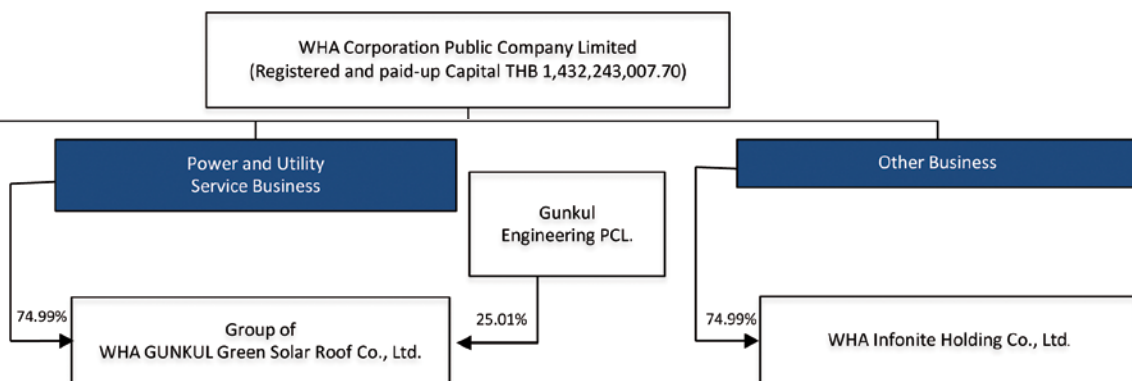
- On February 5th, the Company established WHA Ventures Holding Co., Ltd., in which the Company holds 99.99% of the shares to perform a tender offer of all issued and distributed shares in Hemaraj Company.
- In March, the Company submitted a voluntary tender offer of all shares in Hemaraj Company with the price per share of THB 4.50. The duration for the voluntary tender offer was since 6th March 2015 to 10th April 2015.
- In March, the Company announced a rights offering to existing shareholders for the amount of 350,506,096 shares, whereby the ratio of 2.75 existing shares to 1 new share was given. Hence, the Company's registered capital has increased from THB 963,891,769 to THB 1,314,397,866.
- On 20th April, the Company has acquired 92.88% of Hemaraj's securities, when of total outstanding shares.
- On 27th April, the Company split the security par value from THB 1 per share to THB 0.10 per share. Therefore, the amount of shares has changed from 1,431,233,233 shares to 14,312,332,330 shares.
- On 28th April, the Company sold the assets of the modification part of DSG project to the Fund for the total assets value of THB 17 mm (excluding value added tax)
- In July, the Company issued THB 400 mm debentures No. 1/2558 for sale to institutional investors and high net worth investors, having a tenure of 2 years at a fixed rate of 3.95% per annum.
- On 8th September, the Company issued THB 2,000 mm debentures No. 2/2558 for sale to institutional investors and high net worth investors, having a tenure of 3 years at a fixed rate of 4.15% per annum.
- On 11th September, the Company issued THB 350 mm debentures No. 3/2558 for sale to institutional investors and high net worth investors, having a tenure of 2 years at a fixed rate of 3.70% per annum.
- In October, the Company issued THB 250 mm debentures No. 4/2558 for sale to institutional investors and high net worth investors, having a tenure of 2 years, 3 days at a fixed rate of 3.70% per annum.

- On 13th October, the Group of Companies has a resolution to clarify the business policies of the Group of Companies regarding warehouses, distribution centers, and factories. The Company will be the developer of Built-to-Suit projects serving the customers' needs in warehouses, distribution centers, or factories and Ready-Built warehouses and factories in any area, except for those in the industrial estates, industrial zones, or industrial parks that will be developed by Hemaraj. On the contrary, Hemaraj will be the developer of Ready-Built projects in warehouses or distribution centers that are located in the industrial estates, industrial zones, or industrial parks that are developed by Hemaraj Company.
- On 30th October, the Group of Companies has a resolution to adjust the organizational structure and promoted Ms. Jareeporn Jarukornsakul to be Chief Executive Officer of the Company while Mr. Somyos Anantaprayoon, the former Chief Executive Officer of the Company, resumed the position of Chairman of the Board of Directors, Director, and executive director of the Company. In addition, Mr. Jakrit Chaisanit was promoted to be Chief Operating Officer of the Company.
- On 6th November, the Company sold 2 office buildings to the WHA Business Complex Freehold and Leasehold Real Estate Investment Trust ("WHABT") at the total sale price of THB 2,388,800,000 Baht (after deducting value added tax), in which WHA Real Estate Management Company Limited (WHAREM), one of the subsidiaries of the Company, was established to be the trust fund manager.
- On 12th November, the Company issued THB 200 mm debentures No. 5/2558 for sale to institutional investors and high net worth investors, having a tenure of 2 years, 3 days at a fixed rate of 3.70% per annum.
- On 2nd December, the Company submitted a voluntary tender offer of shares of Hemaraj Company to delist Hemaraj from the Stock Exchange of Thailand, in which the Company has submitted a voluntary tender offer of all shares in Hemaraj Company with the price per share of THB 4.40. The duration for the voluntary tender offer was from 3rd December 2015 to 9th February 2016.
- On 14th December, the Company increased the capital from the exercise of 1,178,363,008 share of WHA-W2 totaling THB 3,181,580,121.16.
- On 29th December, the Company sold 3 warehouses to WHART covering a total area of 174,914 sq.m. valued THB 4,645.9 mm (after deducting value added tax).
- On 30th December, the Company established 3 subsidiary companies internationally, including:
 - (1) WHA Corporation (Hong Kong) Company Limited to invest internationally by operating businesses through holding stocks in foreign firms.
 - (2) WHA Corporation (International) Company Limited to invest internationally by operating businesses through holding stocks in foreign firms.
 - (3) PT WHA International Indonesia to invest in and operate businesses in Indonesia.
 and established 1 subsidiary company domestically:
 - (1) WHA Infonite Holding Company Limited to operate businesses in information technology systems service centers and digital business.

3. Shareholding Structure of Group of Companies

As of December 31, 2015, the structure of the Group of Companies and subsidiaries is as follows.







Nature of Business

The Group of Companies developed the business as the developer of the Built-to-Suit projects for rent, including warehouses, distribution centers and factories, most of which were large projects and it now expands the development to Ready-Built under the Warehouse Farm projects in order to serve the unique and specific need for Built-to-Suit warehouses of certain groups of customers including the future overflow demands to serve their long-term expansion plan, and for Ready-Built warehouses to serve a new group of customers and to respond to immediate space to be responsive to market demand in a timely manner. In 2015, to be in line with the Group of Companies' strategy that emphasizes the Total Solution Concept to respond to customer needs in all areas, the Group of Companies focused on improvement of warehouse quality aiming at variety and sophisticated warehouses to meet the intended purposes of use and best suit the need of tenants, for instance, temperature controlled warehouses, both multi-temperature warehouses and cold storages. The rent per square meter for these kinds of warehouses are normally higher than the rent for Built-to-Suit warehouses with ambient temperature. Accordingly, in 2015, the Group of Companies could expand the client bases to new tenants, particularly major and recognized Thai and international, such as Osotsapha Co., Ltd, Narai Intertrade Co., Ltd and Sagawa Express (Thailand) Co., Ltd etc.

Nevertheless, other than premium quality of the products and services, the Group of Companies also expanded the business by the acquisition of 92.88%¹ of Hemaraj shares as of 20 April 2015, which allows the Group of Companies to expand their businesses through vertically integration via industrial estate businesses and horizontal integration via ready-built factories and warehouses for rent businesses. Hemaraj business also corresponds with the Group of Companies policy to increase sustainable recurring income from Hemaraj's utilities and electricity supply to customers in the industrial estate., which will help enhance the Group of Companies's Solar PV Rooftop business, currently joint venture with Gunkul Engineering Public Company Limited.

¹ However, during 3 December 2015 to 9 February 2016, the Group of Companies has made a tender offer on the remaining shares of Hemaraj, which results in the Group of Companies holding of 98.54% of Hemaraj shares

In accordance with the Group of Companies business policy to enhance sustainable recurring income, in 2014, the Group of Companies also started the office for rental business including S.J. Infinite One Business Complex project, in which the Group of Companies acquired the asset from Major Development Public Company Limited and Bangna Business Complex project that the Group of Companies developed as the built-to-suit office for rent. However, on 6 November 2015, the Group of Companies have sold both assets to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust (WHABT), allowing the Group of Companies to receive cashflow proceeds from divestment and generate recurring income in the form of dividend as a trustholder and a REIT management fee through operation of WHA Real Estate management Co., Ltd.

In summary, the Group of Companies' business consists of the following four main segments:

- 1) Industrial Estate Development Business
- 2) Logistics and Industrial Properties Business
- 3) Utilities Business
- 4) Power Business

For the period from 2013 to 2015, WHA Corporation Public Company Limited's income structure is as follows:

Revenue Structure	For fiscal year ending					
	31 Dec 2013		31 Dec 2014		31 Dec 2015	
	(Consolidated Financial Statement)		(Consolidated Financial Statement)		(Consolidated Financial Statement)	
	THB mm	%	THB mm	%	THB mm	%
Rental, service and utilities income	500.5	7.0	551.1	10.9	2,970.7	22.7
Income from sales of real estate	6,585.0	91.9	4,336.8	85.8	8,466.3	64.6
Dividend income	56.7	0.8	98.2	1.9	111.7	0.9
Management income	10.1	0.1	52.6	1.0	90.0	0.7
Others	16.7	0.2	19.0	0.4	425.4	3.2
Total income from normal operation	7,169.0	100.0	5,057.7	100.0	12,064.1	92.1
Profit (loss) sharing from investment in joint venture	(1.3)	(0.0)	(7.7)	(0.0)	1,038.0	7.9
Total income (after joint venture investment profit (loss) sharing)	7,167.7	100.0	5,050.0	100.0	13,102.1	100.0

Remark :

- 1) Utilities Income has been consolidated to the Group of Companies since 2015 as a result from the acquisition of Hemaraj shares
- 2) Others included Interest income, Gain from sale of short-term investment, Profit from sale of real estate and investment in subsidiaries , gain on sale of asset and others

1. Characteristic of product and Service

1.1 Industrial Estate Development Business

In accordance with the Group of Companies' acquisition of the shares of Hemaraj for 92.88%¹ of total shares as of 20 April 2015, the Group of Companies has started the businesses of industrial estate development through Hemaraj's operating arm, ranging from developing industrial lands and providing infrastructure and utility services – Electricity Supply, Water Supply, Communication Access, Waste Water Treatment, and other facilities.

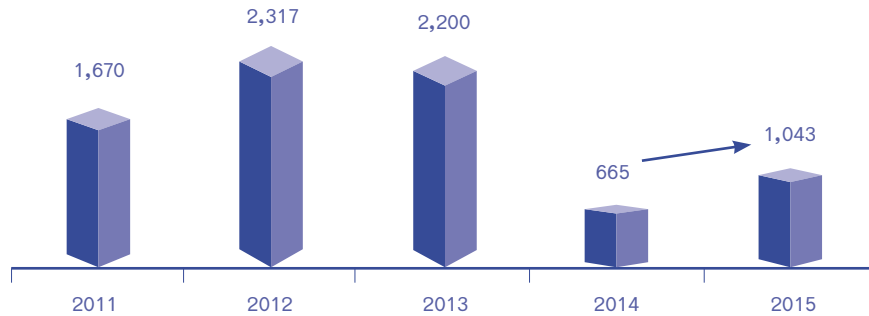
In 2015, Hemaraj has developed and managed 8 Industrial Estates and Industrial Lands and 5 Ready-Built Factories Park and Logistics Parks, as follows:

Industrial Estate and Industrial District	Hemaraj Logistics Park
1. Hemaraj Chonburi Industrial Estate (Hemaraj CIE)	1. Hemaraj Logistics Park 1, located in Chonburi Province
2. Hemaraj Chonburi Industrial Estate 2 (Hemaraj CIE 2)	2. Hemaraj Logistics Park 2, located in Hemaraj Eastern Seaboard Industrial Estate
3. Hemaraj Eastern Seaboard Industrial Estate (Hemaraj-ESIE)	3. Hemaraj Logistics Park 3, located in Hemaraj Eastern Seaboard Industrial Estate
4. Hemaraj Eastern Industrial Estate (Hemaraj EIE)	4. Hemaraj Logistics Park 4, located in Rayong Province
5. Eastern Seaboard Industrial Estate (ESIE)	5. Hemaraj RBF Park 1, located in Hitech Industrial Estate (Prachin Buri)
6. Hemaraj Saraburi Industrial Land (Hemaraj SIL)	
7. Hemaraj Rayong Industrial Land (Hemaraj RIL)	
8. Hemaraj Eastern Seaboard Industrial Estate 2 (Hemaraj-ESIE 2)	

In 2015, Hemaraj has a combined land area of 45,198 rai with 668 distinct customers and the total investment estimate more than USD 26 billion. The target customers are customers who highly needed the comprehensive infrastructure and utilities systems. Hemaraj was the first industrial estate operator in Thailand to utilize the clustering concept to allow convenient transportation among group of customers such as automotive cluster, petrochemical cluster, steel cluster and power cluster. Moreover, Hemaraj was also the center of coordination, management and service of infrastructure and utilities systems in each industrial estate and industrial land as well as environmental management. As a result, Hemaraj has continually grown the land sales record to a total of 1,043 rais in 2015.

¹ However, during 3 December 2015 to 9 February 2016, the Group of Companies has made a tender offer on the remaining shares of Hemaraj, which results in the Group of Companies holding of 98.54% of Hemaraj shares

Unit : Land sales (Rai)



Details of Industrial Estate Zone Types

Hemaraj has categorized the industrial estates and industrial lands by zone types, as follows:

Zoning by Usage	Definition of Each Type of Zones
General Industrial Zone	– The zone is designated for industrial and service operations or other activities, beneficial to or associated with industrial and service operations.
Free Zone / Export Processing Zone–EPZ	– The zone is designated for industrial and commercial operations or other activities, beneficial to or associated with industrial and commercial operations, to achieve benefits in terms of economy, state stability, public well-being, environmental management, or other necessary purposes specified by the IEAT Board. Supplies taken into the IEAT Free Zone are entitled to additional tax and fee privileges, as specified in relevant legislation.
Commercial Zone	– The zone is designated for business involved in commercial operation including bank, post office, hospital, gas station and educational institution etc.
Residential Zone	– The zone is designated for residential construction such as flat, condominium and houses etc.
Logistics Zone	– The Zone is designated for constructing the warehouse or factory for rent for logistics business
Common Area and Public Utility System	– The area is designated for constructing public utility system such as road system, water supply system, waste water treatment system, reservoir, small parks etc.

Details of industrial estates and industrial lands

As of the end of 2015, Hemaraj developed and managed 8 industrial estates and industrial lands as follows

1) Hemaraj Chonburi Industrial Estate (Hemaraj CIE)

It is located in Bowin Sub-district, Sriracha, Chonburi in general industrial zone and export processing zone, with the area combined of 3,909 Rai (1,564 Acre). Most customers were manufacture of steel, power, automotive parts, electronics, and construction materials.

2) Hemaraj Chonburi Industrial Estate 2 (Hemaraj CIE 2)

It is located in Bowin Sub-district and Chaopraya Surasak Sub-district, Sriracha District, Chonburi, with the area combined of 632 Rai (253 Acre). Hemaraj Industrial Estate, Chonburi Phrase 2 can be accessed from both highway No 331 and highway No 3241 connecting to Laemchabang Deep sea Port bringing advantages to product transport and people can easily travel to Sriracha District with only 25 kilometer distance.

3) Hemaraj Eastern Industrial Estate (Hemaraj EIE) (Map Ta Phut)

It is adjoined to National Petrochemical Complex, Map Ta Phut District, Rayong Province, with the area combined of 3,733 Rai (1,493 Acre). It was the industrial estate to support heavy industries such as steel, petrochemicals and chemicals requiring intensive public utility supplies, including raw water and industrial water supply, waste water treatment and power supply.

4) Eastern Seaboard Industrial Estate (ESIE)

It is located in Pluakdaeng Sub-district, Pluakdaeng District, Rayong, with the area combined of 9,726 Rai (3,890 Acre), which is a joint venture between Hemaraj and Siam Food Products Public Company Limited with investment proportion of 60: 40. The industrial estate was developed since 1995 and became the comprehensive industrial estate and one of the biggest automotive cluster in the world. Hemaraj's automotive cluster is a platform for global automotive OEM, parts and components manufacturers. Accordingly, Eastern Seaboard Industrial Estate has been housing for one-third of automotive capacity in Thailand.

5) Hemaraj Eastern Seaboard Industrial Estate (Hemaraj-ESIE)

It is located in Rayong and partially in Chonburi, with the area combined of 8,112 Rai (3,244 Acre). Eastern seaboard Industrial Estate is partially adjoined to Eastern Seaboard Industrial Estate (ESIE) with directly connected car routes and it is about 12 kilometer far from Hemaraj Chonburi Industrial Estate (Hemaraj CIE). Hemaraj-ESIE's target customers are automotive manufacturers and auto parts and components suppliers.

6) Hemaraj Saraburi Industrial Land (Hemaraj SIL)

It is located in Nong Plamor Sub-district, Nong Kae, Saraburi, with the area combined of 3,619 Rai (1,448 Acre). It is an industrial estate to support building material, ceramic, paper and packaging, metal, and cogen electricity clusters

7) Hemaraj Rayong Industrial Land (Hemaraj RIL)

It is located in Nonglalo Sub-district, Bankai, Rayong Province, with the area combined of 3,438 Rai (1,375 Acre). It is an industrial estate to support industries related to mechanical, automotive, metal, electricity and other supply chain manufactures.

8) **Hemaraj Eastern Seaboard Industrial Estate 2 (Hemaraj-ESIE 2)**

It is located in Khaokansong Sub-district, Sriracha, Chonburi, with the area combined of 3,654 Rai (1,462 Acre). It can be accessed from highway No 3138 and 331 and this industrial estate is 25 kilometer far from deep sea port in Laem Chabang and near automotive cluster located in Hemaraj Industrial Estate such as Hemaraj CIE 1 and Hemaraj CIE 2, Hemaraj Eastern Industrial Estate (Hemaraj EIE) and Eastern Seaboard Industrial Estate (ESIE) with target customers in automotive manufacturers and auto parts and components suppliers.

Privileges of business operation in industrial estate

Board of Investment	Significant Right
Hemaraj Land and Development Public Company limited	
<p>A. <u>Type of Industrial District</u></p> <p>A.1 Investment promotion was approved on 9 July 2013 with space of industrial district of 637 Rai</p> <p>A.2 Investment promotion was approved on 25 November 2014 with industrial district size of 3,160.5 Rai</p> <p>A.3 Investment promotion was approved on 28 April 2014 with industrial district size t of 602 Rai</p> <p>B. <u>Type of building development for factories</u></p> <p>B.1 Investment promotion was approved on 18 June 2012 with factory business size of 2 units</p> <p>B.2 Investment promotion was approved on 5 July 2012 with factory size of 9 units</p> <p>B.3 Investment promotion was approved on 1 August 2012 with factory space of 8 units</p> <p>B.4 Investment promotion was approved on 14 February 2013 with factory business size of 1 unit</p>	<p>Tax exemption on the profit that the company gains for 7 years since the first date of revenue generated.</p>
Eastern Industrial Estate Co., Ltd	
<p>A. <u>Industrial District Business</u></p> <p>A.1 Investment promotion was approved on 27 November 2003 with industrial district size of 500 Rai and it was expanded on 27 November 2009 from 565 Rai to 1,200 Rai</p> <p>A.2 Investment promotion was approved on 17 March 2009 with district size of 500 Rai</p>	<p>1. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated.</p> <p>2. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned</p>

Board of Investment	Significant Right
Eastern Seaboard Industrial Estate (Rayong) Co., Ltd	
<p>A. <u>Industrial District</u></p> <p>A.1 Investment promotion was approved on 25 July 2003 with industrial district size of 716 Rai</p> <p>A.2 Investment promotion was approved on 8 December 2004 with industrial district size of 680 Rai and later the company was approved to expand the industrial district size from 680 Rai to 1,020 Rai on 11 May 2007</p> <p>A.3 Investment promotion was approved on 17 October 2007 with industrial district size of 1,021 Rai</p> <p>A.4 Investment promotion was approved on 28 April 2015 with district size of 705 Rai</p> <p>B. <u>Building development for factory</u></p> <p>B.1 Investment promotion was approved on 16 July 2002 with size of small ready-built small factory of 50 units and middle size of 1 unit</p> <p>B.2 Investment promotion was approved on 27 March 2002 with size of ready-built middle factory of 22 Units</p> <p>B.3 Investment promotion was approved on 10 November 2011 with size of ready-built small factory of 12</p> <p>B.4 Board of Investment was approved on 22 August 2012 with size of small ready-built factory of 23 units</p> <p>B.5 Investment promotion was approved on 5 November 2012 with size of middle ready-built factory of 3 units</p> <p>B.6 Investment promotion was approved on 1 March 2013 with size of small ready-built factory of 7 units</p> <p>B.7 Investment promotion was approved on 1 March 2013 with size of small re ready-built factory of 8 units</p> <p>B.8 Investment promotion was approved on 1 March 2013 with small ready-built factory size of 9 units</p>	<p>1. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated. (except A.1 that was promoted for 7 years)</p> <p>2. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned in clause 1</p> <p>3. Two times deduction on travel, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation.</p> <p><i>Remark : The duration of benefit of investment promotion according to clause 1 of investment promotion A. 2 B.1 B. 2, the duration of benefit right from investment promotion as per clause 1 has been ceased.</i></p>
Hemaraj Eastern Seaboard Industrial Estate Co., Ltd	
<p>A. <u>Type of industrial Zone</u></p> <p>A.1 Investment promotion was approved on 22 May 1997 with industrial district size of 1,407 Rai</p> <p>A.2 Investment promotion was approved on 22 May 1997 with industrial district size of 1,375 Rai</p> <p>A.3 Investment promotion was approved on 22 May 1997 with industrial district size of 1,485 Rai</p>	<p>1. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated.</p> <p>(Except A.6, A.7, B.20, B.21, B.24, B.25, B.26 that were promoted for 7 years)</p>

Board of Investment	Significant Right
<p>A.4 Investment promotion was approved on 26 September 1996 with industrial district size of 1,332 Rai and later the company was approved to expand the industrial district size from 1,332 Rai to 2,653 Rai on 20 June 2007</p> <p>A.5 Investment promotion was approved on 23 January 2008 with industrial district size of 1,500 Rai</p> <p>A.6 Investment promotion was approved on 14 August 2012 with industrial district size of 620 Rai</p> <p>A.7 Investment promotion was approved on 25 November 2014 with industrial district size of 2,700 Rai</p> <p>B. <u>Type of building development as factory</u></p> <p>B.1 Investment promotion was approved on 14 August 2007 with size of middle ready-built factory of 8 units and small ready-built factory of 5 units</p> <p>B.2 Investment promotion was approved on 29 December 2008 with size of middle ready-built factory of 1 unit</p> <p>B.3 Investment promotion was approved on 30 December 2009 with size of middle ready-built factory of 1 unit</p> <p>B.4 Investment promotion was approved on 12 July 2011 with size of small ready-built factory of 1 unit</p> <p>B.5 Investment promotion was approved on 2 August 2011 with size of small ready-built factory of 3 units</p> <p>B.6 Investment promotion was approved on 18 August 2011 with size of small ready-built factory of 2 units</p> <p>B.7 Investment promotion was approved on 10 November 2011 with size of small Ready-built factory of 3 units</p> <p>B.8 Investment promotion was approved on 30 November 2011 with size of small ready-built unit of 3 units</p> <p>B.9 Investment promotion was approved on 16 December 2011 with size of small ready-built factory of 1 unit</p> <p>B.10 Investment promotion was approved on 19 April 2009 with size of middle ready-built factory of 1 unit</p> <p>B.11 Investment promotion was approved on 28 May 2012 with size of middle ready-built factory of 1 unit</p> <p>B.12 Investment promotion was approved on 1 August 2012 with size of middle ready-built factory of 2 units</p> <p>B.13 Investment promotion was approved on 17 August 2012 with size of middle ready-built factory of 1 unit</p> <p>B.14 Investment promotion was approved on 29 August 2012 with size of middle ready-built factory of 1 unit</p>	<p>2. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned in clause 1 (except A.6, A.7, B.20, B.21, B.24, B.25, B.26)</p> <p>3. Two times deduction on travel, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation. (except A.6, A.7, B.20, B.21, B.24, B.25, B.26)</p> <p><i>Remark : duration of benefit right from investment promotion according to clause 1 of A1, A4, B1, B2, B5 and B10 has been ceased</i></p>

Board of Investment	Significant Right
<p>B.15 Investment promotion was approved on 29 August 2012 with size of middle ready-built factory of 1 unit</p> <p>B.16 Investment promotion was approved on 4 September 2012 with size of middle ready-built factory of 1 unit</p> <p>B.17 Investment promotion was approved on 1 November 2012 with size of middle ready-built factory of 1 unit</p> <p>B.18 Investment promotion was approved on 1 November 2012 with size of middle ready-built factory of 2 units</p> <p>B.19 Investment promotion was approved on 1 November 2012 with size of middle ready-built factory of 2 units</p> <p>B.20 Investment promotion was approved on 17 December 2012 with size of Warehouse – HLP2 of 7 units</p> <p>B.21 Investment promotion was approved on 20 December 2012 with size of Warehouse – HLP3 of 4 units</p> <p>B.22 Investment promotion was approved on 28 January 2013 with size of middle ready-built factory of 1 unit</p> <p>B.23 Investment promotion was approved on 28 January 2013 with size of middle ready-built factory of 5 units</p> <p>B.24 Investment promotion was approved on 29 May 2013 with size of middle ready-built factory of 2 units</p> <p>B.25 Investment promotion was approved on 26 November 2013 with size of small ready-built factory of 4 units</p> <p>B.26 Investment promotion was approved on 10 March 2014 with size of Warehouse – HLP2 of 4 units</p>	
SME Factory Co., Ltd	
<p>A. <u>Business of building development as factory</u></p> <p>A.1 Investment promotion was approved on 21 May 2007 with size of building for factory of 2 units and total utility space of 3,860 square meters</p> <p>B.2 Investment promotion was approved on 26 July 2011 with size of building for factory of 1 unit and total utility space of 12,100 square meters</p> <p>A.3 Investment promotion was approved on 10 August 2012 with size of building for factory of 12 units and total utility space of 9,385 square meters</p> <p>A.4 Investment promotion was approved on 7 March 2014 with size of building for factory of 5 units</p> <p>A.5 Investment promotion was approved on 5 June 2014 with size of building for factory of 5 units</p>	<p>1. Tax exemption on the profit that the company gains for 7 years since the first date of revenue generated.</p> <p>Duration of benefit right according to clause 1 from investment promotion of A.1, A.3, A.4 and A.5, the company still had income from such operation</p> <p>2. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated.</p> <p>Duration of benefit right according to clause 2 from investment promotion of A.2, A.6, A.7, the company still had income from such operation</p>

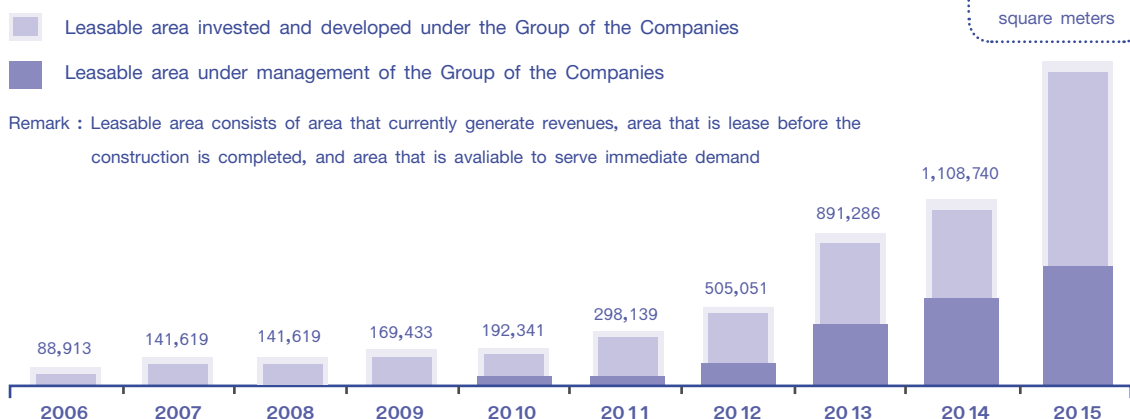
Board of Investment	Significant Right
<p>A.6 Investment promotion was approved on 25 August 2014 with size of building for factory of 9 units</p> <p>A.7 Investment promotion was approved on 25 August 2014 with size of building for factory of 1 unit</p> <p>B. Type of logistic industrial zone</p> <p>B.1 Investment promotion was approved on 9 November 2011 with size of industrial zone of 276 Rai</p>	<p>3. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned in clause 1 and 2 from investment promotion of A.2, A.6 and A.7</p> <p>4. Two times deduction on travel, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation according to clause 4 from investment promotion of A.2, A.6 and A.7</p>
Hemaraj Saraburi Industrial Land Co., Ltd	
<p>A. <u>Type of building development for factory</u></p> <p>A.1 Investment promotion was approved on 29 June 2012 with size of middle ready-built factory of 1 unit</p> <p>A.2 Investment promotion was approved on 2 July 2015 with size of middle ready-built factory of 8 units</p> <p>A.3 Investment promotion was approved on 5 July 2012 with size of middle ready-built factory of 2 units</p> <p>A.4 Investment promotion was approved on 10 August 2012 with size of middle ready-built factory of 2 units</p> <p>A.5 Investment promotion was approved on 22 August 2012 with size of middle ready-built factory of 5 units</p> <p>A.6 Investment promotion was approved on 5 April 2013 with size of middle ready-built factory of 2 units</p> <p>A.7 Investment promotion was approved on 5 April 2013 with size of small ready-built factory of 6 units</p> <p>A.8 Investment promotion was approved on 16 December 2013 with size of small ready-built factory of 12 units</p>	<p>Tax exemption on the profit that the company gains for 7 years since the first date of revenue generated.</p>
Hemaraj Rayong Industrial Land Co., Ltd	
<p>A. <u>Type of Industrial Zone</u></p> <p>A.1 2nd Investment promotion card was approved on 16 August 2000 with industrial district size of 520 Rai</p> <p>A.2 3rd Investment promotion card was approved on 14 March 2001 with industrial district size of 1,343 Rai</p> <p>B. <u>Type of building development for factory</u></p> <p>B.1 Investment promotion was approved on 28 June 2013 with size of small ready-built factory of 2 units</p>	<p>1. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated.</p> <p>2. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned in clause 1</p>

Board of Investment	Significant Right
Rayong 2012 Co., Ltd	
<p>A. Type of Industrial Zone</p> <p>A.1 Investment promotion was approved on 25 November 2014 with industrial district size of 1,232 Rai</p>	<p>1. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated.</p> <p>2. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned in clause 1</p>
Hemaraj Eastern Seaboard Industrial Estate 4 Co., Ltd	
<p>A. Type of Industrial Business</p> <p>A.1 Investment promotion was approved on 10 July 2015 with industrial district size of 2,142 Rai</p>	<p>1. Tax exemption on the profit that the company gains for 8 years since the first date of revenue generated.</p> <p>2. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as aforementioned in clause 1</p>

1.2 Logistics and Industrial Properties Business

The business of investment, development and management of real estate business generates main revenue stream to the Group of Companies. As of the end of 2015, the Group of Companies has total leased area under investment, development and management of 1,975,792 sq.m., which grew significantly from 2014 as a result of the acquisition of Hemaraj shares.

Unit: Square meter



In summary, the Group of Companies' logistics and industrial properties business consists of the following 4 main segments:

1. Properties development for rental and service income
 - 1) Built-to-Suit Project
 - 2) Warehouse Farm Project
 - 3) Ready-Built Factories; Ready-Built Warehouses Project
 - 4) Other projects
2. Properties development for Sale
3. Investment and real estate management
4. Real Estate Investment Trust management

1. Properties development for rental and service income

(1) Built-to-Suit Project

The Group of Companies operates a business of development and built-to-suit projects for rent. Each project has different complexity to suit different needs of the business and the operation process of each tenant. These projects are based in strategic locations for logistics such as Bangna-Trad, Lardkrabang, Wangnoi, Bang Pa-in, Saraburi or any industrial estates. The rental agreements are developed based on tenants' need and most are long-term agreements of between 10-15 years lease term. Tenants must provide a rental deposit in form of cash and/or a bank guarantee valued approximately 3-12 months of the annual rental fee. If tenants terminate the lease agreement before the end of the lease term, they must pay compensation of an amount equal to the lease fee for the remaining lease term to the Group of Companies.

A. Warehouse and Distribution center

All projects of the Group of Companies are designed in accordance with the international standard which takes into consideration tenant's maximum utilization, for example, interior space designed to serve the maximum of the flow of goods, high clear height and wide entry/exit designed to allow quick loading and unloading, and product shelves having a flexible design and being adjustable to suit tenants' operation process of which enables fast arrangements/packing while reducing error. Furthermore, the projects under the Group of Companies are located in strategic locations for logistics to serve as a distribution center. The area of the projects ranges from 10,000 to 70,000 sq.m. Most projects are located either on the routes with easy access to Suvarnabhumi International Airport or Laem Chabang Port or on the routes with connection to main highways such as Bangna-Trad KM. 18-23 which is convenient for transportation of goods to Bangkok or for distribution to other regions of Thailand and other countries. This will help reduce the cost of transportation in a long run for tenants. As of the end of 2015, the Group of Companies holds property covering prime strategic locations such as Bangna-Trad Road, Ladkrabang, Laemchabang, Panthong, Kabinburi, Rama II as well as in up-country such as Ayuthaya, Khon Kaen, Surathani and Lamphun to accommodate tenant's business expansion. In 2015, the Group of Companies also focused on improvement of warehouse quality aiming at more variety and sophisticated warehouses to meet the intended purposes of use and the need of tenants, for instance, temperature controlled warehouses, both multi-temperature warehouses and cold storages. An example of the past project is the air-conditioned distribution center of on Bangna-Trad KM. 3 leased to the major tenant, Unilever Thai Trading Co., Ltd. Such project was

completed and delivered to tenant in 2014 with objectives to be the distribution center for consumer goods and this project was designed in such a way that meets the criteria of Good Manufacturing Practice and equipped with air-conditioners to maintain the internal temperature between 18 degree Celsius and the freezer temperature at -25 degree Celsius to enable the tenant to effectively control the product quality.

B. Large Factory Building Project

The Group of Companies' team of engineering experts works closely with tenants' team in every step in design and construction of factory buildings to ensure that the factory buildings handed over to the customers suit the specific needs of tenants in all aspects. For example, the utilized area and the column layout provide clear access for the operation process. Strong construction materials used to support the weight of goods, machines and equipment. Roof design allows natural ventilation. Infrastructure such as electricity system, lighting system and waste management system are also designed as a Built-to-Suit and it is also in accordance with the industrial standard requirements. All projects developed by the Group of Companies are located in various industrial estates such as Amata City Industrial Estate in Rayong, Hemaraj Industrial Estate in Saraburi.

Example of Built-to-Suit projects



Location : BangnaTrad km 5
Leased Space : 10,000 Square meters
Company : WHA Corporation Plc.
Project Type : Distribution Center



Location : BangnaTrad km 5
Leased space : 31,000 Square meters
Company : WHA Corporation Plc.
Project Type : Distribution Center



Location : Saraburi
Leased space : 55,000 Square meters
Company : WHA Corporation Plc.
Project type : Factory and
Distribution Center

Examples of the Projects Qualifications



Seamless Metal Sheet Roof

The Group of Companies uses single metal sheet which reduces leakage between roof connections.



Thermal Insulation Roof

The micro fiber insulation is installed beneath roofing to create air gap which reduces inside temperature and helps maintain quality of goods.



Natural Ventilation System

Metal sheet louvers with bird screen around the building and high ceiling maximize wind flow within the projects.



Environmental Management Criteria

Basic structure of the projects such as distribution system, warehouse building and production factory are developed based on international standards, for example, buildings are designed to reduce accumulation of dust and dirt and to prevent termites and insects.



Burnished Floor Furnished

Floor structure is made of premium-grade concrete that is stronger than normal concrete. In addition, the new technique called “Burnished Floor” is implemented to treat the surface of the floor to prevent scratches and abrasion due to heavy duty and minimize accumulation of dust and cracks.

Source: Company Website

(2) Warehouse Farm

Since the Group of Companies anticipated the increased demand for lease of warehouse, distribution center and factory buildings, from 2011 onwards, the Group of Companies started developing a warehouse farm project under the name, Mega Logistic Center. The Warehouse Farm Project is a combination of premium quality Built-to-Suit and Ready-Built Warehouse. Built-to-Suit within the Warehouse Farm ranges from 10,000.0 to 16,000.0 square meters while Ready-Built Warehouse is smaller with a leasable area of approximately 3,000.0 to 5,000.0 square meters. Despite being smaller than Built-to-Suit in terms of leasable area, the Company's Ready-Built Warehouse maintains the same building specifications and the standard of warehouse and factory of premium quality which is the Group of Companies' key business concept. The Company views that Warehouse Farm will help serve the existing customers in terms of their area expansions as well as broaden the customer base to new tenants who may only need a short-term lease which will potentially turn to be Built-to-Suit customers in the future.

The Group of Companies selects the location for development of the Warehouse Farm based on the needs of the existing customers and the anticipated demands. Most Built-to-Suit Projects' lease agreements are long-term lease of 10 years or over while Ready-Built Warehouse lease agreements are short-term lease of 3 years on average with options for renewal in the same manner as Built-to-Suit Projects lease. As of the end of 2015, The Group of Companies had Warehouse Farm project on various locations such as Bangna-Trad, Saraburi, Lardkrabang and Wangnoi, etc.

The Group of Companies also provides common facilities such as common electricity, security and safety, road maintenance and infrastructure system and the project facilities.

Example of Warehouse Farm Project



Location : Bangna-Trad km 4
Leased Space : 73,000 square meters
Project Type : Warehouse Farm



Location : Hemaraj Industrial Estate, Saraburi
Leased space : 96,000 square meters
Project type : Warehouse Farm

Example of current tenants of Built-to-Suit Project and Warehouse Farm Project

USA	EUROPE	THAI	JAPAN	ASIA
         	    	        	            	   

Source: Company

(3) Ready-Built Factories; Ready-Built Warehouses

The Group of Companies operates ready-built factories and warehouses project through operation under Hemaraj with anticipated demand from small and medium customers. Therefore, Hemaraj has initiated the ready-built factories and warehouses within the industrial estates to respond needs of customers to start business with conservative view and high flexibility requirement. The ready-built factories and warehouses are operated under the name of Hemaraj RBF Park and Hemaraj Logistics Park in 5 locations including Hemaraj RBF Park 1 located in Hi-tech industrial estate, Kabinburi, Prachinburi province, Hemaraj Logistic Park 1 in Chonburi province, Hemaraj Logistic Park 2 located in Eastern Seaboard Industrial Estate, Hemaraj Logistic Park 3 located in Eastern Seaboard Industrial Estate (Rayong), and Hemaraj Logistic Park 4 in Rayong province.

A. Ready-Built Factory for Rent:

Hemaraj designs and develops turnkey ready-built factories, with clear span layout, no column in the middle, and expandable options sizing from 450 square meters to 10,000 square meters for rent located in both General Industrial Zone and Duty Free Zone in multiple industrial estates/zones of Hemaraj. Ready Built Factories provides customers flexibility on investment and financing as well as a growth path to larger buildings or developed land as their business expands. Hemaraj also manages the utility and fit-out requirements to fit customers' needs. In 2015, Hemaraj had approximate ready-built factory area of 467,523 square meters (including the area of ready-built factory under Hemaraj Industrial Property and Leasehold Fund and ready-built factory sold to customers)

The first ready-built factory project of Hemaraj was established under the name of Hemaraj RBF Park 1 in Hi-tech industrial estate, Kabinburi. As it was strategically located on Km. 78 highway 304, Ladtakian Sub-district, Kabinburi District, Prachinburi province between Bangkok and eastern region, Hemaraj RBF Park 1 is conveniently accessed by road, marine and air transportation.

B. Ready-Built Logistic Warehouse for Rent:

Hemaraj has Ready-Built logistic warehouse leasable area of 2,400 – 25,000 square meters, in which the first Ready-Built logistic warehouse of Hemaraj was established under the name of Hemaraj Logistics Park¹. It was the center of logistic and high quality warehouse on new highway 331 in Chonburi with a combined area of 280 Rai. It is located between Hemaraj industrial Estate in eastern Seaboard and deep sea port in Laem Chabang or about 20 kilometer far from the port. Hemaraj Logistics Park 1 provided services of warehouse for rent in both Free Zone and General Zone. In 2015, Hemaraj also developed 3 more logistic warehouses parks including Hemaraj Logistics Park 2 (Free Zone) and Hemaraj Logistic Park 3 in Eastern Seaboard industrial Estate and Hemaraj Logistic Park 4 near Easter Seaboard Industrial Estate (Rayong), respectively, to serve third party logistics providers as well as end user customers who are in the automotive, electronics, consumer, building material, and other segments. and major industries in the Eastern region.

(4) Other projects

A. The Investment and Redevelopment / Renovation Projects for Rent

The Group of Companies plans to purchase completed and/or partially constructed assets to develop for rent. In this regard, the Group of Companies will make an appropriate offer for projects that are in good condition to develop for lease to interested customers (who may be existing customers). This will enable the Group of Companies to have more leasable area at a faster pace, reduce construction period and utilize the Company's capabilities in design and renovation to respond to customers' needs.

B. Office Building for Rent

To respond needs of the tenants who require office space and to diversify risks, in 2014, the Group of Companies developed a Built-to-Suit office building project on Bangna-Trad Road, namely Bangna Business Complex project with a leasable area of 8,578 square meters. In July 2014, the Group of Companies acquired Equinox The Office Place, an office building, from Major Development Group and changed the name to SJ Infinite I Business Complex. It is a new 30-floor office building on Paholyotin-Vibhavadee Road having a leasable area of approximately 21,673 square meters. It consists of the office space and retail area for rent. In November 2015, the Group of Companies sold both office building projects to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust (WHABT), allowing the Group of Companies to receive cashflow proceeds from divestment and generate recurring income in the form of dividend as a trustholder and a REIT management fee through operation of WHA Real Estate Management Co., Ltd.

2. Properties development for Sale

The Group of Companies has a clear policy to sell assets to the Fund or the Real Estate Investment Trust to be a source of funding for its future projects. However, selling assets to the Fund or the Real Estate Investment Trust must be approved by unitholders. The Company as a unitholder of the Fund and the Real Estate Investment Trust is not eligible to vote in this case. Furthermore, asset sale may depend on factors that are beyond the Group of Companies' control such as market condition that affects the ability of the Fund or the Real Estate Investment Trust to raise funds. The Group of Companies might consider the divestment of the assets to suit the capital need and the overall investment policy of the group.

The Group of Companies has a policy on selecting assets for sale to the Fund or the Real Estate Investment Trust such that the assets must be developed projects with a lease agreement and that they have already generated rental and service income. They must have full characteristics and are not contrary to the investment

policy of the Fund and the Real Estate Investment Trust and/or the law and/or the related regulations. The Group of Companies considers the number and the sizes of projects to be sold to the Fund or the Real Estate Investment Trust on each occasion will be subject to consideration by the Company, taking into account the need of funds for new projects and profit expected from such sale.

In 2014, the Group of Companies a real estate investment trust, the first industrial REIT in Thailand, for property investment in the categories of industrial estates and logistics under the name of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART) to continuously sell property and generate income sufficient for investment in new projects. As of the end of year 2015, WHART has total 6 projects under investment covering total leasable area of 342,245.98 square meters and roof area of 169,473.59 square meters and the total asset value of 8,971 million Baht. Moreover, the Group of Companies has a policy to sell developed projects to third parties, particularly current tenants of such particular projects as a means to increase income to the Group of Companies.

3. Investment and Real Estate Management Business

The Group of Companies has policy to invest in the real estate business through the Fund or Real Estate Investment Trust at no greater than 20% of the total investment units to generate returns in the form of dividends annually on regular basis. However, the investment in the Fund or Real Estate Investment Trust is dependent on the funding need and the amount of funds raised from the sale of assets to the Fund at that time. Therefore, the investments in the Fund or Real Estate Investment Trust at a given time could be different from that specified in the investment policy. The Group of Companies did not have any control over or participate in formulating the policies of the Fund or Real Estate Investment Trust. Moreover, the Group of Companies is appointed as the Property Manager of the Fund or Real Estate Investment Trust. Therefore, the Group of Companies is able to generate recurring income from the management of the Fund's or Real Estate Investment Trust's property in the near future.

4. Real Estate Investment Trust management

The Company established WHA Real Estate Management Co., Ltd. as a subsidiary to undertake the business of management of Real Estate Investment Trust. This company will receive a fee for management of the Real Estate Investment Trust and fee for asset acquisition and disposal based on the asset value.

Overview of the Group of Companies and the Fund's and WHART's Projects

(details of completed project and projects under development as of 31 December 2015)

(unit: Square meters)

Project Status	The Group of Companies	WHART	WHAPF	HPF
Projects that completed construction and started generate revenues	514,453	337,899	389,982	105,978
Projects that completed construction and has yet to generate revenues	432,256	4,347	0	44,139
Projects under development	147,275	0	0	0

Privileges from the Board of Investment (BOI)

The Group of Companies receives promotion from the Board of Investment for the business of development of industrial factory and/or warehouse for two projects. The details and the material content of the privilege are as follows:

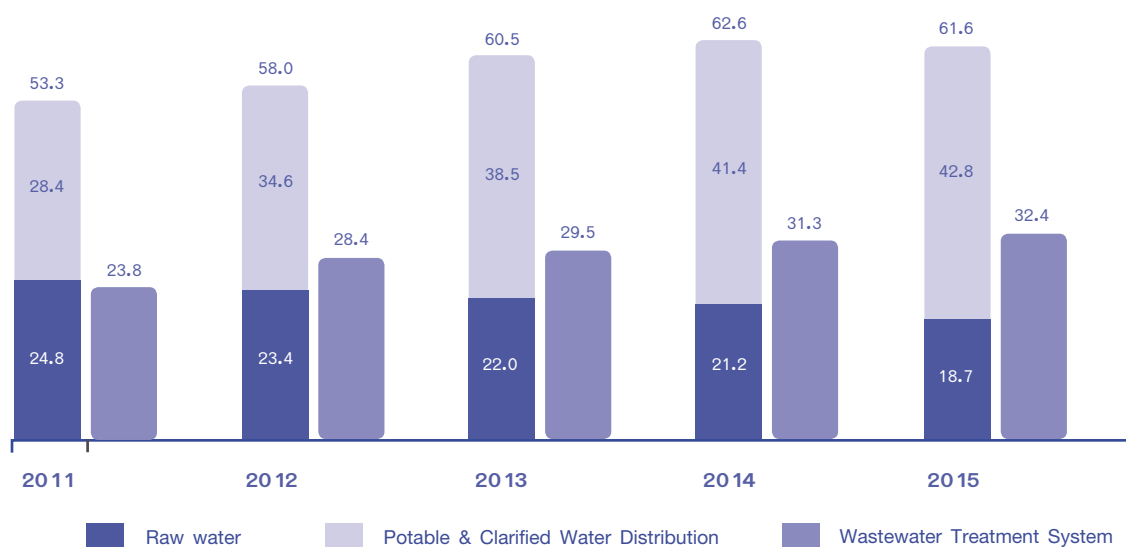
1. Tax exemption on the profit that the Company gains for 8 years since the first date of revenue generated. If the Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.
2. Tax exemption on the profit that the Company gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 7 years of useful life). If the Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.
3. Tax exemption on the profit that the Company gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 8 years of useful life). If the Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.
4. The Group does not need to include dividend received from a BOI-promoted entity to calculate the income tax expense during the exemption period.
5. Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as mentioned in 1 above.
6. Two times deduction on travel, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation.
7. Deduction on investment cost (25% of investment cost that is not included in the normal depreciation rate).

1.3 Utilities Business

The Group of Companies operated the utilities business through operation of Hemaraj, which is the largest private supplier of clarified and treated potable water to industrial users within its 8 industrial estates and industrial lands. The utility service operation is performed under Hemaraj Clean Water Company Limited and Hemaraj Water Company Limited. As of the end of 2015, Hemaraj supplied clarified and treated potable water to industrial users with the current capacity of 61.6 million cubic meters with target customers in petrochemical, steel, automotive and electricity supply industries.

Furthermore, Hemaraj also provided waste water treatment services for the customers within industrial estates. Wastewater will be transported to Central Waste Water Treatment Plant for treatment until its quality meets the environmental standard before draining out or recycling. The wastewater treatment system is different in each industrial estate or district such as Activated Sludge system, Aerated Lagoon system and Rotation Biological Contractor system. As of the end of 2015, Hemaraj could support the customer needs to treat wastewater for 32.4 million cubic meters.

Unit: million cubic meter/year



The business of utility services is correspond to the Group of Companies to generate sustainable recurring income, which could grow organically through customer's business expansion as well as substantially through new customers and new power plants operated in the industrial estate. In 2015, there were 9 operating power plants out of 19 power plants under development. Additionally, the Group of Companies has continuously enhanced the business value by increasing the proportion of high value product, i.e. Clarified Water and Potable Water.

1.4 Power Business

The power business consists of 2 segments, including the business of investment in the power service companies, which are operated under Hemaraj's arm, and the business of Solar PV Rooftop investment and development.

1. Business of investment in the power service companies

Hemaraj operated the business of investment in the power service companies ranging from an Independent Power Producer (IPP) power plant, which is a joint venture with Glow Energy Public Company Limited to a Small Power Producer (SPP) power plant, which is a joint venture with B.Grimm Power Company Limited and Gulf JP Company Limited. As of the end of 2015, Hemaraj had 4 commercially operating power plants, including 3 IPPs and 1 SPP with net generating equity capacity of 317.6 MW (from total generating capacity of 1,651 MW). During the period of 2016–2019, the Group of Companies anticipated the increase power generating capacity, respectively, as the remaining 7 SPPs continuously commercially operate, which will result in an increasing of net generating equity capacity to 538.1 MW (from total generating capacity of 2,533 Megawatt) within 2019.

Project	Power Plant Type	Raw Material	Location	Shareholding	Total Generating Capacity (MW)	Net Generating Equity Capacity (MW)	Commercial Operation Year
Commercial Operation Projects							
Glow IPP	IPP	Gas	Hemaraj CIE	5.00%	713	35.7	2001
Houay Ho	IPP	Hydro	Laos	12.75%	152	19.4	1999
Gheco-One	IPP	Coal	Map Ta Phut	35.00%	660	231.0	2012
GJP NLL	SPP	Cogen Gas	Hemaraj RIL	25.01%	126	31.5	2013
Total					1,651	317.6	

Project	Power Plant Type	Raw Material	Location	Shareholding	Total Generating Capacity (MW)	Net Generating Equity Capacity (MW)	Commercial Operation Year
Future Projects							
Bowin Clean Energy with B.Grimm	SPP	Cogen Gas	Hemaraj CIE	25.01%	132	33.0	2016
GVTP with Gulf Mitsui	SPP	Cogen Gas	ESIE (Rayong)	25.01%	130	32.5	2017
GTS1 with Gulf Mitsui	SPP	Cogen Gas	ESIE (Rayong)	25.01%	130	32.5	2017
GTS2 with Gulf Mitsui	SPP	Cogen Gas	ESIE (Rayong)	25.01%	130	32.5	2017
GTS3 with Gulf Mitsui	SPP	Cogen Gas	Hemaraj-ESIE	25.01%	120	30.0	2017
GTS4 with Gulf Mitsui	SPP	Cogen Gas	Hemaraj-ESIE	25.01%	120	30.0	2018
GNLL2 with Gulf Mitsui	SPP	Cogen Gas	Hemaraj RIL	25.01%	120	30.0	2019
Total					882	220.5	

2. Business of Solar PV Rooftop Investment and Development

Investment and development of Solar PV Rooftop Project is a new business which the Company initiated in 2013 due to the Company's vision that such business has high growth potential, generates steady income and has sustainability with low risk. It is able to enhance value of the Company's core business and it is in line with the Company's aspiration to preserve the environment under the green energy concept. The Company will install rooftop solar cell for existing warehouses, distribution centers and factories and it is expected that the Company will realize the income since 2014. In addition, the solar cell contributes additional benefit to the tenants as it functions as the heat insulator for the roof of warehouses.

On July 16, 2013, the National Energy Policy Committee by Prime Minister as the Chairman of the meeting approved the Metropolitan Electricity Authority and the Provincial Electricity Authority to procure the purchase of the Solar PV Rooftop energy in 2013 with capacity of 200 MWp divided into residence with 100 MWp capacity and small business buildings and middle and large business buildings/factory with 100 MWp capacity, and approved the Feed-in Tariff (FIT) solar cell energy which has supporting period of 25 years with following details

	Residence	Small business building	Middle-large business building
Installed capacity	0-10 KWp	>10-250 KWp	>250 KWp
FIT Rate (THB/unit)	6.96	6.55	6.16

Remark : the installed capacity is calculated from capacity of the solar cell

On 15 December 2014, the meeting of the National Energy Policy Committee (NEPC) resolved to extend the period for commercial operation of the solar PV rooftop project of 130.64 MW that is already binding the government sector from December 2014 to the end of June 2015.

The Group of Companies was selected to produce the electricity from the rooftop solar cell with capacity of 4.28 MWp. As of the end of 2015, it started distributing of 3.30 MWp, details of which are as follows

The Metropolitan Electricity Authority (MEA)

Company	Installed Capacity	FIT Rate (THB/unit)	Location
WHA Gunkul Green Solar Roof Co., Ltd	636.48 KWp	6.16	Bangna-Trad km 18
WHA Gunkul Green Solar Roof 3 Co., Ltd	832.32 KWp	6.16	Bangna-Trad km 18
WHA Gunkul Green Solar Roof 6 Co., Ltd	832.32 KWp	6.16	Bangna-Trad km 18
WHA Gunkul Green Solar Roof 10 Co., Ltd	979.20 KWp	6.16	Bangna-Trad km 18
Total	3,280.32 KWp		

The Provincial Electricity Authority (PEA)

Company	Installed Capacity	FIT Rate (THB/unit)	Location
WHA Gunkul Green Solar Roof 17 Co., Ltd	997.56 KWp	6.16	Wangnoi, Ayuthaya

In addition, the Group of Companies also operates solar rooftop investment and development under Hemaraj, which generates 0.15 MW. Therefore, as of 2015, the Group of Companies distributes in total of 3.45 MW from solar rooftop.

Privileges from the Board of Investment

5 Subsidiaries obtained investment promotion certificates from the BOI granting the following privileges.

- Exemption from tariff on imported machinery
- Exemption from corporate income tax on net profits arising from the business operation for 8 years from the date on which income is first generated.
- Receipt of the tax benefit on corporate income tax on net profit arising from the business operation at 50% of the normal rate for 5 years after the expiration of the 8 year tax holiday period.
- Dividends are excluded from the calculation of income tax during the corporate income tax exemption period.
- Double deduction of the transportation, electricity and water utility charges as expenses for 10 years from the date on which income is first derived from the business operation.
- Being allowed to deduct investment sum on installment and facilities construction at 25% of investment sum in addition to the normal depreciation.

2. Marketing and Competition

The Group of Companies could summarize marketing and competition trend in 2 main groups according to customer base, including the business of industrial estate development and utility and power service and the business of investment, development and management of real estate.

2.1 Business of industrial estate and utility and electricity service

Marketing Strategy

The Group of Companies runs its marketing activities under Hemaraj with 2 target customer groups including existing and potential customers as follows

Existing Clients contribute a large portion of income of the Group of Companies as Hemaraj emphasizes on the customers in high growth potential industries such as auto manufacturing, consumer goods, steel, construction material, logistics, chemicals, and industrial machinery, etc. Hemaraj's main marketing strategy is to be one-stop services provider with availability of utilities, electricity, and facilities. Its sale team closely coordinates with the clients and collaborates with the operating and maintenance division to deliver excellent after sale service. This process started from assisting customers from the factory construction process then consulting and coordinating with government sectors closely. Once the factory started to operate, Hemaraj promptly provide utilities and facilities such as road, electricity, raw water, clarified water, and/or potable water, water treatment and waste disposal, security service, and environmental conservation system. It also has training center and arranged training programs to develop labor skills as well as spaces for temporary office and plaza with various facilities such as finance, banking, food, and services. There were also residential buildings for rent inside the industrial estate. Value Added Service Center also played an important role to provide additional services to the clients including infrastructure system and telecommunication system in the factory, information technology outsourcing, factory maintenance, waste disposal, other common services, job vacancy notice, and gardening, etc.

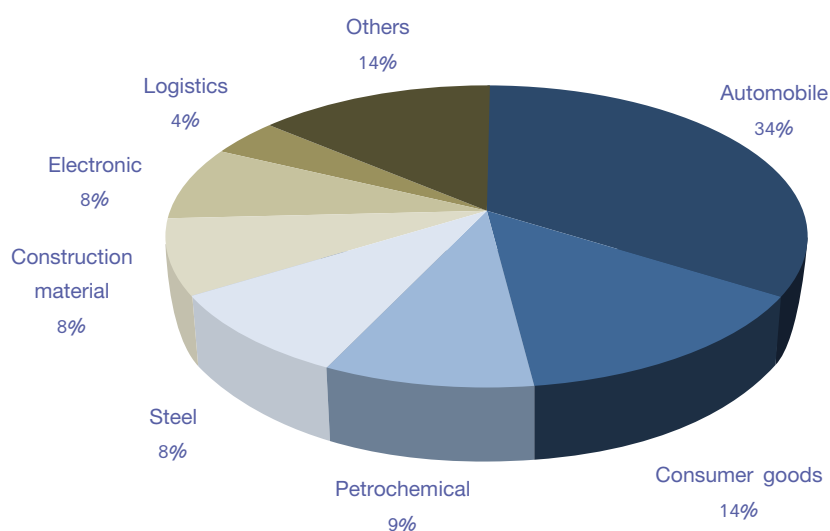
For **future clients**, Hemaraj focused on the target that emphasized on quality of industrial estate and services including domestic and international clients that needed to expand or relocate production base in Thailand. Its strategy is to specify the industrial clusters in each location, for example, Eastern Seaboard Industrial Estate (rayong) and Eastern Seaboard Hemaraj Industrial Estate are auto manufacturing cluster, Eastern Hemaraj Industrial Estate is a petrochemical industry cluster. With this strategy, clients will be benefited from the cluster of industry to support the supply chain management.

Hemaraj gathered the database of target group and used marketing channels through close coordination with the sectors that accessed target group domestically and internationally such as Industrial Estate Authority of Thailand, The Board of Investment of Thailand, Ministry of industry, Embassy and the Chamber of Commerce in many countries as well as the campaign throughout the year via leading media in both the national and foreign markets. Apart from raising Hemaraj's recognition for industrial estate, Ready-Built factories and warehouses in newspaper, journal, website, and billboard, it also expands its channel through national and international exhibition, product showcase, and contact with foreign dealer especially in the countries with high potential to invest in Thailand such as Japan.

Besides, Hemaraj also emphasized on strategy to attract investment of SMEs with Ready-Built factories for sale and for rent to respond to the investment demand of entrepreneurs who is risk-averse but still need high flexibility in the operation. In 2015, Hemaraj has warehouses for rent located in 4 different sites to support growth of the clients.

Targeted Client

The target group of Hemaraj is focused on clients who are expanding their production base from foreign countries to Thailand where Japanese clients represent around half of the client portfolio and the rest are clients from Europe, the US, and Southeast Asian countries i.e. Singaporean and Malaysian and Thai investors. The customers groups are in various industries such as automotive manufacturing and spare parts, electronics, metal molding, and consumer products, etc. As at the end of 3rd quarter of 2015, the client proportion in each industry is shown as follows



Distribution process and distribution channels

Hemaraj utilizes direct distribution system for domestic clients in which Hemaraj has separate teams that are responsible for each target market. For international clients, Hemaraj appointed distributors that have knowledge and expertise regarding the industrial estate business as well as giving data about investment environment in Thailand. Hemaraj has marketing plan in which it utilizes various media outlets such as social media, publications and sale promotions activities domestically and internationally. Hemaraj also maintains strong relationship with its clients as well as the public and private sectors.

Industry Trend

The key in operating industrial estate business is to develop land which allows factories to be uniformly located. In addition, Hemaraj provides and develops necessary infrastructure in accordance with standards of Industrial Estate Authority of Thailand (IEAT). Industrial estate could be divided as 3 types as follows

1. Industrial estate owned and managed by IEAT
2. Industrial estate owned and managed by private sector with contract of co-operation with IEAT
3. Industrial estate operated by private sector, normally known as “Industrial park” or “Industrial land”

Currently, Industrial Estate Authority of Thailand had 56 operated industrial estates; 11 estates were operated independently and 45 estates were mutually operated with developers

* Source : <http://www.dpt.go.th>

However, to analyze the industry trend of the industrial estates, it shall taken into consideration the business trend of major industries, including automotive, plastic, petrochemicals and electronic parts, as well as consideration on the foreign direct investment trend. Thailand was ranked in 49th and 2nd of Southeast Asia as a country with convenience of business operation. With such supportive environment, the foreign investment has been continually a major business driver for the industrial estate. The overview of investment promotion application in 2015 could be summarized as follows;

Investment Promotion Application in 2015	Number of Project	Investment (THB mm)
Promotion Application	1,038	218,117
Promotion Approval	2,237	809,378
Promotion Issuance	1,612	687,850

* Source: <http://www.boi.go.th>

According to the figure of such investment promotion, the business obtaining investment promotion mostly was the business corresponds to the governmental supporting policy, accounting for 66% of total approval projects (equivalent to 684 projects with investment fund of THB 119,028 mm) such as digital economy policy, international business collaboration policy and logistic system development policy.

In 2015, the combined area of industrial estates in Thailand was approximately 134,831 Rais, most of which were located in the Eastern region of 70% of total area and the Central region of 25% of total area. The top

industries situated in the industrial estates are automotive, steel and metals and electronics, respectively. The average industrial estate land price is depended on the location, road network connection, infrastructure and near material source. Industrial estate land price in Bangkok was the most expensive due to being the center of transportation and near the port and international airport. The second and third were Samutprakan and Prachinburi, respectively.

* Source : <http://www.dailynews.co.th>

Competition

The competition pressure of industrial estate industry is quite high from the growth of the new industrial estates and expansion of the existing industrial estates especially the eastern side of Thailand. However the aftermath of the great flood in 2011 caused continuous relocation of manufacturing base to the eastern seaboard area as the area is close to Bangkok and Laemchabang Port and approx. 70 –111 meter higher from sea level.

For the competition strategy, Hemaraj focuses on building stable income and diversifying risk by relying on line of comprehensive business including land sale, ready-built factory for rent, logistic warehouse, utilities services and other industrial services to lessen the impact of economy fluctuation.

Comparison between Hemaraj Chonburi Industrial Estate and industrial estates in surrounded areas

	Amata Nakorn	Pinthong 2	Pinthong 3	Pinthong 2	Laem chabang	Chonburi	Chonburi
Project Area(Unit/Rai)							
– General Industrial Zone	10,035	444	766	1,014	1,824	2,096	272
– Free Zone/ Export Processing Zone	–	–	–	–	979	466	–
– Commercial and Residential Zone	1,394	9	–	133	–	72	14
– Public Utility and others	2,450	56	–	–	753	853	82
Land Price (THB mm/ Rai)							
– General Industrial Zone	7.5	2.5	–	3.2	0.145	3.8	3.8
– Export Processing Zone	–	–	–	–	0.181	3.8	–
Distance (Kilometer)							
– From Bangkok	57	110	127	132	120	110	112
– From Suvarnabhumi Airport	42	90	97	102	120	83	85
– From Donmueng Airport	85	125	137	141	140	113	107
– From Laemchabang Port	40	10	17	22	1	25	27
– From Map Ta Phut Port	96	–	66	70	60	55	57

Source : Industrial Estate Authority of Thailand ; Hemaraj Land Development Public Company Limited

Comparison between Hemaraj Eastern Industrial Estate (Map Ta Phut) and industrial estates in surrounded areas

	Asia	Map Ta Phut	Phadaeng	Eastern Hemaraj
Project Area(Unit/Rai)				
- General Industrial Zone	2,591	6,949	497	3,030
- Free Zone/ Export Processing Zone	-	-	-	-
- Commercial and Residential Zone	3	-	-	-
- Public Utility and others	254	-	43	711
Land Price (THB mm/ Rai)				
- General Industrial Zone	8	-	-	7.5
Distance (Kilometer)				
- From Bangkok	173	190	165	155
- From Suvarnabhumi Airport	150	-	145	121
- From Donmueng Airport	190	120	196	149
- From U-tapao Airport	21	24	18	18
- From Laemchabang Port	55	57	56	55
- From Map Ta Phut Port	8	1	3	2

Source : Industrial Estate Authority of Thailand ; Hemaraj Land Development Public Company Limited

Comparison between Eastern Seaboard industrial Estate (Rayong) and Hemaraj Eastern seaboard Industrial Estate and industrial estates in surrounded areas

	Amata City	Siam Eastern Seaboard	Eastern Seaboard	Hemaraj Eastern
Project Area(Unit/Rai)				
- General Industrial Zone	9,226	1,376	6,203	5,224
- Free Zone/ Export Processing Zone	-	-	390	703
- Commercial and Residential Zone	400	108	89	102
- Public Utility and others	-	316	1,928	1,974
Land Price (THB mm/ Rai)				
- General Industrial Zone	3.2	2.6	3.6	3.6
- Free Zone/ Export Processing Zone	N/A	-	3.6	3.6
Distance (Kilometer)				
- From Bangkok	105	102	117	112
- From Donmueng Airport	142	150	157	152
- From U-tapao Airport	50	57	58	60
- From laemchabang Port	27	32	27	27
- From Map Ta Phut Port	48	57	51	50

Source : Industrial Estate Authority of Thailand ; Hemaraj Land Development Public Company Limited

2.2 Business of Investment, Development and Management of Real Estate

Marketing policy

The Group of Companies develops warehouse, distribution center and factory for rent which are customized to suit each tenant (Built-to-Suit) and Warehouse Farm Project which is a combination of Ready-Built and Built-to-Suit. The Group of Companies focuses on creating additional value for tenants in terms of logistics cost management by understanding the need and the specific business specification of the customers, developing customized projects, choosing suitable locations, handing over projects in timely manner with the appropriate rental rate. This enables tenants to have confidence that leasing a project from the Group of Companies will increase their logistic management efficiency. The Group of Companies also gains trust and frequently wins bidding for several projects

1) Product Strategy

1. Built-to-Suit warehouses, distribution centers and factory customized to meet tenants' specific requirements to increase efficiency in logistic management

Built-to-Suit warehouse, distribution center and factory buildings are designed and developed to suit the need of tenants. Tenants and the Group of Companies' team will work together in design and in-depth study of requirements and constraints in order to give advice and propose the project that matches the needs of the customers. Location and details specified by tenants will be addressed to ensure that the tenants have the projects that meet their specific need and international standard. The project specifications can cater to the complexity required by tenants and also take into consideration the overall utilization, for example, column positions, floor load capacity and clear height suitable for the business, number and position of doors, loading and unloading area and flatness and racks, floor level in comparison with truck height, infrastructure system, ventilation system and temperature control system. The Group of Companies' engineers and tenants' team will cooperate in all steps of the design so that the tenants are confident that the projects developed by the Group of Companies can truly respond to the need in management, storing, packing and distribution and production of goods at appropriate and controllable costs. In 2015, the Group of Companies continued to focused on improvement of warehouse quality aiming at more variety and sophisticated warehouses to meet the intended purposes of use and best serve the need of certain tenants, for instance, temperature controlled warehouses, both multi-temperature warehouses and cold storages targeting tenants who require storages of consumer and pharmaceutical products.

2. High standard Ready-Built warehouses, distribution centers and factory (Ready-Built Warehouse)

The Group of Companies has a plan and strategies to develop premium-quality Ready-Built Warehouses to support the overflow demand in the existing customers' expansion of space and other customers. This is also a method to increase customer base to tenants who may need more leasable area and Built-to-Suit projects in the future. The Group of Companies selects suitable locations and develops projects to the international standard which makes all projects flexible for different logistics needs of tenants.

3. One-stop service

The Group of Companies is well-equipped with fund, experience and modern technology which allow the Group of Companies to provide comprehensive service. This includes logistics design, management and solution which cover all aspects such as construction project management, consultation and management of complex and specific logistics issues. With several years of experience as a property developer of the Group of Companies' executive team in a premium One-stop service and proven track record in comprehensive service to multinational companies that have more complicated need, the Group of Companies stands out from other property developers.

4. Experience and Expertise

The Group of Companies is a pioneer in the business of development of premium quality warehouse, distribution center and factory buildings for lease with years of trust from the customers. The Group of Companies has particular expertise in management and use of technology and know-how in project design including interior positioning and construction for efficiency in warehouse management. This reduces rotation time and enables faster delivery while minimizing error.

2) Location Strategy

The Group of Companies realizes the importance to selection of locations and mostly selects location in strategic locations for logistics business and conducts a study in several aspects to ensure that the selected location responds to the need of the customers and enhances the operation as well as reducing logistics costs incurred to customers. Good locations must be close to road network and reduce the transportation and distribution period which are key indicators of efficiency and effectiveness of logistic business. To select a location, the Company collects information from tenants and proposes suitable location and therefore the selection is a joint effort in which tenants and the Company considers direct and indirect, short and long-term factors that will or could affect tenants' business.

Transportation Route

The project location must be close to a road network with convenient access in all seasons and the road network must be in good conditions and allow maximum cost saving for the tenants. Most projects of the Group of Companies are located on the route with access to Suvarnabhumi Airport or Laem Chabang Port which is convenient for transportation and distribution of goods to regional areas in Thailand and to other countries and as a result it saves transportation costs for tenants.

Supply of Goods

Development of warehouse, distribution center and factory is directly related to the goods cycle which starts from manufacturers to consumers through intermediary channel or trading channel such as hypermarket, shopping center, department store, retailers and other markets. Therefore, selecting a location must take into consideration supply source and market place, and balance of varied high-and low-productivity supply source in order to minimize the distribution cost while facilitating the business.

Privileges from the Government

The Group of Companies gives consideration to development projects for warehouse located in the investment promotion zone in order to receive tax benefits. Several projects developed by the Group of Companies are located in Board of Investment' promoted Zone 2 while those projects operated by the Group of Companies would receive the same privileges to match the benefits granted to investment in Board of Investment' promoted Zone 3.

3) Pricing Strategy

Rental and service fee charged to tenants is determined by construction cost and appropriate project IRR as well as marketing competitiveness and value added to logistics management for customers. The Group of Companies and tenants will agree on rental fee and lease term prior to execution of a lease agreement and a service agreement. As a result, the Group of Companies' risk exposure for non-occupancy is very low and the Company can also make an estimate and project return for each project.

4) Customer Procurement and Marketing Promotion Campaign

In relation to renting of projects, tenants consider experience, potential, quality and past performance of the developers. Therefore, to recruit customers, the Group of Companies relies on good relationship with customers as well as builds its reputation and experience over time. The Company's key sales channels are:

- Bidding – Potential customers directly contact the Company to participate in bidding with other developers. This group of customers generally is the multi-national companies with first-time investment plan in Thailand or expansion plan or enhancement for logistics operation. They will evaluate each developer based on its credentials and invite only the qualified candidate to participate.
- Referral and Expansion of Leasable area by existing customers – one of the effective sales promotion is the past performance since trust among tenants is a key to sales. The Group of Companies' past performance proves and confirms confidence among the existing customers as they expand their leasable areas on a regular basis as well as supporting the Group of Companies regarding sales to new customers.

The Group of Companies' key marketing activities also involve direct approach to potential customers, and other intermediaries such as industrial estate developers, government agencies, embassies, trade officers, brokers and etc. The Group of Companies also develops other marketing materials that directly target customers, for example, brochures, press advertisement, the Company's website, signboards on all construction sites, seminar participation and domestic and international conferences.

Customer Profile and Target Customers

1. The manufacturers and distributors from both domestic and international players. This group is in need of the warehouse, distribution center and factory for manufacturing and distributing the products to its customers and consumers throughout Bangkok and vicinity and all regions in Thailand including across the Asean Economic Community (AEC). The delivery of the products can be responsive to their comprehensive requirements as the relevant factors affecting the efficiency of its logistics operation play an important role in the overall logistics cost.
 - A. Multi-national manufacturers and distributors: this group of customers generally has a demand for sophisticated and premium quality warehouses and distribution centers, for example, large location under one roof (of over 50,000 square meters), strong floor support to suit the floor plan,

column pitch suitable to function, ventilation system and temperature control system in place. In addition, these multi-national companies look for trustworthy operators in terms of quality, cost, and delivery time and pre-sale and after-sale service which means that this group of customers prefers to lease projects operated by professional developers.

- B. Local manufacturers and distributors: this group of customers recognizes importance of and need logistic system where, in the past, they built and managed warehouse, distribution center and factory by themselves. Now the trend is that investment for storage and management of warehouse, distribution center and factory buildings has changed from self-investment that requires large capital, expertise with low flexibility, to outsourcing (as seen in Australia, The United States, Japan and some other countries) in order to increase competitiveness to match other countries. In terms of growth, the growth of Third Party Logistics providers (3PLs) tends to be on the rise at a significant level to the business of the Group of Companies.
2. Third Party Logistics providers (3PLs): The majority of these companies are leaders from other countries which have expertise in logistics management. They act as a distributor and transportation service provider for customers whose distribution and transportation are not their core business. The 3PLs companies make investment in distribution network including providing transport vehicles, sourcing warehouse, recruiting personnel, obtaining supply chain and operating system.

Market Competition and Industry Trend

Competition

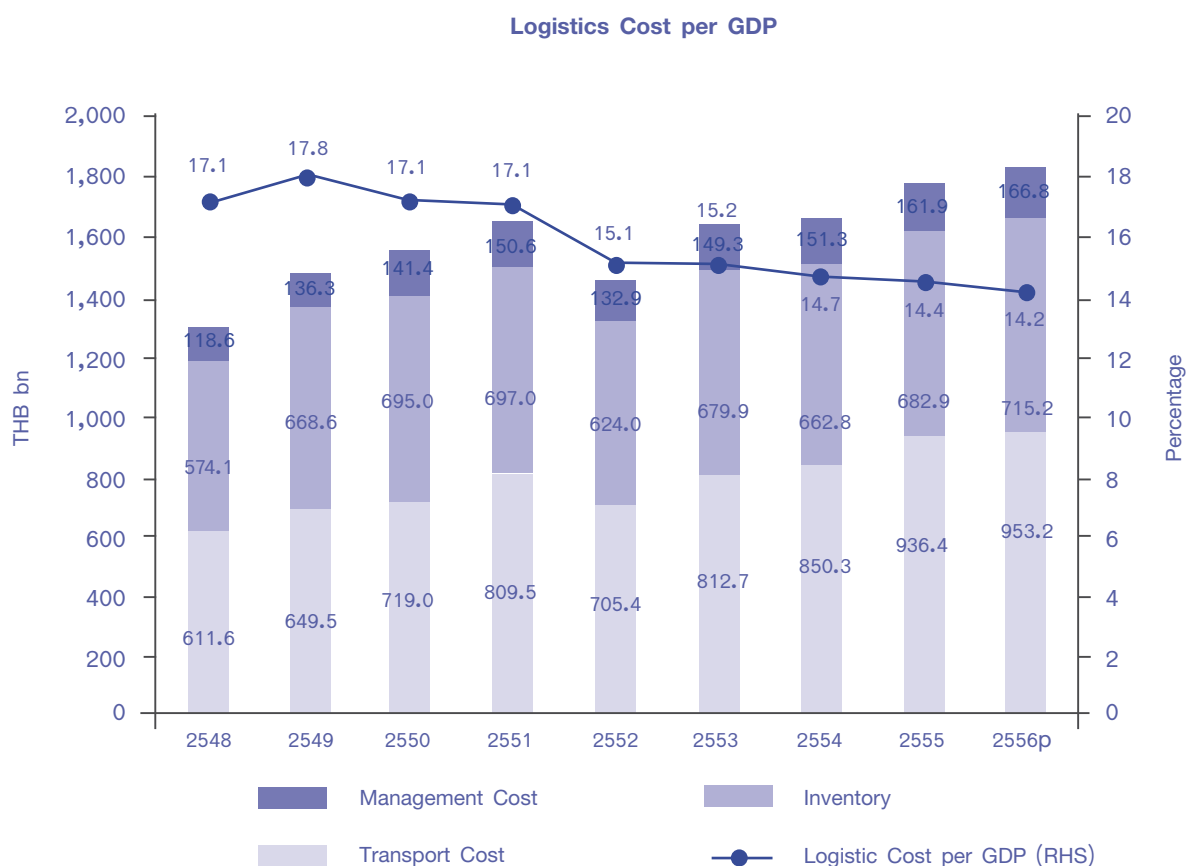
- Direct competition from other developers of warehouse, distribution center and factory for rent : The Group of Companies' direct competitor is TICON Industrial Connection Public Company Limited and its subsidiaries (TICON group), which develops ready-built warehouses and factories for rent and built-to-suit type.
- Competition from industrial estate developer : The Group of Companies' competitors also includes operators who starts off as an industrial estate developer and later on expand their business to development of warehouse and factory buildings within the industrial estates which is to add product line and service. Example of these industrial estate companies are Amata Summit Ready Build Co., Ltd. Generally, they develop ready-built factory buildings for sale and lease to medium and small operators and these industrial estate developers' opportunity is limited to development of properties in their own industrial estates or in the industrial estates for which they provide service. On the contrary, the Company can freely develop properties in any location seen by the Company and tenants as appropriate. In case the Group of Companies wants to expand the area into the industrial land, the Group of Companies can make a direct inquiry with the respective industrial estates. Due to these factors, the Company has various locations which meet the need of all tenants and it is considered an advantage that makes the Company more flexible than industrial estate developers.
- Competition from other small developers of warehouse and factory buildings for sale and lease : At present, there are several developers of warehouse and factory buildings for sale and lease in strategic area for logistics business. However, this group of developers only target small to mid-size corporates who are looking for low-cost warehouses for rent. Therefore, these developers do not compete directly with the Group of Companies.

Industry Trend

Logistics business is highly important to national economic development, and Thailand is positioned to be the logistics hub after ASEAN Economic Community (AEC).

In 2014, logistic business in Thailand grew at 10% from 2013³ while Thai economy grew only 0.7%, reflecting an overperformed of logistics segment. The logistic cost per GDP has been gradually declined since 2005 at 17.1% to 14.2% in 2013 (forecasted figure). The main capital of logistic business was still high including capital of product transport. Major logistics costs consist of Transportation Cost, including transportation cost for moving goods from manufacturers to end-users, and Inventory Storage Cost, including inventory carrying cost or opportunity cost and inventory management cost.

³ Source : Prachachart Business



(Source: NESDB)

For the competition in logistics business, it was found that there were various competitors including direct competition from the project developer, competition from industrial estate developer and competition from small warehouse developers. Therefore, the supply of warehouse for rent and factory for rent increased continually in the past few years. As of the end of 2014, the supply of leasable area of warehouses was totally 3,367,203 Square meters increasing from 2013 for 753,935 square meters or 28.9%. The new supply was mostly warehouses in area of Samutprakarn near Suvarnabhumi Airport, Bangkok and other industrial estates. The supply of factories for rent totaled 2,553,046 Square meters increasing from the previous year for 88,577 square meters or 3.6%. After the great flood in 2011, the supply clearly increased specifically in locations not affected by the flood.

Supply of warehouse for rent

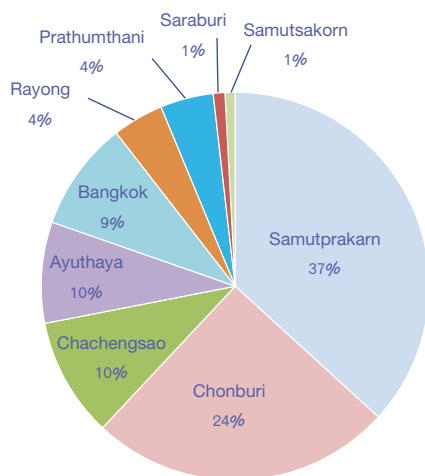


Supply of factory for rent

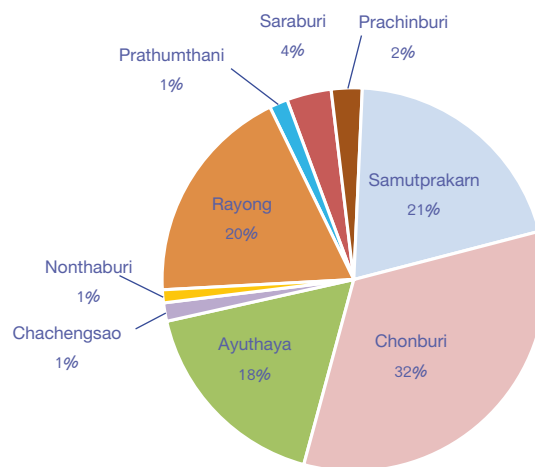


Source: Knight Frank Charter (Thailand) Co., Ltd, year 2014

Supply of warehouse for rent by provinces



Supply of the factory for rent



Source: Knight Frank Charter (Thailand) Co., Ltd year 2014

However, although the increasing supply of warehouses and factories for rent, the demand of warehouse, distribution center and factories for rent still ramped up continually from multinational companies (MNCs). Furthermore, Thailand is positioned to be a logistics hub due to competitive advantage on infrastructure system, skilled labors and banking systems.

3. Product or Service Procurement

The Group of Companies could classified the product and service procurement into 2 groups including the business of industrial estate development and utility and power service and the business of investment, development and management of real Estate.

3.1 Business of industrial estate development and utility and electricity services

Land is the major cost of the Hemaraj's business. as of 31 December 2015, Hemaraj had total developing and developed land as following details

List of Industrial Estate	Distance from Bangkok (Km)	Developing and developed land (Rai)
Hemaraj Chonburi Industrial Estate (Hemaraj CIE)	110	3,901
Hemaraj Chonburi Industrial Estate 2 (Hemaraj CIE 2)	112	632
Hemaraj Eastern Industrial Estate (Hemaraj EIE) (Map Ta Phut)	155	3,546
Eastern Seaboard Industrial Estate (ESIE)	117	9,726
Hemaraj Eastern Seaboard Industrial Estate (Hemaraj-ESIE)	112	8,112
Hemaraj Saraburi Industrial Land (Hemaraj SIL)	70	3,619
Hemaraj Rayong Industrial Land (Hemaraj RIL)	150	3,438
Hemaraj Eastern Seaboard Industrial Estate 2 (Hemaraj-ESIE 2)	96	3,669

Land Procurement

Hemaraj purchase lands from local owners directly or from partners by considering from the location of the project with connection to a road network, near a port or in a zone entitled to privileges from the Board of Investment (BOI) with affordable term condition. Moreover, the project must be located nearby water source to drain wastewater and the land size shall be appropriate for development.

Procedures of Project Development

Main procedures of the industrial estate and utility and power services development are detailed as follows

- 1) **Policy procedure:** the management division will study and analyze marketing to define the project policy and consider the locations and land potential that is suitable for development as industrial estate as well as assess and make a strategy about land purchase and budget to procure lands.
- 2) **Project Planning and Preparation:**
 - Project development division will purchase lands according to the work plan and procure the project consultant to conduct feasibility study, land utilization plan and design to obtain the master plan with specified conceptual framework to submit application for approval from Industrial Estate Authority of Thailand (IEAT) and BOI. It also prepares public utilities including electricity, water supply and telephone systems and conduct an environmental impact assessment report

- Finance division will plan financing source for land purchase and project development.
- Marketing division will make a marketing plan and set a pricing strategy as well as appropriate marketing timing according to the framework of management division. Marketing division will also create a PR plan to marketing with target customers.

3) **Project, public utility system and facility system development:**

After planning and preparing the project together among various divisions, the consultants will be appointed to help select an appropriate contractor and to oversee construction to control quality, time and budget in accordance with the master plan. Nevertheless, apart from land development, Hemaraj also developed the industrial estate infrastructures and utility system for customers within 8 industrial estates and industrial lands as follows

- Road network system Roads inside 8 industrial estates and industrial lands are asphaltic and Ferro-concrete roads meeting the standard of American Association of State Highway and Transportation Officials (AASHTO)
- Rainwater draining system Open gutter system, pipeline system and canal system is used to drain rainwater to public water source.
- Water supply system Water supply system is adequately provided in each industrial estate to meet the needs of clients with total production capacity of 250,000 cubic meter per day
- Wastewater draining and treatment system wastewater from any factories in the industrial states and industrial lands will be drained to Central Waste Water Treatment Plant for treatment until water quality meets the environmental standard before draining out or recycling
- Electricity system electricity is supplied to the customers in each industrial estate and industrial lands with power sources from various production sites including Independent Power producer (IPP) and small power producer (SPP) and electricity is distributed by Provincial Electricity Authority (PEA)
- Communication System The communication system of industrial estate and industrial lands could be provided to the client adequately by TOT Public Company Limited and Thai Telephone and Communication Public Company Limited (TT&T) that they installed the telephone exchanges in each industrial estate. Furthermore, Communication authority of Thailand (CAT) also provided Microwave Link System for the clients to transmit information with the host company in foreign countries directly and it is installing Fiber Optic to provide service for any entrepreneurs.
- Natural Gas Petroleum Authority of Thailand has installed the pipeline for natural gas distribution in the area of industrial estates and districts to distribute natural gas to clients who need to use natural gas.
- Waste Disposal System In each industrial estate, the truck will be provided to collect non-toxic waste from the factories and deliver them to comprehensive environmental management center managed by Eastern Seaboard Environmental Complex (ESBEC) to dispose them with sanitary landfill method. For toxic waste including ashes from the furnace will be collected and deliver to General Environmental Conservation Public Company Limited (GENCO) for further disposal
- Helicopter Parking Eastern Seaboard Industrial Estate (Rayong) consists of the helicopter parking to facilitate the customers that would like to save time. The parking is provided specifically for helicopter with not over 3,200 kilogram weight during floating.

Environmental Impact

Hemaraj industrial estate provides wastewater treatment system, waste disposal system and public utility system with standard in accordance with the specification defined by Industrial Estate Authority of Thailand and approved by Office of Natural Resources and Environmental Policy and Planning. Hemaraj industrial estates have been complied with all relevant laws and regulations.

3.2 Business of Investment, Development and Management of Real Estate

Land is the major cost of the Group of Companies' business. The Group of Companies' policy is to acquire land when needed rather than holding the land bank without development for long period of time. Land acquisition is made in accordance with the investment plan to match specific needs of customers (Built-to-Suit) and to reduce interest obligations incurred from acquisition and accumulation of a large number of lands with no potential projects. However, the Company may consider acquiring larger piece of land if the land is connected to the existing projects which can be developed for expansion for tenants who clearly express their interest in expansion of the leasable area in the future.

Land Acquisition

The Group of Companies acquires land from the owners directly or by leasing land from the Group of Companies' partners or by purchasing land through agents. In this respect, the Company usually selects land plots in at least two locations to allow the Group of Companies to have bargaining power and to acquire the land at the preferred location at a good price. The Group of Companies' criteria for land acquisition are as follows:

- Location of the land must be connected to a road network according the requirement and the need of tenants and it must be in a strategic location for logistics business near a port or in a zone entitled to privileges from the Board of Investment (BOI) which will also meet the need of other and new tenants once existing lease agreement expires.
- Land price must not be too high for both freehold and leasehold land. Land must generate a competitive monthly lease for the Company.
- Land must be of an appropriate size for first development as well as for expansion of future projects of tenants. It should also be flexible in terms of suitability for the need of new tenants.

The Company's land management team studies, analyze, retain and update land data so that the Group of Companies has data on location and land with potential for development of new projects and the Group of Companies can evaluate and set a strategy for acquisition and budget required accurately. Such data will be transferred to Finance Department for financial planning for the most appropriate and the most economical capital sourcing for land acquisition.

Selection of Construction Contractor

The Group of Companies divides selection of construction contractors into two categories based on type of projects as follows:

1. Contractor selection for Built-to-Suit project: The Group of the Companies sends an invitation to bid to construction companies and makes preliminary agreement on pricing before proposing the price to customers. However, not all decisions for selections are made by the Company. Tenants may want to select a construction company themselves or it has already been nominated.

2. Contractor selection for Ready-Built Warehouse Project: The Group of Companies invites all bids from construction companies, negotiate and select construction companies based on the procedure and the criteria set out by the Company.

Since the Group of Companies selects a contractor regularly, the process for contractor selection and evaluation has been established as follows:

1. Send out the requirement and the Terms of Reference (TOR) to construction companies listed in the pre-approved list. For new construction companies, their qualification and project history will be thoroughly verified.
2. Consider bidders' proposal for both technical aspect and pricing aspect.
3. Make selection by the selection committee.
4. Enter into a contract with the selected construction company, most of which are turnkey contract.

The Group of Companies' policy on selection of construction contractor focuses on transparency, fairness and common practices in the industry. The Group of Companies strictly adheres to the principle and the policy for all future projects. The Group of Companies' principle on selection of construction contractors is as follows:

1. The Group of Companies specifies and verifies construction companies in the pre-approved list while promoting fair, transparent and open competition by providing detailed requirements and scope of work in advance to at least two construction companies for bidding.
2. Factors used for consideration and selection of construction companies are past projects, quality upon hand over, construction time, offered price and after-sale service.
3. Selection of a construction company must be approved in accordance with the approval authority and the regulations of the Group of Companies.
4. Contracts are reviewed by an expert legal advisor.
5. There is a segregation of duties for contract execution, inspection for hand over and account recording.
 - a. Contracts will be executed by the authorized directors of the Group of Companies.
 - b. The Group of Companies' construction management team is responsible for inspection for hand over. They will inspect completed projects and provide a monthly progress report to the management. Inspection for hand over includes quality inspection and progress inspection against the terms and conditions in the contract.
 - c. Finance & Accounting Department verifies all documents and makes a record and payment upon due as specified in the contract after the project management team has inspected and received the project.
6. The Group of Companies establishes guidelines for relevant units, for example, Guideline on Selection of Construction Companies, Operation Guideline for Project Management Team. All units must comply with the guidelines and the specified work process.

Procurement of Construction Materials

The Group of Companies hire contractor on a turnkey basis which covers cost of construction material which reduces the internal work time and effectively controls construction cost.

Steps of Project Development



1. The Group of Companies procures tenants by direct contact based on the information provided by existing tenants or making contact with new customers who need to lease warehouse or factory and contacts the Group of Companies directly or through bidding or through business referral. The Group of Companies will then make preliminary negotiation on the size, location, and lease fee for the project and enquire about the short-term plan and the long-term plan in depth in order to forecast the size of area required.
2. The Group of Companies works with tenants to determine project size, selection of location, lease terms and design according to the following steps (some of which may be carried out simultaneously):
 - The Group of Companies and customers negotiate nature and size of project, location, price and lease terms to reach mutual satisfaction;

- The Group of Companies selects land of appropriate size on an agreed location based on the Company's land database which meets the needs of customers, suits transportation, are in appropriate size with potential expansion then proposes it to tenants. At the same time, the Company negotiates price with the landlord and contact a financial institution for an approval of a loan for acquisition/lease of the land and construction of the project.
 - After the Group of Companies and tenant have agreed on the location, the Group of Companies will make a final negotiation on the price and enter into a land sale or land lease agreement with the landlord.
 - Upon acquisition of the land, the Company and customer will execute a land lease and a service agreement.
 - Then the Group of Companies' engineering team will start working on the design with the tenant's architecture / engineering teams to determine requirements and nature of the project in details.
3. The Group of Companies selects a construction company based on proposed price and past projects while making an application for a construction permit with the relevant authorities.
 4. Construction begins with the Company's engineering team to act as the construction management team who supervises and monitors progress and control construction quality according to the agreement work plan. Each project generally takes approximately 4-10 months to complete the construction.
 5. The Group of Companies hands over the completed project to a tenant in a condition prompt for installation of machines or operation with warranty for the structural part throughout the lease term.
 6. The Group of Companies' after-sales service included repair and maintenance for structural part and providing insurance for the developed projects that have already been handed to tenants.

For Ready-Built Warehouses with standard design, before a customer or a tenant moves in, the construction management team will coordinate with the business development team to determine design and structure of the project to suit the need of the market at the time.

Environmental Impact

The Group of Companies' policy on construction of warehouse, distribution center and factory buildings is based on good practice and strict control with a focus on construction process that minimizes impact on the environment. The Company also promotes and encourages preservation and energy saving. Before the tenants commence their operation, the Group of Companies will glance at their credibility, company profile, products and financial statements. The Group of Companies also specifies in the lease agreement entered between the Group of Companies and a tenant who stores hazardous substances that the tenant must strictly comply with the regulations on environment preservation so that the Company's business does not have negative impact on the environment. Based on such practice, the Group of Companies has never breached any environmental law or had any environmental dispute.

4. Backlog Projects

– Business of industrial estate development and utility and electricity services

As of 31 December 2015, the Group of Companies had pending projects to deliver the area of industrial estates and industrial lands to 5 customers with a combined area of 132.27 Rai

– Business involved in investment, development and management of real estate

As at 31 December 2015, the Group of Companies has the following projects pending hand over with a lease agreement without income recognition:

	Location	Company	Leaseable Area (Sq.m.)	Project Status	Project Progress (% of Completion)	Expected completion of construction and revenue recognition
1	Lardkrabang	Company	9,743	Projects under development	77%	Q1 2016
2	Chonlahan Pichit Samutprakan km. 3	Company	24,628	Projects under development	33%	Q3 2016
3	Rayong	Company	15,569	Projects under development	60%	Q2 2016
4	Lamluka	Company	11,621	Projects under development	57%	Q2 2016
5	Indonesia	Company	9,174	Projects under development	38%	Q2 2016
6	Bang Bua Thong	Company	17,900	Projects under development	5%	Q2 2016

General Information and Key Information

1. General Information

1.1 The Company

Company Name

WHA Corporation Public Company Limited

Nature of Business

1. Industrial Estates Business
2. Investment and Development Properties Business
 - 2.1 Properties development for rental and service income
 - 2.2 Properties for sale
3. Utilities Business
 - 3.1 Water supply and treatment for industrial estate and waste water treatment system
 - 3.2 Other utilities and services i.e. providing pipe distribution for chemical, stream and industrial gas for heavy industrial users, providing design, construction supervision, project and construction management services, etc
4. Power Business
 - 4.1 Investment in independent power produce (IPP) and small power producer (SPP)
 - 4.2 Investment and development of solar photovoltaic rooftop
5. Other Businesses
 - 5.1 Investment and property management
 - 5.2 Real estate investment trust management

Head Office

1121 Moo. 3 Theparak Road, Theparak Subdistrict, Muang District, Samutprakarn Province 10270

Company Registered Number	:	0107555000082
Telephone	:	0-2753-3750
Facsimile	:	0-2753-2750
Website	:	http://www.wha.co.th

Share Capital as at 31 December 2015

Authorised Share Capital	:	Baht 1,567,773,019
Paid-up Capital	:	Baht 1,432,234,167
Type of Shares	:	Ordinary Shares
Par Value	:	Baht 0.1 per share

1.2 Subsidiaries (Information as at 31 December 2015)

Company Name	Nature of Business	Registered in	Shareholder	Authorised Share Capital (mm)	Paid-up Capital (mm)	Par Value (Per Share)	Percentage of shares held by the Company
Subsidiaries							
1. WHA Alliance Co., Ltd.	Providing rental factories, warehouses and other properties	Thailand	WHA	THB 260.00	THB 260.00	THB 10.00	99.99
2. Warehouse Asia Alliance Co., Ltd.	Providing rental factories, warehouses and other properties	Thailand	WHA	THB 310.00	THB 310.00	THB 10.00	99.99
3. WHA Real Estate Management Co., Ltd.	Trust manager for investment property	Thailand	WHA	THB 10.00	THB 10.00	THB 100.00	99.99
4. WHA Venture Holdings, Co., Ltd.	Investing in other companies and rental factories, warehouses and other properties	Thailand	WHA	THB 20.00	THB 20.00	THB 100.00	99.99
5. WHA Infonite Holdings Co., Ltd.	Investing in data system	Thailand	WHA	THB 1.00	THB 1.00	THB 10.00	90.00
6. WHA Corporation (Hong Kong) Limited (“WHAHK”)	Holding Company	Hong Kong	WHA	USD 0.01	USD 0.01	USD 1.00	100.00
7. WHA Corporation (International) Limited	Holding Company	Republic of Mauritius	WHA	USD 0.01	USD 0.01	USD 1.00	100.00
8. PT WHA (International) Indonesia	Providing rental factories, warehouses and other properties	Indonesia	WHAHK	USD 2.00	USD 2.00	USD 1.00	99.96
Subsidiaries under WHA Venture Holdings Co., Ltd.							
9. Hemaraj Land and Development Public Company Limited (“HEMARAJ”)	Real estate development	Thailand	WHA	THB 6,000.00	THB 3,882.07	THB 0.40	92.88 ¹

¹ Due to the tender offer for delisting of Hemaraj from the Stock Exchange of Thailand (“SET”) during 3 December 2015 – 9 February 2016, the Company is the major shareholder of Hemaraj held 98.54%, from 92.88% (prior to making the tender offer for delisting). On 2 March 2016 will be the effective date of delisting Hemaraj from the SET.

Company Name	Nature of Business	Registered in	Shareholder	Authorised Share Capital (mm)	Paid-up Capital (mm)	Par Value (Per Share)	Percentage of shares held by the Company
Subsidiaries under HEMARAJ							
10. Eastern Industrial Estate Company Limited	Industrial estate development	Thailand	HEMARAJ	THB 400.00	THB 400.00	THB 10.00	99.99
11. Eastern Seaboard Industrial Estate (Rayong) Company Limited	Industrial estate development	Thailand	HEMARAJ	THB 358.00	THB 358.00	THB 10.00	60.00
12. Hemaraj Eastern Seaboard Industrial Estate Company Limited	Industrial estate development	Thailand	HEMARAJ	THB 1,000.00	THB 1,000.00	THB 10.00	99.99
13. Hemaraj Saraburi Industrial Land Company Limited	Industrial estate development	Thailand	HEMARAJ	THB 500.00	THB 500.00	THB 10.00	99.99
14. Hemaraj Rayong Industrial Land Company Limited	Industrial estate development	Thailand	Hemaraj Saraburi Industrial Land Company Limited	THB 1,000.00	THB 1,000.00	THB 10.00	99.99
15. Eastern Pipeline Services Company Limited	Pipe Rack Rental	Thailand	1. HEMARAJ 74.99% 2. Eastern Industrial Estate Company Limited: 25.01%	THB 100.00	THB 100.00	THB 10.00	99.99
16. H-International (BVI) Company Limited	Holding Company	British Virgin Islands	HEMARAJ	USD 2,000.00	THB 0.07	USD 10.00	100.00
17. Hemaraj International Limited	Holding Company	Cayman Islands	HEMARAJ	USD 50,000.00	THB 0.03	USD 1.00	100.00
18. H-Construction Management and Engineering Company Limited	Design and construction supervision service	Thailand	HEMARAJ	THB 20.00	THB 17.15	THB 10.00	99.99
19. The Park Residence Company Limited	Real estate developer and service management	Thailand	HEMARAJ	THB 4.60	THB 4.60	THB 10.00	99.99
20. SME Factory Company Limited	Sale and Lease Factory	Thailand	HEMARAJ	THB 294.00	THB 294.00	THB 10.00	99.99

Company Name	Nature of Business	Registered in	Shareholder	Authorised Share Capital (mm)	Paid-up Capital (mm)	Par Value (Per Share)	Percentage of shares held by the Company
21. Hemaraj Clean Water Company Limited	Produce and distribute the industrial water	Thailand	HEMARAJ	THB 645.00	THB 645.00	THB 10.00	99.99
22. Hemaraj Water Company Limited	Water resources development and management	Thailand	Hemaraj Clean Water Company Limited	THB 100.00	THB 100.00	THB 10.00	99.99
23. Hemaraj Energy Company Limited	Holding Company	Thailand	Hemaraj Clean Water Company Limited	THB 200.00	THB 200.00	THB 10.00	99.99
24. Hemaraj Energy 2 Company Limited	Holding Company	Thailand	Hemaraj Energy 3 Company Limited	THB 4,481.00	THB 4,481.00	THB 10.00	99.99
25. Hemaraj Energy 3 Company Limited	Holding Company	Thailand	HEMARAJ	THB 4,481.00	THB 4,481.00	THB 10.00	99.99
26. H-International (SG) Pte. Ltd.	Holding Company	Singapore	HEMARAJ	THB 240.00	THB 240.00	THB 10.00	99.99
27. Rayong 2012 Company Limited	Real estate development	Thailand	1. HEMARAJ: 70.00% 2. Hemaraj Rayong Industrial Land Company Limited: 30.00%	THB 1,165.00	THB 1,165.00	THB 10.00	99.99
28. Eastern Seaboard Property and Marina Services Company Limited	Real Estate Development for investment and marina services	Thailand	HEMARAJ	THB 1.00	THB 1.00	THB 10.00	99.99
29. Hemaraj Eastern Seaboard Industrial Estate 4 Company Limited	Industrial Estate Development	Thailand	HEMARAJ	THB 780.00	THB 564.98	THB 10.00	99.99
30. Hemaraj Reit Management Company Limited	Trust manager for investment property	Thailand	HEMARAJ	THB 10.00	THB 10.00	THB 10.00	99.99

1.3 Joint Ventures (Information as at 31 December 2015)

Company Name	Nature of Business	Registered in	Shareholder	Authorised Share Capital (mm)	Paid-up Capital (mm)	Par Value (Per Share)	Percentage of shares held by the Company
Joint Ventures							
1. WHA KPN Alliance Co., Ltd.	Providing rental factories, warehouses and other properties	Thailand	WHA	THB 768.00	THB 768.00	THB 100.00	64.97
2. WHA Gunkul Green Solar Roof 1 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 11.50	THB 11.50	THB 10.00	74.99
3. WHA Gunkul Green Solar Roof 2 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 1.00	THB 0.25	THB 10.00	74.99
4. WHA Gunkul Green Solar Roof 3 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 14.50	THB 14.50	THB 10.00	74.99
5. WHA Gunkul Green Solar Roof 4 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 1.00	THB 0.25	THB 10.00	74.99
6. WHA Gunkul Green Solar Roof 5 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 1.00	THB 0.25	THB 10.00	74.99
7. WHA Gunkul Green Solar Roof 6 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 14.50	THB 14.50	THB 10.00	74.99
8. WHA Gunkul Green Solar Roof 8 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 0.10	THB 0.10	THB 10.00	74.99
9. WHA Gunkul Green Solar Roof 9 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 0.10	THB 0.10	THB 10.00	74.99
10. WHA Gunkul Green Solar Roof 10 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 15.50	THB 3.875	THB 10.00	74.99
11. WHA Gunkul Green Solar Roof 16 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 0.10	THB 0.10	THB 10.00	74.99
12. WHA Gunkul Green Solar Roof 17 Co., Ltd.	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	WHA	THB 16.00	THB 16.00	THB 10.00	74.99

Company Name	Nature of Business	Registered in	Shareholder	Authorised Share Capital (mm)	Paid-up Capital (mm)	Par Value (Per Share)	Percentage of shares held by the Company
Joint Ventures under HEMARAJ							
13. Gheco-One Company Limited	Power plant operation and sale of electricity	Thailand	HEMARAJ	THB 11,624.00	THB 11,624.00	THB 10.00	35.00
14. Houay Ho Thai Company Limited	Holding Company	Thailand	HEMARAJ	THB 527.69	THB 527.69	THB 10.00	51.00
15. Glow Hemaraj Wind Company Limited	Electricity and Power Generation	Thailand	Hemaraj Energy Company Limited	THB 10.00	THB 2.50	THB 10.00	51.00
16. Gulf JP NLL Company Limited	Electricity and Power Generation	Thailand	Hemaraj Energy Company Limited	THB 1,384.00	THB 1,384.00	THB 10.00	25.01
17. Gulf Solar Company Limited	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	Hemaraj Energy Company Limited	THB 14.63	THB 14.63	THB 10.00	25.01
18. Bowin Clean Energy Limited	Electricity and Power Generation	Thailand	Hemaraj Energy Company Limited	THB 1,400.00	THB 420.06	THB 100.00	25.01
19. Gulf VTP Company Limited	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	Hemaraj Energy Company Limited	THB 665.00	THB 170.00	THB 10.00	25.01
20. Gulf TS1 Company Limited	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	Hemaraj Energy Company Limited	THB 694.00	THB 174.00	THB 10.00	25.01
21. Gulf TS2 Company Limited	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	Hemaraj Energy Company Limited	THB 704.00	THB 177.00	THB 10.00	25.01
22. Gulf TS3 Company Limited	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	Hemaraj Energy Company Limited	THB 664.00	THB 166.97	THB 10.00	25.01
23. Gulf TS4 Company Limited	Producing and distributing electricity by solar photovoltaic rooftop	Thailand	Hemaraj Energy Company Limited	THB 655.00	THB 165.00	THB 10.00	25.01

Remarks: ⁽¹⁾ Houay Ho Thai Company Limited held 25% in Houay Ho Power Company Limited which registered in Lao People's Democratic Republic. US Currency is the main currency used for business operation. Also, the Company did not include the financial information of Houay Ho Thai Company Limited in the consolidated financial statement because the Company is the strategic partner. Moreover, the other investors are proficient in the operation of all power plants.

1.4 Other Juristic Persons in which the Company holds 10% or more of the shares (Information as at 31 December 2015)

Company Name	Nature of Business	Location/Tel./Fax.	Shareholder	Authorised Share Capital (mm)	Paid-up Capital (mm)	Par Value (Per Share)	Type of Share	Percentage of shares held by the Company
<u>Other Juristic Person in which the Company holds 10% or more of the shares</u> 1. WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund (WHAPF)	Investment in real estate in the type of warehouses and distribution centers	Location: Kasikorn Bank Building, 6 th Floor, 400/22 Phaholyothin Road, Samsen-Nai Subdistrict, Phayathai District, Bangkok 10400 Telephone: 0-2673-3999 Facsimile: 0-2673-3900	WHA	THB 13,560.60	THB 9,390.60	THB 10.00	Ordinary Shares	15.00
2. WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (WHART)	Investment in real estate in the type of warehouses and distribution centers	Location: Kasikorn Bank Building, 6 th Floor, 400/22 Phaholyothin Road, Samsen-Nai Subdistrict, Phayathai District, Bangkok 10400 Telephone: 0-2673-3999 Facsimile: 0-2673-3900	WHA	THB 6,538.99	THB 6,374.07	THB 10.00	Trust Units	18.28
3. WHA Business Complex Freehold and Leasehold Real Estate Investment Trust (WHABT)	Investment in real estate in the type of office building	Location: 1 Empire Tower, 32 nd Floor, South Sathorn Rd., Yannawa Subdistrict, Sathorn District, Bangkok Telephone: 0-2686-6100 Facsimile: 0-2670-0430	WHA	THB 2,020.00	THB 2,020.00	THB 10.00	Trust Units	15.00
4. Hemaraj Industrial Property and Leasehold Fund (HPF)	Investment in real estate	Location: 199 Column Tower Ground floor & 21 st – 23 rd Floor, Ratchadapisek road, Klongtoey Bangkok Telephone: 0-2649-2000 Facsimile: 0-2649-2233	HEMARAJ	THB 4,700.00	THB 4,700.00	THB 10.00	Ordinary Shares	23.12

1.5 References

Share Registrar

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,
93 Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10110
Telephone: 0-2009-9999
Facsimile: 0-2009-9991

Debenture Registrar

The Siam Commercial Bank Public Company Limited
1060 New Petchaburi Road, Makkasan, Ratchathevee, Bangkok 10400
Telephone: 0-2256-2323

Auditor

PricewaterhouseCoopers ABAS Ltd.

Mrs. Anothai Leekitwattana	Authorized Auditor Registration No.3442 and/or
Mrs. Unakorn Phruithithada	Authorized Auditor Registration No.3257 and/or
Mr. Boonlert Kamolchanokkul	Authorized Auditor Registration No.5339 and/or
Mrs. Anuthai Poomsurakul	Authorized Auditor Registration No.3873

15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120
Telephone: 0-2344-1000
Facsimile: 0-2286-5050

Legal Advisor

RL Counsel Co., Ltd.
62/15 Thaniya, Suriyawongse Sub District, Bangrak District, Bangkok 10500
Telephone: 0-2235-3339
Facsimile: 0-2235-3076

2. Other Material Information

There is no other information which may materially affect investors' decisions.

Assets for Business Operation

1. Core Operating Assets of the Group of Companies

The core operating assets of the Group of Companies used in business operation include the significant details as follows.

1.1 Core Operating Assets Used in Business Operation

The core operating assets of the Group of Companies are lands which have been developed and under for development. The details of lands for real estate developments are as follows:

Project Location The Project Operating Company	Property Holding	Project Investment Value (THB mm)	Project Appraisal Value (THB mm)
Hemaraj Land and Development Public Company Limited			
Hemaraj Chonburi Industrial Estate			
Phase 1	Ownership	110	7,636
Phase 2	Ownership	79	
Hemaraj Chonburi Industrial Estate 2	Ownership	327	
Hemaraj Eastern Seaboard Industrial Estate 2	Ownership	3,153	
Others	Ownership	42	
Land for Development and Land Bank	Ownership	208	
Ready-Built Building	Ownership	32	
Nang Linchi (Bangkok)	Long-Term Leasehold for 30 years*	18	
Chao Phraya Riverside (Bangkok)	Ownership	101	
Eastern Industrial Estate Company Limited			
Hemaraj Eastern Industrial Estate			
Phase 1	Ownership	6	1,043
Phase 2	Ownership	763	
Land for Development and Land Bank	Ownership	21	
Eastern Industrial Estate (Rayong) Company Limited			
Hemaraj Eastern Seaboard Industrial Estate			
Phase 4	Ownership	1	1,536
Phase 5	Ownership	350	
Phase 6	Ownership	41	
Phase 7	Ownership	396	
Phase 8	Ownership	152	
Land for Development and Land Bank	Ownership	51	
Ready-Built Building	Ownership	222	
Hemaraj Eastern Seaboard Industrial Estate Company Limited			
Hemaraj Eastern Seaboard Industrial Estate			
Phase 1	Ownership	53	3,188
Phase 2	Ownership	106	
Hemaraj Eastern Seaboard Industrial Estate 3	Ownership	1,266	
Land for Development and Land Bank	Ownership	552	
Ready-Built Building	Ownership	426	

Project Location The Project Operating Company	Property Holding	Project Investment Value (THB mm)	Project Appraisal Value (THB mm)
Hamaraj Saraburi Industrial Land Company Limited Hemaraj Saraburi Industrial Land Land for Development and Land Bank Ready-Built Building	Ownership Ownership	1,315 433	1,960
SME Factory Company Limited Land Ready-Built Building	Ownership Ownership	27 328	784
Hemaraj Rayong Industrial Land Company Limited Hemaraj Rayong Industrial Land Land for Development and Land Bank Ready-Built Building	Ownership Ownership	439 31	943
Rayong 2012 Company Limited Land	Ownership	1,299	2,011
Hemaraj Eastern Seaboard Industrial Estate 4 Company Limited Land	Ownership	563	965
Total		12,911	20,066
Construction in Progress, Deposit of Land and Construction Fair Value Adjustment		90 2,424	
Total Book Value of Lands for Real Estate Development		15,425	

Remark : * Lease duration is 30 years from 30 April 1993.

1.2 Investment Properties and Leasehold Rights

	Property Holding	Book Value as at 31 December 2015 (THB mm)
Property	Ownership	4,901
Building Improvement and Utility System	Ownership	7,678
Construction in Progress	Ownership	2,059
Leasehold Rights	Leasehold	51
Total Book Value of Investment Properties and Leasehold Rights		14,689

1.3 Property, Plant and Equipment

	Property Holding	Book Value as at 31 December 2015 (THB mm)
Land	Ownership	2
Land Improvement, Building Improvement and Utility System	Ownership	3,458
Office Equipment, Tools and Vehicles	Ownership	262
Construction in Progress	Ownership	130
Total		3,852
<u>Less</u> Provision for Impairment		(10)
Total Book Value of Property, Plant and Equipment		3,842

1.4 Fixed Assets for Collateral

As at 31 December 2015, the Group of Companies had loans from financial institutions using lands and constructions as collateral under below details.

Assets	Obligation
1. Title Deeds No. 1482, 42151, 42152, 42153, 42154, 12264, 12265 and 12266, at IC-D Road, Khlong Sam Prawet Sub-district, Lad Krabang District, Bangkok, and constructions on title deeds.	as collateral for loan limit of THB 1,287 mm
2. Title Deeds No. 850, 851, 5125, 5227, 6727, 15684, 853, 897, 8332 and 8333, at Phan Thong Sub-district, Phan Thong District, Chon Buri Province, and constructions on title deeds	as collateral for loan limit of THB 307 mm
3. Title Deeds No. 214385,–214390, 214394–214397, 214400–214412, 214416 and 214419, at Khao Khansong Sub-district, Si Racha District, Chon Buri Province, and constructions	as collateral for loan limit of THB 1,100 mm
4. Title Deeds No. 65867, 163280, 164082, 211620, 211621, 211622, 211634 and 211635, at Bo Win Sub-district and Khao Khansong Sub-district, Si Racha District, Chon Buri Province, and constructions	as collateral for loan limit of THB 900 mm
5. Title Deeds No. 17944 at Ta Sit Sub-district, Pluak Daeng District, Rayong Province, and constructions	as collateral for loan limit of THB 175.75 mm

2. Investment Policy in Subsidiaries, Associated Companies, WHAPF, WHART and WHABT

The Group of Companies has the policy of investment in the companies that engage the same business as the core business and related business of the Group of Companies, such as industrial estate business, real estate business, utility business, power business, and renewable energy business, to increase the earnings and competitiveness for the Group of the Companies.

However, in management of the subsidiaries and associated companies, the Group of Companies will appoint the representative from the Group of Companies to be involved as the director of those companies in appropriate proportion for governing the operations of the subsidiaries and associated companies to be in line the proper direction and create maximum benefit to the Group of Companies.

In addition, the Group of Companies also has the policy of investment in real estate business through WHAPF, WHART and WHABT in the proportion of not more than 20% of total investment units or unit trusts (as the case may be) to generate steady dividend income annually. Nevertheless, the investment in WHAPF, WHART and WHABT will depend on the requirement for investment and fundraising amount from sales of assets to WHAPF, WHART and WHABT during such period. Therefore, the investment in WHAPF, WHART and WHABT may be different from the determined investment policy. Moreover, the Company has no control and no participation in determining the policy of WHAPF, WHART and WHABT.

Legal Dispute

On December 31, 2015, the Group of Companies has no material legal dispute that is negatively affect the Group of Companies' assets or their operation.

Detail of Board of Directors and Company Secretary

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
Mr. Somyos Anantaprayoon Chairman of the Board of Directors (The director having authority to sign for binding the company as set forth in the affiliates) Date of appointment: April 23, 2012	56	<ul style="list-style-type: none"> Doctor of Medicine, Mahidol University Specialist doctor for Obstetrics and Gynecology, Rajavithi Hospital Master Degree of Business Administration for executives, Faculty of Commerce and Accountancy, Thammasat University DAP course, 2012 	23.23	None	2015 – Present	Chairman of the Board of Directors	Property developer on warehouses and factories
					2007 – 2015	Chairman of Executive Committee Chairman and Chief Executive Officer	Property developer on warehouses and factories
					2016 – Present	Director	Property developer on warehouses and factories
					2015 – Present	Director	Digital services
					2015 – Present	Director	Holding company
					2015 – Present	Chairman of the Board of Directors	Property developer
					2015 – Present	Chairman of the Board of Directors	Property developer
					2015 – Present	Chairman of the Board of Directors	Property developer
					2015 – Present	Chairman of the Board of Directors	Property developer
					2015 – Present	Chairman of the Board of Directors	Property developer
						Listed Companies WHA Corporation PCL.	
						Non-Listed Companies Central WHA Alliance Co., Ltd	
						WHA Infonite Holding Co., Ltd	
						WHA Ventures Holding Co., Ltd.	
						Hemaraj Land and Development PCL.*	
						Hemaraj Eastern Seaboard Industrial Estate Co., Ltd	
						Eastern Seaboard Industrial Estate Co., Ltd	
						Eastern Industrial Estate Co., Ltd	
						Hemaraj Saraburi Industrial Land	
						Hemaraj Eastern Seaboard Industrial Estate 4 Co., Ltd	
						Hemaraj Rayong Industrial Land Co., Ltd	

* Remark : As of December 31, 2015, Hemaraj Land and Development Pcl. was a listed company until March 2, 2016 when it was delisted from the Stock Exchange of Thailand.

Name / Position / Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
					2015 – Present	Chairman of the Board of Directors	Rayong 2012 Co., Ltd	Property developer
					2015 – Present	Chairman of the Board of Directors	Hemaraj Water Co., Ltd	Water resources development and management
					2015 – Present	Chairman of the Board of Directors	Hemaraj Clean Water Co., Ltd	Producer and distributor of industrial estate water
					2015 – Present	Chairman of the Board of Directors	Hemaraj Energy Co., Ltd	Holding company
					2015 – Present	Chairman of the Board of Directors	H-Construction Management and Engineering Co., Ltd	Design and construction supervision service
					2015 – Present	Chairman of the Board of Directors	Eastern Pipeline Services Co., Ltd	Pipe Rack rental
					2015 – Present	Director	Eastern Seaboard Property and Marina Services Co., Ltd	Property developer investment and marina services
					2015 – Present	Chairman of the Board of Directors	The Park Residence Co., Ltd	Real Estate development
					2015 – Present	Director	Hemaraj REIT Co., Ltd	and service management
					2015 – Present	Director	H-International (BVI) Hemraj International	Trust Manager
					2015 – Present	Director	H-International (SG)	Holding company
					2015 – Present	Director	Glow Hemaraj Wind Co., Ltd	Generator and distributor of electronic power
					2015 – Present	Director	GHECO – One Co., Ltd	Generator and distributor of electronic power
					2015 – Present	Director	Gulf JP NLL Co., Ltd	Generator and distributor of electronic power
					2015 – Present	Director	Houay Ho Thai Co., Ltd	Generator and distributor of electronic power
					2015 – Present	Director	Gulf Solar Co., Ltd	Generator and distributor of electronic power
					2015 – Present	Director	Bowin Clean Energy Co., Ltd	Generator and distributor of electronic power
					2014 – Present	Director	WHA Corporation (Hong Kong) Company Limited	Holding company

Name / Position / Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
					2014 – Present	Director	WHA Corporation (International) Company Limited	Holding company
					2013 – Present	Director	WHA KPN Alliance Co., Ltd.	Property developer on warehouses and factories
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 1 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 2 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 3 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 4 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 5 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 6 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 8 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 9 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 10 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 16 Co., Ltd.	Generator and distributor of electronic power from solar energy

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years		
					Period	Position	Type of Business
					2013 – Present	Director	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	Securities company
					2013 – Present	Director	Securities trading
					2006 – Present	Director	Property developer on warehouses and factories
					2003 – Present	Director	Property developer on warehouses and factories
					1993 – Present	Director	Distribution of plastic products
Ms. Jareeporn Jarukornsakul Vice Chairman of the Board of Directors and Chief Executive Officer (The director having authority to sign for binding the company as set forth in the affiliates) Date of appointment: April 23, 2012	49	– Bachelor Degree in Faculty of Public Health, Mahidol University – Master of Business Administration, Bangkok University – The Honorary PH.D.Degree, Logistics and Supply Chain Management, Christian University of Thailand – DAP course, 2012	24.20	None	2015– Present	Vice Chairman of the Board of Directors	Property developer on warehouses and factories
					2007– 2015	Chief Executive Officer Director, Managing Director and Acting Director of Business Development Department	Property developer on warehouses and factories
					2016 – Present	Director	Property developer on warehouses and factories
					2015 – Present	Director	Digital Services
					2015 – Present	Director	Property developer on warehouses and factories
					2015 – Present	Director	Holding Company
					2015 – Present	Vice Chairman of the Board of Directors	Property developer
					2015 – Present	Director	Property developer
					<u>Listed Companies</u> WHA Corporation PCL. WHA Corporation PCL. <u>Non-Listed Companies</u> Central WHA Alliance Co., Ltd WHA Infonite Holding Co., Ltd PT WHA International Indonesia WHA Ventures Holding Co., Ltd. Hemaraj Land and Development PCL.* Hemaraj Eastern Seaboard Industrial Estate Co., Ltd		

* Remark : As of December 31, 2015, Hemaraj Land and Development Pcl. was a listed company until March 2, 2016 when it was delisted from the Stock Exchange of Thailand.

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
					2015 – Present	Director	Eastern Seaboard Industrial Estate Co., Ltd	Property developer
					2015 – Present	Director	Eastern Industrial Estate Co., Ltd	Property developer
					2015 – Present	Director	Hemaraj Saraburi Industrial Land	Property developer
					2015 – Present	Director	Hemaraj Eastern Seaboard Industrial Estate 4 Co., Ltd	Property developer
					2015 – Present	Director	Hemaraj Rayong Industrial Land Co., Ltd	Property developer
					2015 – Present	Director	Rayong 2012 Co., Ltd	Property developer
					2015 – Present	Director	Hemaraj Water Co., Ltd	Water resources development and management
					2015 – Present	Director	Hemaraj Clean Water Co., Ltd	Producer and distributor of industrial estate water
					2015 – Present	Director	Hemaraj Energy Co., Ltd	Holding company
					2015 – Present	Director	H-Construction Management and Engineering Co., Ltd	Design and construction supervision service
					2015 – Present	Director	Eastern Pipeline Services Co., Ltd	Pipe Rack rental
					2015 – Present	Director	Eastern Seaboard Property and Marina Services Co., Ltd	Property developer on investment and marina services
					2015 – Present	Director	The Park Residence Co., Ltd	Real Estate development and service management
					2015 – Present	Director	H-International (SG)	Holding Company
					2015 – Present	Director	Glow Hemaraj Wind Co., Ltd	Generator and distributor of electronic power
					2014 – Present	Director	WHA Corporation (Hong Kong) Company Limited	Holding Company
					2014 – Present	Director	WHA Corporation (International) Company Limited	Holding Company
					2013 – Present	Director	WHA KPN Alliance Co., Ltd.	Holding Company
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 1 Co., Ltd.	Property developer on warehouses and factories
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 2 Co., Ltd.	Generator and distributor of electronic power from solar energy

Name / Position / Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 3 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 4 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 5 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 6 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 8 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 9 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 10 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 16 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 17 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	Asia Wealth Securities Co., Ltd.	Securities Company
					2013 – Present	Director	Asia Wealth Holding Co., Ltd.	Securities Trading
					2006 – Present	Director	Warehouse Asia Alliance Co., Ltd.	Property developer on warehouses and factories
					2003 – Present	Director	WHA Alliance Co., Ltd.	Property developer on warehouses and factories
					1993 – Present	Director	S & J Holding Co., Ltd.	Distribution of plastic products

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Mr. Surathian Chakthranont Director Date of appointment: April 23, 2012	64	– Bachelor Degree of Engineering Program in Environmental Engineering, Chulalongkorn University – The Honorary Doctorate Degree in Technology, Shinawatra University – DAP course, 2012	–	None	2012 – Present	Director	<u>Listed Companies</u> WHA Corporation PCL.	Property developer on warehouses and factories
					2004 – 2011	Director and Chairman of the risk management board	MFC Asset Management Public Co., Ltd.	Mutual Fund Management
					2008 – Present	Chairman of The Board	<u>Non-Listed Companies</u> E-ester Co., Ltd	Bio-Diesel Manufacturer
					2008 – Present	Director	E-ester (Bangkok) Co., Ltd	Bio-Diesel Manufacturer
					2009 – Present	Executive Director of Cluster Renewable Energy Management	National Science and Technology Development Agency	The office under Ministry of Science and Technology
Mr. Jakrit Chaisanit Director and Chief Operation Officer Date of appointment: April 23, 2012	43	– Bachelor Degree of Engineering Program in Environmental Engineering, Chulalongkorn University – The Honorary Doctorate Degree in Technology, Shinawatra University – DAP course, 2012	0.58	None	2006 – Present	Director	Siam Paper Public Co., Ltd.	Paper and cardboard manufacturer
					2015 – Present	Chief Operating Officer	<u>Listed Companies</u> WHA Corporation PCL.	Property developer on warehouses and factories
					2012 – Present	Director and Director of Construction Project Management Department	WHA Corporation PCL.	Property developer on warehouses and factories
					2015 – Present	Director	<u>Non-Listed Companies</u> H-Construction Management and Engineering Co., Ltd	Design and construction supervision service
					2015 – Present 2014 – Present 2003 – Present	Director Director Managing Director	SME Factory Co., Ltd WHA Corporation (International) Company Limited A&J Builder Co., Ltd.	Sell and lease of factory Holding Company Constructor Business

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Mr. Arttavit Chalermsaphayakorn Director and Chief Financial Officer Date of appointment: April 29, 2014	40	– Bachelor Degree of Business Administrative, Faculty of Commerce and Accountancy, Thammasat University – Master Degree of Science, Majoring in Finance, University of Illinois (Urbana- Champaign) – DAP course, 2013	0.20	None	2014 – Present	Director	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					2013 – Present	Chief Financial Officer	WHA Corporation PCL.	Property developer on warehouses and factories
					2011 – 2013	Senior Vice President, Investment Banking Division	The Siam Commercial Bank PCL.	Bank and Financial Institution
					2013 – Present	Director	Non-Listed Companies WHA KPN Alliance Co., Ltd.	Property developer on warehouses and factories
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 1 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 2 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 3 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 4 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 5 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 6 Co., Ltd.	Generator and distributor of electronic power from solar energy
					2007 – 2011	Senior Vice President, Investment Banking Division	CIMB Securities (Thailand) Co., Ltd	Bank and Financial Institution

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Mr. Somsak Boonchoyruengchai Director and Director of Accounting Date of appointment: April 23, 2012	46	– Bachelor Degree of Accounting, Faculty of Business Administration, Rajamangala University of Technology – Master Degree of Accounting, Faculty of Commerce and Accounting – DAP course, 2012	0.01	None	2012 – Present	Director and Director of Accounting	<u>Listed Companies</u> WHA Corporation PCL.	Property developer on warehouses and factories
					2013 – Present	Director	<u>Non-Listed Companies</u> WHA KPN Alliance Co., Ltd.	Property developer on warehouses and factories
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 8 Co., Ltd	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 9 Co., Ltd	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 10 Co., Ltd	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 16 Co., Ltd	Generator and distributor of electronic power from solar energy
					2013 – Present	Director	WHA GUNKUL Green Solar Roof 17 Co., Ltd	Generator and distributor of electronic power from solar energy
					2004 – Present	Director	Honesty Auditing Co., Ltd.	Accounting Audit Service
					1995 – Present	Director and Managing Partner	A. Ruengroj Furniture Part., Ltd.	Furniture Producer and Interior Design

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Mr. Narong Kritchanchai Director and Chief Legal Officer Date of appointment: April 23, 2012	40	– Bachelor Degree of Law, Thammasat University – Master Degree of Law, Cornell University – DAP course, 2012	–	None	2016 – Present	Chief Legal Officer	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					2012 – Present	Director	WHA Corporation PCL.	Property developer on warehouses and factories
					2015 – Present	Director	Non-Listed Companies SME Factory Co., Ltd	Sell and lease of factory
					2015 – Present	Director	Hemaraj Energy 2 Co., Ltd	Holding Company
					2015 – Present	Director	Hemaraj Energy 3 Co., Ltd	Holding Company
					2006 – Present	Director	Nakit Property Co., Ltd.	Property Developer
					2003 – Present	Director	RL Counsel Co., Ltd	Legal Counsel
Dr. Pichit Akkrathit Independent Director And Chairman Of Audit Committee Date of appointment: April 23, 2012	61	– Bachelor Degree of Economics, Thammasat University – Master Degree of Business Administrative, Thammasat University – Ph. D. of Economic, University of Texas at Austin – DCP course 2002 – DAP course 2004	–	None	2012 – Present	Independent Director and Chairman of Audit Committee	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					2010 – 2011	Director	Thailand Futures Exchange PCL.	Center of trade derivatives products from the SET Fund Management
					2002 – 2010	Director, Executive Director, and Managing Director	MFC Asset Management Public Co., Ltd.	
					2014 – Present	Committee of the National Housing Authority	Non-Listed Companies National Housing Authority and Housing Development	National Housing Authority
					2013 – Present	Director and Chief Executive Officer	Asia Wealth Securities Co. Ltd.	Securities Company
					2013 – Present	Director	Asia Wealth Holding Co. Ltd.	Securities Trading
					2014 – Present	Director	Board of Government Pension Fund	Pension Fund
					2008 – Present	Director	Faculty of Commerce and Accounting, Thammasat University	Work of Board of University
					1996 – Present	Managing Director of College of Innovation	Thammasat University	University

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
					1999 – 2013	Directors of National Research Council of Thailand on Economic field	National Research Council of Thailand	National Research Council of Thailand
					2011 – 2012 2010 – 2012	Chairman of The Board Director	Kiatnakin Fund Management Chamber of National Institute of Development Administration (NIDA)	Securities Company Chamber of National Institute of Development Administration (NIDA)
					2009 – 2011	Chairman of The Board	Thai Credit Guarantee Corporation	Financial Institute of the state under the supervision of the Ministry of Finance
					2004 – 2010	Specialized Committee Member	The Energy Fund Administration Institute	Public Organization under Ministry of Energy
					2008 – 2009	Chairman of The Risk Management Sub-committee	Office of Knowledge Management and Development	Public Organization
					2008 – 2009	Chairman of The Executive Director Board	Small and Medium Enterprise Development Bank of Thailand	Bank under the supervision of the Ministry of Finance and Ministry of Industry
					2007 – 2008	Chairman of The Risk Management Board	Small and Medium Enterprise Development Bank of Thailand	The Stock Exchange of Thailand
					2006 – 2008	Director and Chairman of The Risk Management Board	The Stock Exchange of Thailand	
					2006 – 2008	Director	The Thailand Securities Depository Co., Ltd.	Central securities depository for stocks and bonds
					2002 – 2008	Director and Executive Director	Export-Import Bank of Thailand	Government bank
					2005 – 2007	Director of the Corporate Good Governance Board	Government Savings Bank	Financial institution

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
Dr. Apichai Boontherawara Independent Director and Audit Committee Date of appointment: April 29, 2014	61	<ul style="list-style-type: none"> - Bachelor Degree of Economics, Thammasat University - Master Degree of Business Administrative, Thammasat University - Ph. D. of Economic, Washington University - DAP course 2004 - DCP course 2005 - ACP course 2005 	-	None	2014 – Present	Independent Director and Audit Committee	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					2015 – Present	Monetary Policy Committee	Non-Listed Companies Bank of Thailand	Bank of Thailand
					2011 – Present	Vice Chairman of Executive Board	Southeast Insurance PLC., Southeast Life Insurance PLC., Southeast Capital Co., Ltd.	Finance and Insurance Finance and Insurance Finance and Insurance
					2009 – Present	Honorary of KMIT Council Member	King Mongkut's Institute of Technology Ladkrabang	University
					2009 – Present 2006 – 2010	Audit Committee Managing Director	Chiangmai University Export-Import Bank of Thailand	University Export-Import Bank
Dr. Somsak Pratomsrimek Independent Director and Audit Committee Date of appointment: April 23, 2012	44	<ul style="list-style-type: none"> - Bachelor Degree of Accounting, Burapha University - Master Degree of Accounting, Science, Thammasat University - Ph.D. of Accounting, Chulalongkorn University - DAP Course, 2012 - Certificate of Thai Financial Reporting Standard, 2013 	-	None	2012 – Present	Independent Director and Audit Committee	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					1999 – Present	Professor of Faculty of Management and Tourism, Department of Accounting and Business Administration	Non-Listed Companies Burapha University, Bangsaen, Chonburi	University
					2010 – Present	Sub-committee on the Monitoring of the Development of IFRS	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	Regulatory Agency
					2008 – 2011	Director of Academic Council of Rajmanagala University of Technology suvarnabhumi	Rajamangala University of Technology Suvarnabhumi	University

Name/ Position/ Date of Appointment	Age	Education Qualification	Share holding's proportion (%)	Family relationship between the director	Work experience in the past 5 years			
					Period	Position	Company	Type of Business
					2007 – 2010	President of Master Accountancy Program, Burapha University	Burapha University, Bangsaen, Chonburi	University
					2006 – 2010	Assistant Dean of Planning Faculty of Management and Tourism	Burapha University, Bangsaen, Chonburi	University
Dr. Kritsana Sukboontasatit Independent Director and Audit Committee Date of appointment: April 23, 2012	45	– Bachelor Degree of Business Administration – Master Degree of Business Administration, Chulalongkorn University – Ph.D. of Arts, Khon Kaen University – DAP course, 2012	–	None	2012 – Present	Independent Director and Audit Committee	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					2003 – Present	Managing Director	Non-Listed Companies Business Excellence Consulting Co., Ltd.	Consultant
					2004 – 2007 2003 – Present	Vice President Auditor of the Thailand Quality Award	Carpet Maker (Thailand) Co., Ltd. Office of Thailand Quality Award	Carpet Manufacturer
Mr. Kasamsi Sakunchaisiriwit Company Secretary Date of appointment: May 25, 2012	45	– Bachelor Degree of Law , Thammasat University – Master Degree of Law, Temple University	–	None	2012 – Present	Company Secretary	Listed Companies WHA Corporation PCL.	Property developer on warehouses and factories
					2009 – Present	Director	Non-Listed Companies RL Counsel Co., Ltd	Legal Counsel

Detail of Board of Directors, Executive Directors, Controllers and Company Secretary

Name	WHA Corporation Public Co., Ltd.	Subsidiary Company											Central WHA Alliance Co., Ltd	Hemaraj Land and Development PCL
		Warehouse Asia Alliance Co., Ltd.	WHA KPN Alliance Co., Ltd.	WHA Gunkul 1, 3, 5	WHA Gunkul 2, 4, 6	WHA Gunkul 8, 9, 10, 16, 17	WHA-KPN	WHA Crop (Int'l) Co., Ltd	WHA Crop (HK) Co., Ltd	PT WHA International Indonesia	WHA Ventures Holding Co., Ltd	WHA Infonite Holding Co., Ltd		
Mr. Somyos Anantaprayoon	X, III	I	I	I	I	I	I	I	I		I	I	I	I
Ms. Jareeporn Jarukornsakul	I, III	I	I	I	I	I	I	I		I	I	I	I	I
Mr. Surathian Chakthranont	I													
Mr. Jakrit Chaisanit	I, III							I						
Mr. Somsak Boonchoyruengchai	I, III					I	I							
Mr. Narong Kritchanchai	I													
Dr. Pichit Akrathit	II, V													
Dr. Somsak Pratomsrinek	II, V													
Dr. Kritsana Sukboontasatit	II, V													
Mr. Arttavit Chalermsaphayakorn	I, III			I	I				I					
Mr. Apichai Boontharawara	II, V													
Mr. Kasamsi Sakunchaisiriwit	VI													

Remark : X = Chairman of the Board/ I = Director/ II = Independent Director / III = Executive Director/ IV = Director of Risk Management / V = Audit Committee/VI = Company Secretary

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Remark : X = Chairman of the Board/ I = Director/ II = Independent Director/ III = Executive Director/ IV = Director of Risk Management / V = Audit Committee/VI = Company Secretary

Related Company

- | | | | |
|---|---|---|--|
| 1) S & J Holding Co., Ltd. | 14) Thailand Futures Exchange (TFEX) | 28) Carpet Maker (Thailand) Co., Ltd. | 42) Eastern Seaboard Property and Marina Services Co., Ltd** |
| 2) E-ester Co., Ltd. and E-ester (Bangkok) Co., Ltd. | 15) Export-Import Bank of Thailand | 29) Southeast Group | 43) The Park Residence Co., Ltd |
| 3) National Science and Technology Development Agency (NSTDA) | 16) The Stock Exchange of Thailand | 30) Hemaraj Eastern Seaboard Industrial Estate Co., Ltd | 44) Hemaraj REIT Co., Ltd |
| 4) MFC Asset Management Public Co., Ltd. | 17) The Thailand Securities Depository Co., Ltd. | 31) Eastern Seaboard Industrial Estate Co., Ltd | 45) H-International (BVI) Hemraj International |
| 5) Siam Paper Public Co., Ltd. | 18) Asia Wealth Securities Co., Ltd. | 32) Eastern Industrial Estate Co., Ltd | 46) H-International (SG) |
| 6) A&J Builder Co., Ltd | 19) Asia Wealth Holding Co., Ltd. | 33) Hemaraj Saraburi Industrial Land Co., Ltd | 47) Glow Hemaraj Wind Co., Ltd |
| 7) Honest Audit Co., Ltd. | 20) Office of Knowledge Management and Development | 34) Hemaraj Eastern Seaboard Industrial Estate 4 Co., Ltd | 48) GHECO – One Co., Ltd |
| 8) A. Ruengroj Furniture Part., Ltd | 21) Faculty of Commerce and Accountancy, Thammasat University | 35) Hemaraj Rayong Industrial Land Co., Ltd | 49) Gulf JP NLL Co., Ltd |
| 9) Nakit Property Co., Ltd. | 22) Board of Government Pension Fund | 36) Rayong 2012 Co., Ltd | 50) Houay Ho Thai Co., Ltd |
| 10) RL Counsel Co., Ltd | 23) The Energy Fund Administration Institute (Public Organization) under Ministry of Energy | 37) Hemaraj Water Co., Ltd | 51) Gulf Solar Co., Ltd |
| 11) Kiatnakin Fund Management | 24) National Research Council of Thailand | 38) Hemaraj Clean Water Co., Ltd | 52) Bowin Clean Energy Co., Ltd |
| 12) Thai Credit Guarantee Corporation | 25) National Institute of Development Administration (NIDA) | 39) Hemaraj Energy Co., Ltd | 53) SME Factory Co., Ltd |
| 13) Small and Medium Enterprise Development Bank of Thailand | 26) College of Innovation, Thammasat University | 40) H-Construction Management and Engineering Co., Ltd | 54) Hemaraj Energy 2 Co., Ltd |
| | 27) Business Excellence Consulting Co., Ltd. | 41) Eastern Pipeline Services Co., Ltd | 55) Hemaraj Energy 3 Co., Ltd |

Risk Factors

1. Risk from Overall Business Operation

Risk from Change in Economy, National Politics, and other Macro Factors

As many of the customers of the Group of Companies are multinational companies, the economic change both at national level and global level will have an impact on the customers and revenue of the Group of Companies. For example, world financial crisis or world economic recession in 2010 to 2011 caused the customers to lower their production or slow down the investment plan in foreign countries. The integration of ASEAN Economic Community (AEC) in 2015, which intended to make capital and labor movement more freely, may in the future cause the current customers and the target customers to decide to relocate their production and investment to another country that can boost their competitive advantages. The domestic political instability, such as political turmoil in 2010, had negative impact on the image as well as the interest and confidence to invest in Thailand. Moreover, frequent changes of the government or related working groups caused discontinuity and uncertainty in the policies. The Group of Companies may be exposed to risk from such events, especially the policies related to investment promotion, or development of industrial areas.

Nevertheless, Thailand remains attractive to foreign investors who want to invest in South East Asia as it has better qualified labor and lower wage rate, compared to those in Europe, United States, and other countries in Asia. The infrastructure i.e. public utility systems are also better in Thailand. Despite the natural disaster in 2011, the overall investment in Thailand has been able to grow. In 2014, the government had announced the change of BOI privileges to be in line with the national social and economic development plan, the country's development plan of agricultural sector, industrial sector and service sector which already became effective since 2015. However, the Group of Companies is aware of the risks and effects of this change. To reduce impacts of the risk, Hemaraj applied the BOI privilege at the end of 2014 for existing and new industrial estates to ensure that there are available lands with BOI privilege to supply the expansion of industrial sector. In addition, the uncertainty of economic conditions turned out to have positive impact on the Group of Companies' business. Since most companies need to reduce their operation cost in such circumstance, they decide to lease or outsource their non-core activities. It can be seen that even in the time of economic and political uncertainty, the Group of Companies has grown continuously. The Group of Companies has successfully expanded the revenue base without relying too much on any particular line of business. Recurring income from rental and utility and power businesses contribute to more balanced revenue structure. There is also a high percentage of repeating customers as well as investment niche property projects in 8 industrial estates and industrial lands, thus reducing the risk to the Group of the Companies.

Risk from Interest Rate Fluctuation

The business operation of the Group of the Companies requires high investment. Total non-current portion of long-term borrowings from financial institution at the end of year 2013 2014 and 2015 totaled THB 1,501.9 mm, THB 1,175.7 mm, and THB 9,227.9 mm, respectively. Such loans bear floating interest rate. If the interest rates in the market rise, the Group will be obligated to pay higher interest. This will cause the profit of the Group of Companies to decrease.

However, the interest rates on most of the loans from the financial institutions currently are below the minimum lending rate or MLR quoted by such institutions. In addition, the financing plan for project development of the Group of Companies does not rely solely on loans from financial institutions for funding, but also from other sources, especially through the stock market and sales of its assets via the Fund or REIT, the important sources of funds for the future investment. Given that the Company is a listed company on the Stock Exchange of Thailand, the Group of Companies is able to raise fund through the capital market. In 2013 2014 and 2015, the Group of Company issued debentures in a total amount of THB 5,200 mm, THB 7,000 mm, and THB 5,700 mm at a fixed rate to lower the risk of interest rate fluctuation. However, in order to manage interest cost to be lower but still at an acceptable risk level, the Company entered into Interest Rate Swap transaction to swap the interest rate of a portion of debentures totaling THB 8,780 mm to be floating interest rate for a certain period of time. The remaining debentures of THB 15,558 mm still carry fixed interest rate which help to mitigate the risk of interest rate fluctuation and create a balance between fixed and floating interest rate.

Risk from Increase of Borrowings after Acquisition of Hemaraj Land and Development Public Company Limited

In the first quarter of 2015, the Company acquired Hemaraj through a Voluntary Tender Offer and has become a major shareholder of Hemaraj with a total stake of 92.88%. The Company then made a delisting Tender Offer to delist Hemaraj from the Stock Exchange of Thailand. Hemaraj was effectively delisted on 2 March 2016. The source of fund used in the initial Voluntary Tender Offer came from the right offer of THB 8,938 mm and loan from financial institution (including fee) of THB 31,891 mm. The fund used in the following delisting Tender Offer of THB 2,419 came from the issue of warrant to existing shareholders. Since part of the fund used in the acquisition came from bank loan, the Company's borrowings have increased significantly.

Nevertheless, such acquisition has contributed substantially to the growth of the Company. The Company has seen a potential in Hemaraj and the synergy from combining two entities together. Hemaraj is a leader in Industrial Estate business in Thailand. Hemaraj conducts business that can generate recurring revenue stream. It has experienced management team and a proven track record. Combining two entities together expands the business of the Company, providing the Company with more integrated products and services that can better address the need of customers. This is also in line with the Company's strategy to extend its business to include 4 main businesses, namely, Industrial Estate; Property Investment, Development, and Management; Power and Utilities; and Digital. Moreover, this is in line with the Company's plan to increase the portion of recurring income. More importantly, the acquisition allows the sharing of resources such as know-how and customer base for the benefit of the Company. All of these have equipped the Company for domestic and international expansion and can be considered an important milestone that contributes to a sustainable growth.

In addition, the Company has a clear and well-defined loan repayment plan. By the end of 2015, the Company has already repaid THB 13,355 mm as planned. Moreover, the Company has debt covenant with financial institutions and debenture holders in which the Company is obliged to maintain the interest-bearing debt to equity ratio of not more than 2.5 times. This also helps to mitigate the risk of the Company. At the end of 2015, the interest-bearing debt to equity ratio stood at 2.2 times, which is not lower than the debt covenant.

2. Risk from Industrial Estate Development Business

Risk from Dependence on Customers in Automotive and Petrochemical Industries

The Group of Companies bears risk from depending on customers of automotive and petrochemical industrial group; it has 294 customers of petrochemical (61) and automotive (223) industrial group from total of 668 customers or 44% of number of total customers of the Group of Companies. If the investment from such industries decreases or slows down, the sales volume of lands and related revenue may be affected.

The Group of Companies is aware of risk and effect from such factor and has the marketing plan for penetrating various target groups, not just only automotive or petrochemical group, so that it will not rely too much on any one industry. All of 8 industrial estates and industrial lands of the Group of Companies target different groups such as electronics, energy, steel, construction materials, logistics and food, etc. The Group of the Companies also tracks and analyzes the customer mix and demographic on a regular basis and adjusts strategies accordingly. In 2015, Industrial Estate Land Sales were 1,043 rai, of which 616 rai or 59% were from non-automotive/petrochemical sectors.

Risk from Flood

Flooding incidents in many areas around the country, especially during the rainy season of 2011, have inflicted damages on many business sectors as well as the confidence of investors seeking to engage in new ventures or expansions of existing operations. These investors have become more selective in choosing a development site in order to minimize flood-related risks.

In selecting new sites, the Group of Companies considered various factors – including infrastructure readiness, land size, as well as flooding risks. Currently, the Group of Companies operates a total of 7 industrial estates and industrial lands, all situated in the Eastern Region of the country. These industrial estates and industrial lands are located high above sea level and close to public water sources, both of which serve as deterrents against the threat of flooding and help carry rainwater discharged from retention ponds. Hemaraj Saraburi Industrial Land is the only industrial land located in the central river basin, an area facing flooding risks from heavy rainfall and uncontrollable natural water flow from the North. In recognition of this risk, the Group of Companies assigned specialists to study the area's geological characteristics to develop a model based on historical rainfall data. The resulting model has been used to evaluate the effectiveness of existing flood prevention systems. Moreover, the Group of Companies improved the earth dykes to prevent flooding, while drainage systems in bottleneck areas were improved and expanded. The Group of Companies also improved pumping systems in retention ponds to drain excess water from the industrial land. All equipment and machinery are regularly inspected and maintained to ensure high efficiency at all times.

Due to constant changes inside and outside the industrial estates, The Group of Companies carries out thorough monitoring and assessment of these areas both before and after the rainy season to ensure the optimal effectiveness of all systems. In addition, the Group developed measures to cope with unforeseen consequences of rain storms, and an on-site emergency response team is available 24 hours a day.

Risk from Drought

In 2015, there was the risk of drought in several areas including Saraburi province which industrial land was located. The government and the Group of Companies has come up with the measure and has consistently carried out the plan. It can be assured that projects, both already operated and about to operate, will have adequate water supply to cope with increasing demand and potential draughts in the year to come.

Industrial estates and industrial lands located in Eastern part of Thailand or Eastern Seaboard, are situated close to large holding ponds – namely Dok Kray, Nong Pla Lai, and Klong Yai holding ponds. These three detention basins have a maximum capacity of up to 275 million cubic meters. However, in order to maintain an adequate water supply to support future demand, East Water Public Company Limited has already set up water plumbing systems to draw water from Prasae Reservoir to Klong Yai and Nong Pla Lai holding ponds. This system will help stabilize and sustain the water supply in Eastern Thailand.

Risk from Accident, Fire, and Chemical Spill

The Group of Companies regards risk posed by accidents – such as fire, chemical spills, and traffic incidents – as a high-priority matter in the industrial estates and industrial lands. In compliance with the National Fire Protection Agency's (NFPA) standards, the Group of Companies has installed fire extinguishing systems to cover all areas in its projects. Moreover, the Group of Companies has employed emergency response teams that are stationed 24/7 and equipped with fire engines and other necessary equipment to tackle any unexpected event with minimal delay. The Group of Companies has also prepared effective emergency response plans for various situations in each industrial estate, providing training programs for businesses and government agencies to help minimize the impact of accidents.

3. Risk from Property Investment, Development, and Management Business

Risk from Competition from Industrial Estate Developers and Other Developers

Currently, the industrial estate developers and other developers may start to construct the factories and warehouses for rent similar to the Group of Companies' business. However, most of them who transfer or lease the ready-built factory and warehouse are still confined to their own respective industrial estate area whereas the Group of Companies emphasizes the development of premium quality warehouses that requires sophisticated designs to be responsive and tailor to customers' needs and requirements (Built-to-Suit). In addition, the Group of Companies aims to utilize its expertise in construction design and technology for Built-to-Suit concept to develop a Warehouse Farm project that provide both the Built-to-Suit warehouses, to serve the specific need of some customers e.g. those who require areas for future expansion, and the Ready-Built warehouse for potential new customers who require immediate space. The warehouse farm project is also situated in the prime logistics location where it can be responsive to the customer's requirements. As such, the Group of Companies is able to differentiate itself from other competitors.

At present, there are a few players engaging in the high-quality Built-To-Suit due to high barrier to entry and difficulty to succeed. This is mainly attributed to the fact that the project requires the expertise and dedicated knowledge to understand the sophisticated customer's requirements, capital-intensive business and in-depth understanding in relation to the locations and ability to procure and invest in land which can respond to customers' needs. Furthermore, the expertise and flexibility as well as the patience to conduct the extensive design of the products to achieve the utmost benefit of the customers coupled with the proven track record and credentials which enable the Group to be entrusted by the multi-national companies having high standard of selection criteria. In addition, the Group of Companies has a policy to continuously improve and develop the quality of the warehouses and services going forward.

Risk of Securing Tenants for Developing Projects and Renewal Risk for Existing Ones

The Group of Companies' rental business includes both Built-to-Suit, where a contract shall be executed prior to the construction, and Ready-Built.

For Built-to-Suit type, lease agreements are entered into prior to construction. Therefore, the risk of unoccupied tenants is low and most of tenants are likely to renew the contract as there has been the discussion between the Group of Companies and tenants at the outset. In addition, the Group of Companies focuses on design, construction, and service to provide the highest benefits to customers and draw satisfaction and confidence to the Group of Companies. Further, cost of relocation is considered high. The risk of tenants deciding not to extend lease term is therefore low. During the years 2009 to 2015, most tenants of the Group of Companies who are reputable and leading companies (such as Pacific Trading (Thailand) Co.,Ltd., Hitachi Transport System (Thailand) Co., Ltd., Central Retail Corporation Co.,Ltd., LF Logistics (Thailand) Co., Ltd., Thai Beverage PCL, Logitem (Thailand) Co.,Ltd., and Osotspa Co.,Ltd.) not only lease the areas under the existing agreements but also expand the leased area with the Group of Companies. Most of them started with lease of Ready-Built warehouses and subsequently expanded the leased area and switched to Built-To-Suit warehouses.

Moreover, if the tenants decide not to extend the lease term, the Group of Companies may modify the projects, despite dubbing as the Built-to-Suit type, to meet the need of new tenants. With the advantage of location, quality of construction and system work as well as understanding and in-depth knowledge of the Group of Companies in design and construction management, the Group of Companies is confident that new tenants is able to be procured within the appropriate period of time. In addition, the Group of Companies will have a lead time to procure new tenants as the lease agreements require existing tenants to notify at least 3-12 months in advance.

For the Ready-Built Warehouse, there may be risks on securing new tenants because the projects will be developed prior to execution of lease agreement. Nevertheless, the Group of Companies have developed such warehouses in order to meet the need of some customers who require the immediate uses as well as to manage the overall construction cost and best utilize the area. The risk of tenants not renewing the lease term of the General Warehouse projects is quite low. This is because quality of the projects is acceptable to customers and meets their requirements. Further, cost of relocation is relatively high. If any project becomes vacant due to lease term not being renewed, the Group of Companies is flexible to offer the project to another tenant. The Group of Companies focuses on project development and gives priority to project locations. For this reason, the Company is confident that it will not be difficult to secure tenants. The Group of Companies focuses on design and quality of the structure of the project and continues maintaining its high standard. This is evidenced by good feedback prospective tenants.

Risks on Overdue Rental Payment under Lease Agreements

The risk arising from overdue rental payment under lease agreements may arise in case customers are negatively affected by an economic and industry downturn or by their business operation that affects their financial status, thus, their ability to pay rent. The Group of Companies may be affected by a drop in rental revenue or significant impact on the financial liquidity.

However, the Group of Companies foresees that the impact will be minimal because the key customers are leading and reliable companies having sound financial position. Moreover, the Group of Companies requires tenants to place cash deposit and/or a bank guarantee as security against payment of rental and service fee. A condition in the lease agreements for the projects of Built-to-Suit type provides that in the event of early termination by the tenants, the tenants must pay the Group of Companies compensation of an amount equal to the remaining rental for the remaining period.

Risk from Reliance on Few Contractors

The core business of the Group of Companies includes developing projects for rent and sale. The Group of Companies will hire contractors under turnkey contracts to construct in accordance with the pre-agreed design with customers. Over the past, the Group of Companies has a process of selecting well-known contractors under the qualification requirement specified by the Group of Companies to be the short list. However, the contractor who has been awarded over the past has been B.S.Y. Construction Co., Ltd. to construct almost every project as they have been qualified for selection criteria i.e. the quality, construction cost, expertise and experiences, capability to deliver the projects on schedule, as well as after sale service. For the Built-to-Suit projects, the tenants are also involved in the contractor selection process. Therefore, there may be a risk of reliance on B.S.Y. Construction Co., Ltd. for the development of the Group of Companies' projects.

However, the Group of Companies does not have a policy to hire only B.S.Y. Construction Co., Ltd. and always open to work with other contractors who possess the similarly high standard of work. The selection procedures of contractors are well-organized and transparent through the bidding process to select an appropriate contractor for each project, except for the case the customers, especially the Built-to-Suit projects customers, or the former customers specifically specify the contractor.

The Group of Companies' business is made up different elements including source of funds, expertise of identifying land location, design and building layout as well as a good relationship with customers, etc. This is the capability of the Group of Companies to develop high quality projects, not dependent on any contractor. Rather, this is to combine many key considerations and work with customers, contractors and other related organizations. B.S.Y. Construction Co., Ltd. has engaged in the construction business and been widely recognized in the market for more than 20 years. They are not intended to engage in the same business as that of the Group of Companies. In addition, B.S.Y. Construction Co., Ltd. is not a related party of the Group of Companies. The Group of Companies is regarded as their good business partner.

In addition, the Group Company entered the Memorandum of Understanding (MOU) with B.S.Y. Construction Co., Ltd. On 22 March 2012 to govern on business collaboration specifying frameworks for cooperation of product development in respect of both quality and price quotation to fulfill customers' need and effectively compete with competitors. Such agreement also provides for applying knowledge for development of products, technical data and/or relevant know-how and benefit for constructing warehouses, distribution centers or factories which shall be jointly owned by the Company and B.S.Y. Construction Co., Ltd. Moreover, B.S.Y. Construction Co., Ltd. agrees to participate in the bidding process for Built-to-Suit projects when requested by the Company. B.S.Y. Construction Co., Ltd. agrees not to disclose the technical data and knowledge developed jointly with the Company, or to use it in construction work of the Company's competitors or to enter into similar business collaboration agreements with competitors of the Company without consent from the Company. On the other hand, the Company does not have obligations to hire any specific contractors. Therefore, the Group of Companies may hire any contractors, not necessarily to be B.S.Y. Contractor Co., Ltd. The Group of Companies, therefore may work with other contractors applying the jointly-developed knowledge to develop projects under the standard specified by the Company for the highest benefit of the Company and tenants without breaching the MOU.

Risk from Land Procurement Policy for Development of Future Projects

The Group of Companies has a land procurement policy focusing on procuring land having potential and able to be developed immediately or in the near future. Therefore, the Group of Companies does not have policy to purchase lots of land bank without development plans or certainty on availability of tenants. However, due to the higher competition arising from land acquisition or land lease in prime locations among other players, the Group of Companies has risks of rising land price or in the event that the Company is unable to purchase land in prime locations at the appropriate level. This may cause the Group of Companies to have the higher cost of development of projects or to decide not to invest because the return on the investment may not be in accordance with the criteria specified by the Group of Companies.

However, the Group of Companies has continually prepared a land survey and purchasing plan to be in line with project development. The Group of Companies views that purchase of lots of land bank without development plans or certainty on availability of tenants does not correspond to the business plan of the Group of Companies and may cause problem related to financial liquidity to the Group of Companies. Therefore, the Group of Companies focuses on land acquisition in the amount consistent to its business plan whereby the land to be purchased must be able to be developed immediately or in the foreseeable future or to be jointly planned with customers for future expansion of customers' projects. The Group of Companies also has a policy to invest in leasehold land for some locations taking into account of feasibility of return on investment. This will give rise the flexibility to secure the land to be mutually agreed and developed for the tenants in the better position than other competitors who may accumulate the lots of landbank. This is also flexible for business expansion of tenants and able to manage the land cost to be at the appropriate level.

Risk from Fluctuation of Revenue from Sales of Assets to the WHAPF or Real Estate Investment Trust (REIT)

The main revenue of the Group of Companies consists of revenue from rental and service fee and from sale of investment properties. If in any given year, the Group of Companies does not sell its asset to the Fund or REIT, the total revenue and profit of the Group of Companies may fluctuate. For example, in 2011 the sale of assets to the Fund was delayed due to the flood crisis in October 2011 causing the total income from normal operation of the Group of Companies in 2011 to be at THB 240.2 mm. However, the sale of assets to the Fund was completed in February 2012. The Group of Companies also adjusts its accounting record on the sale of assets to the Fund to record as the sale value of the assets instead of recording only profit from sale of assets. This results in the total revenue of THB 2,213.3 mm on the consolidated financial statements as of 31 December 2012 (THB 1,808.9 mm recognized as the revenue from sale of assets). The sale of assets to the Fund must obtain resolution from the Fund's unitholders. The Group of Companies, as a unitholder of the Fund, cannot vote in this case because of it is a party having interest in this matter. Therefore, there may be a risk of fluctuation of revenue if the Group of Companies does not sell assets to the Fund or REIT.

In 2013, the Company has completed the sale of assets to the Fund in January and November. The Company realized the income from the sale in the total amount of THB 6,585.0 mm out of the total income of THB 7,169.0 mm.

However, in 2014, the Fund could not expand its size in accordance with regulation unless it obtains a resolution to increase its capital before 2014. For this reason, the Company set up a Real Estate Investment Trust or REIT to instead purchase assets of the Group of Companies. The Group of Companies anticipates to regularly recognize this kind of revenue in an appropriate proportion. The Group of Companies recorded sale of assets to WHART of THB 4,337 mm and THB 4,486 mm in 2014 and 2015, respectively. (In 2015, The Group of Companies also sold some asset modification to WHAPF without the process of fund's capital increase in the amount of THB 16.8 mm.)

Even though the Company could be exposed to the risk of sale of assets to the REIT, one of the advantages of the REIT over the Fund is that the REIT is allowed to borrow up to 35% of the total asset value or up to 60% of the total asset value if it is rated by credit rating agency as an investment grade. Because of this, the REIT is able to lower its cost of capital. This in turn enables the Company to sell assets at a higher price and enjoy higher gross profit if compared with sale of assets to the Fund as well as lowering the risk of raising capital from the existing unitholders. For the above reasons, the REIT was able to create value added to return to its investors and expand its size better than the Fund could, thus enabling the REIT to have more liquidity and better pricing in the secondary market. The Group of Companies expects to have on-going sales of assets to the REIT. Moreover, the Group of Companies may consider selling assets to persons other than the REIT such as tenants of the Projects or other investors who are interested.

Risk from Business Competition with the Fund and REIT

The main revenue of the Fund and REIT derives from leasing out assets invested by Fund. Such assets are the projects similar to those developed by the Group of Companies. The Company is also the property manager of the assets sold to the Fund and REIT. Therefore, there is a risk of the conflict of interest between the Group of Companies and the Fund or REIT. In the case that both of the Group of Companies and the Fund or REIT have vacant areas at a nearby location required by similar tenants at the same time, the Group of Companies has to offer the Fund's and REIT's assets to prospect customers in accordance to the agreement under which the Group of Companies agrees not to compete with the Fund and REIT within the areas of 20 km. from the Fund's and REIT's properties throughout the period of time the Group of Company remains the property manager of the Fund and REIT.

However, such prospect customers will regularly make decisions based on their own requirements, the criteria of which, for example, are location, size, specification and timeframe. Moreover, most lease agreements of both the Group of Companies and the Fund or REIT are long-term ones. Most tenants are required to invest in and install equipment and hire labor which, in the event of relocation, will incur relocation cost. In addition, the possibility that the Fund's and REIT's leasable area become vacant due to the existing tenants not renewing the lease term is quite low because currently, the projects leased by most of tenants of the Fund and REIT are the Built-to-Suit type.

The competition between the Group of Companies and the Fund or REIT, if any, will be transparent on an arm-length basis. The management of the Group of Companies as both of the project developer for lease and the property manager intends work towards sustainable growth of the Group of Companies, the Fund and REIT together.

Risk from Business Expansion to Lease of Office Building

The Group of Companies has expanded business to cover the rental of office building, starting from the first project on Bang-Na Trad Road, built according to the requirement of customers, and the acquisition of SJ Infinite I (previously Equinox). Such expansion is intended to increase the proportion of recurring income and mitigate the risk of relying too much on any one business. Nevertheless, the purchase of the building affected the operating result and increased risk in a short term. This is because it is a new building and the Group of Companies was able to recognize the income gradually only from tenants who have just started to move in while all the costs and expenses were incurred from the date the possession of the building was transferred. An example of these expenses was depreciation that must be fully recognized. In addition, the Group of Companies bears the risk of locating tenants due to huge supply of office buildings in Vibhavadee area.

In 2014, the office building market in this area in general improved continuously due to substantial demand and shortage of high quality office buildings. The rising demand was attributed to tenants in other office buildings requiring more space and those office buildings are unable to accommodate their need. The new quality building and flexibility in rental negotiations are the key elements making SJ Infinite I Building attractive to companies wishing to relocate to a new and quality building where rental fee is comparable. At the end of 2015, approximately 70 percent of the space in SJ Infinite I building is occupied. Nevertheless, in November 2015, the Group of Companies has sold the two projects to WHABT, which was established to invest specifically in commercial buildings. The Group of the Companies holds 15 percent stake in WHABT. This helps to mitigate risk and increase liquidity while building up the recurring income.

Risk from Natural Disasters and Accidents

Natural disasters and accidents may cause damage to the Group of Companies' assets including loss of life and properties of staff working in various projects. Most of the Group of Companies' projects are for tenants in the business which stores products that may be sensitive to the flood such as pharmaceutical, medical materials, consumer products, etc. Therefore, there is a risk to business of tenants/customers of the Group of Companies in the case of occurrence of natural disasters, especially floods, resulting in material adverse effect on business operation of the Group of Companies.

Over the past, The Group of Companies realizes the possibilities of such risk, the Group of Companies pays attention on selecting project location, providing appropriate security systems as well as main roads in the projects to be raised higher than main public roads in front of the projects or the highest level flood during the past 30 years in such area (whichever is higher) for about 30–50 cm. The building floor in the projects is raised higher than the main road in the project for approximately 0.8–1.5 meters. In addition, the buildings in the projects are designed for constructing a flood barrier with the height of 2 meters from the building floor. It can be seen that no projects of the Group of Companies suffer severe damage from the flood disaster in October 2011 including the warehouse project in Bangpa-In Industrial Estate, Ayutthaya Province, the area that was materially affected. There is also no loss of rental revenue because the rental is still collectable and the tenant does not have tendency to relocate the warehouse or terminate the lease agreement.

Moreover, all of the leasable areas are scattered in different locations, thus diversifying the risk. The Group of Companies also procures insurance covering all damages of natural disaster and accidents for every project by taking All Risk Insurance, which covers all types of risks. After the flooding at the end of 2011, the insurance companies limit the compensation amounts for flood damage differently based on project-by-project depending on location of the project. The Group of Companies will be responsible for repair costs of its projects damaged by flood if damages exceed the compensation amount as determined by an insurance company. The Group of Company is confident that it has well planned and created the pre-emptive measures for flooding. Therefore, the likelihood that flooding will hit the projects and cause the damage over the compensation limit is quite low.

4. Risk from Power and Utility Business

Risk from Joint Venture in the Project of Independent Power Producer (IPP)

The Group of Companies has invested in Independent Power Producer (IPP) project in Gheco-One Company Limited with Glow Energy. This is in line with the strategy to expand the revenue base to cover business with reasonable and consistent return. Risk from investment, risk from changes of rules, regulations, government policy, delay of construction, financing risk, risk from environmental impact, risk from raw material sourcing, risk

from operations regularly and continuously, risk from sole customer, foreign exchange risk, and interest rate risk are risks involved in the project and the material change in such factors could materially affect the performance of projects and the Group of Companies.

The Group of Company is aware of the risk from such factors and have conducted feasibility studies as well as the sensitivity analysis to consider all aspects of risk and attractiveness of the project, including the return which is recurring and predictable throughout the project life after the commercial operation date. The project was developed and managed by Glow Energy, Thailand's leading private power producer, under the support from a major shareholder GDF Suez, world's leading power company. In addition, Gheco-One signed foreign exchange rate swap, interest swap, coal cost forward contract, and various contracts in order to minimize risks.

Gheco-One has commercially operated on 19 August 2012.

5. Risk from Management

Risk from Dependence on Staff with High Expertise

The business of the Group of the Companies requires knowledge and competence of personnel. These personnel play significant roles and responsibilities on each respect of the work such as defining the market strategies, organizing the contracts and pricing, land sourcing, or the project management, etc. Lack of these personnel will affect the capability of the Group of Companies to secure projects as well as the performance. However, most of key personnel are shareholders of the Group of Companies. Therefore, it is unlikely that they would resign or work for competitors. After listing on the Stock Exchange of Thailand, the Group of Companies is more widely recognized, which help the Group of Companies become attractive and can attract competent personnel to work for the Group of Companies. Moreover, the Group of Company has good human resources management policies and tries to create the knowledge base in the organization to reduce the dependence on certain individual, as well as, deploy various incentive plans which is consistent and competitive to market to reduce such risks.

Shareholding Structure

1. The Company's Securities

The Company's registered capital as of 31 December 2015 was THB 1,567,773,019 and the paid-up capital was THB 1,432,234,167 which divided into 15,677,730,186 registered ordinary shares of THB 0.1 par value and paid-up ordinary shares of 14,322,341,668 shares

Material change of registered capital and paid-up capital are as follows:

Date	Item	Registered capital (Increase/Decrease)	Registered capital	Paid-up capital
29/4/2014	Capital decrease	-5,980	917,992,494	917,992,494
30/4/2014	Share Dividend: 20:1	45,899,625	963,892,119	963,891,769
16/2/2015	Capital decrease	-350	963,891,769	963,891,769
17/2/2015	Capital increase	467,341,464	1,431,233,233	1,314,397,866
30/6/2015	Capital decrease	-1	1,431,233,232	1,314,397,866
30/6/2015	Capital increase	136,539,787	1,567,773,019	1,314,397,866
16/12/2015	Capital increase (from the exercise of warrants)	-	1,567,773,019	1,432,234,167

2. Shareholding Structure

The shareholders on the shareholders' register as of March 11, 2016 are as follows:

Shareholders	Number of shares	%
1. <u>Group of Mr. Somyos Anantaprayoon and Ms. Jareeporn Jarukornsakul</u> WHA Holding Co., Ltd. ⁽¹⁾ Ms. Jareeporn Jarukornsakul Mr. Somyos Anantaprayoon Credit Suisse AG, Singapore Branch ⁽²⁾ UBS AG Hong Kong Branch ⁽³⁾	2,807,166,810 1,624,989,569 1,090,894,523 2821,916,681 421,136,360	19.60 11.53 7.6 5.74 2.94
Total	6,766,103,943	47.24
2. State Street Bank Europe Limited	1,102,783,366	7.70
3. <u>Group of Cholkadeedamrongkul</u> Mr. Sompong Cholkadeedamrongkul Mr. Sompong Cholkadeedamrongkul held by Asset Plus Fund Management Mrs. Warunee Cholkadeedamrongkul Mr. Pongpat Cholkadeedamrongkul Ms. Kanita Cholkadeedamrongkul Ms. Nataya Cholkadeedamrongkul	474,945,700 399,440,700 63,300,000 12,120,000 10,000,000 10,000,000	3.32 2.79 0.44 0.08 0.07 0.07
Total	969,806,400	6.77

Shareholders	Number of shares	%
4. <u>Group of Jarukornsakul</u>		
Ms. Jaruwan Jarukornsakul	301,898,100	2.11
Mr. Wutt Jarukornsakul	172,070,000	1.20
Total	473,968,100	3.31
5. SCB Securities Co., Ltd.	416,600,000	2.91
6. Thai NVDR Co., Ltd.	293,472,916	2.05
7. Ms. Supitchaya Phupisut	229,724,035	1.60
8. N.C.B. TRUST LIMITED-NORGES BANK 11	188,076,600	1.31
9. Ms. Nalinrat Sae Ng	129,594,578	0.90
10. Mr. Sanchai Suksomcheewin	119,900,000	0.84
Total Top Ten Shareholders	10,690,029,938	74.64
Other Minority Shareholders	3,632,400,139	25.36
Grand Total	14,322,430,077	100.00

Remark ⁽¹⁾ WHA Holding Co., Ltd. is a holding company. As of March 23, 2012, it has a registered capital of Baht 5,000,000 being 1,000,000 ordinary shares at a par value of Baht 5 per share. The shareholders are listed as follows:

Shareholder	No. of Shares	%
Mr. Somyos Anantaprayoon	500,000	50.0
Ms. Jareeporn Jarukornsakul	499,999	50.0
Ms. Jaruwan Jarukornsakul	1	0.0
Total	1,000,000	100.0

Remark ⁽²⁾ Part of the shares in Credit Suisse AG Singapore Branch, a securities company incorporated in Singapore, and the beneficiaries of the shares held by it are mostly Mr. Somyos Anantaprayoon and Ms. Jareeporn Jarukornsakul

Remark ⁽³⁾ Part of the shares in UBS AG Hong Kong Branch is a securities company incorporated in Hong Kong, and the beneficiaries of the shares held by it are mostly Mr. Somyos Anantaprayoon.

3. Other Securities

3.1 Debentures – WHA Corporation PCL

As of 31 December 2015, WHA Corporation PCL has THB 10,400 mm of outstanding debentures. The details are as follows:

Issue	Amount (mm)	Interest rate % / year	Tenure /year	Maturity
WHA169A	1,630	4.24	3	20 September 2016
WHA172A	500	4.01	3	27 February 2017
WHA175A	700	3.75	3	29 May 2017
WHA177B	400	3.95	2	23 July 2017
WHA177A	435	3.85	3	31 July 2017
WHA179C	350	3.70	2	11 September 2017
WHA179A	500	4.55	4	20 September 2017
WHA179B	200	3.85	3	25 September 2017
WHA170A	250	3.70	2	10 October 2017
WHA17NA	200	3.70	2	15 November 2017
WHA189B	2,000	4.15	3	8 September 2018
WHA189A	570	4.84	5	20 September 2018
WHA18NA	290	4.00	4	25 November 2018
WHA195A	1,110	4.42	5	31 July 2019
WHA197A	385	4.40	5	31 July 2019
WHA217A	600	4.70	7	31 July 2021
WHA247A	280	5.00	10	31 July 2025

3.2 Debentures – Hemaraj Land and Development PCL

As of 31 December 2015, Hemaraj Land and Development PCL has THB 13,938 mm of outstanding debentures before adjustment of fairvalue of THB 799 mm. The details are as follows:

Issue	Amount (mm)	Interest rate % / year	Tenure /year	Maturity
HEMRAJ16OA	1,500	Year 1 – 3: 5.15 Year 4: 5.50 Year 5: 5.60	5	4 October 2016
HEMRAJ244A	2,500	5.75	10	30 April 2017
HEMRAJ177A	2,300	Year 1 – 3: 4.90 Year 4 – 6: 6.00 Year 7: 6.50	7	21 July 2017
HEMRAJ19OA	638	Year 1 – 3: 4.90 Year 4 – 6: 6.00 Year 7: 6.50 Year 8 – 9: 6.75	9	5 October 2019
HEMRAJ217A	2,000	5.65	9	23 July 2021
HEMRAJ222A	1,000	3.75	7	20 February 2022
HEMRAJ231A	2,500	5.50	10	25 January 2023
HEMRAJ252A	1,500	5.00	10	30 February 2025

3.3 Bill of Exchange

As of 31 December 2015, the Company has outstanding Bill of Exchange of THB 1,700 mm. The details are as follows:

Issue	Amount (mm)	Tenure/day	Maturity
1	50	182	7 January 2016
2	100	90	7 January 2016
3	50	189	14 January 2016
4	44	175	14 January 2016
5	130	182	14 January 2016
6	50	189	14 January 2016
7	20	189	15 January 2016
8	20	189	15 January 2016
9	200	189	15 January 2016
10	46	91	21 January 2016
11	100	90	17 March 2016
12	110	91	24 March 2016
13	100	87	4 April 2016
14	80	86	4 April 2016
15	100	175	18 May 2016
16	100	193	6 June 2016
17	100	90	7 July 2016
18	300	182	7 July 2016

3.4 Warrants

The company issued warrants, WHA-W1 and WHA-W2, in 2015. The details are as follows:

Warrants	Total units issued	Exercised units	Conversion ratio	Exercise price (Baht)	Tenure /year	Last exercise date
WHA-W1	116,853,366	8,667	1:10.2007	3.4311	5.0	4 March 2563
WHA-W2	1,314,395,958	1,178,363,008	1:1	2.70	0.25	14 December 2558

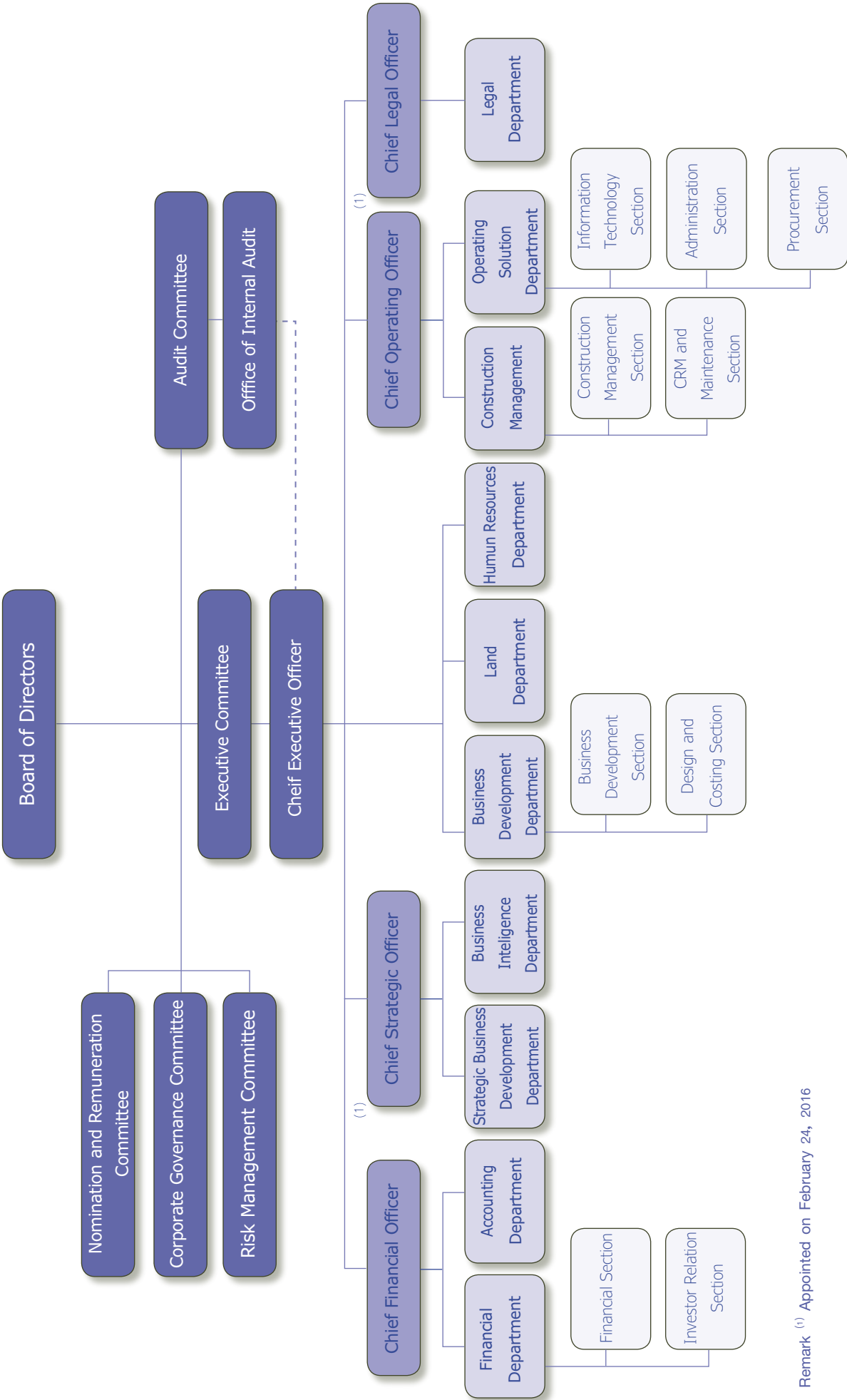
4. Dividend Payment Policy

The Company has a policy to pay out dividends at not less than 40.0% of its net profits stated on the company financial statements after deduction of the corporate income tax and legal reserve each year. The Company considers dividend payment based on factors that deem to be the most beneficial to the shareholders such as the Company's performance and financial status, investment plans in each period as deemed reasonable or appropriate by the Board of Directors. The dividend payment shall not have significant impact on the Company's normal operation. The resolution of the Board of Directors on dividend payment has to be proposed to the shareholders for approval, except payment of the interim dividends where the Board of Directors has its authority to approve and then report the same to the next shareholders' meeting.

Its subsidiaries have a policy to pay out dividends at no less than 20.0% of their net profits stated on their respective company financial statements after deduction of the corporate income tax and legal reserve each year. For dividend payment purposes, relevant factors will be taken into account to maximize the shareholder benefit, such as the subsidiary's performance and financial status, investment plans in each period as deemed reasonable or appropriate by the Board of Directors of the subsidiaries. The dividend payment shall not have significant impact on the subsidiaries' normal operation. The resolution of the Board of Directors of its subsidiaries on dividend payment has to be proposed to the shareholders for approval.

Management

The Company structure as of February 24, 2016 is as follows:



Remark ⁽¹⁾ Appointed on February 24, 2016

1. The Company's management structure

The Company's management structure consists of six Board and committees namely:

1. The Board of Directors
2. The Executives Committee
3. The Audit Committee
4. The Nomination and Remuneration Committee
5. The Corporate Governance Committee
6. The Risk Management Committee

1.1 The Board of Directors

The Company's Board of Directors as of February 24, 2016 consisted of 11 directors as follows:

Name	Position	Board of Directors' Meeting	
		No. of Meetings	No. of Attended Meeting
1. Mr. Somyos Anantaprayoon	Chairman	8	8
2. Ms. Jareeporn Jarukornsakul	Vice Chairman	8	8
3. Mr. Surathian Chakthranont	Director	8	8
4. Mr. Jakrit Chaisanit	Director	8	7
5. Mr. Arttavit Chalernsaphayakorn	Director	8	8
6. Mr. Narong Kritchanhai	Director	8	8
7. Mr. Somsak Boonchoyruengchai	Director	8	8
8. Dr. Pichit Akrathit	Independent Director and Chairman of Audit Committee	8	8
9. Dr. Apichai Boontheerawara	Independent Director and Audit Committee Member	8	5
10. Dr. Somsak Pratomrimek	Independent Director and Audit Committee Member	8	8
11. Dr. Kritsana Sukboonytasatit	Independent Director	8	8

Remark : Dr. Kritsana Sukboonytasatit has resigned from the Audit Committee on 18 March 2015

Company Secretary : Mr. Kasamsi Sakunchaisiriwit

Authorized Directors

The Directors who have authority to sign for binding the Company are Mr. Somyos Anantaprayoon and Ms. Jareeporn Jarukornsakul jointly sign with any one of Mr. Jakrit Chaisanit, Mr. Arttavit Chalernsaphayakorn, Mr. Narong Kritchanhai or Mr. Somsak Boonchoyruengchai, altogether 3 persons, with the Company's seal affixed.

Scope of Authorities and Responsibilities of the Board of Directors

1. To perform their duties in compliance with laws, rules, regulations or notification of the Securities and Exchange Commission of Thailand, the Capital Market Supervisory Board, and the Stock Exchange of Thailand that relate to the Company's objectives, the Articles of Association, the resolutions of the Board of Directors and the resolutions of the shareholders' meeting with their accountabilities, carefulness, and integrity;

2. To determine details and approve the Company's vision, business strategies, business direction, business policies, goal, guidelines, strategic plans, and budgets of the Company and its subsidiaries that prepared by the Executive Committee and the Executive.
3. To monitor the Executive and operation of the Executive Committee, Chief Executive Officer, the Executive, or any persons who take responsibilities and such duties in accordance with the Company's policies determined by the Board of Directors;
4. To constantly follow up the Company's performance to be in compliance with the operating plan and budget of the Company;
5. To procure the Company and its subsidiaries to apply appropriate and efficient accounting systems, and to provide internal control and internal audit systems;
6. To arrange the preparation of balance sheet and income statements at the end of the Company's fiscal year and certify such statements in order to propose to the shareholders at the annual general shareholders' meeting for their approval;
7. To consider and approve the selection and appointment of the Company's auditor, and the appropriate audit fee proposed by the Audit Committee prior to propose to the shareholders at the annual general shareholders' meeting for approval;
8. To prepare policy in relation to good corporate governance principle in writing and efficiently apply such policy to ensure that the Company be fairly responsible to all relevant group of persons;
9. To consider and approve the appointment of person who has qualification and is not prohibited under the Public Limited Company Act, B.E. 2535 (as amended), the Securities Exchange Act, B.E. 2535 (as amended), including other relevant notifications, regulations and/or rules to substitute a vacancy in the Board of Directors for reasons other than the termination of the term of office, and to consider and approve the appointment of the director to replace the one retiring by rotation, and determine the director's remunerations as proposed by the Remuneration and Nomination Committee in order to propose the shareholders in the annual general shareholders' meeting for approval;
10. To appoint sub-committee such as the Audit Committee, the Executive Committee, the Corporate Governance Committee, the Remuneration and Nomination Committee, the Risk Management Committee, or other committee, including determining their duties and authorities in order to support the Board of Directors' management;
11. To determine and change the director's name who has authority to sign for binding the Company;
12. To consider and appoint the Executive as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board, and the Company Secretary, including determining their remuneration;
13. To seek profession opinions from external organizations if necessary for making appropriate decision;
14. To support the Company's Directors and Executive to attend any seminars held by Thai Institute of Directors on the program of Duties and Responsibilities of the Directors and the Executive.

The assignment of authorities and responsibilities of the Board of Directors shall not cause the Board of Directors or the sub-authorized person to be entitled to approve the transaction where itself or a person who has a conflict of interest (as defined in the Notification of the Securities and Exchange Commission or the Notification of the Capital Market Supervisory Board) may have interests or other types of benefit or conflict of interests with the Company or its subsidiaries, except the transaction was approved in compliance with the policy and principle approved by the shareholders meeting or the Board of Directors' meeting.

1.2 The Executive Committee

The Executive Committee as of February 24, 2016 consisted of 6 members as follows:

Name	Position
1. Mr. Somyos Anantaprayoon	The Chairman of the Executive Committee
2. Ms. Jareeporn Jarukornsakul	The Executive Committee Member
3. Mr. Jakrit Chaisanit	The Executive Committee Member
4. Mr. Arttavit Chalermasaphayakorn	The Executive Committee Member
5. Mr. Narong Kritchanhai	The Executive Committee Member
6. Mr. Somsak Boonchoyruengchai	The Executive Committee Member

Scope of Authorities and Responsibilities of the Executive Committee

1. To screen the Company's business plan and budget prior to propose to the Board of Directors for approval;
2. To screen the Company's policies and operation measurement prior to propose to the Board of Directors for approval;
3. To give opinion, advice and consider to approve the matters relating to the Company's normal business operation under the amount or annual budget approved by the Board of Directors or to perform any activities assigned by the Board of Directors;
4. To consider and approve specific matters or operations within the following amount:
 - (a) To approve the execution of the Company's project under the following conditions:
 - (1) The total investment in each project shall not exceed THB 500,000,000;
 - (2) The building to be constructed in the project shall not be over 20,000 square meters.
 - (b) To approve the purchase of land in the amount not exceeding THB 100,000,000 per time.
 - (c) To approve the engagement of contractor for the purpose of constructing warehouse or factory in the amount not exceeding THB 400,000,000 per time.
 - (d) To approve the purchase of construction materials or others for the purpose of constructing warehouse or factory in the amount not exceeding THB 100,000,000 per time.
 - (e) To approve the payment for the contractor's remuneration and account payables of construction materials in the amount not exceeding THB 400,000,000 per time.
 - (f) The investment in securities within market's demand in the amount not exceeding Baht 10,000,000 per time.
 - (g) The borrowing money for expenses on normal business operation, marketing, purchasing, or asset investment in the amount not exceeding THB 400,000,000 per time.
5. To appoint or terminate the Company's Executive or employee at the level of department manager upward, including to determine their compensation.
6. To coordinate and follow up the Company's operation with the Executive in normal business operation to be in compliance with the Company's business plan and budget.
7. To implement and conduct the Company's business as assigned by the Board of Directors.

1.3 The Audit Committee

The Audit Committee as of February 24, 2016 consisted of 3 members as follows:

Name	Position
1. Dr. Pichit Akrathit	The Chairman of the Audit Committee and Independent Director
2. Dr. Apichai Boontheerawara	The Audit Committee Member and Independent Director
3. Dr. Somsak Pratomsrimek	The Audit Committee Member and Independent Director

Remark : Dr. Kritsana Sukboonytasatit has resigned from the Audit Committee on 18 March 2015

The secretary of the Audit Committee is Ms. Patsanan Jarukornsakul.

The notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares provides a number of qualifications of independent directors and audit committee member. The relevant provision is:

- (d) Neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

In the case where the person appointed by the applicant as independent director has or used to have a business relationship or provide professional services exceeding the value specified under (d) of the first paragraph, the applicant shall be granted an exemption from such prohibition only if the applicant has provided the opinion of the company's board of directors indicating that, by taking into account the provision in Section 89/7, the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- The business relationship or professional service which makes such person's qualifications not in compliance with the prescribed rules;
- The reason and necessity for maintaining or appointing such person as independent director;
- The opinion of the applicant's board of directors for proposing the appointment of such person as independent director.

The Board of Directors' meeting no. 3/2012 held on July 20, 2012, and the extraordinary shareholders' meeting no. 1/2012 held on August 9, 2012, resolved that the appointment of Dr. Pichit Akrathit did not have any impact on his performance and independent opinion having details as follows:

Dr. Pichit Akrathit was the Managing Director of MFC Asset Management PCL. ("MFC PCL") during the year 2002 to December 17, 2010. MFC PCL was the founder and fund manager of MFC WHA Premium Factory and Warehouse Property Fund to which the Company sold the asset in December 2010, for a certain period before it changed the Asset Management Company into Kasikorn Asset Management Co., Ltd. At present, Dr. Pichit Akrathit resigned from MFC PCL on December 17, 2010. The Fund as managed by MFC PCL purchased the Company's assets in December 2010. Therefore, the Fund is the entity who has business relationship with the Company. However, MFC PCL, the fund manager of the Fund, was responsible to manage the Fund for the benefit of every Fund's unitholders and to comply with the fund project approved by the Securities and

Exchange Commission (the “Fund Project”), the Notification of the Securities and Exchange Commission, the Capital Market Supervisory, and the Stock Exchange of Thailand, including the Securities Exchange Act, B.E. 2535 (as amended) (“relevant regulations”). Moreover, Dr. Pichit Akrathit has knowledge, competence, and experiences on economic with companies and institutions, and is the honorable director of several institutions. At present, he does not work for MFC PCL. The Board of Directors viewed that Dr. Pichit Akrathit was independent on the position of the Independent Director and the Audit Committee. There was no fact or event to interrupt his independent decision, including no other cause that made him not to give opinion independently for the Company’s operation.

Dr. Somsak Pratomsrimek is one of the Audit Committee member who has knowledge and experience in financial statement audit, and is a certified public accountant having accounting and finance expertise

Scope of Authorities and Responsibilities of the Audit Committee

1. To review for the accuracy and sufficiency of the Company’s financial reporting;
2. To review for appropriateness and efficiency of the Company’s internal control system and internal audit system and to consider the independence of the internal control section, including to give opinion on appointment, relocation, termination of the head of the internal control section and/or engagement of the internal audit company or other sections responsible for the internal audit;
3. To review and ensure that the Company complies with the Securities and Exchange laws, the regulations of the Stock Exchange of Thailand, and other law relating to the Company’s business;
4. To consider, select and nominate a candidate who is independent to be the Company’s auditor and propose its audit fee, as well as to attend the meeting at least once a year with the auditor without attending of the Executive;
5. To consider the connected transactions or any transactions having a conflict of interests to be in compliance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and of ultimate benefit to the Company;
6. To provide the Audit Committee’s report and disclose it in the Company’s annual report. Such report must be signed by the Chairman of the Audit Committee and consist of the following information as a minimum:
 - (1) The opinion on the accuracy, completeness, and reliability of the Company’s financial reports
 - (2) The opinion on the sufficiency of the internal control of the Company
 - (3) The opinion on compliance with the Securities and Exchange laws and regulations of the Stock Market of Thailand, or other law relating to the Company’s business
 - (4) The opinion on appropriateness of the auditor
 - (5) The opinion on the transactions that may have conflict of interest
 - (6) The number of the Audit Committee’s meeting and the meeting attending of each Audit Committee
 - (7) The overall opinion or remark that the Audit Committee obtained from performing its duties according to the charter
 - (8) Other transactions as deemed that shareholders and general investors should be informed under the scope of duties and responsibilities assigned by the Board of Directors
7. In performing the Audit Committee’s duties, if it is found or suspected that there is the following transaction or action which may materially affect to the Company’s financial status and performance, the Audit Committee shall report to the Board of Directors of the Company in order to remedy within the period as the Audit Committee deems appropriate.

- (1) A transaction having a conflict of interest
- (2) A fraud or irregularity or major defect on the internal control system
- (3) Violation of the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, or law relating to the Company's business

If the Board of Directors or the Executives do not remedy within the above period, any of the Audit Committee member may report that there is such above mentioned transaction or action to the Securities and Exchange Commission and the Stock Exchange of Thailand.

8. To perform any other acts assigned by the Board of Directors, with the consent of the Audit Committee

1.4 Nomination and Remuneration Committee

As of February 24, 2016, the Nomination and Remuneration Committee consisted of 3 members as follows.

Name	Position
1. Dr. Pichit Akrathit	Chairman of the Nomination and Remuneration Committee
2. Ms. Jareeporn Jarukornsakul	Nomination and Remuneration Committee Member
3. Dr. Kritsana Sukboonyasatit	Nomination and Remuneration Committee Member

Remark : Mr. Somyos Anantaprayoon has resigned from the Nomination and Remuneration Committee on 29 October 2015 and Ms. Jareeporn Jarukornsakul has been appointed into the Nomination and Remuneration Committee on 29 October 2015

Scope of Authorities and Responsibilities of the Nomination and Remuneration Committee

1. To consider structure, size and component of the board of directors of the Company to be appropriate to the organization and in line with changing circumstances.
2. To consider the rules for nomination of directors, chief executive officer as well as nominating and screening qualified persons to serve as directors or chief executive officer for approval by the board of directors.
3. To give opportunity to the minority shareholders with sufficient period of time to nominate a list of persons to be nominated as directors prior to the shareholders' meeting.
4. To have the succeeding plan for the chief executive officer and top management by constant review.
5. To consider strategy and policy on human resource to be in line with the business operation of the Company.
6. To propose rules and guideline for fixing the remuneration of directors, committee, senior management which are clear, fair and appropriate in accordance with their responsibility and propose them to the board of directors for consideration.
7. To improve the policy and structure on management of remuneration of the directors of the Company, the committee, top management to be consistent with the labor market condition at that time for further proposing it to the board of directors for consideration.
8. To determine the target and evaluate the performance of the chief executive officer for further review of the appropriateness for fixing the remuneration and to further propose it to the board of directors for consideration.

The Nomination and Remuneration Committee shall comprise at least 3 members and each of them shall have the 3-year term. After expiration of the term, it may be considered for renewal of the term.

1.5 Corporate Governance Committee

As of February 24, 2016, the Corporate Governance Committee consisted of 4 members as follows.

Name	Position
1. Mr. Somsak Boonchoyruengchai	Chairman of the Corporate Governance Committee
2. Mr. Jakrit Chaisanit	Corporate Governance Committee
3. Mr. Arttavit Chalermasaphayakorn	Corporate Governance Committee
4. Mr. Narong Kritchanhai	Corporate Governance Committee

Scope of Authorities and Responsibilities of the Corporate Governance Committee

1. To consider, review and revise the policy on corporate governance and propose the same to the Board of Directors for consideration and approval. This policy is to be prepared in writing and adopted as guidelines for good practice.
2. To consider, review and revise the code of conduct and to prepare it in writing.
3. To set and plan the policy on social corporate responsibility.
4. To act as representative of the Company in communicating and conducting activities regarding the corporate governance with the management, officers and outside organizations.
5. To follow up, review and improve the performance to be in accordance with the designated plan and to prepare quarterly summary report to the Corporate Governance Committee.

The Corporate Governance Committee shall comprise at least 3 members and each of them shall have the 3-year term. After expiration of the term, it may be considered for renewal of the term.

1.6 Risk Management Committee

As of February 24, 2016 the Risk Management Committee consisted of following 3 members.

Name	Position
1. Mr. Surathian Chakthranont	Chairman of Risk Management Committee
2. Dr. Somsak Pratomsrimek	Risk Management Committee Member
3. Dr. Kritsana Sukboonyasatit	Risk Management Committee Member

Scope of Authorities and Responsibilities of Risk Management Committee

1. Study, review and evaluate risks as well as tendency which may affect organization as well as inside and outside risk of the Company
2. Set policy on risk management to be submitted to the Board of Directors
3. Review risk, follow up and evaluate sufficiency, efficiency and productivity of overall risk management
4. Give advice and approval for the organization's risk management

Risk Management Committee consists of 3 directors. Each of them will have 3-year term but such term is renewable.

2. Executives

The Company's executives as of February 24, 2016 consisted of 5 persons as follows:

Name	Position
1. Ms. Jareeporn Jarukornsakul	Chief Executive Officer
2. Mr. Arttavit Chalermasaphayakorn	Chief Financial Officer
3. Mr. Jakrit Chaisanit	Chief Operating Officer
4. Mr. Krailuck Asawachatroj ⁽¹⁾	Chief Strategic Officer
5. Mr. Narong Kritchanhai ⁽¹⁾	Chief Legal Officer

Remark ⁽¹⁾ Mr. Krailuck Asawachatroj and Mr. Narong Kritchanhai were appointed on February 24 2016

Scope of authorities and duties of Chief Executive Officer

- To supervise the Company's overall operation to be in accordance with the business objectives of the Company and those assigned from the Board of Directors;
- To provide strategies and business plans to be proposed to the Board of Directors and implement to achieve the goal specified in the strategies and business plans approved by the Board of Directors;
- To take actions and perform duties as assigned by the Board of Directors and as per the policies of the Board of Directors;
- To give orders, issue regulations, make announcement and record in order to perform the work to be in accordance with the policies;
- To approve and/or grant power for doing juristic acts binding the Company for normal transactions of the Company, including transactions the Chief Executive Officer is authorized from the Board of Directors to take action as well as any transactions not directly binding the Company's assets;
- To coordinate with the executives and staff to perform in accordance with the policies and business direction given by the Board of Directors;
- To seek for business opportunity on banking investment, securities, investment, business consultant, financial and accounting consultant, investment consultant, and new business to increase revenue to the Company and staff;
- To consider taking the Company's rights and properties to create obligations with persons, companies, partnerships, shops or financial institutions for proposing to the Board of Director for approval;
- To approve payment of expenditure for normal operation in the amount approved by the Board of Directors;
- To approve investment in equity instruments and securities for the Company's account in the amount approved by the Board of Directors;
- To approve in principle of investment for business expansion as well as joint investment with other business operator and propose to the Board of Directors for approval in the next meeting;
- To approve payment for significant investment set forth in the annual budget or those approved in principle by the Board of Directors;
- To take care of working of employees to be in accordance with the policies, regulations, and the corporate good governance;
- To support development of employees' knowledge and capacity to enhance the organization's capability;
- To appoint consultant necessary to the Company's operation;
- To approve related transactions being on an arm-length basis such as sale and purchase goods at

market price, service fees at the normal rate and giving credit terms similar to general customers, etc. under to the policies approved by the Board of Directors;

17. To appoint, transfer, or terminate employees in the level not requiring approval from the Executives Committee; and
18. To perform other work as assigned by the Board of Directors on a case by case basis. The Chief Executive Officer does not have authority to approve related transactions not being on an arm-length basis, transactions of acquisition and disposition of the Company's major assets, and/or the transactions with the Company and its subsidiaries in which the Chief Executive Officer or a person possibly conflict having interest and having conflict of interest in any nature, except for transactions being on an arm-length basis where the policies and conditions are provided and approval is granted in accordance with the policies and conditions approved by the Board of Directors and endorsed by the shareholders for entering into related transactions and transactions acquisition and disposition of major assets of the Company or its subsidiaries to be in accordance with the rules and regulations of the Stock Exchange of Thailand.

The Chief Executive Officer has authority to approve spending in specific cases or actions in the amounts as follows:

- (a) Approval of investment fund in an amount of not exceeding THB 210,000,000 per project
 - Approval on purchase of raw land in an amount of not exceeding THB 10,000,000 on each occasion
 - Approval on hiring contractors for the objectives of constructing warehouses or factories in an amount of not exceeding THB 200,000,000 on each occasion
- (b) Approval on purchase of construction materials and others for constructing warehouses or factories in an amount of not exceeding THB 50,000,000 on each occasion
- (c) Approval of payment of contractors' remuneration and creditors of construction materials in an amount of not exceeding THB 200,000,000 on each occasion
- (d) Approval of loans to be expense on normal business operation, marketing, purchase, investment in assets in an amount of not exceeding THB 200,000,000 on each occasion

3. The Company's Secretary

The Company appointed Mr. Kasamsi Sakunchaisiriwit as the Company Secretary since May 25, 2012. Mr. Kasamsi Sakunchaisiriwit has appropriate qualifications, experience, knowledge, business understanding and laws. He is therefore capable of providing legal advice on duties and responsibilities of directors to Board of Directors.

Scope of authorities and duties of the Company Secretary

1. To provide preliminary suggestion to directors in respect of laws, rules and regulations
2. To provide advice on holding of shareholders' meeting in accordance with laws, regulations and guideline and prepare an invitation notice for shareholders' meeting
3. To record minutes of shareholders' meeting and directors' meeting and follow up compliance with shareholders' meeting and board of directors' meeting
4. To prepare and safe-keep the following documents:
 - (a) The register of director
 - (b) The invitation of meetings of the Board of Directors, minutes of meetings of the Board of Directors and the Company's annual report
 - (c) The invitation of meetings of shareholders and minutes of meetings of shareholders

5. To safe-keep reports of conflicts of interest reported by the directors or the executives
6. To procure disclosure of information and information memorandum to the public in accordance with laws and regulations
7. To perform other acts as specified by of the Capital Market Supervisory Board

4. Director and Executive Remunerations

4.1 Director Remuneration

In the fiscal year ended December 31, 2013, the Company paid a total remuneration of THB 10,375,000 to 9 directors in the form of meeting allowance, position allowance, director remuneration.

In the fiscal year ended December 31, 2014, the Company paid a total remuneration of THB 6,574,000 to 11 directors in the form of meeting allowance, annual remuneration and position allowance.

In the fiscal year ended December 31, 2015, the Company paid a total remuneration of THB 12,357,000 to 11 directors in the form of meeting allowance, annual remuneration and position allowance.

Name	Meeting Attendance in 2015	
	Board of Directors Meeting	Audit Committee Meeting
Mr. Somyos Anantaprayoon	8/8	–
Ms. Jareeporn Jarukornsakul	8/8	–
Mr. Surathian Chakthranont	8/8	–
Mr. Jakrit Chaisanit	7/8	–
Mr. Arttavit Chalermasaphayakorn	6/6	–
Mr. Narong Kritchanhai	8/8	–
Mr. Somsak Boonchoyruengchai	8/8	–
Dr. Pichit Akrathit	8/8	6/6
Dr. Apichai Boontheerawara	5/8	4/6
Dr. Somsak Pratomsrimek	8/8	6/6
Dr. Kritsana Sukboonyasatit ⁽¹⁾	8/8	1/1

Remark : Dr. Kritsana Sukboonyasatit has resigned from the Audit Committee on 18 March 2015

Unit : THB in Thousands

Name	Fiscal Year 2013					Fiscal Year 2014				
	Position Allowance	Meeting Allowance for Director	Meeting Allowance for Audit Committee Member	Director Remuneration	Total	Position Allowance	Meeting Allowance for Director	Meeting Allowance for Audit Committee Member	Director Remuneration	Total
Mr. Somyos Anantaprayoon	120	370	–	930.75	1,420.75	120	200	–	527.14	847.14
Ms. Jareeporn Jarukornsakul	120	270	–	796.16	1,186.16	120	105	–	474.43	699.43
Mr. Surathian Chakthranont	120	270	–	796.16	1,186.16	120	90	–	474.43	684.43

Name	Fiscal Year 2013					Fiscal Year 2014				
	Position Allowance	Meeting Allowance for Director	Meeting Allowance for Audit Committee Member	Director Remuneration	Total	Position Allowance	Meeting Allowance for Director	Meeting Allowance for Audit Committee Member	Director Remuneration	Total
Mr. Jakrit Chaisanit	120	255	–	796.16	1,171.16	120	105	–	474.43	699.43
Mr. Arttavit Chalermso phayakorn	–	–	–	–	–	80	90	–	294.72	464.72
Mr. Narong Kritchanhai	120	270	–	796.16	1,186.16	120	105	–	474.43	699.43
Mr. Somsak Boonchoy ruengchai	120	270	–	796.16	1,186.16	120	105	–	474.43	699.43
Dr. Pichit Akrahit	120	370	220	796.16	1,506.16	120	190	132	474.43	916.43
Dr. Apichai Boontheerawara	–	–	–	–	–	80	75	60	294.72	509.72
Dr. Somsak Pratomsoimek	120	255	150	796.16	1,321.16	120	105	90	474.43	789.43
Dr. Kritsana Sukboonyasatit	120	240	135	796.16	1,291.16	120	120	90	474.43	804.43
Grand Total	1,080	2,570	505	7,300	11,455	1,240	1,290	372	4,912	7,814

Unit : THB in Thousands

Name	Fiscal Year 2015							
	Position Allowance	Meeting Allowance for Director	Meeting Allowance for Audit Committee Member	Meeting Allowance for Nomination and Remuneration Committee	Meeting Allowance for Corporate Governance	Meeting Allowance for Risk Management Committee	Director Remuneration	Total
Mr. Somyos Anantaprayoon	120	200	–	15	–	–	977	1,312
Ms. Jareeporn Jarukornsakul	120	120	–	15	–	15	879	1,149
Mr. Surathian Chakthranont	120	120	–	–	–	25	879	1,169
Mr. Jakrit Chaisanit	120	105	–	–	30	–	879	1,134
Mr. Arttavit Chalermso phayakorn	120	120	–	–	30	–	879	1,149
Mr. Narong Kritchanhai	120	120	–	–	30	–	879	1,149
Mr. Somsak Boonchoy ruengchai	120	120	–	–	50	–	879	1,381
Dr. Pichit Akrahit	120	200	132	50	–	–	879	1,134
Dr. Apichai Boontheerawara	120	75	60	–	–	–	879	1,224
Dr. Somsak Pratomsoimek	120	120	90	–	–	15	879	1,179
Dr. Kritsana Sukboonyasatit	120	120	15	30	–	15	879	1,110
Grand Total	1,320	1,420	297	110	140	70	9,768	13,125

Remark :

1. Dr. Kritsana Sukboonytasatit has resigned from the Audit Committee on 18 March 2015
2. Mr. Somyos Anantaprayoon has resigned from the Nomination and Remuneration Committee on 29 October 2015 and Ms. Jareeporn Jarukornsakul has been appointed into the Nomination and Remuneration Committee on 29 October 2015

The 2015 Annual General Meeting in held on April 24, 2015 resolved to approve the 2015 remuneration for members of the Board and committees as follows:

1. Meeting allowance for directors of an aggregate amount not exceeding THB 6,600,000;
2. The Remunerations for directors will not be more than 0.5% of Net Profit in 2015

4.2 Executive Remuneration

In 2013, 2014, and 2015, the Company paid the remuneration to the Executives as salary and bonus in the total amounts of approximately THB 30.1 mm, THB 33.53 mm and THB 57.85 mm respectively.

Set out below is the table of the remunerations paid by the Company to the Executives.

	2013		2014		2015	
	Number of Persons	Remuneration Amount (THB mm)	Number of Persons	Remuneration Amount (THB mm)	Number of Persons	Remuneration Amount (THB mm)
Executive remuneration	6	30.1	5	33.53	6	57.85

Remarks : Mr. Thanaphatr Anantaprayoon resigned from Acting Director of Operating Solutions Department on April 26, 2014

4.3 Other Remunerations

The Company has provided fund program in which the Company contributes the amount of 2% or 5% of salary. In 2015, the Company contributed into the provident fund for 6 Company's Executives THB 1.467 mm.

5. Personnel

As of December 31, 2015, the Company employed 86 staff members.

WHA Corporation Public Company Limited	Number of persons
Executive	7
Business Development Department	9
Construction Management Department	23
Finance and Account Department	16
Operating Solution Department	26
Legal Department	2
Secretary Department	3
Total	86

5.1 Change of number of key officers during the past 7 years (excluding executive)

As the Company has been substantially expanding for the past year, capable and potential personnel has been recruited. As of December 31, 2015, there were 79 officers in total (excluding executives). As of December 31, 2014, there were 57 officers in total (excluding executives).

5.2 Material labor dispute during the past 3 years

– None –

5.3 Remuneration of personnel (excluding executive)

Officers of the Company receive remuneration in form of, among others, salary, bonus, overtime wage, provident fund allowance, social security allowance and compensation fund allowance. Officers also receive other welfares, such as annual public holidays, maternity leave, ordination leave, medical allowance and funeral assistance.

Type of Remuneration	As of December 31, 2015
Total salary	30,418,256
Special reward	10,059,101
Provident fund contribution	835,232
Overtime	740,595
Social security contribution	605,753
Compensation fund allowance	51,283
Total	42,710,220

5.4 Policy on development of officers

Key concept of the Company is to be an organization of continued and sustainable learning and apply such knowledge to create work innovations. The Company has the policy to encourage all officers to develop themselves to be competent, creative and stay abreast of circumstances so as to be ready and able to efficiently, completely, and fully perform their duties.

Personnel development plan is clearly set. There are two parts of training, an in-house training and a course to be conducted by outside organizers. HR Section will analyze the appropriateness and necessity for training of each of officers pursuant to their scope of work and position, as well as clearly specify their mission in respect of their works.

Development can be done by various means which will include theory, practice and on-the-job training. By this means, team leaders and officers will be able to jointly establish an appropriate development plan.

Corporate Governance

The Company is aware of undertaking its business with responsibility and fairness and recognizes the importance of good corporate governance and management which will enhance its competitiveness in management by focusing on sustainable growth to add value in a long term to the Company, its shareholders and all stakeholders. The good corporate governance will help the Company gain transparency and verifiability in business operation. The Company set the good corporate governance policy for directors, management and officers to use as the work guideline. The corporate governance of the Company will be reviewed annually and approved by the Board of Directors. The latest revision was made on February 26, 2015 by applying the OECD Principles of Corporate Governance to the Company's guideline.

1. Corporate Governance Policy

The Good Corporate Governance Policy of the Company is divided into 7 categories as follows:

1. Rights of the Shareholders

The Company takes as a priority the right of shareholders to complete and accurate information in a timely and fair manner to support their decision making. The Board of Directors therefore sets the policy as follows.

- 1.1) The Company shall send a notice of shareholders' meeting together with sufficient data in supporting documents on various agendas with objectives, reasons and opinion of the Board of Directors on each of the agenda in order that the shareholders will have the opportunity to study the full information at least 30 days in advance. In case that the shareholders cannot attend the meeting by themselves, the Company allows the shareholders to appoint an independent director or any person as a proxy to attend the meeting by using the proxy form as enclosed in the notice. The shareholders can also download the proxy form from the Company's website.
- 1.2) To fairly facilitate all shareholders in attending the shareholders' meeting in terms of appropriate venue and timing.
- 1.3) In shareholders' meeting, agenda items will be considered and voted in order as specified in the notice without change of material information. Shareholders are given equal opportunity to review the Company's business performance, make enquiries, and present their views and suggestions. Directors and relevant management will attend the shareholders' meeting to answer questions raised in the meeting.
- 1.4) To increase channels for shareholders to access to information through website of the Company on which the information and details are uploaded. In particular, the notice for shareholders' meeting will be disseminated at least 30 days in advance so that the shareholders can conveniently and fully download information and agenda.
- 1.5) The Company has the policy that directors, top management and auditor will attend the shareholders' meeting to provide answers and acknowledge opinion from the shareholders.
- 1.6) Recording the minutes of shareholders' meeting will be made in full, on time and transparently. Material questions and opinion will be recorded in the minutes so that the shareholders will be able to review. In addition, the Company will upload the minutes of shareholders' meeting in the Company's website for shareholders' consideration. The Company will submit the minutes of shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of shareholders' meeting.

- 1.7) To facilitate shareholders to receive the dividends by transfer to bank account (in case of dividend payment) for convenience of shareholders in receipt of dividend on time and for prevention of cheque being damaged, lost or delayed.
- 1.8) The Company has policy to give an opportunity to shareholders to propose agenda and/or submit questions on the agenda in advance in order that the shareholders will gain ultimate benefits from the meeting as well as to fully preserve the rights of shareholders. This can be done via email or facsimile to the Company Secretary.
- 1.9) The Nomination and Remuneration Committee will consider scope of works, responsibility, completion of work and business performance as well as other factors including remuneration of directors of other companies in the same industry for determination of the remuneration of directors. The Nomination and Remuneration Committee will firstly consider the remuneration of the Board of Directors prior to submission to the Board of Directors for further approval.

2. The Equitable Treatment of Shareholders

The Company shall treat shareholders equally. Therefore, the Board of Directors has the following policy.

- 2.1) The Company shall send the invitation of meeting together with supporting information to the shareholders at least 30 days in advance in order to give an opportunity to the shareholders to fully study information prior to the shareholders' meeting date.
- 2.2) The voting right in the shareholders' meeting shall be in accordance with a number of shares held by shareholders. One share will have one vote. In addition, the Company allows the shareholders who attend the meeting after commencement of the meeting to vote for agenda being considered for agenda which are under consideration and has not been voted, and the vote of such shareholders will be included in the quorum.
- 2.3) With regard to the agenda item on the of directors to replace those who resign by rotation, the Company has policy to give an opportunity to the shareholders to vote on each individual director. This means that the shareholders will have the opportunity to truly select the directors of their choice and preference. The Company will enclose the details of the nominated directors enough for shareholders' consideration.
- 2.4) The Company will allow a shareholder who holds shares representing not less than 0.05% of the paid-up capital for not less than 12 months consecutively to propose via the email or facsimile to the Company Secretary agenda items the annual shareholders' meeting and nominate a qualified person to serve as a director .
- 2.5) The Company will set the preventive measures on insider trading of related persons which mean the Board of Directors, top management and officers in division which may be involved in the Company's information (including their spouse and minor child).
- 2.6) The Company will set the policy on conflict of interest on the basis that decision making of personnel at all levels will be made to the ultimate benefit of the Company and it shall be the duty of all personnel to avoid any financial involvement and/or relationships with third parties which may result in the Company's loss of benefit or cause the conflict of interest or prevent any effective performance of duty. The related persons or connected persons shall inform the Company of relationship or connected transactions and shall not participate in decision making and shall have no authority to approve such transactions. The approval on such transactions shall be in accordance with principle and have no more special terms and conditions than those of ordinary case.

- 2.7) To facilitate the shareholders who cannot attend the meeting by themselves by allowing the shareholders to give a proxy to any person or permit at least 1 independent director to attend the meeting and notify the name of such independent director in the notice of meeting.
- 2.8) To treat shareholders equally, no matter whether they are major shareholders or minority shareholders, or they are Thai or foreigners.

3. Conflict of Interest

The Company realizes the importance of transparency when considering matters taking into account the benefit of the Company. Therefore, the Company gives high priority to prevention of any transactions that could turn into conflict of interest, connected transactions, or related transactions, and imposes a policy for this purpose with material details as follows.

- 3.1) The management and the officers shall strictly comply with the Code of Conduct to earn trust of all stakeholders and disclose the information for understanding to all officers of the Company.
- 3.2) Directors and the management shall inform the Company of relationships or connected transactions which may cause the potential conflict of interest.
- 3.3) Connected transactions shall be submitted to the Audit Committee for consideration prior to submission to the Board of Directors for further approval in accordance with the good corporate governance. Compliance with the rules prescribed by the SET and the Office of the SEC shall be monitored.

4. Roles of Stakeholders

The Company recognizes and is aware of the rights of all stakeholders, whether they are insider stakeholders, i.e. shareholders, officers, or outsider stakeholders, i.e. customers, partners, creditors, competitors, public section or agencies as well as nearby communities as the Company earns the support from stakeholders which enhances the competitiveness and profitability and it is deemed as a long-term value to the Company. The Company set the following policy:

4.1) Policy on treatment to officers

The Company realizes that officers are key factors to achieve the Company's target. The Company has policy to treat all officers fairly in respect of opportunity, remuneration, appointment as well as development of potential. To this ends, the Company has the following practices:

- 1) To treat officers with politeness and respect by taking into account the individualism
- 2) To give officers the fair remuneration, set up provident fund for officers and provide welfare
- 3) To preserve the work environment with safety to life and assets of officers
- 4) To appoint, promote or demote, give bonus and penalize officers at good faith and on a basis of their knowledge, capability and appropriateness of such officers
- 5) To give extensive and constant opportunity in respect of knowledge management and competency to officers to develop the officers' capability to empower officer to their full potential with professionalism
- 6) To acknowledge views and suggestions which are based on officers' professional knowledge
- 7) To strictly comply with relevant laws and regulations governing officers

4.2) Policy and Treatment to Shareholders

The Company recognizes that the shareholders are the owner of business and the Company has the duty to enhance a long-term shareholders' value as follows:

- 1) to perform fiduciary duty and make decision in accordance with professional principles with due care and fairness to both of major and minority shareholders to the ultimate benefit of overall shareholders.
- 2) to constantly and fully present the report on the Company's status, business performance, financial status, accounting and other reports
- 3) to prohibit the exploitation of benefit to themselves or third parties by using of the Company's information which is not disclosed to the public or do any acts and things which may cause the conflict of interest with the Company

4.3) Policy and Treatment to Customers

The Company recognized the importance of customers and set the policy to treat customers as follows.

- 1) to serve customers with politeness, eagerness and readiness to provide service with sincerity and willingness and care, take care of customers as closed cousin, and provide services on timely, accurate and reliable basis
- 2) to keep confidential the customers' information and not to use for its own benefits or related persons unduly
- 3) to give accurate, sufficient and timely information to customers on services of the Company to customers without exaggerate advertisement which may mislead customers regarding qualities or conditions of the Company's services
- 4) to provide suggestions on the Company's services to the best benefit of customers.

4.4) Policy and Treatment to Partners and/or Creditors

The Company has the policy to officers to treat customers and/or creditors fairly and at good faith without taking advantage over competitors by taking into account the Company's ultimate benefit and mutual fair treatment to avoid situation which may cause the conflict of interest. Negotiation for settlement will be conducted on the basis of business relationship under the following practice:

- 1) not to claim or receive or pay any benefits in bad faith to partners and/or creditors
- 2) in case that there is any information that the claim, receipt or payment of any benefits was not made in good faith, details must be disclosed to partners and/or creditors and the problem shall be settled fairly and timely
- 3) to strictly comply with conditions as agreed upon. In case of non-compliance with any agreements, creditors shall be informed in advance to jointly find the solution.

4.5) Policy and Treatment to Competitors

The Company has the policy to treat competitors without breaching the confidentiality or knowing the confidentiality of competitors with fraud and set the following policy:

- 1) to follow the rules on competition
- 2) not to seek confidentiality of competitors by bad faith or inappropriate means.
- 3) not to destroy competitors' reputation by malicious accusation.

4.6) Policy and Treatment to Societies/Communities

The Company has the policy on undertaking of business which renders benefits to economy, society and adheres to the principle on being a good citizen. The Company fully complies with laws and participates in activities which will promote or enhance the quality of life of societies and communities. In addition, the Company has the policy to return profit to society by allocating budget from the Company's income to support activities which will benefit societies, communities

and environment as appropriate and it will proceed with this annually. In 2015, the Company donated money to support education, educational equipment, and other necessary things and gave lunches to students of the school located in area that the Company invested in. In addition, the Company held activities in its organization to support and cultivate consciousness of all level officers in sharing, such as activities to receive old calendars to support Foundation for the Blind in Thailand for bringing them to be used as the media for teaching to the blind and activity to give donation to temple.

4.7) Policy on Welfare and Healthcare to Officers

The Company recognizes the importance on preserving good work environment with safety to life and assets of officers by strictly complying with labor law, such as maintenance of buildings and office equipment in good condition and health, provision of necessary medical care services, setting rule on wearing of safety equipment on construction site as well as creating the awareness to all level officers on value and importance of constant workout. The Company arranges the healthcare welfare to officers as appropriate, such as sport activity on every Tuesday and Thursday, annual health check.

4.8) Environment Policy

The Company has the policy to support activities to promote quality, health and environment as well as work environment with safety to life and assets of officers. In addition, the Company realizes on giving knowledge and training to officers on environment and efficient use of resources, such as recycle of paper with one page used, recycle of files and campaign on electricity turn-off during lunch, using ladder instead of elevator, maintenance of equipment for readiness to use and for good safety and work environment and for enhancement of work efficiency of officers in organization.

4.9) Intellectual Property Policy

The Company has the clear policy not to infringe the intellectual properties, irrespective of copyright, patent, trademark, trade secret and other intellectual properties prescribed by law, such as infringement of computer software. All computer software must be investigated and downloaded by the information technology division to prevent illegal usage of software.

4.10) Policy on Legal Compliance and Human Rights

The Company has policy against any infringement of human rights in all respects to be consistent with the society under the rule of laws. Citizen has the freedom right under the law. The practice of the Company is as follows:

1. The Company respects and treats all stakeholders with fairness, on the principle of human dignity, without discrimination on origin, citizen, sex, age, skin color, religion, body condition, status, family and promotes monitoring of treatment in accordance with terms on human rights in the Company.
2. To act against any human trade, use of child labour with age under those prescribed by law and not to do any transactions with manufacturer or service provider who does as such.
3. To support and respect human right by reviewing and controlling the business transaction of the Company with third parties not to promote or support the violation of human right and not to violate the staff's right protected by law.

4.11) Policy on Fraud and Anti-Corruption

The Company expresses its intention to join the private sector on anti-corruption group which is held by joint effort of Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association and The Thai Bankers' Association since January 30, 2014. The Board of Directors set the policy on anti-corruption as follows:

1. To set the appropriate check and balance structure among procurement division, accounting division, management division and audit division to prevent misuse of authorities.
2. To train officers on knowledge, policy and practice on anti-corruption of the Company.
3. To support and cooperate with public sector organization and regulatory authorities as well as all sectors in the Thai society with the aim to reduce corruption and enhancement of country development.
4. To prohibit director, executive and officers from any forms of direct or indirect corruption, i.e. receipt of gift, giving gift, wining and dining, donation and any other benefits to themselves from partners of the Company.

The Company has the channel for interested persons to inform, suggest or complain in case of corruption or any acts which is not in compliance with the Company's rules to the Board of Directors by sending a letter to the below address:

The Board of Directors

WHA Corporation Public Company Limited

1121 Moo 3 Theparak Road, Muang, Samut Prakan 10270

5. Disclosure of Information and Transparency

The Board of Directors has the policy to accurately, fully, sufficiently, constantly and timely disclose financial information memorandum and others on business and the Company's performance which reflect the financial condition and performance of the Company including the future business of the Company.

The Board of Directors has strong intention to supervise to strictly and transparently comply with laws, regulations and rules in relation to information disclosure and distribute the information via the Company's website, SET's disclosure media in order that shareholders and relevant persons will receive the information of the Company and will adjust it to be in line with the applicable guideline of SET and the Office of the SEC.

The Company procures staff responsible for communication with investors, shareholders as well as institutional investors and minority shareholders. The Company will regularly hold the meeting for analysis of business performance and disclose information of organization and financial information and general information to investors, securities analysts, credit rating agencies and relevant governmental authorities via various channels, such as reporting to SET, the Office of the SEC and website of the Company. Moreover, the Company recognizes the importance to regularly disclose the information in order that the shareholders continually receive information via the Company's website. The information thereof will be constantly updated, such as vision, mission, financial statements, public relation news, annual report, corporate structure, management, shareholding structure and major shareholders.

In addition, the Company realizes the importance of financial statements which truly reflect the financial status and performance of the Company on the basis that the accounting information must be correct, complete and sufficient per the generally accepted accounting principles. The Company will disclose information regarding each of directors as well as roles and duties of the Board of Directors and the committees of the Company in the Annual Report (Form 56-2) and Annual Report (Form 56-1) and will disclose remuneration of directors and top executive in Annual Report (Form 56-2) and Form on Annual Information Disclosure (Form 56-1).

6. Responsibility of Board of Directors and Committees

6.1 Structure of Board of Directors

The Board of Directors has responsibilities to the shareholders on business undertaking, supervision of business to its goal and guideline to maximize the shareholders' value by taking into account benefits of all stakeholders.

As of December 31, 2015, the Board of Directors of the Company comprises 11 persons as follows.

- a. Directors who are executives numbering 3 persons
- b. Directors who are not executives numbering 8 persons inclusive of 3 members of the audit committee.

Although the Chairman of the Company is the Chairman of the Executive Committee, the consideration on material issues will be screened by the Executive Committee and, if it exceeds the authority of the Executive Committee, it will be submitted to the Board of Directors. With regard to the structure of the Executive Committee, 3 out of 3 executive committee members are not related to Chairman of the Board, Chairman of Executive Committee and Chief Executive Officer. And, in the Board of Directors, 10 out of 11 directors are not related to the Chairman of the Board of Directors and Chairman of Executive Committee. The Company also has the audit committee's which comprises 3 independent directors, or one-thirds of all directors. The Company also provided for the scope of authorities of the Board of Directors, committees and Chief Executive Officer in writing to set the clear scope of works and responsibilities of Committees which reflects the transparency and due care in making decisions.

6.2) Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has the duty to perform in accordance with law, objectives, articles of association and resolution of shareholders' meeting by performing the fiduciary duty and duty of care to the benefit of shareholders and stakeholders in long term and short term to ensure that the Company operates the business in the direction that maximizes the benefit of shareholders and stakeholders. The Board of Directors will monitor to procure the preparation of vision, mission, target, policy, direction, strategic plans, work plans and annual budget of the Company. The Board of Directors will share opinions to ensure mutual understanding of the overall the business prior to giving approval and shall follow up the management to meet target by adhering to guidelines as set forth by the SET and the Office of the SEC.

6.3) Meeting of Board of Directors

Regular attendance of meetings of the Board of Directors is an important duty of the directors to acknowledge and participate in decision making on business undertaking of the Company. In each year, there will be at least 4 meetings of Board of Directors. At each meeting, the agenda will be clearly prepared in advance. A special meeting of Board of Directors may be held to consider urgent matters.

Top executives of the Company may attend the Board of Directors' meetings to give information which may be useful and directly take policy from the Board of Directors. The Company also has the policy that the non-executive directors will have a meeting at least once a year. It is intended that the non-executive directors have the opportunity to meet with one another to discuss issues of their interest without attendance by the executive or management.

In determining the agenda for Board of Directors, Executive Committee will consider issues which will be the agenda in the Board of Directors' meetings. All executive directors are able to propose any agenda and independently and freely give an opinion and the Company Secretary will prepare such issue to be the agenda of the Board of Directors' meetings and prepare notice of Board of Directors' meetings. The approval in the Board of Directors' meetings will be made by majority votes and one director has one vote. Interested director will not attend the meeting or refrain from voting on such agenda.

After the end of the meetings, the Company Secretary will prepare the minutes of the Board of Directors and submit it to the Chairman to sign and will propose it to next Board of Directors' meeting for certification. The directors may give their opinions on revision of the minutes of the Board of Directors' meetings in order that the details of the minutes will be accurate as much as possible.

The certified minutes of the meetings will be systematically kept as classified in electronic form for ease of searching.

6.4) Orientation of New Directors

In performing duty of director, the director must understand the nature of business of the Company. Therefore, in case of change of directorship, the Company will arrange the orientation for a new director to have him/her understand the nature and guideline on business operation as a whole and will give the material information memorandum and corporate governance guideline necessary for performance by director of the duty. The Company Secretary will coordinate for such orientation.

6.5) Policy on Restriction on Number of Companies and Number of Terms of Director

The Company has the policy for its directors to serve as director in other listed companies at no more than 5 companies without exception. All directors currently serve as director of no more than 5 listed companies.

Moreover, the Company has the policy that Chief Executive Officer shall not be a director in other companies in the same or similar type of business except related companies and/or subsidiaries to ensure that the Company will have no conflict of interest.

Independent directors can serve as directors of the Company for a period of no more than 9 consecutive years. The Board of Directors considers this policy is appropriate in respect of the performance by directors of duty as nomination of qualified directors is the time-consuming process.

6.6) Evaluation of Performance of Board of Directors

The Company provides for the annual self-evaluation of directors to jointly consider and conclude the performance for reviewing operation, problems and obstacles and seeking solutions. The Company set the guideline for evaluation of the Board of Directors as a whole pursuant to the evaluation guideline of the SET. The result of the evaluation will play an important role in

developing the efficient performance of duty of the Board of Director. The evaluation form outlines the following topics.

1. Satisfaction regarding the following:
 - (1) Result of performance of the Board of Directors as a whole,
 - (2) Result of business operation of the Company, and
 - (3) Proceeding with solving the problem by the management.
2. Understanding on
 - (1) Role and Duty
 - (2) Company's Business and
 - (3) Company's Strategy
3. Good relationships between the Board of Directors and Management
4. Efficiency of subsidiary and committees
5. Sufficient and appropriate time allocation by the Board of Directors to consider the following issues:
 - Policy and direction of the Company
 - Business performance of the Company
 - Solution in case of non-achievement
6. Preparation by the Board of Directors to attend the meeting
7. Independence of the Board of Directors in expressing the opinion
8. Neutral opinion of the Board of Directors
9. Opportunity and support given by the Chairman to every director to independently express his opinion
10. Opinion of the Board of Directors on investors' confidence to the Board of Directors
11. Acceptability among officers on corporate governance practice of the Company

The Company Secretary will provide the evaluation form to directors at the end of each year and will collect the same and report the summary to the Board of Directors for further consideration and discussion annually.

6.7) Succession Plan

The Company recognizes the importance of succession plan. The Company, therefore, prepared the succession plan to cover significant positions by selecting qualified persons to serve in such positions and arranging the training for readiness to serve such positions in the future and ensure that the Company will have knowledgeable and capable executive to succeed such significant positions in the future.

6.8) Risk Management

The Company will assign Risk Management Committee to be in charge of setting up a working group comprising the Company executives to jointly discuss and regularly evaluate the risk in the organization for inside and outside risks and set risk management measures. Working group will monitor the risks as identified with support from various divisions and report the result to Risk Management Committee for acknowledgement. Risk Management Committee will, subsequently, evaluate the efficiency in respect of risk management and report it to the Board of Directors at least once a year to identify the weakness and to adjust the policy with more efficiency.

2. Committees

The Board of Directors set up the committees to perform the specific duties and to propose matters to the Board of Directors to consider or acknowledge and provided for the qualifications and scope of duties of committees as follows.

1. **Executive Committee**

Executive Committee consists of a group of persons of not less than 3 who are authorized by the Board of Directors to screen the business plan and budget the Company prior to submission to the Board of Directors and will coordinate with the management in undertaking the ordinary course of business in accordance with business plan and budget the Company.

2. **Audit Committee**

Audit Committee consists of 3 independent directors. All of them have the knowledge, understanding and experience. Somsak Pathomsrimek, Ph.D., a member of the Committee, has the accounting knowledge, expertise and experience. The Audit Committee will ensure that the Company has accurate and sufficient financial statements and appropriate and efficient internal control system.

3. **Nomination and Remuneration Committee**

Nomination and Remuneration Committee consists of 3 members with scope of authorities and responsibilities to nominate qualified persons to serve as directors and top executives and propose them to the Board of Directors or shareholders' meeting (as the case maybe) as well as proposing principles and guidelines to clearly, fairly and appropriately fix remuneration for directors, committee members and top executives in line with their responsibilities, to the Board of Directors for consideration.

4. **Corporate Governance Committee**

Corporate Governance Committee consists of 4 persons with scope of works to review, revise corporate governance policy to be proposed to the Board of Directors for consideration. The corporate government policy will be in line with the guidelines of the SET and the Office of the SEC.

5. **Risk Management Committee**

Risk Management Committee consists of 3 persons with scope of authorities to study, review and evaluate associated risks and trend which may affect organization as well as inside and outsider risks of the Company and set the risk management policy and propose it to the Board of Directors.

6. **Company Secretary**

The Board of Directors appointed Mr. Kasamsi Sakunchaisiriwit as the Company Secretary with scope of works to assist in preparing agenda of meetings and preparing notice of meeting, to take care of holding the Board of Directors' meetings and shareholders' meetings and keep documents as required by law and to arrange directors and the Company to fully and transparently disclose information memorandum. The Company Secretary is a person whom the Board of Directors is of the opinion that he is qualified to serve as the Company Secretary.

3. Supervision of the subsidiaries and associated companies' operations

From 2015, the Company has prescribed the rules and guidelines requiring that nomination of persons to be the director in the subsidiaries and associated companies and the exercise of voting right at their shareholders' meetings require approval of the Board of Directors except for the following cases:

- (1) Agenda items to be adopted by the shareholders' meeting in accordance with the joint venture agreement to which the Company is a party.
- (2) Following regular agenda in the annual general meetings where the executive committee may consider on casting the vote:
 - (1) To certify the minutes of the previous shareholders' meeting
 - (2) To consider and approve the report of the board of directors and performance of the past year
 - (3) To consider and approve the financial statement for the year.
 - (4) To consider and approve the allocation of net profits for the legal reserve fund and payment of dividends
 - (5) To elect new directors to replace the directors who are due to retire by rotation
 - (6) To appoint the auditor for the year

Nomination of directors to represent the Company in the subsidiaries and associated companies shall be in line with the Company's shareholding ratio.

In the case of the subsidiaries, the Company prescribes the rules stipulating that the persons appointed by the Company accurately and fully comply with the rules for execution of connected transactions, acquisition and disposal of assets, or execution of any other material transactions, and that they apply the rules related to disclosure of information and execution of the said transactions in the same manner as applying the Company's rules. They shall supervise the subsidiaries to ensure that they keep information and accounting records in such a way that makes it possible for the Company to verify and collect them in a timely manner for the purpose of preparing financial statements.

4. Use of Insider Information

The Board of Directors recognizes the importance of good corporate governance and for transparency and prevention of conflict of interest arising from use of insider information of the Company which has not been disclosed to the public, the Company set following policy:

1. Give knowledge to directors, executive and persons with position of accounting manager or financing manager or higher position on the duty to prepare and submit the report on holding of securities, their spouse and minor children to the Office of the SEC under Section 59 and penalty under Section 275 of the Securities and Exchange Act B.E. 2535.
2. Arrange directors or persons with position of accounting manager or financing manager or higher position to prepare and submit every report on holding of securities through Company Secretary prior to filing with the Office of the SEC. The report shall be prepared and filed within 30 days from appointment date of directors, executive, or within 3 business days from the date on which securities is purchased, sold, transferred or received the transfer of such securities.
3. Arrange directors or persons with position of accounting manager or financing manager or higher position to acknowledge the material inside information which affects the change of securities price and refrain from sale and purchase of securities of the Company during the period prior to disclosure of

financial statement or financial status of the Company until such information has been disclosed to the public. The Company will inform in writing directors, executive including persons with position of accounting manager or financing manager or higher position to refrain from sale and purchase of securities of the Company. Such informing shall be made at least 30 days in advance prior to disclosure of information to the public and shall wait for at least 24 hours after disclosure of information to the public. The disclosure of material information to other persons is prohibited.

4. Disciplinary action will apply in case of breach of duty on using of insider information for personal benefit. It may be done by issuance of warning letter, deduction of wage, temporary suspension of work without payment, or termination of employment to the extent permitted by law, taking into account the intention and seriousness of such violation.

Report on Holding of Securities of Company

The Company Secretary collects and report information on holding of securities of the Company by directors, executives, their spouses and minor children to the Board of Directors on a quarterly basis.

5. Auditor's Fee

The Company and its subsidiaries paid the two major fees to the auditors and the audit firm that the auditors work for as followed: Audit fee and non-audit fee

Audit Fee

In 2015, The Company and its subsidiaries paid the auditors and the audit firm, PricewaterhouseCoopers ABAS Ltd., amounted to THB 3,855,000¹.

Non-Audit Fees

Apart from the audit fee, the Company paid the fees to PricewaterhouseCoopers ABAS Ltd. for the review of tax exemption privileges form submitted to the Board of Investment (BOI) in order to obtain benefit on the corporate income tax exemption for the fiscal year ended of December 31, 2015 at the amount of Baht 205,000².

¹ This number dose not include audit fees incurred by Hemaraj Land and Development Pcl.

² This number dose not include non-audit fees incurred by Hemaraj Land and Development Pcl.

Internal Controls

The Group of Companies realizes the importance of having in place an internal control system that is sufficient and appropriate to the business operation so as to enhance the efficiency of the business operation and asset care and maintenance, as well as having an accurate and reliable accounting and financial reporting systems, and compliance with laws, regulations and rules relating to the business operation of the Group of Companies. To achieve this, the Board of Directors assigned the Audit Committee to review the result of internal control and risk evaluation every year and compliance with the good corporate governance principle to ensure transparency and prevent any use of the Company's inside information for own benefit.

The evaluation was drawn from the facts obtained from interviewing and inquiring the management, department managers and/or concerned staff and employees according to the organization structure as well as examination of documents and evidence as appropriate. The evaluation of the Company's internal control was conducted on the five elements, namely internal control, risk assessment, operation control, information system and data communication, and monitoring system against the internal control guidelines under the COSO concept which consists of the following five elements: 1) control environment 2) risk assessment 3) control activity 4) information and communication and 5) monitoring and evaluation.

At the Board of Directors' Meeting No. 1 held on February 24, 2015 at which three members of the audit committee were present, the Company appointed Dharmniti Auditing Co., Ltd. ("Dharmniti") to act as its internal auditor from February 24, 2015. Dharmniti assigned Mr. Saksri Ampawan, Internal Audit Manager, to have the key responsibility of reviewing and evaluating the sufficiency of the Group of Companies' internal control systems.

Upon evaluation, Dharmniti takes the view that the internal control system of the Group of Companies in 2015 was sufficient and appropriate and that there was no significant error. A summary report of the result of the evaluation was presented to the Company's Board of Directors in a meeting wherein the Audit Committee was present. According to the report of the Audit Committee on the internal control system, the Audit Committee viewed that the Company's internal control system is sufficient and appropriate and that the internal audit is independent and proper.

Moreover, there was an internal control system in place to monitor and oversee the operations of the subsidiaries and prevent the assets of the Company and its subsidiaries from unauthorized use by directors and executives as well as transactions that could be exposed to issues concerning conflict of interest and connected transactions.

Corporate Social Responsibility



Overall Policies

The Group of Companies has specified its operational policies on Corporate Social Responsibilities (CSR) towards the society, community, and environment in a sustainable manner through the process of disclosing “CSR In-Process” information that the Company is currently operating and organizing “CSR After-Process” activities, whereby the Company communicates through its annual reports, Code of Conduct, website, brochures, and newsletters, in order to let every stakeholders be informed about the Company’s vision, mission, and strategies about CSR towards the society and environment.

The Group of Companies aims to incorporate CSR into any business, including the development of distribution centers, warehouses, and industrial estates, and services for public utility systems and real estate, such as implementing the policy of changing equipment in office buildings and warehouses to preserve the environment and reduce expenses in the long-term to create optimal benefits for the community and customers of the Group of Companies. Moreover, the Group of Companies also uses Public Participation 1 (PP1) and Public Participation 2 (PP2) policies, in which the Company meets with leaders of the communities nearby its industrial estates, to let the Company learn about the real needs of each community on the specific areas of help and support that each community requires. Since the communities’ needs in each time duration varies, the Group of Companies meets regularly with the communities, whereby these said policies will respond to and help the communities continuously and specifically by addressing the real needs of the communities.

After starting the development of each project, the Group of Companies will ask the stakeholders’ opinions regarding the project, namely the communities and related state agencies, at least once a year. Furthermore, the Group of Companies sets up a procedure to listen to complaints from the communities or stakeholders through detailed series of steps and channels to gather various feedback or complaints precisely.

Regarding its business operations or development of industrial estates, the Group of Companies has been focusing to incorporate CSR into the said processes, whereby the Group of Companies has used the ISO 14001:2004, ISO 9001:2008, and CSR DIW systems, which are under control of Department of Industrial Works, in all business operational processes in order to let stakeholders receive products and services that are of the highest quality and are environmentally-friendly.

Throughout the course of its business operations, the Group of Companies has always been fully aware of the importance in the development of society and environment alongside with business development. The Group of Companies has specified policies that will initiate various projects that will be beneficial to the society continuously. Hence, the Group of Companies has defined 8 policies about “Corporate Social Responsibilities” as follows;

(1) Fair Business Operation

Transparency in business undertaking is always the Group of Companies’ priority, emphasizing prevention of transaction that could lead to conflict of interest. The company also imposes policies on employees to treat business partners, creditors, shareholders and customers fairly and without taking advantage in accordance with the Group of Companies’ corporate governance policy.

(2) Anti-corruption

The Group of Companies implements policies to deal with corruption in all circumstances. These policies are incorporated in the anti-corruption policies and guidelines section of the corporate governance principles. In order to follow the policies, on 30 January 2014 the Company declared its intent to join the Thai private sector to participate in campaigns organized by the Thai Institute of Directors in collaboration with the Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, and The Thai Bankers’ Association to counter corruption.

(3) Human Right

The Group of Companies has in place human right policies and policies to counter violation of human rights in all circumstances. These policies are included in legal compliance and human right policies and guidelines section of the Group of Companies’ corporate governance principles.

(4) Fair Labor Treatment

The Group of Companies gives equal opportunity to employees of all races, languages and genders. Every step in providing services is undertaken with honesty and transparency. The Group of Companies also strictly complies with the labor laws. This policy is provided in the section of employment treatment and guidelines and the employee safety and hygiene policies of the corporate governance principles.

Furthermore, the Group of Companies allows employees to request additional welfare. In 2014, employees were given the opportunity to elect members of the Employee Welfare Committee to protect and properly manage welfare and employment agreement for employees.

(5) Consumer Responsibility

The Group of Companies establishes the policy that focuses on doing business and treating customers (also considered consumers) with honesty, adhering to the terms under contracts made with the customers and in compliance with the standards set by law. It has a policy to provide accurate and complete information on use of warehouse building to customers as well as emphasizing keeping of customer data and information. The Group of Companies implements the policy on customer treatment and includes it in the customer policies and treatment section of its corporate governance principles.

(6) Environment

The Company establishes the policy that supports activities that will promote quality of life, occupational hygiene and environment as well as maintaining work environment in such a way to ensure safety of employee health and property. Such policy is provided in the environmental policy section of the Group of Companies’ corporate governance principles.

(7) Community and Social Development

The Group of Companies has the policy to support social activities on various occasions aiming at maximizing social and community benefit so as to help and promote sustainable quality of life of the youth and Thai society.

(8) Innovation and Innovation Dissemination

The Group of Companies has the policy that always focuses on design innovation of environmental friendly warehouses, ranging from energy saving, production of solar energy to environment care. It also implements the policy to educate customers and related agencies about and exchange knowledge of the use of building.



Operations and Report Preparation

(1) Operations

In the operations process, the Group of Companies has planned and implemented the works, whereby the Group of Companies has created the Code of Conduct to become a tool for the committees, directors, and employees to fully aware of the business ethics that the Group of Companies has used to operate the business for thorough implementation.

Risk Assessment

The committee places great importance about risk management by specifying the Group of Companies to assess risk factors in its business operations regularly, including analyzing the impact that may occur from the risks, creating defensive measures or risk reduction, and report to the risk management committee and the Company committee consistently.

Moreover, the Group of Companies has incorporated its risk assessment policy into business operations, especially in the Company's product development. The Group of Companies continuously studies and assesses its products and services that could have a potential impact on customers, such as the project to improve rainwater drainage system in the Hemaraj Saraburi industrial estate. This objective of this project is to improve the rainwater drainage and the flood protection system inside the estate to prevent and minimize the impact to clients in Hemaraj Saraburi industrial estate. Hemaraj has engaged a consulting engineer to survey, analyze, and assess the risks, and propose recommendations to improve the rainwater drainage and the flood protection system. After the study result, Hemaraj has adopted the measures suggested and set up a team to ensure constant follow-up, examination and maintenance of the systems, and record data that could help reduce risks of flooding and other disasters at the industrial land efficiently.

Procedures Definition

The Group of Companies also emphasizes on operation and procedure, defining the procedure guidelines, controlling the inspection, operating according to international standards, and preserving the environment for stakeholders, such as:

The Group of Companies focuses on innovation in designing warehouses that are environmentally-friendly to increase product efficiency and reduce energy consumption, such as designing warehouses that can utilize natural lighting more to reduce electricity usage inside the buildings, and designing warehouses by considering the air circulation from outdoor to indoor, which will help lower the temperature inside the building. In addition, the Group of Companies also manages the sewerage system inside the warehouses before releasing into wastewater pipe that will always work with maximum efficiency.

In the development of industrial estates, the Group of Companies has set up the Environmental Monitoring and Control Center (ESIE) or E:mc^2 at Eastern Seaboard industrial estate with the budget of 5 million Baht. It is considered the first center that was opened in an industrial estate, through the collaboration with the private sector, with the objective to report the information about the environment that is real-time, transparent, and can be inspected. The center is equipped with an automated water quality monitoring system and is a center to gather complaints through its website, whereby various communities can inspect all the time.

The Company initiated and has sold the solar PV rooftop energy to Metropolitan Electricity Authority and Provincial Electricity Authority since 2014. This project not only supports the energy conservation under the green energy concept but also provides utmost benefit to the customers as the solar cell will function as the heat insulator for roof of warehouses. Accordingly, the customers are able to preserve the goods quality and save the energy.

In addition, the Group of Companies also plans to prevent pollution in the long-term, since the Group of Companies foresees the importance in preventing pollution that may occur from the Company's business operations. The Group of Companies has specified long-term preventive measures against pollution, in which the preventive measures were generated from the Environment Impact Assessment (EIA) in various areas since prior to the start of operations, in order to expand perspectives and connect all impacts that occurred from business operations. These are then used to develop measures to prevent and reduce impact to the environment, and measures to monitor quality of the environment, whereby these various measures will cover all activities and effects that may happen from the project. However, consent from stakeholders and the Office of Natural Resources and Environmental Policy and Planning shall be received first, in order to start the operations. Moreover, Hemaraj Company has utilized the ISO 14001 Environmental Management System to manage the industrial estate, which will include a process for analyzing environmental issues that cover every activity, and can be used to define objectives, goals, and appropriate procedures to significantly prevent environmental issues. Furthermore, the system also includes monitoring of various processes and using the results to evaluate in environmental management.

The Group of Companies used measures in accordance to EIA as tools to control pollution that are created in the project, by which both the project and plants must conform to the EIA of each project. Examples of preventive measures against pollution include wastewater quality standards, criteria to release pollutants from plant chimneys, and measures for industrial waste management. In the case of emergency that can create pollution, the project has emergency plan and personnel to react to particular emergency situations, as well as restoration measures to bring the environment back to its normal conditions at the earliest.



Communication with Personnel and Employees

The Group of Companies supports the work performance development of employees continuously and provides confidence in the quality of working life for employees, in order to build relationship with the organization. Apart from this, the Group of Companies also places importance to every employees regardless of which unit or department they are working in by creating good and safe working environment, paying remuneration that are suitable with the work, allow generous benefits, and source innovation and new technologies to support working alongside with environment preservation, such as;

The Group of Companies has replaced the conventional HID bulbs with T5 and/or LED lights. They save 2–3 time energy despite higher cost and they last longer.

The Group of Companies has implemented the royal project of the constructed wetland wastewater treatment system to use in its operations, then train the employees who are responsible for the environmental conservation of the Group of Companies and apply and transfer knowledge to people in the communities to create further value inside their communities.

The Company encourages employees to save energy and resources, for instance, turning off lights, air conditioners and electrical equipment during lunch time, reuse of the other side of paper, replacing 80-gram office paper with 70-gram office paper, printing only necessary documents, etc.

The Group of Companies also encourages the employees to participate in campaigns that aim to improve overall Thai society, such as promoting employees to participate in social activities organized by the Group of Companies, including the annual scholarships and support on school supplies to schools located in the areas that the Group of Companies invested in including 65 local schools, or more than 17,200 students. Furthermore, the Group of Companies also helped communities during drought situations, in which the Group of Companies' Safety department is the key unit in providing water to various communities that face the drought crisis, or aiding communities during emergency periods. Moreover, the Group of Companies supports every employee to participate in tree-planting activities to preserve the environment inside the industrial estates and surrounding communities.





In addition, the Group of Companies has specified guidelines in communicating with employees in both formats of employee handbook and Code of Conduct while encouraged employees to anti-corruption, respect other people's rights, value intellectual properties and human rights.

Monitoring

The Group of Companies promotes corporate transparency in every aspects of company operation, including all the CSR activities. All the projects have been closely investigated by the Group of Companies' executives and the Company's directors, from the budget proposal, the operation, to the end of the project, showcased the transparency of the company without any fraud.

(1) Report Preparation Process

The Group of Companies is committed to publishing Corporate Social Responsibility report on its CSR activities that the Company is currently operating, considering all stakeholders, both internal and external, including shareholders, employees, customers, creditors, suppliers and competitors, environment and society, and government agencies.

Regarding the procedure or process of developing the industrial estates, the Group of Companies is required to issue regular reports according to the Environmental Impact Assessment (EIA) rules and submit these reports every 6 months to the Office of Natural Resources and Environmental Policy Planning, Ministry of Natural Resources and Environment.

Business Effect on CSR

In 2015, The Company emphasizes undertaking of business that supports and does not adversely affect society and environment. It has never been subject to investigation or challenged by any related government authorities into environmental matters or any acts that could affect the environment. However, the Group of Companies has defined measures to deal with environmental complaints, as follows:

In case of compliant request, the company will assemble related information and conduct a primary investigation
Once the investigation is completed, if:

1. the case is groundless, a detailed explanation will be provided through appropriate communication channels
2. the case is accurate and factual, but
 - 2.1 not related to the company, the complainant will be notified and a further investigation into the real cause will be launched
 - 2.2 related to the company, a meeting of the stakeholders shall be called in order to determine the causes and effects, and look for preventive measures and solutions. Results will be communicated to the complainant through appropriate communication channels.

CSR After-Process activities

- a. The Group of Companies believes that children are key social foundation. Good education in parallel with cultivation of ethics and morality will help communities and society exist in a sustainable way. For this reason, the Company decided to initiate the campaign, “WHA Campaign to Motivate Children and Youth Morality” aimed to support education to the community and underprivileged youth. To do so, the Company has allocate a part of its income as a budget to give scholarship to schools in the community, build libraries and donate teaching and learning equipment to needy schools, etc. The Company is determined to pursue the said campaign.

In 2014, the Group of Companies pursued the above campaign by donating funds to Satayasai School in Lopburi to support the acquisition of sport equipment for students and also donated funds to the fund for children with chronic illness and underprivileged children, and donation for charitable causes to support Asia Wealth Sports Competition.

In 2015, the Group of Companies continuously supports the above projects and establish an additional project, “WHA Campaign to Fulfill Dreams and Share Happiness,” by organizing activities for students at local schools located nearby the area that Group of Companies invested in to instill virtues and unity amongst students, and donated educational supplies and scholarships to students.

Among the notable CSR activities include “Adopt a School”, a collaboration between Hemaraj and The American Chamber of Commerce in Thailand (AMCHAM), initiated in 2005. The “Teacher Fellowship Program” has been one of the project created to support the shortage of teachers in Rayong and Chonburi area. Moreover, the initiative project of “Teacher English Camp 2015” is to improve English language skill to those 40 school teachers.

- b. The Group of Companies always bear in mind that support of religion and good culture is of importance not less than other activities. To promote sustainable development of organizations, society and communities, the Group of Companies has the policy to support activities that promote Buddhism, arts and culture, such as performing meritorious deed on religion days and giving Kathin as well as providing a budget to support repair and renovation of religious places.

In 2014, the Company hosted the Kathin merit making ceremony at Thamma-Utayan temple in Khon Kaen. On this occasion, customers, mass media, bankers and the general public were invited to join the hosting of the ceremony. Another similar ceremony, Pha Pa Samakee was also arranged and performed at Chanpradittharam and Thepsorathamaram temples. The Company joined the KPN Group and KasikornBank in other Kathin ceremonies at other temples.

- c. The Group of Companies recognizes all stakeholders. It is the Group of Companies’ policy to offer assistance upon occurrence of emergency to organizations, whether they are public or private, as well as supporting manpower and financial assistance to conduct the activities for public charitable causes as appropriate.

Anti-corruption

The Group of Companies has the policy to take all measures to counter corruption and ensure that its business operates in a lawful manner. Therefore, an anti-corruption policy has been in place and is included in the anti-corruption policy and guideline section of the corporate governance principles.

Connected Transactions

1. Connected Transactions of the Company and Its Subsidiaries with the Person that may have conflict of interest in Year 2015

Connected Person	Relationship	Nature of Transaction	Transaction Value (THB, Thousand)		Necessity and Rationale of Transaction	Opinion of the Audit Committee
			Accounting Year Ended 31 Dec 15			
1. S&J Holding Company Limited	<ul style="list-style-type: none">Common shareholders with the Company<ul style="list-style-type: none">Mr. Somyos Anantaprayoon holds 52.50% of shares in S&J Holding Company LimitedMiss Jareeporn Jarukornsakul holds 42.50% of shares in S&J Holding Company LimitedCommon director with the Company, namely, Mr. Somyos Anantaprayoon	<ul style="list-style-type: none">Office service fee charged to the Company and its subsidiaries	11,249.37	<ul style="list-style-type: none">The Company has used the building space from S&J Holding Company Limited as its office under service agreement for 3 years from 1 Jan 2015 to 31 Dec 2017 at the monthly rate of THB 870,171.50, excluding VAT. The service fee was charged at the rate of THB 275 per sq.m., increased by 10% from the rate in the previous lease contract expired on 31 Dec 2014. Such rate was comparable with the rental rate in nearby area.WHA Real Estate Management Company Limited has used building space from S&J Holding Company Limited to be used as its office under service agreement for 3 years from 1 Jan 2015 to 31 Dec 2017 at the monthly rate of THB 31,636.00, excluding VAT, which is estimated on the service space around 115.04 sq.m. The service fee was charged at the rate of 275 Baht per sq.m., increased by 10% from the rate of the previous lease agreement expired on 31 Dec 2014. Such rate was comparable with the rental rate in nearby area.	<ul style="list-style-type: none">It was deemed appropriate to enter into the transaction in order to support the Company business. The service fee charged in 2015 is comparable to the market rate.	

Connected Person	Relationship	Nature of Transaction	Transaction Value (THB, Thousand)		Necessity and Rationale of Transaction	Opinion of the Audit Committee
			Accounting Year Ended 31 Dec 15			
1. RL Counsel Company Limited	<ul style="list-style-type: none">Mr. Narong Kritcharnchai is the director and the management of the Company (appointed as the management on 24 February 2016)	<ul style="list-style-type: none">Legal fee of the Group of Companies	6,037.00		<ul style="list-style-type: none">Due to a large amount of complicated legal work of the Company and its subsidiaries which require specialized lawyers, together with just a few legal personnel with limited experience and expertise, the Company and its subsidiaries have engaged external legal consultant to provide legal advice on various matters to the Company and its subsidiaries, as well as to review documents and agreements relating to their business operation. The legal fee charged was in the range of THB 2,500 – 4,000 per hour (in 2015) which was not higher than the market rate.	<ul style="list-style-type: none">It was deemed appropriate to enter into the transaction in order to support the business of the Company and its subsidiaries. The transaction complied with the normal business practice.The fee charged and its commercial terms and conditions were reasonable.The fee charged was comparable to and did not exceed the market rate.
	<ul style="list-style-type: none">Mr. Narong Kritcharnchai holds 33.3% of shares (as of 31 December 2015) and is the director of RL Counsel Company Limited.	<ul style="list-style-type: none">Accrued expense	2,063.28			

2. Necessity and Rationale of Connected Transactions

The Audit Committee's Meeting No. 1/2016 on 24 February 2016 has considered the connected transactions for the fiscal year ended 31 December 2015, together with the information interviewed from the management of the Company and its subsidiaries, persons and entities who may have conflict of interests for the fiscal year ended 31 December 2015, as well as the review of the auditor's notes to financial statements. It has viewed that the connected transactions of the Company and its subsidiaries with persons or entities who may have conflict of interests for the fiscal year ended on 31 December 2015 were reasonable and was for the benefit of the Group of the Company. In addition, such connected transactions were in accordance with the normal business terms and practices and were conducted as normal business operation of the Company and its subsidiaries where there was no transfer of benefit between the Company or subsidiaries and persons who may have conflict of interests. They were also conducted in same manner as the normal person would have done with its counterparty in the same circumstance at an arm's length basis without influence from a party who might be a person having conflict of interests (Arm's Length Basis).

3. Measure and Procedure of Approval on Inter-Transaction Doing

The Meeting of the Board of Directors No. 1/2012 held on 25 May 2012 set the policy and procedures for entering into connected transactions to ensure transparency of the transactions between persons or juristic persons who may have the conflict of interests and to protect the benefits of the Group of the Company. The policy and procedure can be summarized as follows.

The connected transactions or related transactions of the Company and its subsidiaries were to be in compliance with the principle of the SEC Act and the notifications of the Capital Market Supervisory Board No. TorJor. 21/2555 re: Rules for Entering into Connected Transactions and the Notification of the Securities and Exchange Commission re: Disclosure of information and duties of listed companies concerning connected transactions including other relevant regulations of the SEC and the SET as well as to be in compliance with the disclosure of the connected transactions in the auditor's notes in the financial statement audited by the Company's auditor and in the annual registration statement (56-1).

For the case of the connected transactions of the Company and its subsidiaries with person who has conflict of interests or may have a conflict of interest in the future, the Audit Committee shall give comment on the necessity for entering into the transaction and the appropriateness of transaction price by taking into account the conditions to be in compliance with the normal business operation in the industry and to compare with the third party's or the market price. If the Audit Committee does not have expertise to determine the potential connected transactions, the Company will arrange an independent advisor or the Company's auditor to give comment on such connected transactions for decision making of the Board of Directors, the Audit Committee, or the shareholders, as the case may be. To such extent, the director who has a conflict of interest shall not have a right to vote on such transaction. The connected transactions shall be disclosed in the notes to the financial statements audited or reviewed by the Company's auditor.

4. Policy or Tendency of Future Connected Transactions

The Company or subsidiaries may enter into connected transactions in the future as deemed appropriate by complying with the Securities and Exchange Commission laws, rules, notification, order or requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as accounting standards re: disclosure of information in relation to related persons or activities as prescribed by the Federation of Accounting Professions.

In the case where the transaction normally occurs and will continually occur in the future, the Company sets the criteria and guidelines to be in accordance with the normal business by referring to the appropriate, fair, reasonable and transparent prices and conditions, and then proposes to the Audit Committee to consider and approve such criteria and guidelines.

However, to enter into connected transactions, the Company will assign the Audit Committee to give comments on the appropriateness of such transactions. If the Audit Committee has no expertise on considering such connected transactions, the Company will arrange a person who have specialized knowledge and expertise such as independent auditor or asset appraiser to give comment on the connected transactions. Those comments of the Audit Committee or the experts will be considered by the Board of Directors or the shareholders, as the case may be, to ensure that such transactions will not be migration or transfer of benefit between the Company and its shareholders, but will be for the ultimate benefit of all shareholders.

Management Discussion and Analysis

Financial Ratios

		Consolidated Financial Statement		
		2013	2014	2015
<u>Liquidity Ratio</u>				
Current ratio	Time	1.32	1.94	1.26
Quick ratio	Time	0.41	0.78	0.21
Account receivables turnover ratio	Time	20.23	9.87	20.72
Average collection period	Day	18	37	18
Account payables turnover ratio	Time	0.26	0.42	1.93
Average payment period	Day	1,370	864	187
<u>Profitability Ratio</u>				
Gross profit margin – rental, service and utilities	%	64.24%	60.26%	54.32%
Gross profit margin – sales of real estates	%	24.65%	29.67%	28.26%
Gross profit margin – total	%	27.45%	33.12%	35.03%
Other profit margin	%	1.17%	3.36%	5.20%
Net profit margin	%	20.41%	19.35%	16.19%
Return on equity	%	41.57%	22.67%	14.95%
<u>Efficiency Ratio</u>				
Return on assets	%	15.13%	7.25%	4.11%
Return on total assets	%	31.47%	16.26%	20.24%
Assets turnover ratio	Time	0.74	0.37	0.24
<u>Financial Ratio</u>				
Debt to equity ratio	Time	1.66	2.56	2.65
Interest bearing debt to equity ratio	Time	1.25	2.34	2.20
Interest coverage ratio	Time	2.21	1.29	1.63
Cash basis ratio ¹	Time	0.49	0.35	0.28
Dividend payout ratio ²	%	55.75	70.72	–

⁽¹⁾ Cash flows from operating activities for cash basis ratio calculation includes cash proceeds from disposal of investment property

⁽²⁾ Include dividend payment and calculate from net profit of company only

Performance Overview

Over the past 3 years, WHA Corporation Public Company Limited has achieved significant growth and has continued to expand its business according to its strategic plan regardless of the global and domestic economic turmoil. The global economy in 2015 has slowed down due to several factors such as the decrease in consumers' confidence, rising household debt, oil price fluctuation, reduction in agricultural index due to drought, political situation, and the strengthening of US Dollar currency against Thai Baht, which was driven by the increase in interest rate from the Federal Reserve. These factors caused the overall reduction in demand for goods and industrial manufacturing even though the government has implemented policies to stimulate the economy toward the end of 2015. Even though the economic downturn has affected the confidence of the investors and lessees, WHA has continued to achieve land sales growth in its industrial estates since the majority of the land area was located in a tax exemption zone, therefore our customers are eligible for tax privileges from the Board of Investment ("BOI"). In addition, our industrial estates could provide clusters of the automobile manufacturing, auto-parts, electronics, chemicals, petrochemicals, steel, energy, construction materials and consumer products. During the periods after 17 March 2015, WHA, through its industrial estates business, recorded land sales of 866 rai (total of 1,043 rai for 2015) which recognized into revenue from sale of real estates of approximately THB 3,930.3 mm (such revenues were received by WHA as a result of its acquisition of Hemaraj Land and Development Public Company Limited ("Hemaraj") at the end of 2014, which WHA started to recognize Hemaraj financial status and performance from 17 March 2015 when WHA held a controlling stake). Furthermore, at the end of 2015, WHA has land for future development and available for sale approximately 10,494 rai.

The Company continued to grow its area for lease in Greater Bangkok, especially in Bangna area. In 2015, the Company continued to maximize its use of Bangna-Trad area while improvement of warehouse quality was also its priority. The Company developed a more variety of and more sophisticated warehouses to meet the intended purposes of use and the need of tenants, for instance, temperature-controlled warehouses, both multi-temperatures warehouses and cold storages. The rent per square meter of these kinds of warehouses are normally higher than the rent for built-to-suit warehouses with ambient temperature. At the end of 2015, WHA had a total completed area of approximately 239,328 sq.m. The total area of 220,763 sq.m. or 92.24% were already secured and could generate revenue. Also, WHA had pre-leased area of up to 266,829 sq.m. for future income recognition and had some land held for future development of approximately 743 rai which could be transformed into leasable area of approximately 743,000 sq.m. Those areas are located in prime areas such as Bang-na trad, Lumlukka, Panthong, Kabinburi, Rama II and upcountry regions such as Khon Khaen, Surat Thani and Lam Phun, which are targeted to serve business expansion of WHA's clients. Including all the completed and leased area, pre-leased area, and leasable area that are sold to WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund ("WHAPF") and WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust ("WHART") for which the Company is the property manager, the total leasable area under management of WHA reached 1,268,410 sq.m at the end of 2015. Moreover, the Company had leasable areas under Hemaraj in terms of Ready-Built Warehouse and Ready-Built Factory in industrial estates in Thailand's Eastern Seaboard i.e. Chonburi and Rayong nearby Laemchabang Deep Sea Port and Suvarnabhumi International Airport, the main transportation path of Thailand. Furthermore, the Company also had leasable area in Saraburi, which is the main land transportation to the northern of Thailand. Therefore, counting all the completed and leased area under Hemaraj including leasable area that are sold to Hemaraj

Industrial Property and Leasehold Fund (“HPF”), the total leasable area under the management of the Group company was approximately 2,000,000 sq.m. as at the end of 2015.

Additionally, in November 2015, WHA sold two projects with combined leasable area of 31,328 sq.m. into WHA Business Complex Freehold and Leasehold Real Estate Investment Trust (“WHABT”). The projects sold into WHABT comprised of SJ Infinite I Business Complex which had leasable area of 21,993 sq.m. and Bangna Business Complex which had leasable area of 9,335 sq.m. This resulted in a cash inflow from divestment of 2 assets of THB 2,388.8 mm. WHA used the cash proceeds to repay the existing debts to reduce finance cost and debt to equity ratio.

In December 2015, WHA divested the following assets to WHART

- WHA Mega Logistics Center (Chonlaharnpichit KM 4) near Chonlaharnpichit Road, Samutprakarn, which has leasable area of 80,746 sq.m. and roof leasable area of 68,384 sq.m.
- WHA Mega Logistics Center (Wangnoi 61) Amphur Wangnoi, Ayutthaya which has leasable area of 61,182 sq.m. and roof leasable area of 26,472 sq.m.
- WHA Mega Logistics Center (Saraburi) Hemaraj Saraburi Industrial Land, Saraburi which has leasable area of 32,986 sq.m.

After the sale of assets above, WHA had cash inflow from sale of investment property of THB 4,645.9 mm. WHA used to cash proceeds to repay the existing debts to reduce finance cost and debt to equity ratio. The Company also provided guarantee for partial area income to REIT. This generated unearned income from pre-recognized sale of THB 160.3 mm and will be able to recognize this income after the end of the guarantee obligation. Therefore, in 2015, the Company recognized income from sales of investment property after deduction of advance income from the guarantee obligation according to the accounting standard of THB 4,485.6 mm.

On 2 December 2015, WHA Venture Holdings Company Limited, which is a subsidiary of WHA, submitted tender offer to acquire 691,031,781 shares or 7.12% of Hemaraj with the price of THB 4.40 per share in order to delist Hemaraj from the Stock Exchange of Thailand. On 9 February 2016 was the last day of the tender offer period. Subsequently, the Company will plan to delist Hemaraj from the Stock Exchange of Thailand on 2 March 2016.

On 14 December 2015 was the last day to exercise WHA-W2 warrants. Around 90% of warrant unitholders or 1,177.3 million units were exercised to acquire WHA’s share at THB 2.70 per share which results in a cash inflow of THB 3,178.7 mm. WHA used the cash proceeds to repay the existing debts to reduce finance cost and debt to equity ratio.

Financial performance

WHA enjoyed a net income of THB 1,953.7 mm in 2015, a 99.6% increase from the previous year. This was primarily due to the consolidation of Hemaraj businesses. The Company started to recognize Hemaraj’s performance after the acquisition from 17 March 2015.

Revenue structure

In 2015, the Company had total revenue of THB 12,064.1 mm, which grew by THB 7,006.4 mm or 138.5% compared to the previous year. The contribution in the increase in revenue came from the consolidation of Hemaraj’s revenues and the Company’s warehouse rental business. The revenue breakdown is provided in the table below:

	Revenue breakdown		
<i>Unit: THB mm</i>	2014	2015	Increase/ (Decrease)
Rental, service and utilities income	551.1	2,970.7	439.0%
Income from sales of real estate	4,336.8	8,466.3	95.2%
Other income	169.8	627.1	269.3%
Total revenues	5,057.7	12,064.1	138.5%

- Rental, service and utilities income** stood at THB 2,970.7 mm in 2015, increased by THB 2,419.6 mm or 439.0% from 2014. The breakdown is provided below:

- Rental and service income from warehouses, distribution centers and factories** was THB 1,409.4 mm in 2015 which grew by THB 858.3 mm or 155.7% is attributable to the growth from the consolidation of Hemaraj's businesses. Another contribution is the growth in rental space and services income. The Company has continued to increase the complexity and variety of warehouses, distribution centers and factories in order to serve the customers' growing demand as well as the Company's expansion into office rental in 2014, which allowed the Company to diversity its business to serve customers in other sectors in 2015. The Company's products are as follows:

- Built-to-Suit Warehouse and Factory
- Ready-Built Warehouse and Factory
- Built-to Suit Office and Office Complex

The increase in rental and service revenues also derived from the increase in rental and service rates which were raised in accordance with the rental and service contracts.

- Utilities income** stood at THB 1,561.3 mm in 2015 from the utilities services provided from Hemaraj's 8 industrial estates. The utilities services provided are raw water, potable and clarified water and waste water management.

- Income from sales of real estate** is THB 8,466.3 mm in 2015, an increased by THB 4,129.5 mm or 95.2% from 2014. The details are as follows:

- Income from sales of industrial estate** in 2015 was THB 3,930.3 mm from the land transfer in industrial estates totaling 28 agreements, 22 of which were new clients and the rest were from the existing clients' expansion plans. The land ownerships that were transferred were located in tax-exemption zone which the client obtain the tax privileges from BOI. Most of the Company's clients (36%) are automobile manufacturers and auto-parts manufacturers and the rest are electronics, chemicals, petrochemicals, steel, energy, construction materials and consumer products.

- Income from sale of investment properties** was THB 4,535.9 mm, comprised of sale of 3 projects, which are WHA Mega Logistics Center (Chonlaharnpichit KM 4), WHA Mega Logistics Center (Wangnoi 61) and WHA Mega Logistics Center (Saraburi), to WHART in 2015 with proceeds of THB 4,645.9 mm. However, the Company has entered into a guarantee obligation with WHART which resulted in unearned income of THB 160.3 mm. The Company will recognize

this income if the Company can find tenants to occupy the area before the guarantee period ends. Therefore, in 2015, the Company recognized income from sales of property after deduction of advance income from the guarantee obligation according to the accounting standard of THB 4,485.6 mm. The Company also received income from the disposal of DSG improvement and extension project to WHAPF totalling THB 16.8 mm and received income from sale of investment properties of Hemaraj totalling THB 33.5 mm which was an increase by THB 199.2 mm or 4.60%, compared to the previous year. The amount of investment properties sale to WHAPF or WHART in each year depends on the Company's funding plan, which the Company will use for new investment. Normally, the Company has plans to sell the property once a year.

The sale of properties to WHART in 2015 were considered to be True Sale and such sales did not have impact the Company's operation because the Company will continue to develop new projects to replace the ones that were sold to WHAPF and WHART, which could be seen from the continuous growth of rental and service income. Moreover, the proceeds from the sale of properties will be used to invest in new projects and repay loans from financial institutions in order to have the optimal capital structure, decrease finance cost and reduce debt to equity ratio.

3. **Other income** stood at THB 627.1 mm in 2015, an increased by THB 457.3 from 2014 mm which includes:

3.1 **Dividend and management income** was THB 189.0 mm, which increased by THB 42.2 mm from 2014.

	Dividend and property management income		
Unit: THB mm	2014	2015	Increase/ (Decrease)
– Dividend income from WHAPF	98.2	106.9	8.9%
– Trust management fee for WHART and WHABT and property management fee for WHAPF, WHART and WHABT	48.5	77.3	59.4%
– Dividend from investment in HEMARAJ's subsidiaries	–	4.8	n.a.
Total dividend and property management income	146.7	189.0	28.8%

3.2 **Other income** comprised of interest income, gain from sale of short-term investments and sale of non-core assets, utilities, management fee for subsidiaries and other income totaling THB 438.2 mm in 2015, which increased by THB 415.1 mm, compared to 2014. Most of which came from the consolidation of Hemaraj's other income amounting THB 373.3 mm that composed gain on sale of non-core assets such as land on Koh Lan, UM Tower and nearby properties totaling THB 117.1 mm, interest income from loan to related company amounting THB 117.5 mm and from dividend received from investment in HPF. Other income from Hemaraj included management and brokerage fees and other income totaling THB 138.7 mm and an increase in property management fee and REIT management fee from WHAPF and WHART, and subsidiaries and other income totaling THB 41.8 mm.

Gross profit analysis

In 2015, the Company achieved a gross profit of THB 4,006.4 mm, which increased by THB 2,387.6 mm or 147.5% from 2014. The main reason for the increase was from the consolidation of Hemaraj's business and the gross profit margin stood at 35%.

	Gross profit by business		
<i>Unit: THB mm</i>	2014	2015	Increase/ (Decrease)
Rental, service and utilities income	332.1	1,613.8	385.9%
Income from sales of real estate	1,286.6	2,392.6	86.0%
Total gross profit	1,618.8	4,006.4	147.5%
Gross profit margin (%)	33.1	35.0	

1. **Gross profit from rental and services** in 2015 was THB 1,613.8 mm which increased by THB 1,281.7 mm or 385.9% from 2014.

- 1.1 **Gross profit from rental and service of warehouses, distribution centers and factories** was THB 968.9 mm, which increased by THB 636.8 mm or 191.7% from last year. The increase derived from the recognition of revenue and gross profit from Ready-Built Factories and Ready-Built Warehouses from Hemaraj which the COMPANY stopped the depreciation of warehouses and factories that the Company had planned to inject into the REIT, as stated in Thai Financial Reporting Standards 5 (Revised 2012). Moreover, the gross profit of Built-to-Suit warehouse rentals continued to grow due to the growth in rental space. Additionally, the Company remained focus on the quality and standard of its warehouses which contributed to lower maintenance costs. Not to mention that the Company has a policy to increase the variety and complexity of warehouses which will have higher rental rate than normal Built-to-Suit ones. This resulted in a higher gross profit and gross profit margin of 68.7% in 2015. The gross margin had been accounted for the fair value adjustment of the acquired business according to the accounting standards. However, the genuine gross margin was at 70.4% for the warehouse rental and service business.

- 1.2 **Gross profit from utilities and services** in 2015 stood at THB 645.0 mm and the gross margin at 41.3% which reflects the fair value adjustment of the acquired business according to the accounting standards. However, the genuine gross profit was at 44.8%

2. **Gross profit from sale of real estates** is THB 2,392.6 mm, which increased by THB 1,105.9 mm or 86.0%, compared to the previous year.

- 2.1 **Gross profit from sale of land in industrial estates** was THB 1,274.5 mm from land transfer and the gross margin of 32.4%. The gross margin has already reflected the adjustment based on accounting standards. However, the genuine gross margin achieved was at 37.9%

- 2.2 **Gross profit from sale of investment properties** in 2015 equaled THB 1,118.0 mm and had gross margin from sale of investment properties at 24.6%. Gross profit and gross margin were already adjusted the guarantee obligation and accrued expenses of project based on the accounting standards. Taken the guarantee obligation aside, the genuine gross profit would be 29.2%.

Costs analysis

	Cost		
Unit: THB mm	2014	2015	Increase/ (Decrease)
Selling expenses	–	230.5	n.a.
Administrative expenses	283.3	902.8	218.6%
Finance costs	294.8	2,284.3	674.8%

- Selling expenses** in 2015 stood at THB 230.5 mm which were marketing expenses and promotion expenses associated with sale of land in industrial estates.
- Administrative expense** was THB 902.8 mm, an increase by THB 619.5 mm or 218.6% which was due to the consolidation of Hemaraj totaling THB 525.4 mm. There were also costs associated with the acquisition of Hemaraj such as financial advisor fees, legal advisor fees, independent financial advisor fees and appraisal fees. However, such acquisition cost is considered as a one-time expense, which were not regarded as recurring expenses in normal business.
- Finance costs** in 2015 was THB 2,284.3 mm, which increased by THB 1,989.5 mm or 674.9%. The increase was mainly due to the acquisition loan of Hemaraj amounting THB 31,891 mm. The interest expenses associated with the acquisition loan was THB 1,291.6 mm which the Company started to recognize from 13 March 2015 onwards. Also, the company recognized the finance costs of Hemaraj totaling THB 591.2 mm. Nevertheless, the COMPANY has a policy to keep the interest-bearing debt to equity ratio below 2.5 times which is in line with the covenant of the bank. The Company also has a financial policy on reducing the finance cost, which can be seen from the decrease of interest-bearing debt to equity ratio in the second quarter from 3.4 times to 2.2 times at the end of 2015. During 2015 the Company has made efforts to reduce debt that had a higher finance cost and acquisition loan by undertaking the following tasks:
 - April 2015 Divestment of non-core assets of Hemaraj such as land held in Koh Lan and UM Tower
 - July 2015 Principal loan repayment from dividend proceeds from Hemaraj
 - November 2015 Divestment of SJ Infinite I Business Complex and Bangna Business Complex to WHABT
 - December 2015 Issuance of Bill of Exchange, having the lower interest rate than the current finance cost, and the use of proceeds from WHA-W2 warrant exercise and from the sale of WHA Mega Logistics Center (Chonlarnpichit KM 4), WHA Mega Logistics Center (Wangnoi 61) and WHA Mega Logistics Center (Saraburi) to WHABT

Share of profit (loss) of associates and joint ventures

The Company had share of profit (loss) of associates and joint ventures in 2015 of THB 1,038.0 mm, mainly derived from investment in power business under Hemaraj, i.e. Ghco-One, Glow IPP, Houay-Ho Power and dividend received from investment in WHAPF.

Net profit analysis

	Net profit		
<i>Unit: THB mm</i>	2014	2015	Increase/ (Decrease)
Net profit	978.6	1,953.7	99.6%
Earnings per share (THB)	1.02	0.14	
Number of issued and paid-up ordinary shares (million)	963.9	14,322.3	
Net profit margin (%)	19.4	16.2	

Net profit for 2014 and 2015 were THB 978.6 mm and THB 1,953.7 mm, respectively – an increase of THB 975.1 mm or 99.6%. The increase is attributable to the consolidation of Hemaraj, primarily from rental revenues of ready-built factories and ready-built warehouses, sale of real estate and utilities income. Moreover, the Company recognized share of profit (loss) from associates and joint ventures of power business totaling THB 1,046.6 mm as well as a stronger performance in rental and services income of warehouses and the sale of assets to WHART even though the Company had higher finance costs of THB 1,291.6 mm from the acquisition of Hemaraj.

The earnings per share in 2014 and 2015 were THB 1.02 per share and THB 0.14 per share respectively. The decrease is due to the reduction of par value of common shares from THB 1.0 per share to THB 0.1 per share. The Company has issued and paid-up capital of 14,322.3 million shares in 2015, compared to 963.9 million shares in 2014.

Financial position

	Balance sheet		
<i>Unit: THB mm</i>	2014	2015	Increase/ (Decrease)
Total assets	15,952.0	79,095.1	395.8%
Total liabilities	11,472.0	57,436.4	400.7%
Shareholder's equity	4,480.1	21,658.7	383.4%

Assets

As of 31 December 2015, the Company had total assets of THB 79,095.1 mm, increased by THB 63,143.1 mm from THB 15,952.0 mm as of 31 December 2014. The main reasons are as follows:

1. Increase in cash and cash equivalents of THB 2,183.8 mm, which mainly came from Hemaraj consolidation of THB 1,475.6 mm and the increase of the Company's own cash and cash equivalents of THB 708.2 mm.
2. Increase in trade and other receivables (net) of THB 242.0 mm, which mostly derived from the consolidation of Hemaraj of THB 225.1 mm.
3. Advance payment for investment in available-for-sale of THB 743.4 mm as a result of additional investment in of WHART in December 2015

4. Increase in short-term loan to related parties of THB 1,420.0 mm, which was primarily short-term loan to related parties of Hemaraj comprised of short-term loan to Gheco-One Company Limited totaling THB 1,432.9 mm. The Company also had short-term loan to related parties to WHA KPN Alliance Co., Ltd (Joint Venture) in the form of unsecured promissory note totaling THB 12.9 mm which was paid off as of 31 December 2015.
5. Increase in cost of real estate development (net) of THB 15,425.3 mm which derived from the cost of real estate development (net) was the total land for future development and available for sale.
6. The increase of non-current assets held for sale of THB 681.8 mm, comprised of warehouses, distribution centers and factories which were planned to be sold into HREIT, totaling THB 3,831.9 mm in 2015 (the asset value has been already reflected to the fair value), WHAPF and WHART totaling THB 154.8 mm. Once these assets were classified as non-current assets held for sale, the Company will stop the depreciation of those assets which will be sold within 2016.

For the assets which will be sold into WHAPF and WHART in 2016, the Company has not yet identified those assets in 2015. However, the Company plans to sell some assets into WHART in 2016.
7. The increase in investments in available for sale of THB 435.0 mm from the followings: 1) The Company has invested 15.0% in WHABT or THB 303.0 mm in November 2015. 2) The gain from change in revaluation of investment totaling THB 148.6 mm 3) Reduction of the par value of WHART shares in order to pay dividend to WHART unitholders in 2015 for THB 17.1 mm 4) The recognition of investment available for sale in Hemaraj totaling THB 0.5 mm.
8. The increase of investments in associates of THB 9,352.2 mm from the consolidation of Hemaraj composing: 1) Investment that Hemaraj invests in its associates such as Gheco-One Company Limited, Houay Ho Thai Co., Ltd., and HPF 2) Investment that Hemaraj invested indirectly in its joint ventures such as Houay Ho Hydro Power, Glow Hemaraj Wind Co., Ltd., Gulf JP NLL Co., Ltd., Gulf Solar Co., Ltd., Bowin Clean Energy Limited, Gulf VTP Co., Ltd., Gulf TS1 Co., Ltd., Gulf TS2 Co., Ltd., Gulf TS3 Co., Ltd., and Gulf TS4 Co., Ltd.
9. Increase of investment in joint ventures of THB 240.8 mm from the increase in paid-up capital of WHA KPN Alliance Co., Ltd., which was THB 249.7 mm
10. Increase of other long-term investments of THB 310.9 mm from investments in associates and other businesses of Hemaraj which included the recognition of investment in Glow IPP Co., Ltd (other parties) totaling THB 309.1 mm and Eastern Fluid Transport Co., Ltd (related parties) totaling THB 1.5 mm.
11. Increase in investment properties (net) of THB 6,680.0 mm which was mainly from investment properties of Hemaraj after accounting adjustments totaling THB 3,797.5 mm and from WHA totaling THB 2,882.4 mm since the Company has not yet classified the investment properties to non-current assets available for sale to WHAPF and WHART in 2016.
12. Increase in property, plant and equipment (net) of THB 3,775.3 mm from the consolidation of Hemaraj after accounting adjustments of THB 3,787.5 mm.
13. Increase in intangible assets of THB 4,184.8 mm which mainly came from the acquisition of Hemaraj. The Company was able recognize value of exclusive right of water at the industrial estate and the right to investment in power plant of Hemaraj.
14. Increase of goodwill of THB 17,335.6 mm from the acquisition of Hemaraj which derived from the acquisition value that was higher than the fair value of the assets.

Liabilities

As of 31 December 2015, the Company had total liabilities of THB 57,436.4 mm which increased by THB 45,964.4 mm from THB 11,472.0 mm as of 31 December 2014 for the following reasons:

1. Increase of short-term borrowings from financial institutions by THB 1,443.2 mm from the issuance of Bill of Exchange totalling THB 1,700.0 mm. The proceeds were used to repay some of the short-term loans and as working capital.
2. Increase of trade and other payables of THB 2,783.6 mm from the consolidation of Hemaraj's totalling THB 2,190.7 mm and from the increase in the Company's trade and other payables totalling THB 592.9 mm.
3. Increase of current portion of long-term borrowings and long-term borrowings of THB 19,375.1 mm which were the proceeds used to for the acquisition of Hemaraj.
4. Increase of debentures and current portion of debentures totalling THB 17,761.5 mm. The increase amount can be divided into 2 components 1) Hemaraj's debentures of THB 14,563.5 mm. 2) the issuance of new debentures in 2015 totalling THB 3,200 mm, which were used to repay some of the acquisition loan having higher finance costs. Nevertheless, the Company remains to have a policy to maintain the debt to equity ratio under 3.0 times and the interest bearing debt to equity under 2.5 times which is in line with the debt covenants and maintain and strengthen the optimal capital structure.
5. Increase in the current portion of provisions for liabilities arising from the guarantee obligation totaling THB 117.6 mm. Hemaraj entered into an agreement to guarantee minimum rental revenue of HPF which Hemaraj guarantees revenue for the period of 3 years from the register transferring ownership date. The Company also entered into guarantee obligation for WHABT, which the Company guarantees operating profit from SJ Infinite I Business Complex for 9 years and Bangna Business Complex for 6 years.
6. Increase in cash received from unearned income of THB 2,523.1 mm which primarily derived from the sale of assets to WHABT. The sale was not a True Sale and in order to increase the unitholders confidence, the Company has entered into guarantee obligation of the assets for 9 years for SJ Infinite I Business Complex and 6 years for Bangna Business Complex. The cash proceeds from the sale of these assets will be recorded as unearned income as of the date that the Company sold the assets to WHABT totalling THB 2,332.2 mm. The unearned income will be recognized as revenue in the future.
7. Increase of other current liabilities of THB 151.1 mm from the increase in withholding tax payable and VAT payable of both the Company's and Hemaraj.
8. Increase in deferred tax liabilities of THB 2,137.0 mm which was the result of the acquisition of Hemaraj.
9. Increase of deposits from long-term lease agreement of THB 157.4 mm
10. Increase in employee benefit obligations of THB 85.1 mm which was the result of the consolidation of Hemaraj.
11. Increase of unearned income from rental and leasehold rights (net) of THB 157.9 mm from the rights received from Hemaraj.
12. Increase of other non-current liabilities of THB 341.2 mm which comprised of the increase in retention and accrued expense of project and other payables of Hemaraj's projects.

Shareholder's equity

As of 31 December 2015, the Company had total shareholder's equity of THB 21,658.7 mm, an increase of THB 17,178.7 mm from last year's figure of THB 4,480.1 mm. The changes are as follows:

1. Capital increase by way of right offerings, issuance of warrants – WHA-W1 and WHA-W2 totalling THB 8,935.2 mm and THB 3,178.7 mm respectively. The capital increase aim to optimize the Company's capital structure post-Hemaraj acquisition as well as maintain the interest bearing debt to equity ratio under 2.5 times according to the Company's policy and the debt covenants from financial institutions.
2. Net profit in 2015 of THB 1,953.7 mm. The Company had no dividend pay-out policy in 2015.

Liquidity analysis

	Cash flows		
<i>Unit: THB mm</i>	2014	2015	Increase/ (Decrease)
Net cash generated (used in) from operating activities	(0.1)	1,000.2	n.a.
Net cash used in investing activities	(4,599.5)	(32,463.5)	605.8%
Net cash from financing activities	4,650.7	33,654.4	623.6%
Increase/(Decrease) in cash and cash equivalent	51.1	2,191.1	4186.5%
Cash and cash equivalents at the end of the period	370.9	2,554.7	

1. Cash flows from operating activities

In 2015, the Company had cash flows from operating activities of THB 1,000.2 mm which increased by THB 1,000.4 mm from 2014. The main reason was from the consolidation of Hemaraj and the growth of the Company's performance. The change in cash flows from operating activities and operating assets and liabilities has already been mentioned in the financial performance and financial status section above.

2. Cash flows from investing activities

Cash flows from investing activities in 2015 was THB 32,463.5 mm which grew by THB 27,864.1 mm and primarily from the acquisition value of Hemaraj totalling THB 36,662.5 mm. The Company also had cash advance paid for investment in WHART of THB 743.4 mm. Other contributions to the decrease in cash flows from investing activities were as follows:

1. Cash received from sale of investments in subsidiaries of THB 2,818.6 mm from the divestment of Million Island Pattaya Co., Ltd. and H-Phoenix Property Company Limited which are the Company's subsidiaries and held the right on non-core business.
2. Dividends received from associates and other companies of THB 1,125.7 mm from the Company's associates and Hemaraj's associates.
3. Net cash received from short-term investments of THB 1,467.5 mm comprised of the decrease of cash paid for short-term investments of THB 656.0 mm and increase in proceeds from sale of short-term investments of THB 811.5 mm, compared to 2014.
4. The decrease of the purchase of investment property of THB 3,882.4 mm from THB 6,538.2 in 2014.

3. Cash flows from financing activities

Cash flows from financing activities in 2015 was THB 33,654.4 mm, an increase of THB 29,003.6 mm comparing from last year.

1. Increase from proceeds from capital increase of THB 12,114.3 mm, which derived from the newly issued shares, issuance of WHA-W1 warrants and the exercise of WHA-W2 warrants in 2015.
2. Increase in proceeds from unearned income of THB 2,388.8 from the sale of investment properties to WHABT.
3. Increase in net proceeds from short-term loans of THB 1,400.0 mm from THB 50.0 mm in 2014.
4. Increase in net proceeds from long-term loans of THB 15,548.7 mm from THB 759.2 mm in 2014, which totals to THB 16,307.9 mm in 2015.
5. Decrease in net proceeds from debentures of THB 2,800 mm comparing to last year's amount of THB 4,500 mm, which totals THB 1,700 mm in 2015.

The Company used the total net cash proceeds from financing activities in the acquisition of Hemaraj, repayment of principal loans from financial institutions and matured debentures as well as working capital.

Report of the Board of Directors' Responsibility for Financial Statements

The Board of Directors of the Company provided for the preparation of the financial statements to represent the Company's financial status and performance in the year 2015 in accordance with the Public Company Act B.E. 2535. The Board of Directors emphasized on its duties and responsibilities as the directors of a listed company on the Stock Exchange of Thailand to control the business in accordance with the good corporate governance. The Board of Directors was responsible for the financial statements to be accurate, complete, transparent and appropriate to maintain the Company's assets, prevent from fraud and abnormalities, as well as in accordance with generally accepted accounting principles for the interests of shareholders and investors in acknowledging correct and reasonable information of the Company's financial status and performance.

The Board of Directors views that the consolidated financial statements of WHA Corporation Public Company Limited and its subsidiaries for the year 2015 jointly reviewed by the Audit Committee in collaboration with the Management and the auditor, PricewaterhouseCoopers ABAS Limited, were presented in a complete and reliable in compliance with the generally accepted accounting principles and all governing rules and regulations, with appropriate and consistent accounting policies and adequate information disclosure.



(Mr. Somyos Anantaprayoon)
Chairman of the Board of Directors

Auditor's Report

To the Shareholders of WHA Corporation Public Company Limited

I have audited the accompanying consolidated and company financial statements of WHA Corporation Public Company Limited and its subsidiaries and of WHA Corporation Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of WHA Corporation Public Company Limited and its subsidiaries and of WHA Corporation Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Ltd.

Bangkok
24 February 2016

Statements of Financial Position

As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	2,554,719,161	370,937,609	993,969,947	330,693,850
Short-term investment	10	1,515,244,772	1,815,034,931	17,137,868	1,788,239,582
Trade and other receivables	11.1	345,830,326	103,848,475	114,496,273	101,486,296
Advance payment for investment	11.2				
in available-for-sale		743,449,220	-	743,449,220	-
Short-term loan to related parties	44.3	1,432,900,000	12,900,000	-	12,900,000
Cost of real estate developments (net)	12	15,425,268,393	-	-	-
Advance for construction		106,098,479	24,845,902	59,877,436	24,845,902
Other current assets	13	122,393,550	49,649,395	29,681,602	51,232,364
Non-current assets held for sale	14	3,986,725,451	3,304,961,616	154,832,952	3,304,961,616
Total current assets		26,232,629,352	5,682,177,928	2,113,445,298	5,614,359,610
Non-current assets					
Restricted deposits at a financial institution	9	2,180,851	-	1,948,650	-
Investments in available-for-sale	15	2,286,296,330	1,851,315,225	2,285,800,350	1,851,315,225
Investments in associates	16	9,352,156,439	-	-	-
Investments in subsidiaries	17	-	-	20,909,832,657	908,650,884
Investments in joint ventures	18	527,151,832	286,402,472	545,062,608	295,400,183
Other long-term investment (net)	19	310,869,277	-	-	-
Investment properties (net)	20	14,638,562,420	7,958,646,915	10,199,455,250	7,958,646,915
Leasehold rights (net)	21	51,034,439	52,907,343	51,034,439	52,907,343
Property, plant and equipment (net)	22	3,842,135,242	66,840,695	54,109,001	66,429,835
Intangible assets (net)	23.1	4,184,843,006	-	-	-
Goodwills	23.2	17,335,594,692	-	-	-
Deferred income tax assets	24	92,371,583	10,163,396	30,883,723	10,249,912
Other non-current assets (net)	25	239,255,811	43,578,483	71,532,887	43,524,980
Total non-current assets		52,862,451,922	10,269,854,529	34,149,659,565	11,187,125,277
Total assets		79,095,081,274	15,952,032,457	36,263,104,863	16,801,484,887

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Financial Position (Cont'd)

As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings					
from financial institutions	26	1,693,186,570	250,000,000	1,693,186,570	250,000,000
Trade and other payables	27	3,381,065,410	597,440,478	797,483,447	624,048,056
Accounts payable for investment in subsidiaries		-	-	221,445	373,967
Current portion of					
- long-term borrowings from					
financial institutions	26	11,714,085,638	391,218,800	989,219,639	391,218,800
- debentures (net)	28	3,174,986,778	-	1,629,224,736	-
- cash received from unearned					
income	30	60,391,893	13,394,417	60,391,893	13,394,417
- Provision for liabilities arising from					
guarantee rental income	32	117,579,114	-	10,156,766	-
Short-term borrowings from subsidiaries	44.4		-	798,500,000	998,000,000
Short-term borrowings from other		40,000,000	-	-	-
Advance received income		349,755,072	20,866,472	26,999,472	20,819,212
Income tax payable		61,361,428	85,293,215	-	78,939,047
Other current liabilities		161,323,417	10,189,173	49,006,552	9,967,479
Liabilities related directly to					
non-current assets held for sale	14	148,277,429	1,562,662,781	3,503,745	1,562,662,781
Total current liabilities		20,902,012,749	2,931,065,336	6,057,894,265	3,949,423,759
Non-current liabilities					
Long-term borrowings from					
financial institutions (net)	26	9,227,931,624	1,175,712,200	1,470,281,115	1,175,712,200
Deferred tax liabilities	24	2,136,998,793	-	-	-
Debentures (net)	28	21,777,248,027	7,190,770,138	8,759,538,960	7,190,770,138
Deposits from long-term lease					
agreement	29	279,608,990	122,171,657	169,109,891	122,171,657
Cash received from unearned income	30	2,509,437,684	33,312,784	2,509,437,684	33,312,784
Employee benefit obligations	31	95,371,958	10,307,471	19,660,867	10,307,471
Unearned income from rental					
and leasehold rights (net)		157,880,953	-	-	-
Other non-current liabilities	33	349,859,825	8,621,428	136,226,605	8,621,428
Total non-current liabilities		36,534,337,854	8,540,895,678	13,064,255,122	8,540,895,678
Total liabilities		57,436,350,603	11,471,961,014	19,122,149,387	12,490,319,437

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Financial Position (Cont'd)

As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	34				
Authorised share capital					
15,677,730,186 ordinary shares of par Baht 0.10 each		1,567,773,019		1,567,773,019	
963,892,119 ordinary shares of par Baht 1 each			963,892,119		963,892,119
Issued and paid-up share capital					
14,312,341,668 ordinary shares of par Baht 0.10 each		1,432,234,167		1,432,234,167	
963,891,769 ordinary shares of par Baht 1 each			963,891,769		963,891,769
Warrants		803,407,236	-	803,407,236	-
Capital surplus from additional acquisition of subsidiaries by share swap		172,861,100	172,861,100	202,175,962	202,175,962
Share premium on ordinary shares	34	12,390,954,530	1,548,743,732	12,390,954,530	1,548,743,732
Retained earnings					
Appropriated - Legal reserve	35	97,000,000	90,000,000	97,000,000	90,000,000
Unappropriated		3,658,019,623	1,711,289,570	2,109,361,231	1,513,414,778
Other components of equity	37	101,290,623	(6,714,728)	105,822,350	(7,060,791)
Equity attributable to owners of the parent					
		18,655,767,279	4,480,071,443	17,140,955,476	4,311,165,450
Non-controlling interests		3,002,963,392	-	-	-
Total shareholders' equity					
		21,658,730,671	4,480,071,443	17,140,955,476	4,311,165,450
Total liabilities and shareholders' equity					
		79,095,081,274	15,952,032,457	36,263,104,863	16,801,484,887

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Comprehensive Income

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Rental, service and utilities income		2,970,733,638	551,132,283	734,746,976	551,132,283
Income from sales of real estate		8,466,257,250	4,336,756,425	4,502,408,300	4,336,756,425
Cost of rental and service		(1,356,903,993)	(219,006,294)	(330,134,443)	(218,954,503)
Cost of real estate		(6,073,703,764)	(3,050,108,698)	(3,407,679,977)	(3,050,108,698)
Gross profit		4,006,383,131	1,618,773,716	1,499,340,856	1,618,825,507
Other income	38	627,142,675	169,797,963	468,104,832	133,889,443
Selling expense		(230,517,973)	-	-	-
Administrative expenses		(902,788,623)	(283,335,313)	(360,834,689)	(276,574,435)
Finance costs	39	(2,284,313,944)	(294,827,675)	(972,989,871)	(313,566,391)
Share of profit (loss) of associates and joint ventures	16.1, 18.1	1,038,018,509	(7,739,975)	-	-
Profit before income tax expense		2,253,923,775	1,202,668,716	633,621,128	1,162,574,124
Income tax expense	41	(87,024,723)	(224,053,477)	(30,674,675)	(214,418,373)
Net profit for the year		2,166,899,052	978,615,239	602,946,453	948,155,751
Other comprehensive income (expense) :					
Items that will not be reclassified subsequently to profit or loss					
Actuarial losses	31	(5,484,404)	-	(5,484,404)	-
Income tax on items that will not be reclassified		1,096,881	-	1,096,881	-
Total items that will not be reclassified to profit or loss		(4,387,523)	-	(4,387,523)	-
Items that will be reclassified subsequently to profit or loss					
Gains (Losses) on re-measuring available-for-sale investments	10, 15	147,660,883	(703,109)	146,588,330	(122,440)
Currency translation differences		(5,735,832)	-	-	-
Income tax relating to items that will be reclassified		(29,532,177)	140,622	(29,317,666)	24,488
Total items that will be reclassified subsequently to profit or loss		112,392,874	(562,487)	117,270,664	(97,952)
Other comprehensive income (expense) for the year - net of tax		108,005,351	(562,487)	112,883,141	(97,952)
Total comprehensive income for the year		2,274,904,403	978,052,752	715,829,594	948,057,799
Profit attributable to:					
Owners of the parent		1,953,730,053	978,615,239	602,946,453	948,155,751
Non-controlling interests		213,168,999	-	-	-
Net profit for the year		2,166,899,052	978,615,239	602,946,453	948,155,751
Total comprehensive income attributable to:					
Owners of the parent		2,061,735,404	978,052,752	715,829,594	948,057,799
Non-controlling interests		213,168,999	-	-	-
Total comprehensive income for the year		2,274,904,403	978,052,752	715,829,594	948,057,799
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (Baht)	42	0.1559	0.0995	0.0481	0.0964
Diluted earnings per share (Baht)	42	0.1557	0.0995	0.0480	0.0964

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity

For the year ended 31 December 2015

Notes	Consolidated (Baht)									
	Owners of the parent					Other components of equity				
	Authorised, issued and fully paid-up share capital	Warrant	Premium on share capital	Capital surplus from share swap	Retained earnings		Exchange differences on translating financial statements	Other comprehensive income - Gains (losses) on re-measuring available-for-sale investments	Actuarial losses	Total owners of the parent
					Appropriated - legal reserve	Unappropriated				
Opening balance as at 1 January 2014	917,992,494	-	1,548,743,732	172,861,100	42,000,000	1,478,347,942	-	(6,152,241)	-	4,153,793,027
Change in equity for the year 2014										
Issuance ordinary shares of stock dividend	45,899,275	-	-	-	-	(45,899,275)	-	-	-	-
Legal reserve	-	-	-	-	48,000,000	(48,000,000)	-	-	-	-
Dividend paid	-	-	-	-	-	(651,774,336)	-	-	-	(651,774,336)
Total comprehensive income (expense) for the year	-	-	-	-	-	978,615,239	-	(562,487)	-	978,052,752
Closing balance as at 31 December 2014	963,891,769	-	1,548,743,732	172,861,100	90,000,000	1,711,289,570	-	(6,714,728)	-	4,480,071,443

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity (Cont'd)

For the year ended 31 December 2015

	Notes	Consolidated (Baht)									
		Owners of the parent					Other components of equity				
		Authorised, issued and fully paid-up share capital	Warrant	Premium on share capital	Capital surplus from share swap	Retained earnings		Exchange differences on translating financial statements	Other comprehensive income - Gains (losses) on re-measuring available-for-sale investments	Actuarial losses	Total owners of the parent
						Appropriated - legal reserve	Unappropriated				
Opening balance as at 1 January 2015		963,891,769	-	1,548,743,732	172,861,100	90,000,000	1,711,289,570	-	(6,714,728)	-	4,480,071,443
Change in equity for the year 2015											
Issuance ordinary shares	34	468,342,398	803,407,236	10,842,210,798	-	-	-	-	-	-	12,113,960,432
Legal reserve	35	-	-	-	-	7,000,000	(7,000,000)	-	-	-	-
Increase in non-controlling interests from investment in subsidiary		-	-	-	-	-	-	-	-	-	-
Dividend from subsidiaries paid to non-controlling interest		-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the year		-	-	-	-	-	1,953,730,053	(5,735,832)	118,128,706	(4,387,523)	213,168,999
Closing balance as at 31 December 2015		1,432,234,167	803,407,236	12,390,954,530	172,861,100	97,000,000	3,658,019,623	(5,735,832)	111,413,978	(4,387,523)	18,655,767,279
											21,658,730,671

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity (Cont'd)

For the year ended 31 December 2015

Company (Baht)										
Notes	Authorised, issued and fully paid-up share capital	Warrant	Premium on share capital	Capital surplus from share swap	Retained earnings		Other components of equity			Total
					Appropriated - legal reserve	Unappropriated	Other comprehensive income - Gains (losses) re-measuring available-for-sale investments	Actuarial losses		
	917,992,494	-	1,548,743,732	202,175,962	42,000,000	1,310,932,638	(6,962,839)	-	4,014,881,987	
Opening balance as at 1 January 2014										
Change in equity for the year 2014										
	45,899,275	-	-	-	-	(45,899,275)	-	-	-	
35	-	-	-	-	48,000,000	(48,000,000)	-	-	-	
	-	-	-	-	-	(651,774,336)	-	-	(651,774,336)	
	-	-	-	-	-	948,155,751	(97,952)	-	948,057,799	
Total comprehensive income (expense) for the year										
	963,891,769	-	1,548,743,732	202,175,962	90,000,000	1,513,414,778	(7,060,791)	-	4,311,165,450	
Closing balance as at 31 December 2014										

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Changes in Shareholders' Equity (Cont'd)

For the year ended 31 December 2015

Company (Baht)										
Notes	Authorised, issued and fully paid-up share capital	Warrant	Premium on share capital	Capital surplus from share swap	Retained earnings		Other components of equity			
					Appropriated - legal reserve	Unappropriated	Other comprehensive income - Gains (losses) re-measuring available-for-sale investments	Actuarial losses	Total	
Opening balance as at 1 January 2015										
Change in equity for the year 2015										
34	Issuance ordinary shares	803,407,236	10,842,210,798	-	-	90,000,000	1,513,414,778	(7,060,791)	-	4,311,165,450
35	Legal reserve	-	-	-	-	7,000,000	(7,000,000)	-	-	12,113,960,432
	Total comprehensive income (expense) for the year	-	-	-	-	-	602,946,453	117,270,664	(4,387,523)	715,829,594
Closing balance as at 31 December 2015										
		803,407,236	12,390,954,530	202,175,962		97,000,000	2,109,361,231	110,209,873	(4,387,523)	17,140,955,476

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Cash Flows

For the year ended 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		2,253,923,775	1,202,668,716	633,621,128	1,162,574,124
Adjustments for:					
Allowance for doubtful account (Reversal)		(5,943,357)	7,404,359	(7,404,359)	7,404,359
Depreciation expenses					
- Investment properties	20	275,356,054	164,809,387	215,340,236	164,809,387
- Property, plant and equipment	22	229,530,034	11,836,493	15,949,584	11,781,531
Amortisation		9,987,371	2,408,005	2,525,517	2,396,457
Amortisation of intangible assets	23	248,746,523	-	-	-
Amortisation of other investments		11,022,135	-	-	-
Interest income	38	(119,544,900)	(2,424,460)	(2,212,731)	(2,379,941)
Finance costs - interest expense	39	2,284,313,944	294,827,675	972,989,871	313,566,391
Dividend income	38	(111,698,076)	(98,249,153)	(377,794,650)	(98,249,153)
Employee benefit obligations	31	12,267,148	1,931,177	3,868,992	1,931,177
Share of profit from investments in associates	16	(1,046,931,574)	-	-	-
Share of loss of joint ventures	18.1	8,913,065	7,739,975	-	-
Gain from disposal of real estate and subsidiaries		(1,219,459,943)	(1,286,647,727)	(1,094,728,323)	(1,286,647,727)
Gain from disposal of property, plant and equipment		(5,257,254)	(100,034)	(7,056)	(100,034)
Gain from sale of short-term investment	38	(27,582,813)	(8,911,432)	(17,890,085)	(5,892,311)
Deferred income from operating lease agreements		(47,603,854)	(13,513,788)	(29,821,254)	(13,513,788)
Provision for loss arising from guarantee of minimum rental income		21,558,159	-	10,156,766	-
Estimates on maintenance (reversal)		(15,576,809)	-	-	-
Deferred leasehold right income - related party		(5,199,379)	-	-	-
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):					
Trade and other receivables		(87,842,947)	(62,837,741)	(5,767,840)	(42,195,435)
Cost of real estate developments		53,586,504	-	-	-
Other current assets		70,110,725	(37,623,414)	44,663,280	(39,852,393)
Other non-current assets		(44,960,205)	(8,058,562)	(4,077,374)	(7,993,511)
Trade and other payables		(281,439,808)	132,510,630	(123,690,009)	133,424,774
Advance received from rental and service income		328,888,600	(470,573)	6,180,260	(470,572)
Other current liabilities		50,225,169	(17,411,417)	39,039,073	(16,991,698)
Deposits from long-term lease agreement		89,875,440	(72,222,765)	(20,623,659)	(72,222,765)
Cash paid from unearned income	30	(26,018,719)	(1,779,925)	(26,018,719)	(1,779,925)
Cash paid for rental income guarantee		(91,149,241)	-	-	-
Other non-current liabilities		3,925,958	(5,392,400)	1,159,720	(5,392,400)
Cash flows generated from operating activities		2,816,021,725	210,493,026	235,458,368	204,206,547
Interest received		115,585,081	2,262,238	2,374,953	2,217,719
Proceeds from dividends received		106,894,650	98,249,153	106,894,650	98,249,153
Finance costs - interest expense		(1,867,769,766)	(243,563,714)	(789,039,804)	(245,063,980)
Income tax paid		(170,504,216)	(67,576,964)	(31,216,349)	(71,633,892)
Net cash generated (used in) from operating activities		1,000,227,474	(136,261)	(475,528,182)	(12,024,453)

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flows from investing activities					
Increase in restricted deposit at a financial institution	9	(2,180,851)	-	(1,948,650)	-
Cash receipt from capital reduction	15	17,095,004	-	17,095,004	-
Cash paid for purchase of short-term investments	10	(5,705,000,000)	(6,361,000,000)	(1,170,000,000)	(5,885,000,000)
Proceeds from sale of short-term investments		6,031,538,371	5,220,000,000	2,957,000,000	4,105,000,000
Cash advance paid for investment	11.2	(743,449,220)	-	(743,449,220)	-
Purchase of investment in available-for-sale	15	(303,000,000)	(466,185,000)	(303,000,000)	(466,185,000)
Cash paid for acquisition of investment in joint ventures	18.1	(249,662,425)	(281,120,890)	(249,662,425)	(281,120,890)
Cash paid for investments in associates		(325,498,365)	-	-	-
Cash paid for land deposit	25	-	(7,659,000)	-	(7,659,000)
Loans to related parties	44.3	-	(161,900,000)	(46,000,000)	(161,900,000)
Loans from related parties	44.3	12,900,000	149,000,000	58,900,000	149,000,000
Cash paid for acquisition of investment in subsidiary	17	(36,662,487,169)	-	(20,001,334,295)	(10,000,000)
Purchase of property, plant and equipment	22	(329,952,471)	(35,816,626)	(3,639,589)	(35,350,816)
Purchase of investment property		(2,655,763,110)	(6,538,212,862)	(2,295,084,582)	(6,491,604,145)
Capitalised interest for investment properties	20	(18,859,022)	(66,667,758)	(18,859,022)	(66,667,758)
Proceeds from disposals of investment property		4,555,031,697	4,263,122,651	4,521,531,697	4,263,122,651
Proceeds from disposals of building improvement and equipment		121,813,225	556,039	15,001	556,039
Cash received from sale of investments in subsidiaries	17.2	2,818,619,734	-	-	-
Cash paid for disposals of investment property's income tax		(150,364,487)	(313,594,917)	(150,364,487)	(162,894,888)
Proceeds from dividends received from subsidiary	38	-	-	270,900,000	-
Proceeds from dividends received from associates and other companies	38	1,125,680,841	-	-	-
Net cash used in investing activities		(32,463,538,248)	(4,599,478,363)	(17,157,900,568)	(5,050,703,807)
Cash flows from financing activities					
Proceeds from unearned income	30	2,388,800,000	-	2,388,800,000	-
Proceeds from capital increase		12,114,263,772	-	12,114,263,772	-
Proceeds from short-term borrowings	26	2,751,820,000	4,299,143,042	2,751,820,000	4,299,143,042
Proceeds from long-term borrowings	26	31,954,251,346	1,556,213,510	11,296,503,883	1,556,213,510
Payments on short-term borrowings	26	(1,301,820,000)	(4,249,143,042)	(1,301,820,000)	(4,249,143,042)
Payments on long-term borrowings	26	(15,646,336,142)	(797,000,000)	(11,947,700,000)	(797,000,000)
Proceeds from borrowings from subsidiaries	44.4	-	-	126,000,000	1,099,000,000
Payment from borrowings from subsidiaries	44.4	-	-	(325,500,000)	(655,000,000)
Proceeds from borrowings from other		40,000,000	-	-	-
Proceeds from debentures	28	3,200,000,000	4,500,000,000	3,200,000,000	4,500,000,000
Payment on debentures	28	(1,500,000,000)	-	-	-
Underwriting fee for debentures	28	(5,662,808)	(6,709,465)	(5,662,808)	(6,709,465)
Proceed from non-controlling interest		100,011	-	-	-
Cash paid for non-controlling interest		(1,182)	-	-	-
Dividend paid		-	(651,774,336)	-	(651,774,336)
Dividend paid for non-controlling interest		(341,047,584)	-	-	-
Net cash from financing activities		33,654,367,413	4,650,729,709	18,296,704,847	5,094,729,709
Exchange differences on translating financial statements		(7,275,087)	-	-	-

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Net increase in cash and cash equivalents		2,183,781,552	51,115,085	663,276,097	32,001,449
Cash and cash equivalents - beginning balance		370,937,609	319,822,524	330,693,850	298,692,401
Cash and cash equivalents - ending balance		<u>2,554,719,161</u>	<u>370,937,609</u>	<u>993,969,947</u>	<u>330,693,850</u>
Non-cash transaction					
Addition of investment properties and cost of real estate developments					
- Trade accounts payable		2,528,458,496	353,871,365	515,137,027	353,253,370
Accounts payable for investment in subsidiaries	17.2	-	-	221,445	373,967
Issuance ordinary shares for stock dividend		-	45,899,275	-	45,899,275
Income tax paid					
Total cash flows used in income tax expense for the year		(320,868,703)	(381,171,881)	(181,580,836)	(234,528,780)

The accompanying notes on pages 14 to 114 are an integral part of these consolidated and company financial statements.

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2015

1 General information

WHA Corporation Public Company Limited (“the Company”) was registered as a limited company and resident in Thailand on 25 September 2007. On 23 April 2012 the Company has registered the conversion to Public Company Limited and has registered to change its name from “WHA Corporation Company Limited” to “WHA Corporation Public Company Limited” with the Ministry of Commerce. The address of the Company’s registered office is as follows:

1121 Moo.3 Theparak Road, Theparak, A.Mueang Samut Prakarn, Samut Prakarn.

The principal business operations of the Company and its subsidiaries (“the Group”) are providing rental for factory, warehouse and other properties and selling of investment property.

On 17 March 2015, the Group has acquired 92.88% shares of Hemaraj Land and Development Public Company Limited “Hemaraj group” which is a listed company on the Stock Exchange of Thailand from existing major shareholders. The Group has become a major shareholder and has had control over the subsidiary from 17 March 2015. The consolidated financial statements has consolidated financial statements of Hemaraj Land and Development Public Company Limited and its subsidiaries since the control date.

The general information of Hemaraj Land and Development Public Company Limited and its subsidiaries are as follows:

On 15 August 1988, Hemaraj Land and Development Public Company Limited was incorporated under the Civil and Commercial Code of Thailand and was subsequently listed on the Stock Exchange of Thailand and transformed as a Public Company Limited on 10 July 1992 and 12 July 1993, respectively. The address of the Company’s registered office is as follows:

18th floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang subdistrict, Suanluang district, Bangkok, Thailand 10250.

Principal business operations of Hemaraj Land and Development Public Company Limited and its subsidiaries are as following:

- Real estate development projects located in the Eastern Seaboard of Thailand. The projects are operating under the joint operation agreements with the Industrial Estate Authority of Thailand (“IEAT”).
- Real estate development projects in industrial zone
- A condominium for sales being developed by the Company in the project name of The Park Chidlom, located at Chidlom Road, Bangkok.
- Service business related to the mentioned industrial estates consisting of service providing for public utilities and facilities, office building for sale and lease, prefabricated factory for sale and lease, land rental, commercial plaza rental, pipe rack rental in Industrial Estates, building contractor and others.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes the Company and its subsidiaries are referred to as the Group.

These consolidated and company financial statements were authorised by the Board of Directors on 24 February 2016.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015.

a) Financial reporting standards which have significant changes are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. (Cont'd)

a) Financial reporting standards which have significant changes are as follows: (Cont'd)

TAS 1 (revised 2014), the main change is that a requirement for entities to Group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Group.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. (Cont'd)

a) Financial reporting standards which have significant changes are as follows: (Cont'd)

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group, except for disclosures.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group, except for disclosures.

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the Group.

TFRIC 20 (revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard is not relevant to the Group.

b) Financial reporting standards with minor changes

There are 41 financial reporting standards with minor changes which the Group assesses that do not have impact to the Group.

2.2.2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016.

a) Financial reporting standards, which have an impact to the group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. (Cont'd)

a) Financial reporting standards, which have an impact to the group: (Cont'd)

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. (Cont'd)

a) Financial reporting standards, which have an impact to the group: (Cont'd)

TFRS10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

Management of the Group is in the process for assessment impact of new financial reporting standards and revised accounting standards, revised financial reporting standards as said above.

b) Financial reporting standards with minor changes

There are 40 financial reporting standards with minor changes which the Group assesses that do not have impact to the Group.

2.3 Revised accounting policy according to new financial reporting standard

Group Accounting - Investments in subsidiaries

The accounting policies for investment in a subsidiary used in the financial statements are consistent with those used in the financial statements for the year ended 31 December 2014, except revise by the TFRS 10 as follows:

The Group prepares consolidated financial statements by consolidating the financial statements of entities under the Group's control, regardless of the nature of involvement with the Group. The Group controls an entity if and only if the Group has all the following:

- Power over the entity
- Exposure, or rights, to variable returns from the involvement with the entity
- The ability to use the power over the entity to affect the amount of the Group's returns

At present, the Group has controls over a subsidiary, so there is no effect of the revised accounting policies to the consolidated financial statements.

Employee benefits

The accounting policies for employee benefits used in the financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014, except changes by the revised accounting standard as follows:

- The Group recognised actuarial gains and losses in other comprehensive income in the period in which they arise.
- The Group recognised past-service costs in profit or loss immediately.

There is no effect of the revised accounting policy to the consolidated financial statements of prior year.

2.4 Investments in subsidiaries, associates and interests in joint ventures

2.4.1 Investment in subsidiaries

(a) Subsidiaries

Subsidiaries are all entities over which the Company has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The Company applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

2.4.1 Investment in subsidiaries (Cont'd)

(b) Transactions with non-controlling interests

The Company treats transactions with non-controlling interests as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Company ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities.

2.4.2 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the company's separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

2.4.3 Joint arrangements

The group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group. The change in accounting policy has been applied as from 1 January 2015.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.6 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, other short-term highly liquid investments with maturities of three months or less from date of acquisition and are not used as collateral and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowing in current liabilities.

2.7 Trade accounts receivable

Trade accounts receivable are carried at the amount per contract and original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expense.

2.8 Cost of real estate developments

Cost of real estate developments consists of land costs, development costs, pre-fabricated factory costs, condominium construction costs, and finance costs on borrowings for projects development, pre-fabricated factory, condominium construction, land deposits and advances for construction costs. These costs are transferred to cost of sales when revenue from sales is recognized.

Cost of real estate developments is stated at the lower of cost or net realizable value.

Loss on projects revaluation is an integral part of profit and loss in the statements of comprehensive income.

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.10 Non-current assets held for sale

Non-current assets are classified as non-current assets held for sales and presented as current assets if their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. A non-current asset held for sales is not depreciated while it is classified as held for sale. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

The Group will classify investment properties and related leasehold rights as non-current assets held for sale once the criteria above are met. In addition, the Group will also classify other assets related to non-current asset held for sales which will be disposed when non-current assets held for sales are sold.

Other assets which relate to non-current assets held for sale comprise deferred income from operating lease agreements and other non-current assets.

2.11 Investment

The Group classified investments other than investments in subsidiaries and associates and interests in joint ventures into available-for-sale investments and other investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

General investments is investments in equity securities in less active markets.

Investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available for sale investments are subsequently measured at fair value. The fair value of investments in equity security listed in the Stock Exchange of Thailand is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The fair value of investments in unit trust - saving bond is based on Net Asset Value (NAV) at the close of business on the statement of financial position date by reference to the Asset Management Company. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.12 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses (if any).

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and Warehouses	30 and 40 Years
Building improvements	20, 25 and 40 Years
Utilities systems	10 and 20 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.13 Capitalisation of borrowing costs

Borrowing costs to finance the construction of property and equipment are capitalised during the period of time that is required to complete and prepare the property for its intended use as part of cost of the asset. The borrowing costs include interest on short-term and long-term borrowings.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is a weighted average interest rate applicable to the Group's outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of property and equipment, the amount of borrowing costs eligible for capitalisation on that asset is determined at the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investments of those borrowings.

2.14 Leasehold rights

Expenditure on acquired leasehold right is capitalised and amortised using the straight line method over the lease period, generally over 20 to 30 years.

2.15 Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building improvement	20 Years
Assets for rent	15 Years
Office equipment	5 Years
Warehouse equipment	5 Years
Vehicles	5 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.15).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains or losses' in profit or loss.

2.16 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

2.16 Intangible assets (Cont'd)

Computer software (Cont'd)

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 3 years.

Exclusive right

Exclusive right in sale of water to customers in the real estate, acquired on business combination, is recognised at fair value at the date of acquisition. There will be no reassessment on the asset value. Amortisation is reassessment on an annual basis, adjusted for impairment, if any.

Order backlog

Order backlog acquired on business combination is recognised at fair value at the date of acquisition. Order backlog is shown at fair value less amortisation. Amortisation to cost occurs when the income from the related assets is recognised.

There will be no reassessment on the asset value. Amortisation is reassessment on an annual basis, adjusted for impairment, if any.

Right to invest in power plant

Right to invest in power plant is recognised at fair value at the date of acquisition. Right to invest in power plant is recognized to cost of investment in associate as the first date acquisition.

2.17 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity will be included in the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.18 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.19 Deferred income from operating lease agreements

Deferred income from the operating lease agreement is incurred from the recognition of rental and service income by adjusting rental and service agreement rates to straight-line recognition over the term of the rental and service agreement.

The Group will stop using the straight-line method to recognise rental and service income once the investment property and related assets are classified as non-current assets held for sale.

2.20 Long-term leases

Long-term leases - where a Group company is the lessee

Operating leases

Long-term leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Long-term leases - where a Group Company is the lessor

Operating leases

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Leases of property, plant and equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Leased property under operating leases presents in investment properties and is depreciated over the useful life of the assets. The finance lease revenue recorded at the commencement of a finance lease represents the fair value of the asset, or if lower, the present value of the minimum lease payments accruing to the lessor, computed at a commercial rate of interest. The cost of finance lease recognised at the commencement of the lease term is the cost or carrying amount of the leased property. The difference between the finance lease revenue and the cost is recorded as gain on sales of properties under the financial leases.

2.21 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

Borrowing costs

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Employee benefits

Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

The Group recognises a liability and an expense for bonuses and expected benefit. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's employee benefits comprise of typically defined benefit plans. An amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

2.22 Employee benefits (Cont'd)

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period and adjusted with unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.23 Provisions - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions exclude the provisions for employee benefits. The accounting policy for employee benefit is mentioned in note 2.19 Employee benefits.

2.24 Liabilities from finance lease

Leases of assets which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The assets acquired under finance lease contracts is depreciated over the shorter period of the useful life of the asset or the lease term.

2.25 Share Capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.26 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investment, trade and other accounts receivable, short-term to related parties and investment in available-for-sale. Financial liabilities carried on the statement of financial position include bank overdrafts and short-term borrowing from a financial institution, trade and other accounts payable, short-term borrowing from related parties, long-term borrowing from financial institutions, liabilities under finance lease agreements, certain parts of current liabilities, and debenture. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.27 Revenue recognition

Revenue from sale of real estate and investment property comprises the fair value for consideration received or receivable net with output vat which does not include sales within the Group for the consolidated financial statements (if any). Revenue from sale of real estate and investment property is recognised when significant risks and reward of ownership are transferred to the buyer.

Rental income and service income from operating lease agreements are recognised by using the straight-line method over the rental and service term agreement. Income is recognised on the accrual basis, but such income recognised is discontinued and the collection basis will be applied when reasonable doubt exists as to timely collectability or if payment is contractually over six months past due (if any).

Revenue from sales of land, pre-fabricated factory and condominium are recognised in full amount when the risk and reward is transferred; the ownership has been transferred to buyers and all payments have been received from the buyers. Cost of sales is calculated from the estimated cost per unit of each project. Total estimated costs of each project shall be revised when there are significant changes in the estimated costs of each project.

Service and utility income and cost of services are recognised on the accrual basis. Service income represents income received from providing of public utilities, potable water, raw water and reused water, waste water treatment processing, additional work in building construction and rental services in respect of land, commercial plaza, warehouse, factory, resident and pipe rack to the Industrial Estate, training center and business center. Cost of services represents cost incurred from providing of such services. The recognition of income from public utilities service is ceased when the customers cease their business operations and have payment difficulties.

Revenue and cost from mini and micro pre-fabricated factory construction are recognised upon signing of contract and receiving of installments by the percentage of completion method.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

Dividend income is recognised when the right to receive payment is established.

2.28 Finance costs

Finance costs comprise interest expense from bank loans, debentures, related parties, liabilities under finance lease contracts, and amortisation of bonds issue fee.

2 Accounting policies (Cont'd)**2.29 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.30 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.31 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group's principle business operations are providing rental for factory, warehouse, and other properties and sale of investment property. After the acquisition of Hemaraj Land and Development Public Company Limited, a subsidiary in Q1 2015, the Group has additional businesses, which are real estate business, power business, others and holding company in overseas.

The Group's principle business operations are domestic and overseas.

3 Additional accounting policies

In the 1st quarter of 2015, the Group has acquired Hemaraj Land and Development Public Company Limited. As a result, the Group has additional accounting policies as described in Note 2.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including cash flow from interest rate risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. They evaluate and hedge financial risks, provide principles for overall risk management, as well as related policies covering specific areas.

4.1.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

4.1.2 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that rental and services are provided to customers with an appropriate credit history. Deposits are limited to high credit quality financial institutions.

4.1.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The Group has not entered into interest rate swap contract covering the interest rate risk for such borrowings. The Group also issued debentures with fixed interest rates. For those debentures, the Group has entered into an interest rate swap contract to swap fixed interest rates for floating interest rates for some debenture balances (Note 28) in order to reduce finance costs. The management believe that effect of interest rate fluctuation on long-term borrowing agreements with financial institutions and interest rate swap contract will not materially affect the Group.

4.1 Financial risk factors (Cont'd)

4.1.3 Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2015 and 2014 are summarised as follows:

	Consolidated					
	2015 (Baht)					
	Mark to market	Fixed interest rate remaining period before maturity date or repricing rate		Without interest	Total	Interest rate (%) Float rate Fixed rate
		less than 1 year	1-10 years			
Financial assets						
Cash and cash equivalents	-	2,554,719,161	-	-	2,554,719,161	- 0.10 - 0.80
Deposits with financial institutions	-	2,180,851	-	-	2,180,851	- 0.375
Short-term investment	-	-	-	1,515,244,772	1,515,244,772	- -
Trade and other accounts receivable	-	-	-	345,830,326	345,830,326	- -
Short-term loan to related parties	-	-	1,432,900,000	-	1,432,900,000	- 7.00
Investment in available-for-sale	-	-	-	2,286,296,330	2,286,296,330	- -
Total financial assets	-	2,556,900,012	1,432,900,000	4,147,371,428	6,704,271,440	
Financial liabilities						
Short-term borrowing from a financial institution	-	1,693,186,570	-	-	1,693,186,570	- 2.38 - 2.50
Current portion of long-term borrowings from financial institutions	11,714,085,638	-	-	-	11,714,085,638	MLR - 2.375 to MLR - 1.00 -
Current portion of liability under finance lease agreements (net)	-	-	3,174,986,778	-	3,174,986,778	- 4.24 - 5.60
Trade and other payables	-	-	-	3,381,065,410	3,381,065,410	- -
Long-term borrowings from financial institutions (net)	9,227,931,624	-	-	-	9,227,931,624	MLR - 2.00 to MLR - 1.00 -
Liabilities related directly to non-current assets held for sale	-	-	-	148,277,429	148,277,429	- -
Debentures (net)	-	-	21,777,248,027	-	21,777,248,027	- 3.70 - 6.75
Total financial liabilities	20,942,017,262	1,693,186,570	24,952,234,805	3,529,342,839	51,116,781,476	

4.1 Financial risk factors (Cont'd)

4.1.3 Interest rate risk (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2015 and 2014 are summarised as follows:

	Consolidated					
	2014 (Baht)					
	Mark to market	Fixed interest rate remaining period before maturity date or repricing rate		Without interest	Total	Interest rate (%) Float rate Fixed rate
		less than 1 year	1-10 years			
Financial assets						
Cash and cash equivalents	-	363,150,545	-	7,787,064	370,937,609	-
Short-term investment	-	-	-	1,815,034,931	1,815,034,931	-
Trade and other accounts receivable	-	-	-	103,848,475	103,848,475	-
Short-term loan to related parties	-	-	12,900,000	-	12,900,000	5.40
Investment in available-for-sale	-	-	-	1,851,315,225	1,851,315,225	-
Total financial assets	-	363,150,545	12,900,000	3,777,985,695	4,154,036,240	
Financial liabilities						
Short-term borrowing from a financial institution	250,000,000	-	-	-	250,000,000	MLR -2.00
Current portion of long-term borrowings from financial institutions	391,218,800	-	-	-	391,218,800	MLR - 2.375 to MLR - 1.75
Current portion of liability under finance lease agreements (net)	-	1,952,981	-	-	1,952,981	-
Trade and other payables	-	-	-	597,440,478	597,440,478	-
Long-term borrowings from financial institutions (net)	1,175,712,200	-	-	-	1,175,712,200	MLR - 2.375 to MLR - 1.75
Liability under finance lease agreements (net)	-	-	2,501,990	-	2,501,990	-
Liabilities related directly to non-current assets held for sale	1,562,662,781	-	-	-	1,562,662,781	MLR - 2.375 to MLR - 1.50
Debentures (net)	-	-	7,190,770,138	-	7,190,770,138	-
Total financial liabilities	3,379,593,781	1,952,981	7,193,272,128	597,440,478	11,172,259,368	3.75 - 5.00

4.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instrument, which comprises interest rate swap agreements. Such instrument is not recognised in the financial statements on inception

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to profit or loss.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 43.

4.3 Fair value estimation

The fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group/Company for similar financial instruments.

Information on the fair values of borrowings is included in Note 26.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 31.

Allowance for doubtful accounts

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.18. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 2.17).

Synergy

If the estimated discount rate (weighted average cost of capital) at 31 December 2016 had been 18.89% higher than management's estimates at 31 December 2015, the Group would consider to set impairment of goodwill.

Real Estate Business

If the estimated growth rate of number of land transfer and additional leasable area at 31 December 2016 had been 13.36% lower than management's estimates at 31 December 2015, the Group would consider to set impairment of goodwill.

Water Business

If the estimated growth rate of sale volume at 31 December 2016 had been 5.63% lower than management's estimates at 31 December 2015, the Group would consider to set impairment of goodwill.

Power Business

If the estimated dividend income at 31 December 2016 had been 11.58% lower than management's estimates at 31 December 2015, the Group would consider to set impairment of goodwill.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

For deferred income tax assets of the Group, management's estimation for taxable profit for 5-year period from 2016 to 2021. Final tax outcome from the estimation is not less than deferred income tax assets recorded at 31 December 2015.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7 Segment information

The Group reported operating segments in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group's principle business operations are providing rental for factory, warehouse, and other properties and sale of investment property. After the acquisition of Hemaraj Land and Development Public Company Limited, a subsidiary in Q1 2015, the Group has additional businesses, which are real estate business, power business, others and holding company in overseas.

The Group has assessed segment information and allocated segments to the major segments as follows;

- Real Estate Business
- Power Business

The Board of Director assesses the performance of the operating segments based on revenues from segment. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The Company's revenues between segments are carried out at arm's length. The revenue from external parties reported to the Board of Director is measured in a manner consistent with that in the income statement.

7.1 The operation information of the consolidated statements of income, for the year ended 31 December 2015 and 2014, classified by domestic and overseas business were as follows:

	Consolidated 2015					Consolidated 2014				
	Domestic			Overseas		Domestic			Overseas	
	Real Estate Baht	Power Baht	Other Baht	Holding Company Baht	Total Baht	Real Estate Baht	Power Baht	Other Baht	Holding Company Baht	Total Baht
Sales of real estate	8,466,257,250	-	-	-	8,466,257,250	4,336,756,425	-	-	-	4,336,756,425
Rental and service income	2,143,528,472	-	827,205,166	-	2,970,733,638	551,132,283	-	-	-	551,132,283
Total sales and services income	10,609,785,722	-	827,205,166	-	11,436,990,888	4,887,888,708	-	-	-	4,887,888,708
Profit (loss) from operations	2,203,625,322	(202,588)	670,751,337	(1,097,536)	2,873,076,535	1,335,438,403	-	-	-	1,335,438,403
Other income	520,315,861	10,708	960,671	860	521,288,100	169,797,963	-	-	-	169,797,963
Gain (loss) from sale of investment	(144,054,415)	-	-	249,908,990	105,854,575	-	-	-	-	-
Finance costs	(2,284,293,513)	-	(20,431)	-	(2,284,313,944)	(294,827,675)	-	-	-	(294,827,675)
Share of profit (loss) from investments in associates and joint venture	47,659,541	990,358,968	-	-	1,038,018,509	(7,739,975)	-	-	-	(7,739,975)
Income tax expenses	(70,436,259)	2,754,704	(19,343,168)	-	(87,024,723)	(224,053,477)	-	-	-	(224,053,477)
Profit (loss) for the year	272,816,537	992,921,792	652,348,409	248,812,314	2,166,899,052	978,615,239	-	-	-	978,615,239
Profit attributable to non-controlling interests					(213,168,999)					-
Profit attributable to owners of the parent					1,953,730,053					978,615,239

7.2 Assets and liabilities information by business segment as at 31 December 2015 and 2014 comprise the following:

	Consolidated 2015				Consolidated 2014			
	Domestic		Overseas		Domestic		Overseas	
	Real Estate Baht	Power Baht	Other Baht	Holding Company Baht	Real Estate Baht	Power Baht	Other Baht	Holding Company Baht
Segment assets	50,446,765,798	10,701,732,401	8,568,207,696	11,013,638	11,359,415,839	-	-	-
Unallocated assets	-	-	-	-	-	-	-	-
Consolidated total assets				<u>79,095,081,274</u>				
Segment liabilities	27,005,044,232	216,395,117	1,340,616,255	63,183	9,513,627,293	-	-	-
Unallocated liabilities	-	-	-	-	-	-	-	-
Consolidated total liabilities				<u>56,436,350,603</u>				
Depreciation and amortisation	332,248,376	-	134,333,334	-	164,809,387	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-
Unallocated amortisation	-	-	-	-	-	-	-	-
Consolidated total depreciation and amortisation				<u>514,873,459</u>				

8 Fair value

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2015.

	Consolidated		
	Level 1 Baht	Level 2 Baht	Level 3 Baht
Asset			
Short-term investment	1,515,244,772	-	-
Investment in available-for-sale	2,286,296,330	-	-
Total asset	3,801,541,102	-	-

The following table presents the Group's financial assets that are measured at fair value at 31 December 2014.

	Consolidated		
	Level 1 Baht	Level 2 Baht	Level 3 Baht
Asset			
Short-term investment	1,815,034,931	-	-
Investment in available-for-sale	1,851,315,225	-	-
Total asset	3,666,350,156	-	-

There were no transfers between Level 1 and 2 during the period.

9 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash	8,288,816	128,063	100,910	113,871
Cheque on hand	-	7,548,681	-	7,548,681
Deposits at financial institutions	2,546,430,345	363,260,865	993,869,037	323,031,298
Total	2,554,719,161	370,937,609	993,969,947	330,693,850

9 Cash and cash equivalents (Cont'd)

Deposits with financial institutions pledged as collateral as at 31 December 2015 and 31 December 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Deposits with financial institutions				
- Saving Account	2,180,851	-	1,948,650	-

As at 31 December 2015, the Company has saving account deposit with a financial institution pledged as collateral amount 2,180,851 Baht, which used as collateral for long-term borrowing from financial institutions (As at 31 December 2014 : Nil). (Note 26)

As at 31 December 2015 and 2014, the interest rates for deposits at financial institutions were as follows:

	Consolidated		Company	
	2015 % per annum	2014 % per annum	2015 % per annum	2014 % per annum
Deposits at financial institutions	0.05 - 2.08	0.10 - 1.10	0.10 - 0.40	0.10 - 1.10

10 Short-term investment

Short-term investment as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Unit trust-saving bond which are classified as available-for-sale investment	1,513,438,136	1,812,393,695	16,921,009	1,786,030,925
Add Unrealised gain on fair value of available-for-sale investment	1,806,636	2,641,236	216,859	2,208,657
Total	1,515,244,772	1,815,034,931	17,137,868	1,788,239,582

Short-term investment for the year ended 31 December 2015 and 2014 have the following movement:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	1,815,034,931	663,495,683	1,788,239,582	138,787
Purchase unit trust-saving bond during the year	5,705,000,000	6,361,000,000	1,170,000,000	5,885,000,000
Sale of unit trust-saving bond during the year	(6,003,955,558)	(5,211,088,568)	(2,939,109,915)	(4,099,107,689)
Unrealised gain on fair value of available-for-sale investment	(834,601)	1,627,816	(1,991,799)	2,208,484
Ending balance	1,515,244,772	1,815,034,931	17,137,868	1,788,239,582

As at 31 December 2015, the Group has short-term investment amounting to Baht 1,515,244,772 (2014: Baht 1,815,034,931) represents local mutual fund units at banks which was held on a short-term basis.

The fair value of Short-term investment are based on the closing price as the end of year. The fair values are within level 1 of the fair value hierarchy.

11 Trade and other receivables and Advance payment for investment in available-for-sale

11.1 Trade and other receivables

Trade and other receivables as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Trade accounts receivable				
- Other companies	236,576,273	35,348,795	32,566,563	35,099,652
<u>Less</u> Allowance for doubtful account	(23,001,905)	(7,404,359)	-	(7,404,359)
Trade accounts receivable				
- other companies (net)	213,574,368	27,944,436	32,566,563	27,695,293
Accounts receivable on deposit	-	45,300,318	-	45,300,318
Accrued rental income	-	6,140,150	-	6,140,150
Other receivables				
- Related companies	4,228,098	-	42,517,587	-
- Prepaid insurance and expense	30,047,059	3,338,889	5,841,565	3,338,889
- Interest receivable	-	162,222	-	162,222
- Advance payment - other companies	12,495,539	8,540,331	2,749,497	6,086,476
- Advance payment - establishment of foreign subsidiaries	-	4,585,603	242,821	4,926,422
- Refundable deposits	24,353,704	5,432,669	24,353,704	5,432,669
- Accrued utility income	44,670,980	2,403,857	4,881,062	2,403,857
- Others	16,460,578	-	1,343,474	-
Total trade and other receivables	<u>345,830,326</u>	<u>103,848,475</u>	<u>114,496,273</u>	<u>101,486,296</u>

Trade accounts receivable - other companies were classified by aging as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Accounts receivable within due for payment	169,795,015	9,004,400	11,106,893	8,771,142
Accounts receivable overdue for payment	66,781,258	26,344,395	21,459,670	26,328,510
Total trade accounts receivable				
- other companies	236,576,273	35,348,795	32,566,563	35,099,652
<u>Less</u> Allowance for doubtful account	(23,001,905)	(7,404,359)	-	(7,404,359)
Total trade accounts receivable				
- other companies	<u>213,574,368</u>	<u>27,944,436</u>	<u>32,566,563</u>	<u>27,695,293</u>

As at 31 December 2015, the Group had trade accounts receivable - other companies of Baht 66,781,258 (31 December 2014: Baht 26,344,395) that were overdue for payment. The management has reviewed the aforementioned receivable's ability to meet its obligation and considered to set an allowance for doubtful accounts of Baht 23,001,905 (31 December 2014: Baht 7,404,359).

11 Trade and other receivables and Advance payment for investment in available-for-sale (Cont'd)

11.1 Trade and other receivables (Cont'd)

Outstanding receivables from related parties as at 31 December can be analysed as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Accounts receivable within due for payment	4,228,098	-	42,517,587	-
Accounts receivable overdue for payment	-	-	-	-
Total receivables from related parties	4,228,098	-	42,517,587	-
<u>Less</u> Allowance for doubtful account	-	-	-	-
Total trade accounts receivable - related parties	<u>4,228,098</u>	<u>-</u>	<u>42,517,587</u>	<u>-</u>

As at 31 December 2015, there is no overdue accounts receivable - related parties (31 December 2014: Nil). Management does not review the aforementioned receivable's ability for this receivable balance and not set an allowance for doubtful accounts (31 December 2014: Baht Nil).

11.2 Advance payment for investment in available-for-sale

Advance payment for investment as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Advance payment for investment in Unit Trusts of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust	743,449,220	-	743,449,220	-
Total	<u>743,449,220</u>	<u>-</u>	<u>743,449,220</u>	<u>-</u>

As at 31 December 2015 the Company had advance payment for investment to subscription for the units in the WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust amount Baht 10 per share for 74,344,922 shares, totalling Baht 743,449,220 which can be traded on 7 January 2016.

12 Cost of real estate developments (net)

Cost of real estate developments (net) for the year ended 31 December 2015 has the following movement:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	-			
Acquisition of subsidiary (Note 17.3)	15,876,204,015	-	-	-
Additions during the period	2,355,671,386	-	-	-
Capitalised interest for cost of real estate development	37,499,598	-	-	-
Transferred to investment properties	(437,026,346)	-	-	-
Transferred to cost of sales	(2,407,080,260)	-	-	-
Ending balance	15,425,268,393	-	-	-

As at 31 December 2015, the partial of land in the projects of the Group has been mortgaged as collateral for borrowings from local financial institutions and other companies (Note 26)

13 Other current assets

Other current assets as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Prepaid corporate income tax	22,962,694	-	-	-
Refundable corporate income tax	23,112,518	-	23,112,518	-
VAT refundable	34,888,926	35,667,859	-	37,265,395
Suspense VAT	15,776,520	7,496,802	6,569,084	7,482,235
Receivable from interest rate swap contract	-	6,484,734	-	6,484,734
Others	25,652,892	-	-	-
Total	122,393,550	49,649,395	29,681,602	51,232,364

14 Non-current assets held for sale

Non-current assets held for sale for the year ended 31 December 2015 have the following movement:

Non-current assets held for sale

	For the year ended 31 December 2015					
	Consolidated					
	Investment properties Baht	Property, plant and equipment Baht	Leasehold rights Baht	Deferred income from operating lease agreement Baht	Other non- current assets Baht	Total Baht
Beginning balance	3,295,173,221	-	8,861,281	491,146	435,968	3,304,961,616
Additions during the year						
Hemaraj group	6,628,299,524	68,291,627	-	7,537,385	22,963,371	6,727,091,907
Parent company	278,200	-	-	-	596,894	875,094
Transferred to investment properties	(10,986,936)	-	-	-	-	(10,986,936)
Disposals during the year						
Hemaraj group	(2,803,944,410)	(68,291,627)	-	-	(22,963,371)	(2,895,199,408)
Parent company	(3,130,225,533)	-	(8,861,281)	(491,146)	(438,862)	(3,140,016,822)
Ending balance	3,978,594,066	-	-	7,537,385	594,000	3,986,725,451

14 Non-current assets held for sale (Cont'd)

Non-current assets held for sale for the year ended 31 December 2015 have the following movement: (Cont'd)

Non-current assets held for sale (Cont'd)

For the year ended 31 December 2015						
Company						
	Investment properties Baht	Property, plant and equipment Baht	Leasehold rights Baht	Deferred income from operating lease agreement Baht	Other non-current assets Baht	Total Baht
Beginning balance	3,295,173,221	-	8,861,281	491,146	435,968	3,304,961,616
Additions during the year	278,200	-	-	-	596,894	875,094
Transferred to investment properties	(10,986,936)	-	-	-	-	(10,986,936)
Disposals during the year	(3,130,225,533)	-	(8,861,281)	(491,146)	(438,862)	(3,140,016,822)
Ending balance	154,238,952	-	-	-	594,000	154,832,952

Liabilities related directly to non-current assets held for sale

	For the year ended 31 December 2015						
	Consolidated						
	Current portion of long-term borrowings Baht	Deferred income tax liabilities Baht	Interest payable Baht	Deposits from long-term lease agreement Baht	Deferred expenses from operating lease agreement Baht	Other non-current liabilities Baht	Total Baht
Beginning balance	1,491,200,000	-	397,143	71,065,638	-	-	1,562,662,781
Additions during the year							
Hemaraj group	-	15,362,804	-	186,594,617	-	10,615,310	212,572,731
Parent company	295,000,000	-	-	19,311,608	-	-	314,311,608
Decrease during the year							
Hemaraj group	-	-	-	(19,906,610)	-	-	(19,906,610)
Parent company	(82,500,000)	-	(397,143)	(19,198,968)	-	-	(102,096,111)
Disposals during the year							
Hemaraj group	-	(15,362,804)	-	(21,914,323)	-	(10,615,310)	(47,892,437)
Parent company	(1,703,700,000)	-	-	(67,674,533)	-	-	(1,771,374,533)
Ending balance	-	-	-	148,277,429	-	-	148,277,429

	For the year ended 31 December 2015						
	Company						
	Current portion of long-term borrowings Baht	Deferred income tax liabilities Baht	Interest payable Baht	Deposits from long-term lease agreement Baht	Deferred expenses from operating lease agreement Baht	Other non-current liabilities Baht	Total Baht
Beginning balance	1,491,200,000	-	397,143	71,065,638	-	-	1,562,662,781
Addition during the year	295,000,000	-	-	19,311,608	-	-	314,311,608
Decrease during the year	(82,500,000)	-	(397,143)	(19,198,968)	-	-	(102,096,111)
Disposals during the year	(1,703,700,000)	-	-	(67,674,533)	-	-	(1,771,374,533)
Ending balance	-	-	-	3,503,745	-	-	3,503,745

14 Non-current assets held for sale (Cont'd)

Non-current assets held for sale and liabilities related directly to non-current assets held for sale as at 31 December 2015 and 2014 are as follows:

		Consolidated		Company	
	Notes	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<u>Non-current assets held for sale</u>					
Investment properties	20	3,978,594,066	3,295,173,221	154,238,952	3,295,173,221
Leasehold rights	21	-	8,861,281	-	8,861,281
		3,978,594,066	3,304,034,502	154,238,952	3,304,034,502
Other related assets:					
- Deferred income from operating lease agreement		7,537,385	491,146	-	491,146
- Other non-current assets		594,000	435,968	594,000	435,968
Total		3,986,725,451	3,304,961,616	154,832,952	3,304,961,616
<u>Liabilities related directly to non-current assets held for sale</u>					
Current portion of long-term borrowings	26	-	1,491,200,000	-	1,491,200,000
Interest payable		-	397,143	-	397,143
Deposits from long-term lease agreement	29	148,277,429	71,065,638	3,503,745	71,065,638
Total		148,277,429	1,562,662,781	3,503,745	1,562,662,781

Parent company

As at 31 December 2015, non-current assets held for sale comprised of 1 projects total amount of Baht 154.24 million (31 December 2014: 5 projects total amount of Baht 3,304.03 million).

Subsidiary - Hemaraj Land and Development Public Company Limited.

The subsidiary has assets held for sale in the consolidated financial statements are investments in Million Island Pattaya Company Limited and H-Phoenix Property Company Limited subsidiaries of Hemaraj Land and Development Public Company Limited, which are the owner of the certain assets that are not in the Group's core business and certain areas of UM Tower.

For in the consolidated financial statements, assets held for sale and liabilities related directly to assets held for sale are represent the total assets and liabilities of such two subsidiaries and certain areas of UM Tower owned by the Company and another subsidiary.

On 19 March 2015, the Board of Directors of Hemaraj Land and Development Public Company Limited, approved the disposal of certain assets as mentioned above that had not been used in Group's core business. Subsequently, Hemaraj Land and Development Public Company Limited had opened the bidding during the period of 20 March 2015 to 20 April 2015. On 21 April 2015, the meeting of the Executive Committee No. 15/2015 considered and approved the winning bidder and the entry into a sale and purchase agreement with the winning bidder on 29 April 2015. With all the above circumstance, the certain assets and liabilities related directly to such assets were reclassified as the assets held for sale in the consolidated and company financial statements as of quarter 1 of 2015. Subsequently, the Group sold these assets and such investments and settled the transaction by transferring shares and assets and receiving the compensation in exchange on assets classified as held for sales on 29 April 2015. The Group recognised gain from sale of non-current asset held for sale in statement of comprehensive income - consolidated financial information totalling Baht 124,731,620, which was included under sales from disposal of real estate amounting to Baht 23,302,997 and other income amounting to Baht 101,428,623 (Note 38).

14 Non-current assets held for sale (Cont'd)

Subsidiary - Hemaraj Land and Development Public Company Limited. (Cont'd)

On 18 May 2015, the Group has approved the sale of their investment properties to Hemaraj REIT (in process of establishment) in a long term. This plan is estimated to complete within one year. Therefore, the Group reclassified buildings, factories and warehouses in this condition to assets classified as held for sales, including reclassified relevant liabilities to direct liabilities related to non-current assets classified as held for sale.

Details of income generated from the non-current assets held for sale which are presented in comprehensive income statement for the year ended 31 December 2015 and 2014 are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Rental income and service income after reclassification to non-current assets held for sale	606,456,391	265,236,661	301,652,287	265,236,661

As at 31 December 2015 and 2014, some non-current assets held for sale, which are investment properties, have been mortgaged as collateral for facilities of a long-term borrowing (Note 26).

15 Investment in available-for-sale

Investment in available-for-sale for the year ended 31 December 2015 and 2014 have the following movement:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Beginning balance	1,851,315,225	1,387,461,150	1,851,315,225	1,387,461,150
Acquisition of subsidiary (Note 17.3)	580,626	-	-	-
<u>Add</u> Purchase during the year				
- Unit trusts of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust	-	466,185,000	-	466,185,000
- Unit trusts of WHA Business Complex Freehold and Leasehold Real Estate Investment Trust	303,000,000	-	303,000,000	-
<u>Less</u> Reducing par value during the year				
- Unit trusts of WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust	(17,095,004)	-	(17,095,004)	-
Gain (loss) from change in revaluation of investment	148,495,483	(2,330,925)	148,580,129	(2,330,925)
Ending balance	2,286,296,330	1,851,315,225	2,285,800,350	1,851,315,225

15 Investment in available-for-sale (Cont'd)

Investment in available-for-sale as at 31 December 2015 and 2014 comprise the following:

	Consolidated				
	2015 Baht		2014 Baht		
	The Fund	The Trust	Others	Total	
Unit of investment in available-for-sale-cost	1,396,174,200	752,089,996	-	2,148,264,196	1,396,174,200
Acquisition of subsidiary (Note 17.3)	-	-	580,626	580,626	466,185,000
Unrealised gain (loss) on fair value of available-for-sale investment	125,103,000	12,433,154	(84,646)	137,451,508	-
Total	1,521,277,200	764,523,150	495,980	2,286,296,330	(2,330,925)
					463,854,075
					1,851,315,225

	Company				
	2015 Baht		2014 Baht		
	The Fund	The Trust	Others	Total	
Unit of investment in available-for-sale-cost	1,396,174,200	752,089,996	-	2,148,264,196	1,396,174,200
Unrealised gain (loss) on fair value of available-for-sale investment	125,103,000	12,433,154	-	137,536,154	-
Total	1,521,277,200	764,523,150	-	2,285,800,350	(2,330,925)
					463,854,075
					1,851,315,225

The Group invested in unit of the Fund and the Trust in order to maintain the Company's unit-holding at the proportion of 15%. The Group's own capital, loans from financial institutions and proceeds from the issuing of bonds (if any) have been applied to such unit subscription.

16 Investments in associates

16.1 The change in book value of investment in associates for the year ended 31 December 2015 and 2014 can be analysed as be follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Book value at the beginning of the year	-	-	-	-
Acquisition of subsidiary (Note 17.3)	8,334,087,200	-	-	-
Additions	1,092,015,080	-	-	-
Share of profit after tax	1,046,931,574	-	-	-
Dividend income	(1,120,877,415)	-	-	-
Book value at the end of the year	<u>9,352,156,439</u>	<u>-</u>	<u>-</u>	<u>-</u>

16 Investments in associates (Cont'd)

16.2 Investments in associates - Group of Hemaraj Land and Development Public Company Limited

As at 31 December 2015 and 2014 the Group has investments in associates were as follows:

Company name	Paid-up capital		Percentage of shares held by the Company	Investments			
	2015 Baht	2014 Baht		Consolidated (Equity)			
	2015 Baht	2014 Baht		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Direct associates							
GHECO - One Company Limited	11,624,000,000	11,624,000,000	35	6,464,031,617	-	-	-
Houay Ho Thai Company Limited (1)	527,690,000	527,690,000	51	267,097,764	-	-	-
Hemaraj Industrial Property and Leasehold Fund	4,700,000,000	4,700,000,000	23	946,768,481	-	-	-
				7,677,897,862	-	-	-
Indirect associates							
Houay Ho Power Company Limited (1)	50,000,000*	50,000,000*	13	198,936,600	-	-	-
Glow Hemaraj Wind Company Limited (2)	2,500,000	2,500,000	51	553,245	-	-	-
Gulf JP NLL Company Limited	1,384,000,000	1,384,000,000	25	381,516,776	-	-	-
Gulf Solar Company Limited (3)	14,632,000	14,632,000	25	3,608,568	-	-	-
Bowin Clean Energy Limited (4)	186,741,520	-	25	211,390,435	-	-	-
Gulf Solar VTP Limited (5)	49,671,833	-	25	49,433,338	-	-	-
Gulf Solar TS1 Limited (6)	43,517,400	-	25	229,690,635	-	-	-
Gulf Solar TS2 Limited (7)	44,267,700	-	25	241,590,283	-	-	-
Gulf Solar TS3 Limited (8)	41,766,700	-	25	188,757,979	-	-	-
Gulf Solar TS4 Limited (9)	41,266,500	-	25	168,780,718	-	-	-
				1,674,258,577	-	-	-
Total investments in associates				9,352,156,439	-	-	-

*US dollars

16 Investments in associates (Cont'd)

16.2 Investments in associates - Group of Hemaraj Land and Development Public Company Limited (Cont'd)

- (1) The Group directly held 51% in Houay Ho Thai Company Limited and Houay Ho Thai held 25% in Houay Ho Power Company Limited which registered in Lao People's Democratic Republic (US. currency is used for business operation). The Group did not include the financial statements of Houay Ho Thai Company Limited in the consolidated financial statements since the Group is the strategic partner.
- (2) Hemaraj Energy Company Limited indirectly held 51% in Glow Hemaraj Wind Company Limited, which had the initial capital share in the amount of Baht 10 million and Hemaraj Energy Company Limited paid the share capital of Baht 2.50 per share in the total amount of Baht 1.28 million.
- (3) On 21 October 2014, the Group invested in 25.01% of total paid-up shares of Gulf Solar Company Limited with amount of investment Baht 3.66 million.
- (4) The Group indirectly held 25% by Hemaraj Energy Company Limited in Bowin Clean Energy Company Limited, which had the initial capital share in the amount of Baht 447 million and Hemaraj Energy Company Limited paid the share capital of Baht 40 per share in the total amount of Baht 46.63 million.
- (5) The Group indirectly held 25% by Hemaraj Energy Company Limited in Gulf Solar VTP Limited, which had the initial capital share in the amount of Baht 665 million and Hemaraj Energy Company Limited paid the share capital in the total amount of Baht 46.67 million.
- (6) The Group indirectly held 25% by Hemaraj Energy Company Limited in Gulf Solar TS1 Limited, which had the initial capital share in the amount of Baht 694 million and Hemaraj Energy Company Limited paid the share capital in the total amount of Baht 43.52 million.
- (7) The Group indirectly held 25% by Hemaraj Energy Company Limited in Gulf Solar TS2 Limited, which had the initial capital share in the amount of Baht 704 million and Hemaraj Energy Company Limited paid the share capital in the total amount of Baht 44.27 million.
- (8) The Group indirectly held 25% by Hemaraj Energy Company Limited in Gulf Solar TS3 Limited, which had the initial capital share in the amount of Baht 664 million and Hemaraj Energy Company Limited paid the share capital in the total amount of Baht 41.77 million.
- (9) The Group indirectly held 25% by Hemaraj Energy Company Limited in Gulf Solar TS4 Limited, which had the initial capital share in the amount of Baht 655 million and Hemaraj Energy Company Limited paid the share capital in the total amount of Baht 41.27 million.

16.3 Significant Associate Company

Summary of Statements of financial position

	GHECO - One Company Limited As at 31 December 2015 Baht
Current	
Cash and cash equivalents	2,239,254,652
Other current assets (exclude cash)	5,087,875,437
Total current asset	7,327,130,089
Current financial liabilities (exclude trade payable)	6,113,047,142
Other Liabilities (include trade payable)	1,187,260,127
Total current liabilities	7,300,307,269
Non-current	
Asset	34,468,281,121
Financial liabilities	16,407,655,998
Other non-current liabilities	297,702,865
Total non-current liabilities	16,705,358,863
Net asset	17,789,745,078

16 Investments in associates (Cont'd)

16.3 Significant Associate Company (Cont'd)

Summary of Statements of Comprehensive Income

	GHECO - One Company Limited As at 31 December 2015 Baht
Revenue	13,422,529,690
Depreciation and amortization	(1,071,275,236)
Interest income	8,384,381
Interest expense	(1,318,182,266)
Profit or loss from continuing operation	3,566,430,475
Income tax expense	(151,251,504)
Other comprehensive income	-
Total comprehensive income	3,415,178,971
Dividends received from associate	1,018,727,352

Above information is included in the financial statements of the associates (This isn't share of the group in such associated companies) and adjust on the different accounting policy adopted by the group and associated companies.

Reconciliation of financial information highlight

A reconciliation of the summarized financial information and book value of equity of the associates.

	GHECO - One Company Limited As at 31 December 2015 Baht
Net assets as at 31 December	17,285,215,707
Profit during the period	3,415,178,971
Other comprehensive income	-
Dividends	(2,910,649,600)
Net assets at end of year	17,789,745,078
Equity associates (percent)	35
Book value	6,226,105,801
Fair value adjustments from business combination	237,925,816
Book value after adjust	6,464,031,617

16 Investments in associates (Cont'd)

16.3 Significant Associate Company (Cont'd)

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	As at 31 December 2015
Total book value of the equity in associates are recorded by equity method per each non-significant	1,668,684,473
Fair value adjustment from acquisition	1,219,440,349
Book value after adjust	<u>2,888,124,822</u>
Total share profit from associates ;	
Profit or loss from continuing operation	1,046,931,574
Profit or loss after tax from discontinues operation	-
Other comprehensive income	-
Total comprehensive income	<u>1,046,931,574</u>

17 Investments in subsidiaries

17.1 The change in book value of investments in subsidiaries for the year ended 31 December 2015 and 2014 can be analysed as follows:

	Company	
	2015 Baht	2014 Baht
Book value at the beginning of year	908,650,884	898,276,917
Addition during the year		
- WHA Venture Holdings Co., Ltd.	20,000,000,000	-
- Hemaraj Land and Development Plc.	-	-
- WHA Real Estate Management Co., Ltd.	-	10,000,000
- WHA Corporation (International) Co., Ltd.	-	331,132
- WHA Corporation (Hong Kong) Co., Ltd.	281,783	42,835
- PT WHA International Indonesia Co., Ltd.	-	-
- WHA Infonite Holding Co., Ltd.	899,990	-
Book value at the end of year	<u>20,909,832,657</u>	<u>908,650,884</u>

17 Investments in subsidiaries (Cont'd)

17.1 The change in book value of investments in subsidiaries for the year ended 31 December 2015 and 2014 can be analysed as follows: (Cont'd)

17.1.1 Additional investment

WHA Venture Holdings Co, Ltd.

On 5 February 2015, the Company registered the establishment of a subsidiary, WHA Venture Holdings Co., Ltd. with the Ministry of Commerce. The subsidiary's principle business is to invest in other companies. The Company took a 100% investment in 100,000 shares. On 13 March 2015, the subsidiary registered an additional 199,900,000 shares.

As at 31 December 2015, the subsidiary had 200,000,000 shares at a par value of Baht 100 per share, totalling registered shares of Baht 20,000,000,000. The Company invested in 199,999,997 shares, representing 100% of the total shares and these were fully paid-up.

PT WHA International Indonesia

On 30 September 2015, the Company registered the establishment of a subsidiary, PT WHA International Indonesia with the Ministry of Commerce. The subsidiary's principle business is to invest in other companies. WHA Corporation (Hong Kong) Co., Ltd. (The subsidiary's WHA Corporation PCL) took a 100% investment in 1,999,100 shares.

As at 31 December 2015, the subsidiary had 2,000,000 shares at a par value of US dollars 1 per share, totalling registered shares of US dollars 2,000,000. The Company invested in 1,999,100 shares, representing 100% of the total shares.

WHA Infonite Holdings Co, Ltd.

On 26 October 2015, the Company registered the establishment of a subsidiary, WHA Infonite Holdings Co., Ltd. with the Ministry of Commerce. The subsidiary's principle business is to invest in data centre information system. The Company took a 90% investment in 89,999 shares.

As at 31 December 2015, the subsidiary had 100,000 shares at a par value of Baht 10 per share, totalling registered shares of Baht 1,000,000. The Company invested in 89,999 shares, representing 90% of the total shares and these were fully paid-up.

17.1.2 Disposal of investment

Subsidiary - Hemaraj Land and Development Public Company Limited.

The Group sold Million Island Pattaya Company Limited and H-Phoenix Property Company Limited which were subsidiaries and held the right on non-core business to the winner of bidding auction. The Company opened the bidding auction publicly during 20 March 2015 to 20 April 2015. On 21 April 2015, Board of Director announced the winner of this bidding auction in the Board of Director meeting No. 15/2015 and signed the contract with the winner on 29 April 2015.

The disposal of this investment effect the loss in power of control of Million Island Pattaya Company Limited and H-Phoenix Property Company Limited. As a result, these companies were excluded from interim financial information from 29 April 2015 and recorded net gain from sales with cost of sales amounted to Baht 88.50 million in statement of comprehensive income for the year ended 31 December 2015. WHA Group recorded the effect in the consolidated statement of comprehensive income (Note 14).

17 Investments in subsidiaries (Cont'd)

17.1 The change in book value of investments in subsidiaries for the year ended 31 December 2015 and 2014 can be analysed as follows: (Cont'd)

17.1.2 Disposal of investment (Cont'd)

Net book value of assets of subsidiaries as at the date of distribution are as follows:

	Consolidated Baht
Cash and cash equivalents	62,438,905
Trade and other receivables	13,127,176
Investment property, net	2,754,434,826
Property, plant and equipment, net	45,931
Current assets and other assets	3,032,170
Trade and other payables	(10,729,335)
Deferred tax liabilities	(15,362,804)
Employee benefit obligations	(496,722)
Current and non-current liabilities	(21,914,323)
Total net assets of disposed subsidiaries	2,784,575,824
<u>Add</u> Non-controlling interests	40
<u>Less</u> Cash received from sale investment in subsidiaries	2,881,058,639
Gain from sale of investment	96,482,775

17.2 Details of investments in subsidiaries as at 31 December 2015 and 2014 are as follows:

Company	Nature of business	Country of incorporation	Proportion of ordinary shares directly held By parent		Proportion of shares Held by non-controlling interests		Paid-up share capital (total)		Company Cost method	
			2015 %	2014 %	2015 %	2014 %	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Warehouse Asia Alliance Co., Ltd.	Providing rental factories, warehouses, and other properties	Thailand	100	100	-	-	310,000,000	310,000,000	566,876,956	566,876,956
WHA Alliance Co., Ltd.	Providing rental factories, warehouses, and other properties	Thailand	100	100	-	-	260,000,000	260,000,000	331,399,961	331,399,961
WHA Real Estate Management Co., Ltd.	Trust manager for investment property	Thailand	100	100	-	-	10,000,000	10,000,000	10,000,000	10,000,000
WHA Corporation (International) Limited	Investing in other companies	Republic of Mauritius	100	100	-	-	331,132	331,132	331,132	331,132
WHA Corporation (Hong Kong) Limited	Investing in other companies	Hong Kong	100	100	-	-	324,618	42,835	324,618	42,835
WHA Venture Holdings Co., Ltd.	Investing in other companies and providing rental factories, warehouses and other properties	Thailand	100	-	-	-	20,000,000,000	-	20,000,000,000	-
WHA Infonite Holdings Co., Ltd.	Investing in Data system	Thailand	90	-	10	-	1,000,000	-	899,990	-
Indirect Subsidiary										
Subsidiary under WHA Corporation (Hongkong) Limited										
PT WHA (International) Indonesia	Providing rental factories, warehouses, and other properties	Indonesia	100	-	-	-	2,000,000*	-	-	-
Subsidiary under WHA Venture Holdings Co., Ltd.										
Hemaraj Land and Development Public Company Limited	Real estate development and service providing for public utilities and facilities	Thailand	92.88	-	7.12	-	3,882,074,476	-	-	-

*US dollars

17.2 Details of investments in subsidiaries as at 31 December 2015 and 2014 are as follows: (Cont'd)

Company	Nature of business	Country of incorporation	Proportion of ordinary shares directly held By parent		Proportion of shares Held by non-controlling interests		Paid-up share capital (total)		Company Cost method	
			2015	2014	2015	2014	2015	2014	2015	2014
			%	%	%	%	Baht	Baht	Baht	Baht
Direct subsidiaries held by Hemaraj Land and Development Public Company Limited										
Eastern Industrial Estate Company Limited	Industrial Estate Development	Thailand	99.99	-	0.01	-	400,000,000	-	-	-
Eastern Seaboard Industrial Estate (Rayong) Company Limited	Industrial Estate Development	Thailand	60.00	-	40.00	-	358,000,000	-	-	-
Hemaraj Eastern Seaboard Industrial Estate Company Limited	Industrial Estate Development	Thailand	99.99	-	0.01	-	1,000,000,000	-	-	-
Hemaraj Saraburi Industrial Land Company Limited	Industrial Estate Development	Thailand	99.99	-	0.01	-	500,000,000	-	-	-
Eastern Pipeline Services Company Limited (1)	Pipe Rack Rental	Thailand	99.99	-	0.01	-	100,000,000	-	-	-
Rayong 2012 Company Limited (2)	Real Estate Development	Thailand	99.99	-	0.01	-	1,165,000,000	-	-	-
H-International (BVI) Company Limited (3)	Holding Company	British Virgin Islands	100.00	-	-	-	67,600	-	-	-
Hemaraj International Limited (4)	Holding Company	Cayman Island	100.00	-	-	-	25,290	-	-	-
H-Construction Management and Engineering Company Limited	Design and Construction	Thailand	99.99	-	0.01	-	17,150,000	-	-	-
The Park Residence Company Limited (5)	Supervision Service	Thailand	99.99	-	0.01	-	4,600,000	-	-	-
SME Factory Company Limited (6)	Real Estate Development and Service Management	Thailand	99.99	-	0.01	-	294,000,000	-	-	-
Hemaraj Clean Water Company Limited	Sell and Lease of Factory Produce and distribute the industrial water	Thailand	99.99	-	0.01	-	645,000,000	-	-	-
Hemaraj Eastern Seaboard Industrial Estate 4 Company Limited	Industrial Estate Development	Thailand	99.99	-	0.01	-	400,000,000	-	-	-
Eastern Seaboard Property and Marina Services Company Limited	Real Estate Development for investment and marina services	Thailand	99.99	-	0.01	-	1,000,000	-	-	-

17.2 Details of investments in subsidiaries as at 31 December 2015 and 2014 are as follows: (Cont'd)

Company	Nature of business	Country of incorporation	Proportion of ordinary shares directly held By parent		Proportion of shares Held by non-controlling interests		Paid-up share capital (total)		Company Cost method	
			2015 %	2014 %	2015 %	2014 %	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Direct subsidiaries held by Hemaraj Land and Development Public Company Limited (Cont'd)										
New subsidiaries										
Hemaraj Reit Management Company Limited	Trust manager for investment property	Thailand	99.99	-	0.01	-	10,000,000	-	-	-
H-International (SG) PTE. LTD.	International Business Support	Singapore	99.99	-	0.01	-	240,000,000	-	-	-
Hemaraj Energy Company Limited 3	Holding Company	Thailand	99.99	-	0.01	-	4,481,000,000	-	-	-
Indirect subsidiaries										
Hemaraj Rayong Industrial Land Company Limited (7)	Industrial Estate Development	Thailand	99.99	-	0.01	-	1,000,000,000	-	-	-
Hemaraj Water Company Limited (8)	Water Resources Development and Management	Thailand	99.99	-	0.01	-	100,000,000	-	-	-
Hemaraj Energy Company Limited (8)	Holding Company	Thailand	99.99	-	0.01	-	200,000,000	-	-	-
Hemaraj Energy Company Limited 2 (9)	Holding Company	Thailand	99.99	-	0.01	-	4,481,000,000	-	-	-
Total										

(1) 74.99% directly held by the Company and 25% indirectly held by Eastern Industrial Estate Company Limited.

(2) 69.99% directly held by the Company and 30% indirectly held by Hemaraj Rayong Industrial Land Company Limited.

(3) H-International (BVI) Company Limited was registered in the British Virgin Islands (US: currency is used for business operation). No Thai income tax has been accrued for undistributed net income of the overseas subsidiary, since the net income are intend to be retained by the subsidiary for reinvestment purposes.

(4) Hemaraj International Limited was registered in the Cayman Islands (US: currency is used for business operation).

(5) During the first quarter of year 2015, The Park Residence Company Limited had additionally acquired the investment, by issuing shares amounting to Baht 3.60 million.

(6) During the first quarter of year 2015, SME Factory Company Limited had additionally acquired the investment, by issuing shares amounting to Baht 100 million.

(7) 99.99% indirectly held by Hemaraj Saraburi Industrial Land Company Limited.

(8) 99.99% indirectly held by Hemaraj Clean Water Company Limited.

(9) 99.99% indirectly held by Hemaraj Energy Company Limited 3

17 Investments in subsidiaries (Cont'd)

17.3 Business combinations

The purpose of business combination

On 17 March 2015, the Group has acquired 92.88% shares of Hemaraj Land and Development Public Company Limited and its subsidiaries for Baht 40,563,694,845. From acquisition, the Group has the following synergy.

1. Opportunity to expand into other businesses i.e. Industrial Estate, Utilities for Industrial Estate and Power so as to strengthen the business model of the Company and reduce the risk of reliance on the development of factory and warehouse.
2. Reinforce the business in relation to the development of factory and warehouse arising from the synergy expected from the Industrial Estate under Hemaraj, for instance, broadening the customer base as the customers from the Company and Hemaraj are not overlapped. The main customers under the Company include the Consumer Product, Healthcare and third-party logistics provider (3PL) whereas those under Hemaraj are the Auto maker, Auto Part and Petrochemical, Power and Steel and Electronic.
3. To be able to provide the customers in total solution service concept for both vertical integration related to the industrial estate including the complementary businesses i.e. water and utilities and power served for the Industrial users and horizontal integration to widen the product base to Built-to-Suit Factory to serve the customers in the Industrial Estate and ready-built factory and warehouse by leveraging the know-how and expertise from the Company to be more efficient.
4. The Combined and post-merger entity will help the Company as a group to increase the bargaining power thereby potentially reducing the development and construction cost of factory and warehouse. It also paves the flexibility for financial cost management which will in turn reduce the financial cost.

Controlling over Hemaraj Land and Development Public Company Limited

On 17 March 2015, the Group acquired shares of Hemaraj Land and Development Public Company Limited which is a listed company on the Stock Exchange of Thailand from the existing major shareholders. The Group also proposed a tender offer for interested shareholders between 6 March 2015 and 10 April 2015, in order to hold a share proportion of more than 50%. On 17 March 2015, the Group invested in 64.55% of Hemaraj Land and Development Public Company Limited's shares, and the Board of Directors of the Group became the majority of the Board of Directors of that company. The Group considered 17 March 2015 to be the day that it had control over the company. At the end of the tender offer period, the Group held the subsidiary's shares at a proportion of 92.88%, totalling Baht 40,563,694,845. The tender offer is a continuous process when the Group has become a major shareholder, and has had control over the subsidiary on 17 March 2015.

The following table summarises total consideration to be paid for the assets acquired and liabilities assumed recognized;

Consideration as at 31 December 2015

	Baht
Cash	40,563,694,845
Total consideration	40,563,694,845
Acquisition-related costs (included in administrative expenses in the profit or loss for the year ended 31 December 2015)	127,791,232

The Group has measured fair value of assets and liabilities including intangible assets which was performed by independent and expertised valuers. The Group has recorded the net assets acquired at their fair value at the acquisition date. The excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill.

17 Investments in subsidiaries (Cont'd)

17.3 Business combinations (Cont'd)

Details of the fair values of net assets of Hemaraj Land and Development Public Company Limited and its subsidiaries on 17 March 2015 are as follows;

	Baht
Cash and cash equivalents	3,901,207,676
Trade and other receivables (net)	134,447,631
Short-term loan to related parties	1,428,777,959
Inventories	7,920,000
Cost of real estate developments (net)	15,876,204,015
Other current assets	42,242,743
Investments in available-for-sale	580,626
Investments in associates	8,334,087,200
Other long - term investment (net)	321,891,412
Intangible assets	5,199,791,195
Investment properties (net)	10,020,523,555
Net assets for rent	134,573,545
Property plant equipment (net)	3,633,306,731
Other non-current assets (net)	253,297,577
Trade and other payables	(2,053,890,902)
Current portion of long-term borrowings from financial institutions	(108,695,722)
Current portion of debentures (net)	(1,510,114,815)
Income tax payable	(63,532,421)
Other current liabilities	(192,415,063)
Long-term borrowings from financial institutions (net)	(1,349,035,100)
Debentures (net)	(14,727,679,520)
Deferred tax liabilities (net)	(2,163,950,618)
Employee benefit obligations	(67,809,656)
Provision for liabilities arising from guarantee rental income	(187,170,196)
Rental income and right deferred expense	(191,792,815)
Other non-current liabilities	(348,842,505)
Total identifiable net assets	26,323,992,532
Non-controlling interest	(3,095,822,379)
Goodwills (Note 23)	17,335,594,692
Total consideration	40,563,694,845

Non-controlling interest

The Group has chosen to recognise the non-controlling interest at its fair value for this acquisition.

Acquisition-related costs of Baht 127,791,232 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2015.

Revenues and profit

The revenue included in the consolidated income statement from 17 March 2015 to 31 December 2015 contributed by Hemaraj Land and Development Public Company Limited was Baht 6,200,401,468. Hemaraj Land and Development Public Company Limited also contributed profit of Baht 2,795,980,895 over the same period.

17 Investments in subsidiaries (Cont'd)

17.3 Business combinations (Cont'd)

Had Hemaraj Land and Development Public Company Limited been consolidated from 1 January 2015, the consolidated income statement for the year ended 31 December 2015 would show revenue of Baht 7,471,129,192 and profit of Baht 3,335,793,565, respectively.

The Group has pledged share certificates of Hemaraj Land and Development Public Company Limited as a secure for borrowings (Note 26).

17.4 Goodwills

	Baht
Business acquisition (Note 23)	17,335,594,692
Total	17,335,594,692

Goodwills amount Baht 17,335,594,692 caused by many factors such as expected from combining the operation of the company including highly skilled workforce and contribute to the economy because of the size.

	Consolidated				
	Synergy	Real Estate	Power	Water	Total
Goodwills Allocation					
For the year ended 31 December 2015					
Cost	4,245,408,918	9,942,006,923	1,225,422,158	1,922,756,693	17,335,594,692
Less Allowance for impairment	-	-	-	-	-
Goodwills - Net	4,245,408,918	9,942,006,923	1,225,422,158	1,922,756,693	17,335,594,692

For the purposes of assessing impairment, assets are grouped at the lowest level of each identifiable cash flows (cash-generating unit). The recoverable amount assessment is based on a five-year and a ten-year pre-tax cash flow projection by referring to an approved financial and business plan by management.

	Consolidated			
	Synergy	Real estate	Power	Water
Gross profit ¹ (percent)	41.00 - 48.00	44.39 - 68.24	-	35.29 - 42.29
Growth ² (percent)	0.00 - 1.00	1.00	1.00	1.00
Discount rate ³ (percent)	9.00	9.60	7.60	8.90

¹ Budgeted gross margin. For the power segment, the Group received cash inflow in form of dividend in proportion from 5% to 25.01%. Dividend projection is based on past performance adjusted with changes in tax benefits and the latest financial projections.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

17 Investments in subsidiaries (Cont'd)

17.5 Non-controlling interests

Summarised financial information on subsidiaries with material non-controlling interests

Company	Non-Controlling interests percent		Non-Controlling interests		Comprehensive income allocated to non-controlling interests		Dividends paid to non-controlling interests	
	2015	2014	2015	2014	2015	2014	2015	2014
	(percent)	(percent)						
Hemaraj Land and Development Public Company Limited	7.12	-	2,673,050,703	-	183,678,831	-	306,126,618	-

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Summarised statement of financial position

	As at 31 December 2015 Baht
Current assets	23,918,568,752
Non- current assets	38,936,536,656
Current liabilities	5,004,877,363
Non- current liabilities	15,879,439,781

Summarised statement of comprehensive income

	For the year 31 December 2015 Baht
Revenue	6,200,401,468
Net profit	2,608,929,419
Other comprehensive income	1,461,137
Total comprehensive income	2,610,390,556

Summarised statement of cash flows

	For the year 31 December 2015 Baht
Net cash generated from operating activities	1,841,343,279
Net cash generated flow from investing activities	5,879,000,449
Net cash used in flow from financing activities	(6,244,056,072)
Exchange differences on translating financial statements	(673,664)
Net increase in cash and cash equivalents	1,475,613,992

18 Investments in joint ventures

18.1 The change in book value of investments in joint ventures for the year ended 31 December 2015 and 2014 can be analysed as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Beginning balance	286,402,472	13,021,557	295,400,183	14,279,293
Acquisitions	249,662,425	281,120,890	249,662,425	281,120,890
Share of loss after tax	(8,913,065)	(7,739,975)	-	-
Ending balance	<u>527,151,832</u>	<u>286,402,472</u>	<u>545,062,608</u>	<u>295,400,183</u>

Joint ventures between WHA Corporation Public Company Limited and WHA KPN Alliance Co., Ltd.

On 6 January 2015, WHA KPN Alliance Co., Ltd. called for additional paid-up capital from WHA Corporation of Baht 75 per share for 6,495 shares and Baht 50 per share for 4,983,503 shares, totalling Baht 249,662,275. As at 31 December 2015, total investments in joint ventures were Baht 499,000,000 (31 December 2014: Baht 249,337,575).

18.2 Details of investments in joint ventures resident in Thailand as at 31 December 2015 and 2014 are as follows:

No.	Companies name	Business	Country of incorporation	% of ownership interest		Registered capital		Paid-up share capital (total)		Consolidated and Company	
				2015	2014	2015	2014	2015	2014	2015	2014
				%	%	Baht	Baht	Baht	Baht	Baht	Baht
1	WHA Gunkul Green Solar Roof 1 Co., Ltd.	producing and distributing of electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	11,500,000	11,500,000	11,500,000	11,500,000	8,623,850	8,623,850
2	WHA Gunkul Green Solar Roof 2 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	1,000,000	1,000,000	250,000	250,000	187,475	187,475
3	WHA Gunkul Green Solar Roof 3 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	14,500,000	14,500,000	14,500,000	14,500,000	10,873,550	10,873,550
4	WHA Gunkul Green Solar Roof 4 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	1,000,000	1,000,000	250,000	250,000	187,475	187,475
5	WHA Gunkul Green Solar Roof 5 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	1,000,000	1,000,000	250,000	250,000	187,475	187,475
6	WHA Gunkul Green Solar Roof 6 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	14,500,000	14,500,000	14,500,000	14,500,000	10,873,550	10,873,550

18.2 Details of investments in joint ventures resident in Thailand as at 31 December 2015 and 2014 are as follows: (Cont'd)

No.	Companies name	Business	Country of incorporation	% of ownership interest		Registered capital		Paid-up share capital (total)		Consolidated and Company	
				2015	2014	2015	2014	2015	2014	2015	2014
				%	%	Baht	Baht	Baht	Baht	Baht	Baht
7	WHA Gunkul Green Solar Roof 8 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	100,000	100,000	100,000	100,000	74,990	74,990
8	WHA Gunkul Green Solar Roof 9 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	100,000	100,000	100,000	100,000	74,990	74,990
9	WHA Gunkul Green Solar Roof 10 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	15,500,000	15,500,000	3,875,000	3,875,000	2,905,863	2,905,863
10	WHA Gunkul Green Solar Roof 16 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	100,000	100,000	100,000	100,000	74,990	74,990
11	WHA Gunkul Green Solar Roof 17 Co., Ltd.	producing and distributing electricity by solar photovoltaic rooftop	Thailand	74.99	74.99	16,000,000	16,000,000	16,000,000	16,000,000	11,998,400	11,998,400
12	WHA KPN Alliance Co., Ltd.	operating a premium warehouse and distribution centre project	Thailand	64.97	64.97	768,000,000	768,000,000	383,750,000	383,750,000	499,000,000	249,337,575
Total										545,062,608	295,400,183

There are no contingent liabilities relating to the Group's interests in the joint ventures.

18 Investments in joint ventures (Cont'd)

18.2 Details of investments in joint ventures resident in Thailand as at 31 December 2015 and 2014 are as follows: (Cont'd)

As of 31 December 2015 and 2014, the Group has pledged share certificates of WHA Gunkul Green Solae Roof, a joint venture, as a secure for borrowings. The details are as follows:

- 1) 862,384 Ordinary shares of WHA Gunkul Green Solar Roof 1 Company Limited
- 2) 1,087,354 Ordinary shares of WHA Gunkul Green Solar Roof 3 Company Limited
- 3) 1,087,354 Ordinary shares of WHA Gunkul Green Solar Roof 6 Company Limited
- 4) 1,199,839 Ordinary shares of WHA Gunkul Green Solar Roof 17 Company Limited

The Group has a 74.99 and 64.97 interest in a joint venture, WHA Gunkul Green Solar Roof 1, 2, 3, 4, 5, 6, 8, 9, 10, 16, 17 Co., Ltd., and WHA KPN Alliance Co., Ltd. which provides products and services in the producing and distributing of electricity by solar photovoltaic rooftop and the operating of a premium warehouse and distribution center project, respectively.

Individually immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures that are accounted for using the equity method as follows:

	2015 Baht	2014 Baht
Aggregate carrying amount of individually immaterial joint ventures	800,538,202	431,207,852
Aggregate amounts of the reporting entity's share of:		
Profit/(loss) from continuing activities	(14,919,650)	(12,281,467)
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	(14,919,650)	(12,281,467)

19 Other long-term investments (net)

As at 31 December 2015 and 2014 other long-term investments (net) consisted of:

	Consolidated 2015 Baht	2014 Baht
<u>Investments in related parties</u>		
Eastern Fluid Transport Company Limited	1,500,000	-
<u>Less</u> Provision for impairment loss on investment	-	-
Other long-term investment - related party, net	1,500,000	-
<u>Others parties</u>		
Glow IPP Company Limited	309,086,277	-
Other company	1,000,000	-
Total	310,086,277	-
<u>Less</u> Provision for impairment loss on investment	(717,000)	-
Other long-term investments - other parties, net	309,369,277	-
Other long-term investments (net)	310,869,277	-

19 Other long-term investments (net)

As at 31 December 2015 and 2014 other long-term investments (net) consisted of:

	Consolidated	
	2015	2014
	Baht	Baht
<u>Investments in related parties</u>		
Eastern Fluid Transport Company Limited	1,500,000	-
<u>Less</u> Provision for impairment loss on investment	-	-
Other long-term investment - related party, net	<u>1,500,000</u>	<u>-</u>
<u>Others parties</u>		
Glow IPP Company Limited	309,086,277	-
Other company	<u>1,000,000</u>	<u>-</u>
Total	310,086,277	-
<u>Less</u> Provision for impairment loss on investment	<u>(717,000)</u>	<u>-</u>
Other long-term investments - other parties, net	<u>309,369,277</u>	<u>-</u>
Other long-term investments (net)	<u>310,869,277</u>	<u>-</u>

20 Investment properties (net)

Investment properties for the year ended 31 December 2014 have the following movement:

	Consolidated			
	Land Baht	Building, building improvement, and utilities system Baht	Construction in progress Baht	Total Baht
As at 1 January 2014				
Cost	2,781,730,610	2,326,322,676	1,150,652,360	6,258,705,646
<u>Less</u> Accumulated depreciation	-	(91,492,699)	-	(91,492,699)
Net book amount	2,781,730,610	2,234,829,977	1,150,652,360	6,167,212,947
For the year ended 31 December 2014				
Opening net book amount	2,781,730,610	2,234,829,977	1,150,652,360	6,167,212,947
Additions	1,611,648,765	1,377,772,723	2,882,490,122	5,871,911,610
Capitalised interest for investment properties	-	-	66,667,758	66,667,758
Transferred to investment properties	131,545,851	3,963,191,253	(4,094,737,104)	-
Transferred out to non-current assets held for sale (Note 14)	(660,243,856)	(3,322,092,157)	-	(3,982,336,013)
<u>Depreciation</u>	-	(164,809,387)	-	(164,809,387)
Closing net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915
As at 31 December 2014				
Cost	3,864,681,370	4,184,885,781	5,073,136	8,054,640,287
<u>Less</u> Accumulated depreciation	-	(95,993,372)	-	(95,993,372)
Net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915

20 Investment properties (net) (Cont'd)

Investment properties for the year ended 31 December 2015 have the following movement:

	Consolidated			
	Land Baht	Building, building improvement, and utilities system Baht	Construction in progress Baht	Total Baht
As at 1 January 2015				
Cost	3,864,681,370	4,184,885,781	5,073,136	8,054,640,287
<u>Less</u> Accumulated depreciation	-	(95,993,372)	-	(95,993,372)
Net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915
For the year ended 31 December 2015				
Opening net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915
Acquisition of subsidiary (Note 17.3)	2,834,081,667	6,018,548,914	1,167,892,974	10,020,523,555
Additions	310,223,543	1,314,736	2,779,911,017	3,091,449,296
Capitalised interest for investment properties	-	-	18,859,022	18,859,022
Transfer from cost of development	74,116,951	300,068,903	-	374,185,854
Transferred to investment properties	33,502,718	1,871,391,458	(1,904,894,176)	-
Transferred out to non-current assets held for sale (Note 14)	(2,215,170,467)	(4,337,582,328)	(7,702,109)	(6,560,454,904)
Transferred from non-current assets held for sale (Note 14)	-	10,708,736	-	10,708,736
Depreciation	-	(275,356,054)	-	(275,356,054)
Closing net book amount	4,901,435,782	7,677,986,774	2,059,139,864	14,638,562,420
As at 31 December 2015				
Cost	4,901,435,782	8,526,492,168	2,059,139,864	15,487,067,814
<u>Less</u> Accumulated depreciation	-	(848,505,394)	-	(848,505,394)
Net book amount	4,901,435,782	7,677,986,774	2,059,139,864	14,638,562,420

20 Investment properties (net) (Cont'd)

Investment properties for the year ended 31 December 2014 have the following movement:

	Company			
	Land Baht	Building, building improvement, and utilities system Baht	Construction in progress Baht	Total Baht
As at 1 January 2014				
Cost	2,781,730,610	2,326,322,676	1,150,652,360	6,258,705,646
Less Accumulated depreciation	-	(91,492,699)	-	(91,492,699)
Net book amount	2,781,730,610	2,234,829,977	1,150,652,360	6,167,212,947
For the year ended 31 December 2014				
Opening net book amount	2,781,730,610	2,234,829,977	1,150,652,360	6,167,212,947
Additions	1,611,648,765	1,377,772,723	2,882,490,122	5,871,911,610
Capitalised interest for investment properties	-	-	66,667,758	66,667,758
Transferred to investment properties	131,545,851	3,963,191,253	(4,094,737,104)	-
Transferred out to non-current assets held for sale (Note 14)	(660,243,856)	(3,322,092,157)	-	(3,982,336,013)
Depreciation	-	(164,809,387)	-	(164,809,387)
Closing net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915
As at 31 December 2014				
Cost	3,864,681,370	4,184,885,781	5,073,136	8,054,640,287
Less Accumulated depreciation	-	(95,993,372)	-	(95,993,372)
Net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915

20 Investment properties (net) (Cont'd)

Investment properties for the year ended 31 December 2015 have the following movement:

	Company			
	Land Baht	Building, building improvement, and utilities system Baht	Construction in progress Baht	Total Baht
As at 1 January 2015				
Cost	3,864,681,370	4,184,885,781	5,073,136	8,054,640,287
<u>Less</u> Accumulated depreciation	-	(95,993,372)	-	(95,993,372)
Net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915
For the year ended 31 December 2015				
Opening net book amount	3,864,681,370	4,088,892,409	5,073,136	7,958,646,915
Additions	110,551,077	62,458	2,315,967,278	2,426,580,813
Capitalised interest for investment properties	-	-	18,859,022	18,859,022
Transferred to investment properties	-	1,596,573,969	(1,596,573,969)	-
Transferred from non-current assets held for sale (Note 14)	-	10,708,736	-	10,708,736
<u>Depreciation</u>	-	(215,340,236)	-	(215,340,236)
Closing net book amount	3,975,232,447	5,480,897,336	743,325,467	10,199,455,250
As at 31 December 2015				
Cost	3,975,232,447	5,793,175,670	743,325,467	10,511,733,584
<u>Less</u> Accumulated depreciation	-	(312,278,334)	-	(312,278,334)
Net book amount	3,975,232,447	5,480,897,336	743,325,467	10,199,455,250

20 Investment properties (net) (Cont'd)

The Group mortgaged land, building, and warehouse as securities for facilities of a short-term borrowing and a long-term borrowing (Note 26).

Fair values of the Group's investment properties as at 31 December 2015 and 2014 were assessed by independent professionally qualified valuers, who hold a recognised relevant professional qualification and have recent experience in the locations and type of the investment properties assessed, using cost method and income method. Land and construction in progress were not valued since these assets have been under construction.

The fair value of investment properties are based on Income method using discounted cash flows expected to be generated in the future to their present value and Market method to compare fair values of land. The fair values are within level 3 of the fair value hierarchy and the fair value of investment properties 2 projects based on assets selling price to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust. The fair values are within level 3 of the fair value hierarchy.

As at 31 December 2015, fair values of investment properties in the consolidated and company financial statements assessed is Baht 10,507 million and Baht 5,600 million respectively (with net book value of Baht 8,721 million and Baht 4,923 million, respectively). The assets that were not assessed, which comprised land, building, and construction in progress for projects under construction, included in the consolidated and company financial statements, amounting to Baht 5,855 million and 5,276 million respectively. Management assessed that the fair values of those assets approximated their net book value.

As at 31 December 2014, fair values of investment properties in the consolidated and company financial statements assessed is Baht 3,551 million (with net book value of Baht 3,259 million). The assets that were not assessed, which comprised land, building, and construction in progress for projects under construction, included in the consolidated and company financial statements, amounting to Baht 4,700 million. Management assessed that the fair values of those assets approximated their net book value.

Amounts recognised in profit and loss that are related to investment properties are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Rental income and service income	961,825,834	285,895,622	433,094,689	285,895,622
Direct operating expense arise from investment property that generated rental income for the period	391,380,189	119,653,045	322,989,269	119,653,045
Direct operating expense arise from investment property that did not generated rental income for the period	4,395,125	-	-	-

21 Leasehold rights (net)

Leasehold rights for the year ended 31 December 2015 and 2014 have the following movement:

	Consolidated Baht	Company Baht
As at 1 January 2014		
Cost	65,943,606	65,943,606
<u>Less</u> Accumulated amortisation	<u>(1,990,564)</u>	<u>(1,990,564)</u>
Net book amount	<u>63,953,042</u>	<u>63,953,042</u>
For the year ended 31 December 2014		
Opening net book amount	63,953,042	63,953,042
Amortisation	(2,184,418)	(2,184,418)
Transferred out to non-current assets held for sale (Note 14)	<u>(8,861,281)</u>	<u>(8,861,281)</u>
Closing net book amount	<u>52,907,343</u>	<u>52,907,343</u>
As at 31 December 2014		
Cost	56,243,363	56,243,363
<u>Less</u> Accumulated amortisation	<u>(3,336,020)</u>	<u>(3,336,020)</u>
Net book amount	<u>52,907,343</u>	<u>52,907,343</u>
	Consolidated Baht	Company Baht
As at 1 January 2015		
Cost	56,243,363	56,243,363
<u>Less</u> Accumulated amortisation	<u>(3,336,020)</u>	<u>(3,336,020)</u>
Net book amount	<u>52,907,343</u>	<u>52,907,343</u>
For the year ended 31 December 2015		
Opening net book amount	52,907,343	52,907,343
Amortisation	<u>(1,872,904)</u>	<u>(1,872,904)</u>
Closing net book amount	<u>51,034,439</u>	<u>51,034,439</u>
As at 31 December 2015		
Cost	56,243,363	56,243,363
<u>Less</u> Accumulated amortisation	<u>(5,208,924)</u>	<u>(5,208,924)</u>
Net book amount	<u>51,034,439</u>	<u>51,034,439</u>

22 Property, plant and equipment (net)

Property, plant and equipment for the year ended 31 December 2014 have the following movement:

	Consolidated			
	Land Baht	Building improvement Infrastructure and equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2014				
Cost	-	54,937,978	-	54,937,978
<u>Less</u> Accumulated depreciation	-	(11,496,082)	-	(11,496,082)
Net book amount	-	43,441,896	-	43,441,896
For the year ended 31 December 2014				
Opening net book amount	-	43,441,896	-	43,441,896
Additions	-	35,816,626	-	35,816,626
Disposal - cost	-	(975,199)	-	(975,199)
- accumulated depreciation	-	519,194	-	519,194
Transferred out to non-current assets held for sale (Note 14)	-	(125,329)	-	(125,329)
<u>Depreciation</u>	-	(11,836,493)	-	(11,836,493)
Closing net book amount	-	66,840,695	-	66,840,695
As at 31 December 2014				
Cost	-	89,642,783	-	89,642,783
<u>Less</u> Accumulated depreciation	-	(22,802,088)	-	(22,802,088)
Net book amount	-	66,840,695	-	66,840,695

22 Property, plant and equipment (net) (Cont'd)

Property, plant and equipment for the year ended 31 December 2015 have the following movement:

	Consolidated			
	Land Baht	Building improvement Infrastructure and equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2015				
Cost	-	89,642,783	-	89,642,783
Less Accumulated depreciation	-	(22,802,088)	-	(22,802,088)
Net book amount	-	66,840,695	-	66,840,695
For the year ended 31 December 2015				
Opening net book amount	-	66,840,695	-	66,840,695
Acquisition of subsidiary (Note 17.3)	2,198,289	3,550,553,913	202,209,624	3,754,961,826
Additions	-	125,508,489	201,698,050	327,206,539
Disposal - cost	-	(152,880,889)	-	(152,880,889)
- accumulated depreciation	-	75,539,999	-	75,539,999
Transfers	-	283,886,607	(283,886,607)	-
Transferred out to non-current assets held for sale (Note 14)	-	(2,894)	-	(2,894)
Depreciation	-	(229,530,034)	-	(229,530,034)
Closing net book amount	2,198,289	3,719,915,886	120,021,067	3,842,135,242
As at 31 December 2015				
Cost	2,198,289	3,896,708,009	120,021,067	4,018,927,365
Less Accumulated depreciation	-	(176,792,123)	-	(176,792,123)
Net book amount	2,198,289	3,719,915,886	120,021,067	3,842,135,242

22 **Property, plant and equipment (net)** (Cont'd)

Property, plant and equipment for the year ended 31 December 2014 have the following movement:

	Company			
	Land Baht	Building improvement Infrastructure and equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2014				
Cost	-	54,810,321	-	54,810,321
<u>Less Accumulated depreciation</u>	-	(11,368,437)	-	(11,368,437)
Net book amount	-	43,441,884	-	43,441,884
For the year ended 31 December 2014				
Opening net book amount	-	43,441,884	-	43,441,884
Additions	-	35,350,816	-	35,350,816
Disposal- cost	-	(975,199)	-	(975,199)
- accumulated depreciation	-	519,194	-	519,194
Transferred out to non-current assets held for sale (Note 14)	-	(125,329)	-	(125,329)
<u>Depreciation</u>	-	(11,781,531)	-	(11,781,531)
Closing net book amount	-	66,429,835	-	66,429,835
As at 31 December 2014				
Cost	-	89,049,316	-	89,049,316
<u>Less Accumulated depreciation</u>	-	(22,619,481)	-	(22,619,481)
Net book amount	-	66,429,835	-	66,429,835

22 Property, plant and equipment (net) (Cont'd)

Property, plant and equipment for the year ended 31 December 2015 have the following movement:

	Company			
	Land Baht	Building improvement Infrastructure and equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2015				
Cost	-	89,049,316	-	89,049,316
Less Accumulated depreciation	-	(22,619,481)	-	(22,619,481)
Net book amount	-	66,429,835	-	66,429,835
For the year ended 31 December 2015				
Opening net book amount	-	66,429,835	-	66,429,835
Additions	-	3,639,589	-	3,639,589
Disposal- cost	-	(8,328)	-	(8,328)
- accumulated depreciation	-	383	-	383
Transferred out to non-current assets held for sale (Note 14)	-	(2,894)	-	(2,894)
Depreciation	-	(15,949,584)	-	(15,949,584)
Closing net book amount	-	54,109,001	-	54,109,001
As at 31 December 2015				
Cost	-	92,677,683	-	92,677,683
Less Accumulated depreciation	-	(38,568,682)	-	(38,568,682)
Net book amount	-	54,109,001	-	54,109,001

22 Property, plant and equipment (net) (Cont'd)

Subsidiary - Hemaraj Land and Development Public Company Limited.

Property, plant and equipment was sold along with other non-core assets during the year ended 31 December 2015 with the book value of Baht 68 million. The Group has recognised the effect in statement of comprehensive income (Note 14).

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise vehicle:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Cost - capitalised finance leases	53,992,106	15,498,086	5,713,249	15,498,086
<u>Less</u> Accumulated depreciation	<u>(27,275,011)</u>	<u>(5,906,243)</u>	<u>(2,858,190)</u>	<u>(5,906,243)</u>
Net book amount	<u>26,717,095</u>	<u>9,591,843</u>	<u>2,855,059</u>	<u>9,591,843</u>

23 Intangible assets and goodwills

23.1 Intangible assets for the year ended 31 December 2015 have following movement:

	Consolidated	
	2015	2014
	Baht	Baht
Beginning balance	-	-
Acquisition of subsidiary (Note 17.3)	5,199,791,195	-
Amortisation	(248,746,523)	-
Reclassify to investment in subsidiary	(766,201,666)	-
Ending balance	<u>4,184,843,006</u>	<u>-</u>

As at 31 December 2015, the Company has intangible assets from business combination which comprises of order backlog, exclusive rights and right to investment in power plant (Note 17.3).

23.2 Goodwills for the year ended 31 December 2015 have the following movement:

	Consolidated	
	2015	2014
	Baht	Baht
Beginning balance	-	-
Acquisition of subsidiary (Note 17.3)	17,335,594,692	-
Ending balance	<u>17,335,594,692</u>	<u>-</u>

Goodwills incurred from business acquisition of Baht 17,335,594,692 as discussed in Note 17.4.

24 Deferred income tax assets (liabilities)

Deferred income tax assets (liabilities) as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Deferred tax assets:				
Deferred tax asset to be utilised within 12 months	23,318,275	2,847,118	7,107,654	2,847,118
Deferred tax asset to be utilised after more than 12 months	192,062,770	12,348,741	66,056,484	12,435,257
Total deferred tax assets	215,381,045	15,195,859	73,164,138	15,282,375
Deferred tax liabilities:				
Deferred tax liabilities to be utilised within 12 months	(258,318,281)	(1,351,112)	(2,032,021)	(1,351,112)
Deferred tax liabilities to be utilised after more than 12 months	(2,001,689,974)	(3,681,351)	(40,248,394)	(3,681,351)
Total deferred tax liabilities	(2,260,008,255)	(5,032,463)	(42,280,415)	(5,032,463)
Deferred income tax assets (liabilities) (net)	(2,044,627,210)	10,163,396	30,883,723	10,249,912

The movement of deferred income taxes for the years ended 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	10,163,396	9,339,527	10,249,912	9,542,177
Acquisition of subsidiary (Note 17.3)	(2,163,950,618)	-	-	-
Increase (decrease) to profit or loss (Note 41)	122,232,503	683,247	48,854,596	683,247
Increase (decrease) to the shareholders' equity	(28,435,296)	140,622	(28,220,785)	24,488
Transferred out to non-current assets held for sale (Note 14)	15,362,805	-	-	-
Ending balance	(2,044,627,210)	10,163,396	30,883,723	10,249,912

24 Deferred income tax assets (liabilities) (Cont'd)

The movement of deferred income taxes for the years ended 31 December 2015 and 2014 comprise the following: (Cont'd)

	Consolidated					31 December 2015 Baht
	1 January 2015 Baht	Business combination Baht	Increase/ (decrease) to the statement of income Baht	Increase/ (decrease) to the shareholders' equity Baht	Deconsolidation of subsidiary Baht	
Deferred income tax assets:						
Deposit from operating lease agreement (lease term more than 3 years)	1,177,471	-	1,704,760	-	-	2,882,231
Deferred expense from long-term lease agreement	1,223,887	-	424,890	-	-	1,648,777
Employee benefits obligation	1,774,379	14,040,024	1,839,678	-	(99,344)	17,554,737
Cash received from unearned income	9,341,440	-	55,711,002	-	-	65,052,442
(Gain)/loss from re-measurement of available-for-sale investment	1,678,682	-	-	(1,678,682)	-	-
Actuarial losses	-	-	-	1,096,881	-	1,096,881
Loss carry forward	-	22,900,877	57,758,221	-	-	80,659,098
Allowance for doubtful accounts	-	2,861,100	119,766	-	-	2,980,866
Allowance for impairment of assets	-	2,033,199	-	-	-	2,003,199
Allowance for impairment of investments	-	143,400	-	-	-	143,400
Provision for repair and maintenance	-	7,302,650	(7,001,729)	-	-	300,921
Provision for liabilities from guaranteed minimum rental income	-	24,182,327	(8,624,384)	-	-	15,557,943
Interest paid	-	-	9,964,089	-	-	9,964,089
	15,195,859	73,463,577	111,896,293	(581,801)	(99,344)	199,874,584

24 Deferred income tax assets (liabilities) (Cont'd)

The movement of deferred income taxes for the years ended 31 December 2015 and 2014 comprise the following: (Cont'd)

	Consolidated					
	1 January 2015 Baht	Business combination Baht	Increase/ (decrease) to the statement of income Baht	Increase/ (decrease) to the shareholders' equity Baht	Deconsolidation of subsidiary Baht	31 December 2015 Baht
Deferred income tax liabilities:						
Fair value adjustment from business combination	-	(2,088,581,590)	17,052,273	-	-	(2,071,529,317)
Gain from re-measurement of available-for-sale investment	-	(52,630)	-	(27,853,495)	-	(27,906,125)
Depreciation of non-current assets held for sale deducted for tax basis	(648,214) (2,624,950) (1,759,299)	-	(1,383,807) (7,943,771) (367,906)	-	-	(2,032,021) (10,568,721) (2,127,205)
Bond issuance fee	-	(130,155,500)	(182,905)	-	-	(130,338,405)
Timing difference in revenue recognition accounting and tax Difference in depreciation rate	-	(18,624,475)	3,162,326	-	15,462,149	-
	(5,032,463)	(2,237,414,195)	10,336,210	(27,853,495)	15,462,149	(2,244,501,794)
Deferred income tax assets (net)	10,163,396	(2,163,950,618)	122,232,503	(28,435,296)	15,362,805	(2,044,627,210)

24 Deferred income tax assets (liabilities) (Cont'd)

The movement of deferred income taxes for the years ended 31 December 2015 and 2014 comprise the following:
(Cont'd)

	Consolidated			31 December 2014 Baht
	1 January 2014 Baht	Increase/ (decrease) to the statement of income Baht	Increase/ (decrease) to the shareholders' equity Baht	
Deferred income tax assets:				
Deposit from operating lease agreement (lease term more than 3 years)	8,328,558	(7,151,087)	-	1,177,471
Deferred expense from long-term lease agreement	2,302,367	(1,078,480)	-	1,223,887
Employee benefits obligation	1,425,230	349,149	-	1,774,379
Cash received from unearned income	-	9,341,440	-	9,341,440
Loss from re-measurement of available-for-sale investment	1,538,060	-	140,622	1,678,682
	<u>13,594,215</u>	<u>1,461,022</u>	<u>140,622</u>	<u>15,195,859</u>
Deferred income tax liabilities:				
Depreciation of non-current assets held for sale deducted for tax basis	-	(648,214)	-	(648,214)
Deferred income from operating lease agreement	(3,311,361)	686,411	-	(2,624,950)
Bond issuance fee	(943,327)	(815,972)	-	(1,759,299)
	<u>(4,254,688)</u>	<u>(777,775)</u>	<u>-</u>	<u>(5,032,463)</u>
Deferred income tax assets (net)	<u>9,339,527</u>	<u>683,247</u>	<u>140,622</u>	<u>10,163,396</u>
Company				
	Company			31 December 2015 Baht
	1 January 2015 Baht	Increase/ (decrease) to the statement of income Baht	Increase/ (decrease) to the shareholders' equity Baht	
Deferred income tax assets:				
Deposit from operating lease agreement (lease term more than 3 years)	1,177,470	1,704,760	-	2,882,230
Deferred expense from long-term lease agreement	1,223,888	424,890	-	1,648,778
Employee benefits obligation	1,774,379	709,428	-	2,483,807
Cash received from unearned income	9,341,440	55,711,002	-	65,052,442
Loss from re-measurement of available-for-sale investment	1,765,198	-	(1,765,198)	-
Actuarial losses	-	-	1,096,881	1,096,881
	<u>15,282,375</u>	<u>58,550,080</u>	<u>(668,317)</u>	<u>73,164,138</u>
Deferred income tax liabilities:				
Gain loss from re-measurement of available-for-sale investment	-	-	(27,552,468)	(27,552,468)
Depreciation of non-current assets held for sale deducted for tax basis	(648,214)	(1,383,807)	-	(2,032,021)
Deferred income from operating lease agreement	(2,624,950)	(7,943,771)	-	(10,568,721)
Bond issuance fee	(1,759,299)	(367,906)	-	(2,127,205)
	<u>(5,032,463)</u>	<u>(9,695,484)</u>	<u>(27,552,468)</u>	<u>(42,280,415)</u>
Deferred income tax assets (net)	<u>10,249,912</u>	<u>48,854,596</u>	<u>(28,220,785)</u>	<u>30,883,723</u>

24 Deferred income tax assets (liabilities) (Cont'd)

The movement of deferred income taxes for the years ended 31 December 2015 and 2014 comprise the following:
(Cont'd)

	Company		
	1 January 2014 Baht	Increase/ (decrease) to the statement of income Baht	Increase/ (decrease) to the shareholders' equity Baht
31 December 2014 Baht			
Deferred income tax assets:			
Deposit from operating lease agreement (lease term more than 3 years)	8,328,557	(7,151,087)	-
Deferred expense from long-term lease agreement	2,302,368	(1,078,480)	-
Employee benefits obligation	1,425,230	349,149	-
Cash received from unearned income	-	9,341,440	-
Loss from re-measurement of available-for-sale investment	1,740,710	-	24,488
	13,796,865	1,461,022	24,488
Deferred income tax liabilities:			
Depreciation of non-current assets held for sale deducted for tax basis	-	(648,214)	-
Deferred income from operating lease agreement	(3,311,361)	686,411	-
Bond issuance fee	(943,327)	(815,972)	-
	(4,254,688)	(777,775)	-
Deferred income tax assets (net)	9,542,177	683,247	24,488

Deferred tax is expected to be recovered more than 12 months after the fiscal year ended 31 December 2015 and 2014 which have been measured using a tax rate of 20%.

25 Other non-current assets (net)

Other non-current assets as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Income tax for refundable	45,177,085	-	-	-
Deferred income from operating lease agreement	63,088,816	23,022,347	52,843,601	23,022,347
Deferred transfer fee - leasehold right (net)	11,070,443	4,111,401	11,070,443	4,111,401
Intangible assets				
- Computer software (net)	14,421,958	678,518	457,949	625,015
Deposits for purchase of land	3,014,892	7,659,000	3,014,892	7,659,000
Advance payment for leasehold rights	42,767,383	-	-	-
Leasehold land and land held for commercial purpose	47,841,960	-	-	-
Others	11,873,274	8,107,217	4,146,002	8,107,217
Total	239,255,811	43,578,483	71,532,887	43,524,980

26 Borrowings

Borrowings as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current				
Short-term borrowings from financial institutions	1,693,186,570	250,000,000	1,693,186,570	250,000,000
Current portion of long-term borrowings from financial institutions	11,819,994,220	391,218,800	1,010,775,300	391,218,800
<u>Less</u> Front end fee	<u>(105,908,582)</u>	<u>-</u>	<u>(21,555,661)</u>	<u>-</u>
Total	<u>11,714,085,638</u>	<u>391,218,800</u>	<u>989,219,639</u>	<u>391,218,800</u>
Total current borrowings	<u>13,407,272,208</u>	<u>641,218,800</u>	<u>2,682,406,209</u>	<u>641,218,800</u>
Liabilities related directly to non-current assets held for sale				
Current portion of long-term borrowings (Note 14)	-	1,491,200,000	-	1,491,200,000
Non-current				
Long-term borrowings from financial institutions (net)	9,279,001,023	1,175,712,200	1,490,212,200	1,175,712,200
<u>Less</u> Front end fee	<u>(51,069,399)</u>	<u>-</u>	<u>(19,931,085)</u>	<u>-</u>
Total non-current borrowings	<u>9,227,931,624</u>	<u>1,175,712,200</u>	<u>1,470,281,115</u>	<u>1,175,712,200</u>
Total	<u>22,635,203,832</u>	<u>3,308,131,000</u>	<u>4,152,687,324</u>	<u>3,308,131,000</u>

Parent company

As at 31 December 2015, the Company had unsecured short-term borrowing from a financial institution in form of a non-interest-bearing bill of exchange of Baht 1,693,186,570 with maturity in 86 - 193 days from the start date of the agreement. The face value was Baht 1,700,000,000 and the discount on face value, which was deducted as cash, was Baht 6,813,430. The discount on the bill of exchange will be amortised from the receipt date of the debt-securities until maturity. The bill of exchange will mature within June 2016.

As at 31 December 2014, the Company has secured borrowings from a financial institution in Thailand in a total amount of Baht 250,000,000. The borrowings from financial institutions have maturity within 1 year as from the date of the execution of the agreement with interest rate MLR - 2.00% per annum and repayment for principal and interest within specified period in agreement. This borrowing is secured by mortgaging the Company's land (Note 20). As at 31 December 2015, the Company had made repayment for the principle amount.

As at 31 December 2015, the Company has unsecured borrowings from a financial institution in Thailand in a total amount of Baht 669,556,500 (31 December 2014: Baht 657,000,000). The borrowings from financial institutions have maturity within 10 years as from the date of the execution of the agreement with interest rate MLR - 1.75% per annum and repayment for principal and interest within specified period in agreement.

26 Borrowings (Cont'd)

Parent company (Cont'd)

As at 31 December 2015, the Group has secured borrowings from many financial institutions in Thailand in a total amount of Baht 19,264,466,842 (31 December 2014 : Baht 2,401,131,000). The borrowings from financial institutions have maturity within 2 years to 12 years as from the date of the execution of the agreement with interest rate between MLR - 2.375% per annum and MLR - 1.00% per annum (31 December 2014: between MLR - 2.375% per annum and MLR - 1.50% per annum) and repayment for principal and interest within specified period in agreement. The borrowings are secured over the following:

- secured by mortgage of non-current assets held for sale (Note 14).
- secured by mortgage of the Company's land, building and warehouse (Note 20).
- transferred collection rights of rental warehouse agreement under long-term lease agreement to liabilities under borrowing from financial institution.
- secured by mortgage of the subsidiary's shares (Note 17.3).
- secured by mortgage of the Company and the subsidiary's saving accounts. (Note 9).

Under the loan agreements, the Group is required to maintain the specified financial ratio, the proportion of management shareholding and meet other requirements.

Subsidiary - Hemaraj Land and Development Public Company Limited

As at 31 December 2015, the Group has long-term borrowings in Baht currency from local financial institutions, the outstanding amounting to Baht 1,008 million. The long-term borrowings will be matured within 3 to 8 years after the agreement commencement date, with the interest rate at MLR - 2.125 to MLR per annum as stated in each contract.

The movement in the borrowings can be analysed as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	3,308,131,000	2,497,605,747	3,308,131,000	2,497,605,747
Acquisition of subsidiary (Note 17.3)	1,457,730,822	-	-	-
Proceeds from - short-term borrowings	2,751,820,000	4,299,143,042	2,751,820,000	4,299,143,042
- long-term borrowings	32,229,469,563	1,556,213,510	11,390,556,500	1,556,213,510
Prepaid interest expense	(26,185,006)	(19,244,748)	(26,185,006)	(19,244,748)
Amortisation of discount	19,371,576	20,556,491	19,371,576	20,556,491
Front end fee	(275,218,217)	-	(94,052,617)	-
Amortisation of front and fee	118,240,236	-	52,565,871	-
Payments on - short-term borrowings	(1,301,820,000)	(4,249,143,042)	(1,301,820,000)	(4,249,143,042)
- long-term borrowings	(15,646,336,142)	(797,000,000)	(11,947,700,000)	(797,000,000)
Ending balance	<u>22,635,203,832</u>	<u>3,308,131,000</u>	<u>4,152,687,324</u>	<u>3,308,131,000</u>

The Group's interest rate risks from borrowings are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Borrowings:				
- at fixed rates	1,743,186,570	-	1,693,186,570	-
- at floating rates	<u>20,892,017,262</u>	<u>3,308,131,000</u>	<u>2,459,500,754</u>	<u>3,308,131,000</u>
Total borrowings	<u>22,635,203,832</u>	<u>3,308,131,000</u>	<u>4,152,687,324</u>	<u>3,308,131,000</u>

26 Borrowings (Cont'd)

The exposure of the Group and the Company's borrowings to interest rate changes and the contractual re-pricing dates at the statement of financial position dates are as follows:

	Consolidated				
	6 months or less	6 - 12 months	1 - 5 years	Over	Total
	Baht	Baht	Baht	5 years Baht	
Total borrowings as at 31 December 2015	302,344,420	11,252,788,817	8,377,194,071	959,689,954	20,892,017,262
Total borrowings as at 31 December 2014	72,500,000	2,059,918,800	660,000,000	515,712,200	3,308,131,000

	Company				
	6 months or less	6 - 12 months	1 - 5 years	Over	Total
	Baht	Baht	Baht	5 years Baht	
Total borrowings as at 31 December 2015	343,671,211	645,548,428	1,132,378,310	337,902,805	2,459,500,754
Total borrowings as at 31 December 2014	72,500,000	2,059,918,800	660,000,000	515,712,200	3,308,131,000

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
- Borrowings from financial institutions	4.45 - 6.98	4.59 - 5.64	4.53 - 6.98	4.59 - 5.64

The carrying amounts of certain long-term borrowings are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term borrowings from financial institutions	2,502,405,490	250,000,000	1,693,186,570	250,000,000
Long-term bank borrowings	20,132,798,342	3,058,131,000	2,459,500,754	3,058,131,000
Total	<u>22,635,203,832</u>	<u>3,308,131,000</u>	<u>4,152,687,324</u>	<u>3,308,131,000</u>

Maturity of borrowings from financial institutions:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Within 1 year	13,404,228,390	2,132,418,800	2,703,961,870	2,132,418,800
Between 2 years and 5 years	8,425,758,166	660,000,000	1,151,000,000	660,000,000
Over 5 years	962,195,257	515,712,200	339,212,200	515,712,200
<u>Less</u> Front end fee	<u>(156,977,981)</u>	<u>-</u>	<u>(41,486,746)</u>	<u>-</u>
	<u>22,635,203,832</u>	<u>3,308,131,000</u>	<u>4,152,687,324</u>	<u>3,308,131,000</u>

26 Borrowings (Cont'd)

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated		Company	
	2015		2015	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Borrowings from financial institutions	21,098,995,243	20,959,411,549	2,459,500,754	2,492,423,084
	<u>21,098,995,243</u>	<u>20,959,411,549</u>	<u>2,459,500,754</u>	<u>2,492,423,084</u>

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the company at the statement of financial position date. The carrying amounts of short-term borrowings and bank overdrafts approximate their fair values.

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.45% - 6.98% (Year 2014: 4.59% – 5.64%) and are within level 3 of the fair value hierarchy.

Borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Floating rate - Expiring within 1 year	3,658,818,237	1,283,087,800	50,731,300	1,283,087,800
	<u>3,658,818,237</u>	<u>1,283,087,800</u>	<u>50,731,300</u>	<u>1,283,087,800</u>

The facilities expiring within one year are annual facilities subject to review at various dates during years.

27 Trade and other payables

Trade and other payables as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts payable	1,172,301,967	231,130,636	417,162,915	230,512,641
Retention under construction	102,489,091	122,740,729	97,974,112	122,740,729
Accrued interest expenses	660,699,010	82,645,638	246,206,431	111,268,028
Accrued expenses	86,591,739	22,618,767	17,801,921	21,359,189
Other accounts payable - advisory fee	-	124,174,226	-	124,174,226
- others	19,552,955	12,386,700	14,431,964	12,249,782
- related parties	11,713,302	-	4,708	-
Accrued cost of real estate development	1,253,667,437	-	-	-
Dividend payable	16,552,540	-	-	-
Others	57,497,369	1,743,782	3,901,396	1,743,461
Total trade and other payables	<u>3,381,065,410</u>	<u>597,440,478</u>	<u>797,483,447</u>	<u>624,048,056</u>

28 Debentures (net)

Debentures and prepaid underwriting fee for debentures of the years ended 31 December 2015 and 2014 have the following movement:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	7,190,770,138	2,695,283,363	7,190,770,138	2,695,283,363
Acquisition of subsidiary (Note 17.3)	16,057,871,916	-	-	-
Additions during the period/year				
- Debenture - par value	3,200,000,000	4,500,000,000	3,200,000,000	4,500,000,000
- Underwriting fee for debenture	(5,662,808)	(6,709,465)	(5,662,808)	(6,709,465)
Decreases during the year	(1,500,000,000)	-	-	-
Amortised underwriting fee for debenture	9,255,559	2,196,240	3,656,366	2,196,240
Ending balance	24,952,234,805	7,190,770,138	10,388,763,696	7,190,770,138

Debentures (net) as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Debenture - par value	25,002,659,041	7,200,000,000	10,400,000,000	7,200,000,000
Less Deferred underwriting fee for debenture	(50,424,236)	(9,229,862)	(11,236,304)	(9,229,862)
Debenture (net)	24,952,234,805	7,190,770,138	10,388,763,696	7,190,770,138
Transfer to current portion of debenture (net)	(3,174,986,778)	-	(1,629,224,736)	-
Total	21,777,248,027	7,190,770,138	8,759,538,960	7,190,770,138
Deferred underwriting fee for debenture	59,679,795	11,426,102	14,892,670	11,426,102
Less Amortised underwriting fee during the period/year	(9,225,559)	(2,196,240)	(3,656,366)	(2,196,240)
Total	50,424,236	9,229,862	11,236,304	9,229,862

At the annual shareholders' meeting for the year 2015 held on 27 April 2015, the shareholders unanimously approved the issuance and offering of debentures not exceeding Baht 7,000 million.

At the annual shareholders' meeting for the year 2013 and 2014 held on 17 April 2013 and 28 April 2014, the shareholders unanimously approved the issuance and offering of debentures not exceeding Baht 3,200 million and Baht 4,000 million, respectively.

During the year ended 31 December 2015, the Company issued and offered debentures, in named certificate, unsecured, unsubordinated, without a debenture holders' representative and without early redemption for 5 tranches amounting to Baht 400 million, Baht 2,000 million, Baht 350 million, Baht 250 million and Baht 200 million totalling Baht 3,200 million and debenture, in named certificate, unsecured, unsubordinated to investors based on the announcement made by The Securities and Exchange Commission. The proceeds from the issuance of debentures will be spent to repay the existing debts which help reduce the Company financial costs and to utilise as the Company's working capital for development of the existing and new projects and for business expansion. The debentures have a par value of Baht 1,000 per unit and interest is paid every 3 months for tranche No.1-3 and every 6 month for tranche No.4-5. The repayment of principal is due on the maturity date.

28 Debentures (net) (Cont'd)

The significant terms of debentures as at 31 December 2015 are as following:

Parent company - WHA Corporation Public Company Limited

No.	No. of units	Amount (Million Baht)	Fixed Interest rate for the entire term of debenture (% per annum)	Issue date	Term of debenture	Right of holders of debentures to redeem the debentures prior to the maturity date	Maturity date
1	1,630,000	1,630	4.24	20 September 2013	3 years from the issuing date	None	20 September 2016
2	500,000	500	4.55	20 September 2013	4 years from the issuing date	None	20 September 2017
3	570,000	570	4.84	20 September 2013	5 years from the issuing date	None	20 September 2018
4	500,000	500	4.01	27 February 2014	3 years from the issuing date	None	27 February 2017
5	700,000	700	3.75	29 May 2014	3 years from the issuing date	None	29 May 2017
6	1,110,000	1,110	4.42	29 May 2014	5 years from the issuing date	None	29 May 2019
7	435,000	435	3.85	31 July 2014	3 years from the issuing date	None	31 July 2017
8	385,000	385	4.40	31 July 2014	5 years from the issuing date	None	31 July 2019
9	600,000	600	4.70	31 July 2014	7 years from the issuing date	None	31 July 2021
10	280,000	280	5.00	31 July 2014	10 years from the issuing date	The Company may redeem the Debentures prior to the maturity date subject to the conditions	31 July 2024
11	200,000	200	3.85	13 October 2014	2 years 11 months 12 days from the issuing date	None	25 September 2017
12	290,000	290	4.00	25 November 2014	4 years from the issuing date	None	25 November 2018
13	400,000	400	3.95	23 July 2015	2 years from the issuing date	None	23 July 2017
14	2,000,000	2,000	4.15	8 September 2015	3 years from the issuing date	None	8 September 2018
15	350,000	350	3.70	11 September 2015	2 years from the issuing date	None	11 September 2017
16	250,000	250	3.70	7 October 2015	2 years 3 days from the issuing date	None	10 October 2017
17	200,000	200	3.70	12 November 2015	2 years 3 days from the issuing date	None	15 November 2017
		10,400					

The rights and obligations of the debenture issuer stipulate covenants relating to certain matters which requires the Company to maintain financial ratios, and other restrictions that would have negative material impacts on the ability to meet the debenture's obligation.

28 Debentures (net) (Cont'd)

The significant terms of debentures as at 31 December 2015 are as following: (Cont'd)

Subsidiary - Hemaraj Land and Development Public Company Limited

No.	No. of units	Amount (Million Baht)	Fixed Interest rate for the entire term of debenture (% per annum)	Issue date	Term of debenture	Maturity date
4/2553	2,300,000	2,300	Year 1 - 3: 4.90 Year 4 - 6: 6.00, and Year 7: 6.50	21 July 2010	7 years from the issuing date	21 July 2017
5/2553	638,000	638	Year 1 - 3: 4.90, Year 4 - 6: 6.00 Year 7: 6.50 and Year 8 - 9: 6.75	5 October 2010	9 years from the issuing date	5 October 2019
1/2554	1,500,000	1,500	Year 1 - 3: 5.15 Year 4: 5.50 and Year 5: 5.60	4 October 2011	5 years from the issuing date	4 October 2016
1/2555	2,000,000	2,000	5.65	12 July 2012	9 years from the issuing date	12 July 2021
1/2556	2,500,000	2,500	5.50	25 January 2013	10 years from the issuing date	25 January 2023
1/2557	2,500,000	2,500	5.75	30 April 2014	10 years from the issuing date	30 April 2024
1/2558	1,000,000	1,000	4.70	20 February 2015	7 years from the issuing date	20 February 2022
1/2558	1,500,000	1,500	5.00	20 February 2015	10 years from the issuing date	20 February 2025
Face value		13,938				
Adjustment of fair value		799				
Total		14,737				

During the year ended 31 December 2015, the Company issued and offered debentures, unsecured and unsubordinated totalling Baht 2,500 million by issuing 2,500 million units of debentures with a par value of Baht 1,000 per unit.

28 Debentures (net) (Cont'd)

The fair values are based on discounted cash flows using government bond yields with a similar term to maturity to the debentures as the statement of financial position date. The carrying amount of debentures as the consolidated and company financial statement as at 31 December 2015 was Baht 25,401,227,745 and Baht 10,645,330,630 (31 December 2014: Baht 7,409,845,054 for both the consolidated and company financial statements).

During the year ended 31 December 2015, the Subsidiary made interest-swap agreements with one commercial bank residing in Thailand. The purpose is to swap the interest rate of the debentures issued. The details are as following:

No.	Amount (Million Baht)	Term of debenture	Effective date (Issue date)	Consolidated Receivable /(Payable) from interest-swap agreements
				31 December 2015 Baht
Debenture No.1/2556	2,500	Swap fixed-rate interest at 5.50% per annum through the debenture life to the float rate 3M THBFIX as 15 October 2015 plus 4.77% in the first year, 5.50% in the second to fourth year, and 3M THBFIX (In Arrears) 2.90% in the fifth to eighth year.	25 January 2013	(4,247,846)
Debenture No.1/2557	2,500	Swap fixed-rate interest at 5.70% per annum through the debenture life to the float rate 3M THBFIX as 15 October 2015 plus 4.77% in the first year, 5.50% in the second to fourth year, and 3M THBFIX (In Arrears) 2.90% in the fifth to ninth year.	30 April 2014	(3,081,527)
Debenture No.1/2558	1,500	Swap fixed-rate interest at 5.70% per annum through the debenture life to the float rate 3M THBFIX as 15 October 2015 plus 4.77% in the first year, 5.50% in the second to fourth year, and 3M THBFIX (In Arrears) 2.90% in the fifth to tenth year.	20 February 2015	(2,402,123)
Total effects from the interest-swap agreements				(9,731,496)

29 Deposits from long-term lease agreement

The movements in the deposits from long-term lease agreement for the year ended 31 December 2015 and 2014 can be analysed as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	122,171,657	151,284,564	122,171,657	151,284,564
Acquisition of subsidiary (Note 17.3)	231,393,976	-	-	-
Additions deposit during the year	158,863,453	152,992,240	87,263,288	152,992,240
Refunds deposit during the year	(45,210,399)	(76,561,322)	(28,372,722)	(76,561,322)
Transferred out to non-current assets held for sale				
- sold out during the year	(153,222,271)	(34,478,187)	(8,448,587)	(34,478,187)
- ending balance (Note 14)	(34,387,426)	(71,065,638)	(3,503,745)	(71,065,638)
Ending balance	<u>279,608,990</u>	<u>122,171,657</u>	<u>169,109,891</u>	<u>122,171,657</u>

30 Cash received from unearned income

The Company entered into agreements to guarantee the minimum rental and service income from sale of assets with no lessees that WHA Premium Growth Freehold and Leasehold Real Estate Trust will receive from the Company for a period of 1 to 25 years. The Company has calculated cash received from minimum unearned rental and service income at the present value of the discounted cash flows which it expects to pay to the trust.

Movement during the year is as follows:

	Consolidated and Company	
	2015 Baht	2014 Baht
As at 1 January	46,707,201	-
Additions during the year	2,549,141,095	48,487,126
<u>Less</u> Payment during the year	<u>(26,018,719)</u>	<u>(1,779,925)</u>
As at 31 December	<u>2,569,829,577</u>	<u>46,707,201</u>

Cash received from unearned income as at 31 December 2015 and 2014 comprise the following:

	Consolidated and Company	
	2015 Baht	2014 Baht
Cash received from unearned income		
- within 12 months	60,391,893	13,394,417
- later than 12 months	177,248,738	33,312,784
Total	<u>237,640,631</u>	<u>46,707,201</u>

On 6 November 2015, the Company has disposed and transferred the ownership of two investment properties comprising freehold ownership of land and buildings at the SJ Infinite I Business Complex and a 30-year leasehold right to land and freehold ownership of buildings at Bangna Business Complex totalling Baht 2,388,800,000 (excluding value added tax) to WHA Business Complex Freehold and Leasehold Real Estate Investment Trust (WHABT).

30 Cash received from unearned income (Cont'd)

In disposal of these 2 office buildings, the Company still has obligations to guarantee the minimum operating profit for SJ Infinite I Business Complex and for Bangna Business Complex for nine years and six years, respectively. In this respect, it is considered that the risks and rewards of ownership of the assets have not been transferred to the purchaser, and the Company has not recognised the income from sale of assets on the date of transfer of ownership. As at 31 December 2015, unrecognised income from sale of assets is amounting to Baht 2,332,188,946 and these 2 office buildings are presented under investment properties amounting to Baht 2,130,104,189 (Note 20).

31 Employee benefit

The movement of employee benefit obligations for the years ended 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
At 1 January	10,307,471	8,376,294	10,307,471	8,376,294
Acquisition of subsidiary (Note 17.3)	67,809,657	-	-	-
Transferred out to non-current assets held for sale (Note 14)	(496,722)	-	-	-
Add Current service cost	9,691,519	1,586,069	3,379,436	1,586,069
Interest expense	2,575,629	345,108	489,556	345,108
Re-measurements:				
(Gain)/loss from change in demographic assumptions	(338,321)	-	(338,321)	-
(Gain)/loss from change in financial assumptions	3,814,135	-	3,814,135	-
Experience (gain)/loss	2,008,590	-	2,008,590	-
At 31 December	<u>95,371,958</u>	<u>10,307,471</u>	<u>19,660,867</u>	<u>10,307,471</u>

During the year ended 31 December 2015, total charge of Baht 12,267,148 and Baht 3,868,992 (2014: Baht 1,931,177) was included in the Group and company administrative expense, respectively.

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Discount rates	2.76% , 4.34%	4.12%	3.10%	4.12%
Salary incremental rates	5.43% - 8.00%	6.00%	8.00%	6.00%
Turnover rates	3.00% - 19.00%	0.00% - 8.00%	7.00% - 8.00%	0.00% - 8.00%
Retirement age	55 and 60 years	60 years	60 years	60 years

31 Employee benefit (Cont'd)

Sensitivity analysis

Consolidated 2015			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 5.20% - 13.75%	Increase by 5.84% - 16.84%
Salary growth rate	1%	Increase by 7.61% - 16.14%	Decrease by 6.89% - 13.50%
Turnover rate	1%	Decrease by 5.53% - 15.06%	Increase by 0.69% - 9.30%

Company 2015			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 9.03%	Increase by 10.45%
Salary growth rate	1%	Increase by 10.08%	Decrease by 8.91%
Turnover growth rate	1%	Decrease by 10.08%	Increase by 3.69%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. As at 31 December 2015, weighted average period of obligations under the defined benefit plan is 10.42 - 15.70 years.

Expected maturity analysis of undiscounted employee benefits

Consolidated					
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2015					
Employee benefits	10,251,974	17,323,250	41,442,374	560,594,120	629,611,718
Total	10,251,974	17,323,250	41,442,374	560,594,120	629,611,718

Company					
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2015					
Employee benefits	-	-	14,793,281	259,816,937	274,610,218
Total	-	-	14,793,281	259,816,937	274,610,218

32 Provision for liabilities arising from guarantee rental income

The Group have estimated provision for liabilities arising from guarantee rental income at the present value of the cash flows which the Group expects to pay to Hemaraj Industrial Property and Leasehold Fund and WHA Business Complex Freehold and Leasehold Real Estate Investment Trust, were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Beginning balance	-	-	-	-
Acquisition of subsidiary (Note 17.3)	187,170,196	-	-	-
Increase (decrease) during the year	21,558,159	-	10,156,766	-
Utilised	(91,149,241)	-	-	-
Ending balance	117,579,114	-	10,156,766	-

The Company entered into agreements to guarantee the minimum rental income that WHA Business Complex Freehold and Leasehold Real Estate Investment Trust will receive from the Company over the period of 6 years for Project Bangna and 9 years for Project SJ Infinite I starting from the investment date by Trust. The guarantee is payable every quarter.

The Group entered into agreements to guarantee the minimum rental income that Hemaraj Industrial Property and Leasehold Fund will receive from the Group over the period of 3 years from the register transferring ownership date of Hemaraj Industrial Property and Leasehold Fund.

Provision for liabilities arising from guarantee rental income as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Provision for liabilities arising from guarantee rental income:				
- within 12 months	117,579,114	-	10,156,766	-
- later than 12 months	-	-	-	-
Total	117,579,114	-	10,156,766	-

33 Other non-current liabilities

Other non-current liabilities as at 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Retention	152,716,723	-	-	-
Accrued expenses of project	126,445,457	-	126,445,457	-
Others	70,697,645	8,621,428	9,781,148	8,621,428
Total	349,859,825	8,621,428	136,226,605	8,621,428

34 Share capital and change of par value

	Registered shares	Issued and paid-up shares	Registered capital Baht	Issued and paid-up Baht	Warrants Baht	Share premium Baht
As at 1 January 2014	917,998,474	917,992,494	917,998,474	917,992,494	-	1,548,743,732
Reducing unissued registered shares	(5,980)	-	(5,980)	-	-	-
Issue of shares during the year	45,899,625	45,899,275	45,899,625	45,899,275	-	-
As at 31 December 2014	963,892,119	963,891,769	963,892,119	963,891,769	-	1,548,743,732
Reducing unissued registered shares	(350)	-	(350)	-	-	-
Issue of shares during the quarter 1	467,341,464	350,506,097	467,341,464	350,506,097	803,407,236	7,781,331,532
As at 31 March 2015	1,431,233,233	1,314,397,866	1,431,233,233	1,314,397,866	803,407,236	9,330,075,264
Change of par value during the quarter 2	12,881,099,097	11,829,580,794	-	-	-	-
As at 30 June 2015	14,312,332,330	13,143,978,660	1,431,233,233	1,314,397,866	803,407,236	9,330,075,264
Reducing unissued registered shares	(10)	-	(1)	-	-	-
Issue of shares during the quarter 3	1,365,397,866	-	136,539,787	-	-	-
As at 30 September 2015	15,677,730,186	13,143,978,660	1,567,773,019	1,314,397,866	803,407,236	9,330,075,264
Exercised warrants WHA-W2 during the quarter 4	-	1,178,363,008	-	117,836,301	-	3,060,879,266
As at 31 December 2015	15,677,730,186	14,322,341,668	1,567,773,019	1,432,234,167	803,407,236	12,390,954,530

For the year ended 31 December 2015

At the extraordinary general meeting No. 2/2015 held on 4 September 2015, the shareholders unanimously approved.

- The Meeting resolved to approve the issuance and offering of warrants to purchase ordinary shares of the Company No. 2 (“Warrants No. 2”) to the existing shareholders in the number of 1,314,397,866 units. There is no purchase price for offering the Warrants No. 2. The allocation ratio is at 10 existing shares per one warrant unit (except for the case of adjustment of exercise right). The exercise price is Baht 2.70 (except for the case of adjustment of exercise right). Warrants No. 2 to be traded on 24 September 2015.
- A reduction in unissued registered shares of Baht 1 by reducing registered shares by 10 shares. These unissued registered shares were surplus from stock dividends declared at the annual shareholders’ meeting for the year 2014. After reducing the registered shares, the Company will maintain issued registered shares and paid-up shares of Baht 13,143,978,660. The capital reduction was registered with the Ministry of Commerce on 17 September 2015.
- The Meeting resolved to approve the increase of the Company’s registered capital from the existing registered capital of Baht 1,431,233,232 to the new registered capital of Baht 1,567,773,019 by issuing 1,365,397,866 newly-issued ordinary shares at the par value of Baht 0.10 per share to accommodate the adjustment of exercise right of the Warrants No.1 at the number of 51,000,000 shares and the issuance and offering of the Warrant No.2 at the number of 1,314,397,866 shares. The capital increase was registered with the Ministry of Commerce on 18 September 2015.

34 Share capital and change of par value (Cont'd)

At the annual general shareholders' meeting 2015 held on 24 April 2015, the shareholders unanimously approved.

- The change of the par value of the Company's registered share capital from a par value of Baht 1 per share for 1,431,233,233 shares to be Stang 10 per share for 14,312,332,330 shares, totalling Baht 1,431,233,233. The capital increase was registered with the Ministry of Commerce on 27 April 2015.
- An appropriation of net profit of Baht 7,000,000 as a legal reserve resulting in a total legal reserve of Baht 97,000,000, inclusive of the legal reserve set aside during the year 2014, which exceeds 5% of the Company's net profit for the year 2014 (Note 35).

At the extraordinary general meeting No. 1/2015 held on 5 February 2015, the shareholders unanimously approved.

- A reduction in unissued registered shares of Baht 350 by reducing registered shares by 350 shares. These unissued registered shares were surplus from stock dividends declared at the annual shareholders' meeting for the year 2014. After reducing the registered shares, the Company will maintain issued registered shares and paid-up shares of Baht 963,891,769. The capital reduction was registered with the Ministry of Commerce on 16 February 2015.
- Additional Baht 467,341,464 increase in registered share capital at a par value of Baht 1 per share for 467,341,464 shares. This increase from Baht 963,891,769 (registered share capital after reducing the unissued registered shares of Baht 350) to Baht 1,431,233,233 is:
 - to allocate 350,506,097 newly-issued ordinary shares to offer to the existing shareholders of the Company proportionate to their respective shareholding (Right Offering), at the ratio of 2.75 existing shares per 1 new share, having the offering price of Baht 25.50 per share and
 - to allocate 116,835,366 newly-issued ordinary shares to be allotted for warrant (WHA-W1) (Note 36).

The capital increase was registered with the Ministry of Commerce on 17 February 2015.

- As of December 15, 2015, The Company received money from exercised warrants to purchase ordinary shares of WHA Corporation Public Company Limited No.2 (WHA-W2) 1,178,363,008 shares totalling amount Baht 3,181,580,122. After increasing the registered shares, the Company will maintain issued registered shares and paid-up shares of Baht 1,432,234,167. The capital increasing was registered with the Ministry of Commerce on 16 December 2015.

For the year ended 31 December 2014

At the annual shareholders' meeting for the year 2014 held on 28 April 2014, the shareholders unanimously approved.

- A reduction in unissued registered shares of Baht 5,980 by reducing registered shares by 5,980 shares. These unissued registered shares were surplus from stock dividends declared at the Extraordinary General Meeting No. 1/2013. After reducing the registered shares, the Company will maintain issued registered shares and paid-up shares of Baht 917,992,494. The capital reduction was registered with the Ministry of Commerce on 29 April 2014.
- Additional Baht 45,899,625 increase in registered share capital at a par value of Baht 1 per share for 45,899,625 shares. This increase from Baht 917,992,494 (registered share capital after reducing the unissued registered shares of Baht 5,980) to Baht 963,892,119 to support the stock dividend payment to shareholders at the rate of Baht 0.05 per share. The capital increase was registered with the Ministry of Commerce on 30 April 2014.

35 Legal reserve

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	90,000,000	42,000,000	90,000,000	42,000,000
Additions during the year	7,000,000	48,000,000	7,000,000	48,000,000
Ending balance	97,000,000	90,000,000	97,000,000	90,000,000

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend. Legal reserve has to be approved by Annual General Meeting of Shareholders.

As at 31 December 2015, consolidated unappropriated retained earnings includes legal reserve of a subsidiary of Baht 1,159,974,553.

36 Warrant

- 36.1 The Extraordinary General Meeting of Shareholder No. 2/2015 held on 4 September 2015 approved to issue warrants to purchase the Company's ordinary shares by way of rights issuance.

Warrants of WHA Corporation Public Company Limited No. 2 (WHA-W2) are detailed as follows:

Number of warrants: 1,314,395,958 units

Offering price: One unit of Warrant shall be entitled to purchase one ordinary share, at the exercise price of Baht 2.70 per share, unless the exercise ratio is adjusted pursuant to the conditions concerning the rights adjustment at offering price at Baht 0.00 per warrant

Conversion ratio: 1 warrant per 1 ordinary share

Exercise price: Baht 2.70 per ordinary share

Exercise period: No more than three months from the issuance date of the Warrants. (Issuance date is on 15 September 2015 and the last exercise date is on 14 December 2015, the Warrants will be delisted from the listed securities on 15 December 2015). The Company will not extend the term of the Warrants and will not call the warrant holders to exercise their rights before the exercise date.

The Company allocated and issued 1,314,395,958 warrant units at an offering price of Baht 0.00 per warrant, totalling Baht 0.00, to the shareholders, warrants were traded in the Stock Exchange of Thailand (SET) on 24 September 2015.

As at 31 December 2015, WHA-W2 was fully exercised and expired.

36 Warrant (Cont'd)

- 36.2 The Extraordinary General Meeting of Shareholder No. 1/2015 held on 5 February 2015 approved to issue warrants to purchase the Company's ordinary shares by way of rights issuance.

Warrants of WHA Corporation Public Company Limited No. 1 (WHA-W1) are detailed as follows:

Number of warrants: 116,835,366 units

Offering price: Subscription ratio of 3 subscribed ordinary shares to 1 warrant for the existing shareholders of the company who subscribed to the existing shareholders (Rights Offering) at offering price at Baht 0.00 per warrant

Conversion ratio: 1 warrant per 1 ordinary share

Exercise price: Baht 35 per ordinary share

Exercise period: Every 6 months since the issuing date of each year until the expiration of the warrants. The first exercise date will be on 25 December 2015.

Tenor of warrant: The last exercise date will be on the date on which WHA-W1 reaches its 5-year term from the issuance date which shall therefore between 25 December 2015 and 4 March 2020.

The Company allocated and issued 116,835,366 warrant units at an offering price of Baht 0.00 per warrant, totalling Baht 0.00, to the shareholders, warrants were traded in the Stock Exchange of Thailand (SET) on 18 March 2015.

At the annual general shareholders' meeting 2015 held on 24 April 2015, the shareholders unanimously approved: the change of the par value of the Company's registered share capital from a par value of Baht 1 per share to be Stang 10 per share (Note 34). Thus, exercise price was changed from Baht 35 per ordinary share to Baht 3.5 per ordinary share and number of warrants were changed from 116,835,366 units to 1,168,353,660 units.

The Extraordinary General Meeting of Shareholder No. 2/2015 held on 4 September 2015 approved to issue warrants to purchase ordinary shares of the Company No. 2 ("WHA-W2"). Thus, exercise price was changed from Baht 3.5 per ordinary share to Baht 3.4311 per ordinary share on 8 September 2015.

On 25 December 2015, 8,667 warrants (WHA-W1) are exercised to be common stock for 88,409 shares amounting to Baht 303,340.12. The registered share capital and paid-up after exercise to be 14,322,430,077 shares. The first trading date is on 14 January 2016.

37 Other components of equity

	Consolidated Baht	Company Baht
As at 31 December 2013	(6,152,241)	(6,962,839)
Revaluation of investment in available-for-sale	(562,487)	(97,952)
As at 31 December 2014	(6,714,728)	(7,060,791)
Revaluation of investment in available-for-sale	118,128,706	117,270,664
Actuarial losses	(4,387,523)	(4,387,523)
Exchange differences on translating financial statements	(5,735,832)	-
As at 31 December 2015	<u>101,290,623</u>	<u>105,822,350</u>

38 Other income

Other income for the years ended 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Dividend income	111,698,076	98,249,153	377,794,650	98,249,153
Management income	89,974,748	52,595,605	24,673,288	19,735,787
Interest income	119,544,900	2,424,460	2,212,731	2,379,941
Gain from sale of short-term investment	27,582,813	8,911,432	17,890,085	5,892,311
Profit from sale of real estate and investment in subsidiaries (Note 14)	101,428,623	-	-	-
Gain on sale of asset	5,594,130	100,034	7,056	100,034
Others	171,319,385	7,517,279	45,527,022	7,532,217
Total	627,142,675	169,797,963	468,104,832	133,889,443

39 Finance costs

Finance costs for the years ended 31 December 2015 and 2014 comprise the following:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Bank borrowings	1,339,599,816	109,659,162	520,218,574	109,659,162
Debentures	778,506,784	181,568,941	349,489,210	181,568,941
Borrowing from subsidiaries (Note 44.4)	-	-	17,063,601	18,743,079
Bill of Exchange	19,371,576	-	19,371,576	-
Finance lease agreements	1,271,573	499,968	301,350	499,968
Amortisation of bonds issue fee	14,995,956	2,196,240	3,656,366	2,196,240
Others	130,568,239	903,365	62,889,194	899,001
Total finance costs	2,284,313,944	294,827,676	972,989,871	313,566,391

40 Expenses by nature

The following expenditure items for the years ended 31 December 2015 and 2014, classified by nature, have been charged in profit before finance costs and income tax:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Salary and employee benefit expense	520,434,947	82,169,835	120,426,289	73,020,360
Depreciation and amortisation	463,165,218	179,053,885	233,815,337	178,987,375
Rental expense for land	8,956,385	14,151,224	8,907,727	14,103,301
Consulting fee	178,342,606	138,154,830	138,738,847	137,441,145
Cost of real estate developments	2,407,080,260	-	-	-
Special business tax and land transfer fee	153,351,640	-	-	-

41 Income tax expense

Reconciliation of income tax expenses for the years ended 31 December 2015 and 2014 comprises the following:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Current income tax on taxable profit for the year	209,257,226	224,736,724	79,529,271	215,101,620
Origination and reversal of temporary differences (Note 24)	(122,232,503)	(683,247)	(48,854,596)	(683,247)
Total income tax expense	<u>87,024,723</u>	<u>224,053,477</u>	<u>30,674,675</u>	<u>214,418,373</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Profit before income tax expense	2,253,923,775	1,202,688,716	633,621,128	1,162,574,123
(Profit)/loss from promoted activities which exempt from payment of corporate income tax (100%)	(805,000,315)	7,120,529	(241,134,969)	7,120,529
Share of net (profit)/loss from investments - equity method	(1,038,018,509)	7,739,975	-	-
	410,904,951	1,217,529,220	392,486,159	1,169,694,652
Tax calculated at a tax rate of 20%	82,180,990	243,505,844	78,497,232	233,938,930
Tax effect of:				
Income not subject to tax	(213,477,196)	(19,649,831)	(72,981,859)	(19,649,831)
Expenses not deductible for tax purpose	73,918,829	1,098,403	3,023,212	1,098,377
Deductible expenses for tax purposes	(3,909,404)	(969,103)	(3,937,692)	(969,103)
Tax paid from excess of BOI privilege	26,073,782	-	26,073,782	-
Effect from tax rate difference	22,406,350	-	-	-
Under record of prior year income tax	1,543,946	-	-	-
Prior year tax losses which recognised deferred income tax in current year	(14,883,898)	-	-	-
Tax losses for which no deferred income tax asset was recognised	113,201,324	68,164	-	-
Income tax expense	<u>87,024,723</u>	<u>224,053,477</u>	<u>30,674,675</u>	<u>214,418,373</u>

42 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the period.

For the calculation of the diluted earnings per share, the net profit adjusted for weighted average number of ordinary shares are assumed for conversion of all dilutive potential ordinary shares, being warrants as detailed in Note 36.

The basic earnings (losses) per share and the diluted earnings (losses) per share for the years ended 31 December 2015 and 2014 are as follows:

	For the year ended 31 December			
	Consolidated		Company	
	2015	2014	2015	2014
Weighted average number of shares (Shares)	12,532,867,825	9,831,696,044	12,532,867,825	9,831,696,044
Effect of dilutive potential shares (Shares)	18,862,199	-	18,862,199	-
Weighted average number of shares for diluted earnings (Shares)	12,551,730,024	9,831,696,044	12,551,730,024	9,831,696,044
Net profit for the period attributable to ordinary shareholders (Baht)	1,953,730,053	978,615,239	602,946,453	948,155,751
Basic earnings per share (Baht)	0.1559	0.0995	0.0481	0.0964
Diluted earnings per share (Baht)	0.1557	0.0995	0.0480	0.0964

The weighted average number of ordinary shares outstanding for the year ended 31 December 2014 included the change of par value of the Company's shares from Bath 1 per share to be Stang 10 per share, which was approved at the annual shareholders' meeting for the year 2015 held on 24 April 2015 as registered with the Ministry of Commerce on 27 April 2015 (Note 34) to comply with the Thai Accounting Standard 33 Earnings per Share.

43 Financial instrument

A financial instrument is any contract that gave rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group has no policy to speculate or trade in off-balance sheet derivative financial instruments.

Outstanding balance of financial instruments that recorded in the statements of financial position as at 31 December 2015 and 2014 is as follows:

	Consolidated				Company			
	2015		2014		2015		2014	
	Assets Baht	Liabilities Baht	Assets Baht	Liabilities Baht	Assets Baht	Liabilities Baht	Assets Baht	Liabilities Baht
Derivative financial instruments								
Interest rate swaps	-	9,731,496	6,484,734	-	-	-	6,484,734	-

The Group entered into the interest rate swap contract in order to use it as a risk management instrument to manage on the fluctuation of future interest rate of Debenture (Note 28) by changing from fixed interest rate to floating interest rate under the interest rate swap contract. Under the interest rate swap contracts, the Group agreed to exchange the difference between fixed rate and floating rate which are calculated by reference to the agreed notional principal amounts.

43 Financial instrument (Cont'd)

Net fair values of derivative financial instruments

The net fair values of derivative financial instruments at the statement of financial position date and designated for cash flow hedges were:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Contracts with positive/(negative) fair values:				
Interest rate swaps	(169,745,865)	(25,396,993)	(19,487,300)	(25,396,993)

44 Related-parties transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

Major shareholders of The Company are WHA Holding Co., Ltd. and the Anataprayoon Family in proportion of 57.92%. The remaining 42.08% of the shares are widely held.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

	Nature of relationship
Warehouse Asia Alliance Co., Ltd.	Subsidiary
WHA Alliance Co., Ltd.	Subsidiary
WHA Real Estate Management Co., Ltd.	Subsidiary
WHA Corporation (International) Co., Ltd.	Subsidiary
WHA Corporation (Hong Kong) Co., Ltd.	Subsidiary
WHA Venture Holding Co., Ltd.	Subsidiary
Hemaraj Land and Development PCL.	Indirect subsidiary (starting from 17 March 2015)
PT WHA International Indonesia	Indirect subsidiary (starting from 30 September 2015)
S&J Holding Co., Ltd.	Related company which has common directors
WHA Infonite Holding Co., Ltd.	Subsidiary

44 Related-parties transactions (Cont'd)

Subsidiaries of Hemaraj Land and Development Public Company Limited are as follows (starting from 17 March 2015);

	Nature of relationship
Eastern Industrial Estate Company Limited	Subsidiary
Eastern Seaboard Industrial Estate (Rayong) Company Limited	Subsidiary
Hemaraj Eastern Seaboard Industrial Estate Company Limited	Subsidiary
Hemaraj Saraburi Industrial Land Company Limited	Subsidiary
Eastern Pipeline Services Company Limited	Subsidiary
Rayong 2012 Company Limited	Subsidiary
H-International (BVI) Company Limited	Subsidiary
Hemaraj International Limited	Subsidiary
H-Construction Management and Engineering Company Limited	Subsidiary
The Park Residence Company Limited	Subsidiary
SME Factory Company Limited	Subsidiary
Hemaraj Clean Water Company Limited	Subsidiary
Hemaraj Eastern Seaboard Industrial Estate 4 Company Limited	Subsidiary
Eastern Seaboard Property and Marina Services Company Limited	Subsidiary
Hemaraj Reit Management Company Limited	Subsidiary
H-International (SG) PTE. LTD.	Subsidiary
Hemaraj Rayong Industrial Land Company Limited	Subsidiary of Hemaraj Saraburi Industrial Land Company Limited
Hemaraj Water Company Limited	Subsidiary of Hemaraj Clean Water Company Limited
Hemaraj Energy Company Limited	Subsidiary of Hemaraj Clean Water Company Limited
Hemaraj Energy 2 Company Limited	Subsidiary of Hemaraj Energy 3 Company Limited
Hemaraj Energy 3 Company Limited	Subsidiary

Assets held for sale (starting from 17 March 2015 to 29 April 2015)

	Nature of relationship
H - Phoenix Property Company Limited	Subsidiary
Million Island Pattaya Company Limited	Subsidiary

Associates of Hemaraj Land and Development Public Company Limited are as follows (starting 17 March 2015):

	Nature of relationship
GHECO - One Company Limited	Associates
Houay Ho Thai Company Limited	Associates
Houay Ho Power Company Limited	Associates
Glow Hemaraj Wind Company Limited	Associates
Gulf JP NLL Company Limited	Associates
Hemaraj Industrial Property and Leasehold Fund	Associates
Gulf Solar Company Limited	Associates
Bowin Clean Energy Company Limited (Starting 28 May 2015)	Associates
Gulf VTP Company Limited	Associates
Gulf TS1 Company Limited	Associates
Gulf TS2 Company Limited	Associates
Gulf TS3 Company Limited	Associates
Gulf TS4 Company Limited	Associates

44 Related-parties transactions (Cont'd)

Associates of Hemaraj Land and Development Public Company Limited are as follows (starting 17 March 2015):

Investments in associated companies and subsidiaries are disclosed in Notes 16 and 17, respectively.

The joint invested companies as mentioned in Note 18 are related companies with common directors and jointly held shares.

The following transactions were carried out with related parties:

44.1 Revenues and expenses

During the year ended 31 December 2015 and 2014, the Company had significant business transactions with subsidiaries and related companies, which can be summarised as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Subsidiaries				
- Interest income	-	-	571,660	-
- Management fee	-	-	360,000	240,000
- Vehicle rental expense	-	-	244,800	163,200
- Income from disposal of assets	-	-	-	105,160
- Interest expense	-	-	17,063,601	18,743,079
- Service fee	-	-	565,856	-
Related-parties				
- Office rental expense	11,249,368	8,254,924	10,869,736	8,024,844
- Vehicle rental expense	-	142,845	-	142,845
Joint ventures				
- Management fee	4,107,486	4,107,486	4,107,486	4,107,486
- Roof rental revenue	325,708	697,266	325,708	697,266
- Interest income	24,810	1,739,030	24,810	1,739,030
Associates				
- Service income	26,798,545	-	-	-
- Interest income	79,692,794	-	-	-
- Management and commission income	9,376,546	-	-	-
- Guarantee minimum rental expense	11,401,393	-	-	-

44.2 Outstanding balance and purchasing of vehicles

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Subsidiaries				
- Accrued interest expense	-	-	44,629,325	28,622,390
- Other account receivable	-	-	42,516,831	-
- Advance payment	-	-	242,821	340,819
- Accounts payable for investment	-	-	221,445	373,967
- Account payable	-	-	4,708	-
- Account receivable	-	-	756	-
Related-parties				
- Purchase of vehicles	-	2,345,651	-	2,345,651
Joint ventures				
- Interest receivables	-	162,222	-	162,222

44 Related-parties transactions (Cont'd)

44.3 Loan to related parties

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	12,900,000	-	12,900,000	-
Acquisition of subsidiaries (Note 17.3)	1,432,900,000	-	-	-
Addition during the year	-	161,900,000	46,000,000	161,900,000
Deduction during the year	(12,900,000)	(149,000,000)	(58,900,000)	(149,000,000)
Ending balance	<u>1,432,900,000</u>	<u>12,900,000</u>	<u>-</u>	<u>12,900,000</u>

As at 31 December 2015, the Company received a loan repayment from the Joint ventures (As at 31 December 2014, the Company had unsecured loan to WHA KPN Alliance Co., Ltd. (joint venture) in the form of promissory note of Baht 12,900,000 with interest rate at 5.40% per annum).

44.4 Short-term borrowing from subsidiaries

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balance	-	-	998,000,000	554,000,000
Additions loans during the year	-	-	126,000,000	1,099,000,000
Loans repayment during the year	-	-	(325,500,000)	(655,000,000)
Ending balance	<u>-</u>	<u>-</u>	<u>798,500,000</u>	<u>998,000,000</u>

As at 31 December 2015, the Company had unsecured borrowing from its subsidiaries in the form of promissory note which is due at call amount of Baht 798,500,000 with interest rate at 1.85% per annum. (As at 31 December 2014, the Company had borrowing from its subsidiaries in term of promissory note of Baht 998,000,000 with interest rate at 1.85% per annum).

44.5 Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services for the years ended 31 December 2015 and 2014 is shown below:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Salaries and other short-term employee benefits	177,548,505	41,435,993	68,585,240	39,176,193
Post-employment benefits	2,811,885	1,288,232	2,755,982	1,288,232
Total	<u>180,360,390</u>	<u>42,724,225</u>	<u>71,341,222</u>	<u>40,464,425</u>

44.6 Investments

Detail of investments in associated companies, subsidiaries and investments in joint ventures are presented in Notes 16, 17 and 18 respectively.

44 Related-parties transactions (Cont'd)

44.7 Group of Hemaraj Land and Development Public Company Limited have the following sales and lease of land and building long-term agreements with Hemaraj Industrial Property and Leasehold funds ("the Fund") in which it and its related party hold investment units:

	Contract amount 31 December	
	2015 Baht	2014 Baht
a) Agreement to sales properties - Hemaraj Chonburi Industrial Estate	469,000,000	469,000,000
b) Agreement relating to the lease of land and building - Hemaraj Chonburi Industrial Estate	357,000,000	357,000,000
c) Agreement to sales properties - Eastern Seaboard Industrial Estate (Rayong)	1,991,000,000	1,991,000,000
d) Agreement relating to the lease of land and building - Eastern Seaboard Industrial Estate (Rayong)	702,000,000	702,000,000
e) Agreement to sale properties - Hemaraj Eastern Seaboard Industrial Estate	760,000,000	760,000,000
f) Agreement relating to the lease of land and building - Hemaraj Eastern Seaboard Industrial Estate	130,000,000	130,000,000
g) Agreement relating to the lease of land and building - Hemaraj Saraburi Industrial Zone	291,000,000	291,000,000
	<u>4,700,000,000</u>	<u>4,700,000,000</u>

44.8 On 24 December 2013, group of Hemaraj Land and Development Public Company Limited entered into an agreement to lease of land and building in Hemaraj Chonburi Industrial Estate, Eastern Seaboard Industrial Estate (Rayong), Hemaraj Eastern Seaboard Industrial Estate and Hemaraj Saraburi Industrial Zone to Hemaraj Industrial Property and Leasehold Fund, whereby the Company agreed to lease land, building and other related equipment to the Fund and in return received 30 years' rental for the land totaling Baht 167.53 million. The Company recorded this rental fees as "Rental income received in advance" in the statements of financial position, and it will be recognised as income over the period of the lease contract.

45 Pledged assets

Detail of pledged assets of Hemaraj group

Subsidiary - Hemaraj Land and Development Public Company Limited

- 1) Ordinary shares of GHECO - One Company Limited amounted to 406.84 million shares have been pledged with the lender secured for borrowings obtained by that company.
- 2) Ordinary shares of Glow IPP Company Limited amounted to 14.25 million shares have been pledged with the lender secured for borrowings obtained by that company.
- 3) The partial land and attachments have been mortgaged as collateral for borrowings from local commercial banks and financial institution.

Eastern Industrial Estate Company Limited

The Company's partial land has been mortgaged as collateral for borrowings from a local commercial bank.

Eastern Seaboard Industrial Estate (Rayong) Company Limited

The Company's partial land and pre-fabricated factories has been mortgaged as collateral for overdrafts and borrowings from commercial bank.

45 Pledged assets (Cont'd)

Hemaraj Eastern Seaboard Industrial Estate Company Limited

The Company's partial land and pre-fabricated factories has been mortgaged as collateral for the Company and Parent Company's borrowings from local commercial bank.

Hemaraj Rayong Industrial Land Company Limited

The Company's partial land has been mortgaged as collateral for the Parent company's borrowings from a local commercial bank.

Hemaraj Energy Company Limited

Ordinary shares of Gulf JP Company Limited amounted to 26.31 million shares have been pledged with the lender secured for borrowings obtained by that company.

46 Commitments

As at 31 December 2015 and 2014, the Group had commitments and contingent liabilities including contracts comprise the following:

- 46.1 Capital commitment at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Capital commitment				
- Land purchase agreement	9,681,050	17,871,000	7,000,000	17,871,000
- Warehouse construction agreement	1,389,196,372	1,398,990,511	940,094,831	1,398,990,511
Total capital commitment	<u>1,398,877,422</u>	<u>1,416,861,511</u>	<u>947,094,831</u>	<u>1,416,861,511</u>

- 46.2 Other commitments

- Operating lease commitments - where the Company is the lessee.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

The Company has leasehold rights for land under non-cancellable operating lease agreements. The lease terms are between 28 and 30 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The Group has leasehold rights for land under non-cancellable operating lease agreements. The lease terms are between 28 and 30 years, office buildings and vehicles the terms of contract are between 3 – 5 years and the majority of lease agreements are renewable at the end of the lease period at market rate.

46 Commitments (Cont'd)
46.2 Other commitments (Cont'd)

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	11,407,933	5,528,220	4,803,300	5,528,220
Later than 1 year but not later than 5 years	38,027,790	23,373,746	21,194,561	23,373,746
Later than 5 years	171,027,220	192,740,895	171,027,220	192,740,895
Total	220,462,943	221,642,861	197,025,081	221,642,861

46.3 Commitment of Subsidiary - Hemaraj Land and Development Public Company Limited

The Group have participated in the establishment industrial estate with the Industrial Estate Authority of Thailand (IEAT) as the joint operation agreements as follows:

- 1) Hemaraj Chonburi Industrial Estate in Phase 1 and Phase 2 according to the joint operation agreements dated 5 July and 29 December 1989, respectively. On 31 October 2001, the Company entered into the amendment to such joint operation agreements with IEAT. On 29 March 2005, the Company combined such agreement into one joint operation agreement.
- 2) Hemaraj Eastern Industrial Estate (Map Ta Phut) according to the joint operation agreement dated 27 December 1989. On 31 October 2001, the subsidiary entered into the amendment to such joint operation agreements with IEAT. On 29 March 2005, the Subsidiary combined such agreement into one joint operation agreement.
- 3) Eastern Seaboard Industrial Estate (Rayong) according to the joint operation agreement No. 1/2539 and 1/2540.
- 4) Eastern Seaboard Industrial Estate according to the joint operation agreement No. 1/2542 (TS 21)
- 5) Hemaraj Chonburi Industrial Estate II according to the joint operation agreement No. 1/2556
- 6) Hemaraj Eastern Seaboard Industrial Estate II according to the joint operation agreement No. 4/2557

The major conditions are summarised as follows:

- 1) The Company shall provide utilities systems and facilities to the entrepreneurs in the industrial estate with payment of expenses on its participation in the procedures to the IEAT.
- 2) The Company shall not transfer assets, component part and equipment as well as utilities systems and facilities to the IEAT.
- 3) The Company shall provide a fund for the maintenance and construction of utilities systems and facilities in the industrial estate (Sinking Fund).

Hemaraj Land and Development Public Company Limited

The Company acquired 5% investment in the amount of Baht 142.50 million in Glow IPP Company Limited and has to maintain the 5% investment ratio to comply with the conditions with Electricity Generating Authority of Thailand. The Company has commitment under construction utilities system, with the remaining commitment balance amounting to Baht 783.08 million.

The Company has commitment to pay for capital increase and grant loan to that company in proportion to the shareholders' participation. GHECO-One Company Limited entered into a power sale and purchase agreement (PPA) with EGAT on 10 September 2008 where GHECO-One shall supply all its electricity production to EGAT for 25 years from the Commercial Operation Date (COD) under the IPP Program. In addition, GHECO-One Company Limited had pledged the bid bond of USD 10 million to guarantee the bidding with Electricity Generating Authority of Thailand and guarantee by the Company in the portion of investment. GHECO-One has started commercial operation on 26 July 2012. The total project cost of GHECO-One Company Limited is estimated at USD 1,170 million or Baht 38,991 million which require investment from shareholders in the amount of approximately Baht 13,500 million.

46 Commitments (Cont'd)

46.3 Commitment of Subsidiary - Hemaraj Land and Development Public Company Limited (Cont'd)

The Company has commitment to invest in proportion to the shareholders' participation 35% being Baht 4,750 million. GHECO-One Company Limited is funded by local and international financial institutions of approximately of USD 460 million and Baht 9,960 million with the condition that the Company shall provide deposit or bank letter of credit to guarantee the joint venture agreement of the Company for the unpaid capital and the Company shall pledge the ordinary shares of GHECO-One Company Limited with the lender secured for this project borrowings.

The Company has commitment under construction contracts to construct ready-built factories and public utilities, with the remaining commitment balance amounting to Baht 637.01 million.

Hemaraj Clean Water Company Limited

The Company has commitment under construction contracts in utilities system, with the remaining commitment balance amounting to Baht 57.08 million.

Eastern Seaboard Industrial Estate (Rayong) Company Limited

The Company has commitment under construction contracts in utilities system, with the remaining commitment balance amounting to Baht 22.09 million.

Hemaraj Eastern Seaboard Industrial Estate Company Limited

The Company has commitment under construction contracts to construct ready-built factories and public utilities, with the remaining commitment balance amounting to Baht 21.06 million.

SME Factory Company Limited

The Company has commitment under construction contracts to construct ready-built factories and public utilities, with the remaining commitment balance amounting to Baht 1.67 million.

Hemaraj Rayong Industrial Land Company Limited

The Company has commitment under construction contracts in utilities system, with the remaining commitment balance amounting to Baht 3.04 million.

47 Contingent liabilities

Subsidiary - Hemaraj Land and Development Public Company Limited

As at 31 December 2015, contingent liabilities consisted of:

- 1) The Group have entered into land sale and purchase contracts, which the contract term requires the Group to contingently liable to repay deposits and instalments in the event that buyers are unable to obtain satisfactory approvals from the Board of Investment and/or the IEAT to set up their operations.
- 2) The Group have obligation regarding guarantee of the borrowings agreement of the Group in the total credit line of Baht 3,488 million.
- 3) The Group have obligations regarding guarantee of the hire purchase agreements of its related companies in the total credit line of Baht 56.48 million.

47 Contingent liabilities (Cont'd)

- 4) The Group have obligations regarding guarantee and under condition of the letters of guarantee issued by the banks for their performance under the joint operation agreements with the Industrial Estate Authority of Thailand, their compliance with the agreement made with the Customs House in the free tax area, the construction of utilities under land sale contract, the construction of utility and power substation, and their performance under the raw water purchase agreement and others in the total amount of Baht 715.50 million.
- 5) The Group have contingent liabilities from entering into agreements to manage properties with the Fund, whereby it agreed to repay the excess operating expenses over 4 percent of annual total operating revenue of the Fund for the period of 3 years from the register date of the Fund.
- 6) The Company has obligations regarding under condition of the letter of guarantee issues by the Company for the payment of the minimum income from annual minimum operating revenues of the subsidiaries to Hemaraj Industrial Property and Leasehold Fund.
- 7) The Company has obligations regarding guarantee under condition of the letters of guarantee issued by the Company for a related company in the total amount not exceeding of Baht 13.47 million.
- 8) The Group has obligations regarding guarantee under condition of the letters of guarantee issued by the Group according to the joint operation agreement with power group in the total amount not exceeding of Baht 2,341.49 million.

48 Benefits from the Board of Investment of Thailand (BOI)

As at 31 December 2015, the Group has received the benefits from the Board of Investment of Thailand (BOI) for activities as follows:

- Parent Company has received the benefits from the Board of Investment of Thailand (BOI) totally 4 certificates for building factories and warehouses activities.
- Subsidiaries has received the benefits from the Board of Investment of Thailand (BOI) totally 75 certificates for activities as follows;
 - Building factories and warehouses activities, 54 certificates.
 - Real estate development for industrial, 18 certificates.
 - Logistics parks, 1 certificate.
 - Public utilities and basis services Production of tap water or water supply for industry, 2 certificates.

Significant privileges consist of:

- 1) Tax exemption on the profit that the Company gains for 8 years since the first date of revenue generated. If the Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.
- 2) Tax exemption on the profit that the Company gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 7 years of useful life). If the Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.
- 3) Tax exemption on the profit that the Company gains (no more than 100% of the finance cost that is not included in land cost and working capital that have 8 years of useful life). If the Company has loss from the operation, BOI allows the Company to deduct the loss from the profit that might occur in another 5 years after BOI expiry date. In addition, the Company can also choose to deduct the loss in one year or multiple years combine.

48 Benefits from the Board of Investment of Thailand (BOI)

- 4) The Group does not need to include dividend received from a BOI-promoted entity to calculate the income tax expense during the exemption period.
- 5) Tax deduction (50% of normal rate) on net profit within 5 years after the end of the right period as mentioned in 1 above.
- 6) Two times deduction on travel, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation.
- 7) Deduction on investment cost (25% of investment cost that is not included in the normal depreciation rate).

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Rental income and service income for promoted and non-promoted activities for the years ended 31 December 2015 and 2014 can be classified as follows:

Consolidated						
	2015 (Baht)			2014 (Baht)		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Income from sales of investment properties	4,500,415,314	3,965,276,080	8,465,691,394	-	4,336,756,425	4,336,756,425
Rental and service income	870,293,197	2,101,006,297	2,971,299,494	59,320,581	498,387,536	557,708,117
Other income	21,572,287	446,532,545	468,104,832	2,352,238	131,537,205	133,889,443
	<u>5,392,280,798</u>	<u>6,512,814,922</u>	<u>11,905,095,720</u>	<u>61,672,819</u>	<u>4,966,681,166</u>	<u>5,028,353,985</u>

Company						
	2015 (Baht)			2014 (Baht)		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Income from sales of investment properties	781,229,356	3,721,178,944	4,502,408,300	-	4,336,756,425	4,336,756,425
Rental and service income	57,588,455	677,158,521	734,746,976	59,320,581	498,387,536	557,708,117
Other income	21,572,287	446,532,545	468,104,832	2,352,238	131,537,205	133,889,443
	<u>860,390,098</u>	<u>4,844,870,010</u>	<u>5,705,260,108</u>	<u>61,672,819</u>	<u>4,966,681,166</u>	<u>5,028,353,985</u>

49 Subsequent eventsEstablishment of a new joint venture

On 14 January 2016, the Company registered the establishment of a joint venture, Central WHA Alliance Co., Ltd. with the Ministry of Commerce. The subsidiary's principle business is providing rental factories, warehouses, and other properties. The Company took a 50% investment in 100,000 shares at a par value of Baht 100 per share, totalling registered shares of Baht 10,000,000.

Increase of paid-up capital

Additional Baht 8,841 increase in paid-up capital from issuing share capital 88,409 shares at a par value of Baht 0.1 per share. This increase paid-up capital from Baht 1,432,234,167 to Baht 1,432,243,008. The capital increase was registered with the Ministry of Commerce on 14 January 2016.

Acquisition share capital of Hemaraj Land and Development Public Company Limited

On 9 February 2016, WHA Venture Holding Company Limited acquires additional shares of Hemaraj Land and Development Public Company Limited for 549,684,996 shares at a proportion of 5.66%, totalling Baht 2,418,613,982. At the end of the tender offer period, the Group holds the subsidiary's shares at a proportion of 98.54%.

Increase of registered capital of WHA Venture Holding Company Limited

Additional Baht 2,418,613,900 increase in registered share capital at a par value of Baht 100 per share for 24,186,139 shares. This increase from Baht 20,000,000,000 to Baht 22,418,613,900. The capital increase is registered with the Ministry of Commerce on 11 February 2016.

Amendment of loan agreement

On 9 February 2016, the Group has amended the secured borrowing from a financial institution in Thailand to increase credit facilities amount of Baht 3,050,000,000 with interest rate MLR - 1.00% per annum and the maturity date within 12 March 2017.

Delisting the Hemaraj Land and Development Public Company Limited's securities

On 24 February 2016, Hemaraj Land and Development Public Company Limited received an approval for delisting the Company's securities from the Stock Exchange of Thailand effective from 2 March 2016.



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