



ANNUAL REPORT 2015

PACE Development Corporation
Public Company Limited

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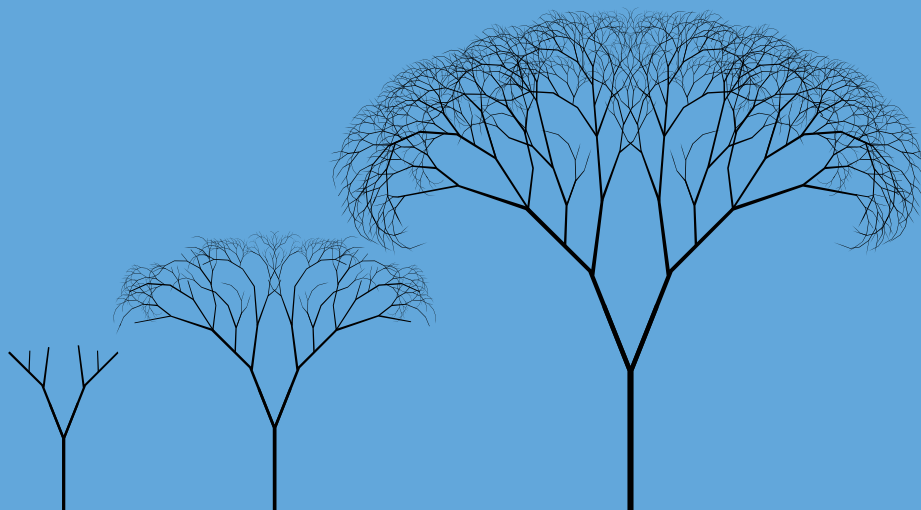
PACE Development Corporation
Public Company Limited

Strength Through Structure

The cover image is a geometrical formula, each branch of which has the same statistical characteristics as its whole. This mathematical phenomenon, when computer programmed to evolve, will always retain its shape.

The result is a pattern of sustainable and measurable growth.

As PACE Development continues to evolve, new opportunities will emerge. To identify them requires vision, to expand upon them requires structure.







AN ICONIC STATEMENT

MahaNakhon is Thailand's tallest, most distinctive, mixed-use development project. It is comprising of The Ritz-Carlton branded luxury residences; the EDITION boutique hotel operated by The Ritz-Carlton; retail and dining space at the CUBE, offering a variety of dining experiences from world-class restaurants such as *L'Atelier de Joël Robuchon*, *Vogue Lounge*, *M Krub*, and *Dean & DeLuca*.

MAHA N_AKHON

Freehold Residences, Hotel & Retail

info@pacedev.com

WWW.MAHANAKHON.COM

A GLOBAL BRAND

For over 35 years, Dean & DeLuca has served as an icon of culinary invention and dining discovery. The brand delivers gourmet foods created using the highest quality ingredients. With a team of international food experts, Dean & DeLuca continues its quest for innovation and excellence, and in consolidating its reputation as one of the world's most defining luxury brands.



DEAN & DELUCA®

The purveyor of fine foods

info@deandeluca.com

WWW.DEANDELUCA.COM

A LIFE OF LUXURY

The Ritz-Carlton Residences, Bangkok

The Ritz-Carlton, a brand with a sterling reputation among high-end hotels, is also represented through its residences and bespoke services. The Ritz-Carlton Residences, Bangkok is the ultimate in luxury living. It is inspired by world-renowned interior design house, David Collins Studio. One might consider it the crowned jewel of the MahaNakhon; specifically created for those seeking 24 hours of legendary service and unmatched privacy in the heart of Bangkok's central business district.



THE RITZ-CARLTON RESIDENCES®
BANGKOK

Freehold Residences

+66 2 234 1414

sales@rcr-bangkok.com

WWW.RCR-BANGKOK.COM



A MARK OF DISTINCTION

NIMIT LANGSUAN, an uber-luxury residential development, is designed and engineered to exacting international standards. The tower presents a state-of-the-art, never before seen glass façade that encapsulates the building in a glistening reflective skin. A greenhouse with lush gardens delivers a unique entrance experience that leads towards the architectural aesthetic of a tower designed to radiate a warm, sun-kissed, glowing aura of color.

NIMIT
LANGSUAN

Freehold Residences

+66 80 071 2000

nimitlangsuan@cbre.co.th

WWW.NIMITLUANGSUAN.COM



ENGAGING EXPERIENCES

MahaSamutr Country Club, a private members only club set around Asia's Largest Lagoon presents a safe and controlled beachside environment for year-round indoor, outdoor, land and water sport activities; supervised by professionals. The Club is a first for the town of Hua Hin and will provide a focal point for the community, with a plethora of sporting, recreational, social and entertainment components. The lagoon delivers clean and pristine waters, 365 days a year.



Private Country Club Membership

+66 32 510 314

mahasamutr@pacedev.com

WWW.MAHASAMUTR.COM



ULTIMATE PRIVACY

Overlooking crystal clear, aqua blue waters are 80 exclusive, gracefully modern and beautifully designed MahaSamutr Luxury Villas, offering each residence the privacy of a waterside panorama of MahaSamutr Lagoon. The development includes a sweeping range of urban lifestyle activities where families can come together, relax and have fun.



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KEY STRENGTHS

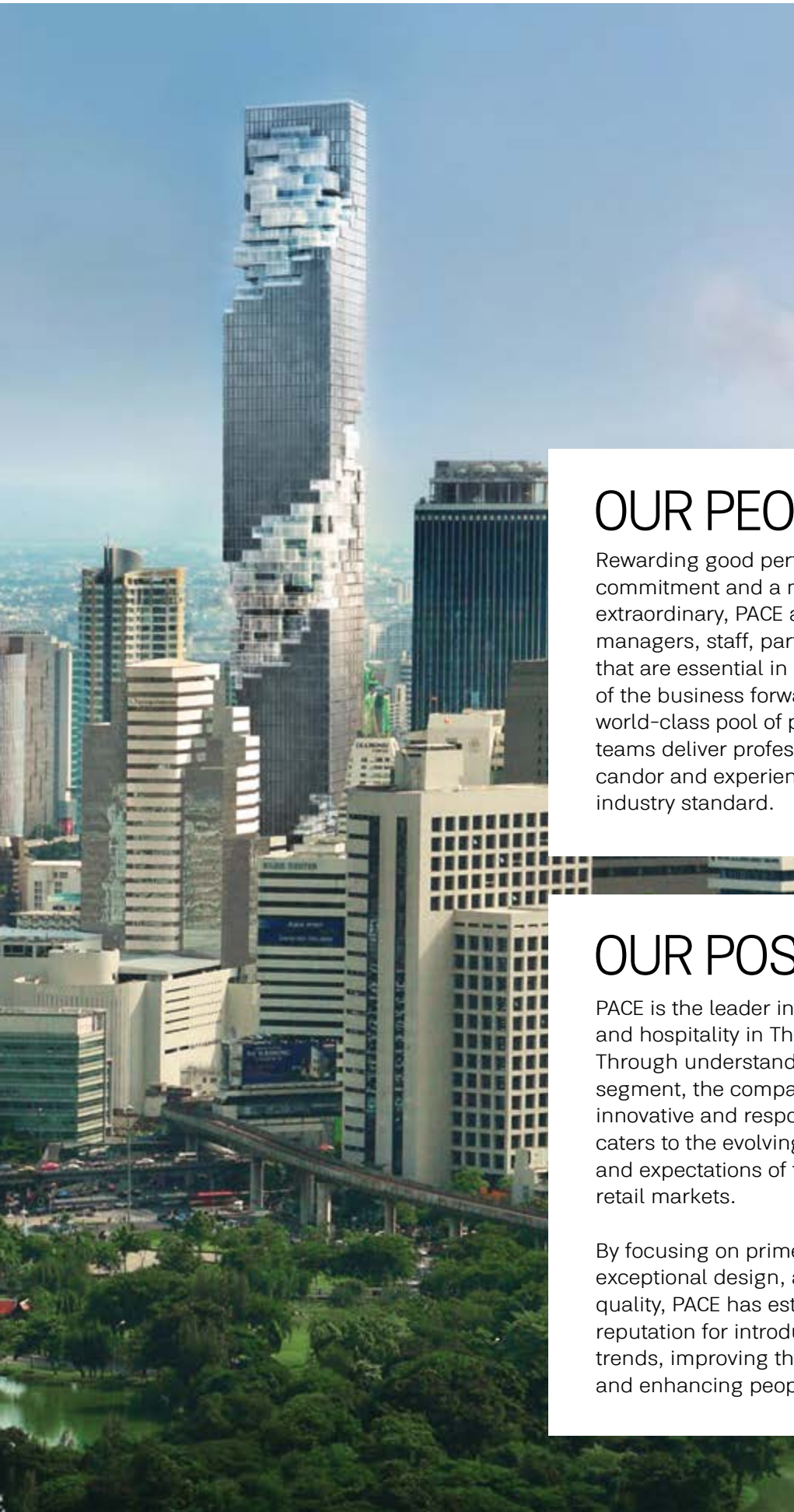
OUR DESIGN

PACE has a proven track record in delivering world-class, iconic concepts to the property development market by focusing on innovative and value added features that are created to enhance the living standards of its residents. PACE not only elevates the lifestyle experience, but leads the market in designing architectural landscapes through sustainable practices.

OUR CUSTOMERS

PACE fully understands that its customers are the company's most valuable asset. We focus on upholding our commitment to the highest standards and thus ensuring each customer is treated with the utmost of respect and integrity. PACE firmly believes in the ethos that a customer relationship is for life and delivering long-term value is an essential key to achieving such.





OUR PEOPLE

Rewarding good performance, commitment and a mindset to deliver the extraordinary, PACE attracts and retains managers, staff, partners and suppliers that are essential in driving all aspects of the business forward. Comprising a world-class pool of professionals, our PACE teams deliver professional workmanship, candor and experience that raises the industry standard.

OUR POSITION

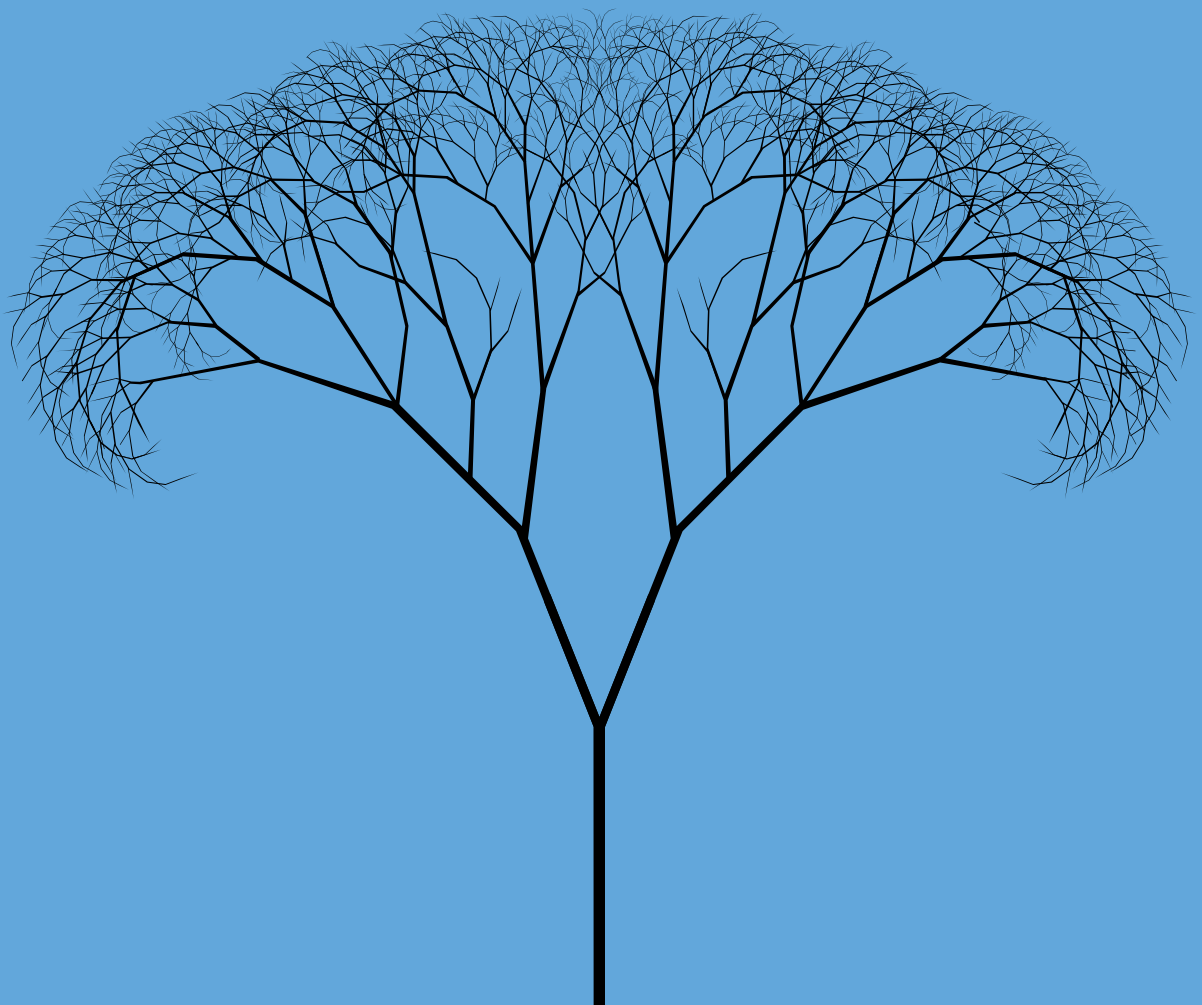
PACE is the leader in luxury property and hospitality in Thailand. Through understanding our high-end segment, the company is built upon innovative and responsive thinking that caters to the evolving needs, demands and expectations of the property and retail markets.

By focusing on prime locations, exceptional design, and the highest quality, PACE has established a global reputation for introducing new market trends, improving the local landscape and enhancing people's lives.



PACE has a single-minded vision,
to provide customers with superior
quality lifestyles.

Mr. Sorapoj Techakraisri
CHIEF EXECUTIVE OFFICER



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FINANCIAL HIGHLIGHTS 2015

Statement of Financial Position

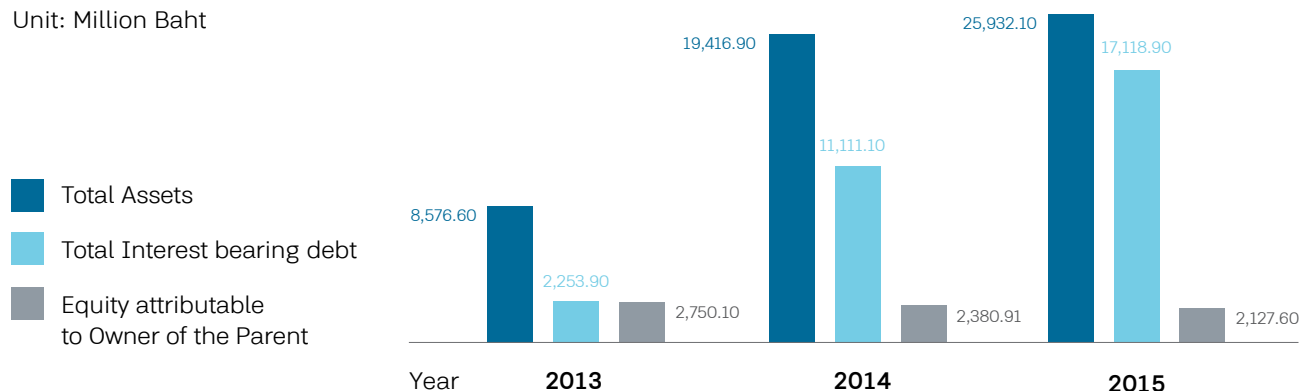
Unit: Million Baht

as of 31 December, 2013, 2014, and 2015 (3 years)

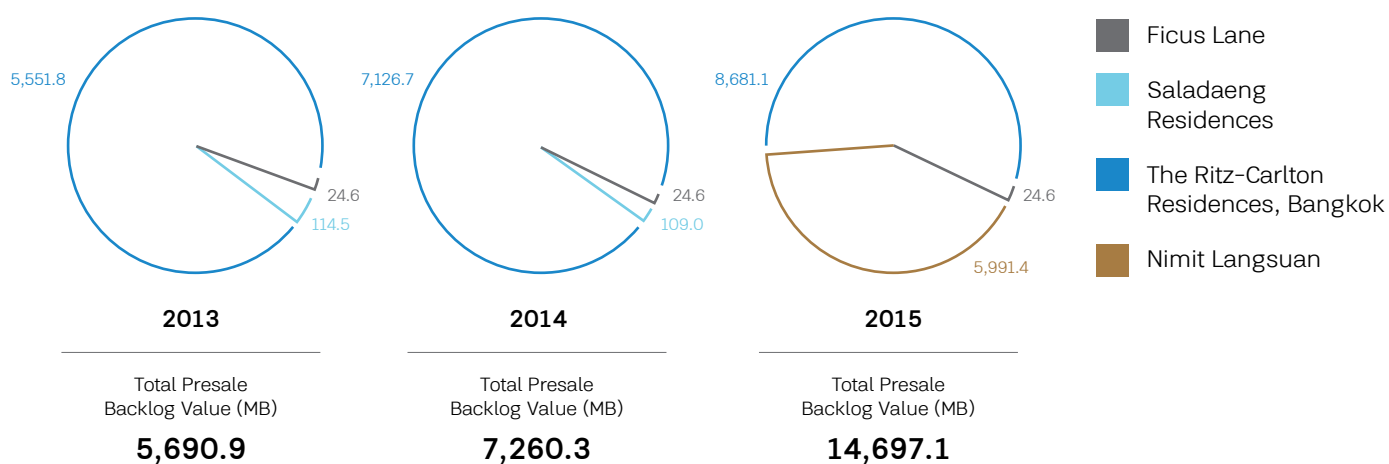
	2013	2014	2015
Assets	8,576.60	19,416.90	25,932.10
Liabilities	6,428.80	17,907.50	23,804.50
Equity attributable to owner of the parent	2,750.10	2,380.91	2,127.60
Equity attributable to former shareholders of subsidiary	-	(146.47)	-
Non-controlling interests	(602.30)	(725.04)	-
Total Shareholders' equity	2,147.70	1,509.40	2,127.60

Statement of Financial Position 3 Years

Unit: Million Baht



Sales Backlog

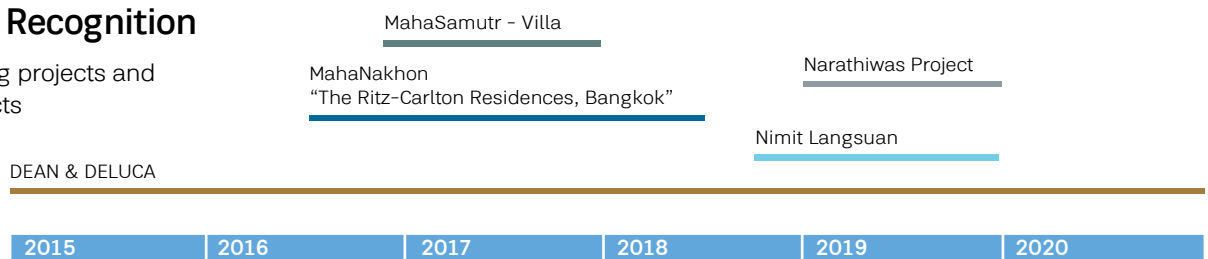


Unit: Million Baht

PROJECTS	Cumulative Sales			Cumulative Recognized Revenue			Backlog		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
Ficus Lane	857.4	891.4	891.4	832.8	866.9	866.9	24.6	24.6	24.6
Saladaeng Residences	2,315.2	2,309.8	2,309.8	2,200.7	2,200.8	2,309.8	114.5	109.0	-
The Ritz-Carlton Residences, Bangkok	5,551.8	7,126.7	8,681.1	-	-	-	5,551.8	7,126.7	8,681.1
Nimit Langsuan	-	-	5,991.4	-	-	-	-	-	5,991.4
Total	8,724.4	10,327.9	17,873.7	3,033.5	3,067.7	3,176.7	5,690.9	7,260.3	14,697.1

Timelines of Revenue Recognition

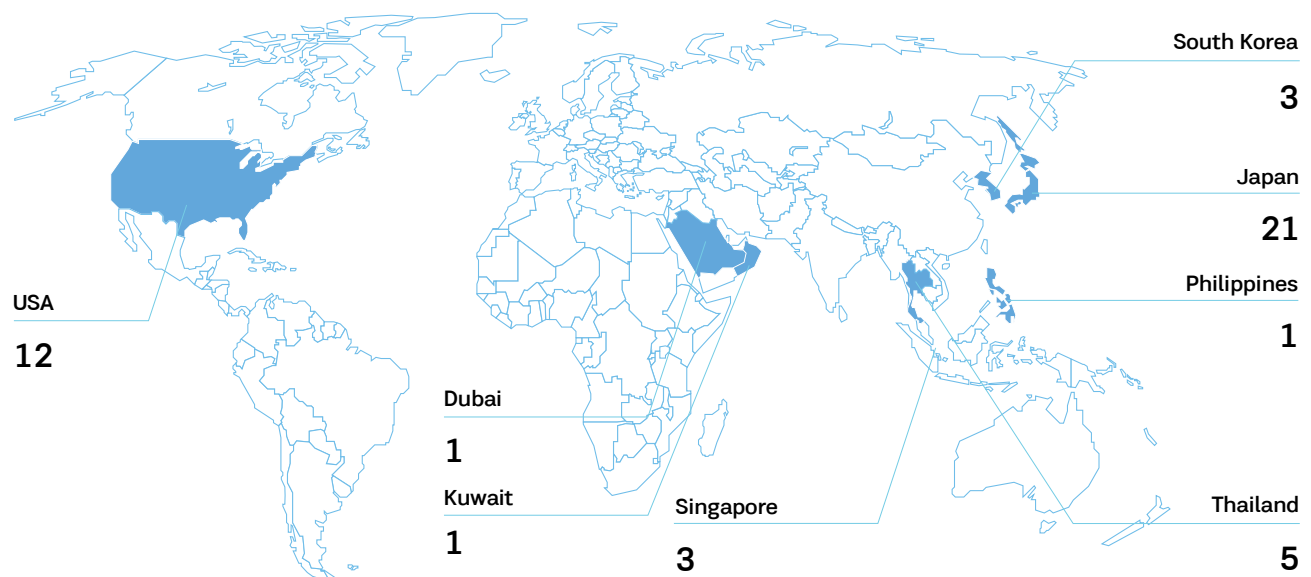
of developing projects and future projects



The growth of gourmet food and beverages "DEAN & DELUCA" totaling 47 stores worldwide

Total (stores) **47**

The Company owns 12 stores in the U.S. and 5 stores in Thailand



MESSAGE FROM THE CHAIRMAN



The year of 2015 saw the global and domestic economy undergo a slowdown and another challenging year for many industries. Within the Real Estate development sector, although demand did not exceed supply in general, the industry still saw many new projects launched, from the lowest to the highest-end of the market. Within the high-end real estate sectors, a number of new developments were launched as developers saw opportunities to market within this segment as customers spending power was higher given and this group was affected less by the economic

downturn. Therefore, the high-end sector continued to grow despite the economic slowdown. This was evident in the VVIP pre-sales phenomenal success of PACE's Nimit Langsuan development where the residences were sold out. At the same time we achieved highest average price in the industry at approximately 300,000 THB/sq. m within the first 2 weeks of launching. This reflects clients' loyalty and trust towards PACE and we will ensure that the company remains at the forefront of Thailand's high-end real estate industry. Besides our core values in offering prime locations, world-class designs and highest quality which are

also customers' main criteria for residential selection, conducting business in a sustainable way is another important aspect we focused on year 2015. Environmentally friendly concept have been applied in our new projects. For instance, Nimit Langsuan and MahaSamutr are designed in perfect harmony with nature, with an increase in green areas as well as effective measures to minimize pollution caused by the construction process. The safety standards of workers and laborers is one of our highest concerns. This goes along with our aim to improve landscapes of communities and surrounding areas of our developments. We also continue our commitment to non-profit and charitable social activities to also improve the living standards of communities.

PACE realizes that being the leader in the high-end real estate development industry also means growing the business sustainably to benefit all its key stakeholders. With real estate business limitation in revenue recognition, PACE decided to expand its portfolio into the gourmet food and beverage business which offers the company a more continuous income stream and strengthen PACE's core business in the same time.

Adding DEAN & DELUCA into PACE's portfolio was a new challenge for PACE in 2015. PACE Board of Directors and Executives have been working hard in planning and developing DEAN & DELUCA's business strategy as well as seeking a professional management team to maximize operation efficiency. Currently, the planning stage has advanced

progressively and is now nearly complete. Meanwhile, to achieve DEAN & DELUCA's business goals, the company will need time, human resources, and budget to drive the brand into its new direction. Fortunately, there are both external and internal factors that will help drive DEAN & DELUCA to even higher global achievement, including, new lifestyle trends with regards to quality of food and beverage, the continual recovery of the American economy, and the booming of middle class groups around the globe. Internal favorable factors include high standards and the unrivaled reputation of goods and services of this New York's iconic brand. DEAN & DELUCA brand has much potential to see high growth and expansion in the future.

On behalf of PACE's Board of Directors, I pledge that PACE will stay true to its DNA of highest quality and innovative designs, maintain its status as Thailand's leader in the high-end real estate development business. We will also focus on growing and developing sustainably for all our key stakeholders. PACE will also commit greater effort in ensuring even higher standards in 2016.

I would like to also thank PACE executive management and staff for their commendable contribution to the company in 2015. My sincere thanks also go to PACE's loyal customers, business partners, investors, and shareholders who have put their trusts in our company. Every pace to success of the company is due to your continuing support.



Within 2 weeks of launching PACE's Nimit Langsuan. Residences were sold out at the same time achieved the highest average price per sq.m. in the industry at approximately Bt. 300,000



Mr. Kraithip Krairiksh
Chairman

MESSAGE FROM CEO



PACE has a single-minded vision, to provide customers with superior quality lifestyles. This vision has been translated into our well-received developments. MahaNakhon is Thailand's tallest architectural landmark with world-class components including The Ritz-Carlton Residences, Bangkok, The Bangkok Edition, and MahaNakhon CUBE, the retail component housing DEAN & DELUCA and other world-famous F&B brands. MahaSumutr development, with its luxury villas and Country Club components, is especially designed in perfect harmony with nature,

with a private crystal clear lagoon situated in front of every villas. While MahaSamutr Country Club Hua Hin satisfies the need for relaxation, providing with a wide range of sports as well as other entertainments, restaurants supervised by Michelin Star chefs. Our Nimit Langsuan development prides itself with a stunning architectural profile as well as its most sought-after location in Bangkok. In 2015, PACE reached another step by acquiring DEAN & DELUCA, New York's iconic food and beverage brand. This new F&B business line addition provides PACE with a continuous income flow which supports the fluctuation of revenue stream in the real estate

business, DEAN & DELUCA also has a very high potential to grow both locally and internationally.

After the acquisition at the end of 2014, PACE spent the past first year dedicating time and effort in studying the brand. Using the company's expertise in finding the best locations as well as its knowledge in marketing to the most discerning clients, ensuring DEAN & DELUCA will be sustainably expanded throughout Thailand, US, and around the world. The past year also sees PACE uplifting store ambience of the older US stores and as quality is the essence of the brand's success, PACE has planned to maintain this most-loved brand DNA and ensure highest quality is delivered at every customer visit or purchase. First DEAN & DELUCA store under PACE investment is Wichita, Kansas branch, which is accounted as 12th branch in the US. Furthermore PACE also signed a deal with the Trump Organization Inc to open a DEAN & DELUCA gourmet market at 40 Wall Street in New York.

In Thailand, PACE has devised new marketing strategies, improving services and communications, introducing new menus with an increased in quality, tastes and cooking process. We also opened a new branch at the EmQuartier as well as experiment with the first pop-up café format outside Bangkok, at Akas development in Khaoyai. We have also continually expanded our license stores in countries such as Japan as well as launching in new markets such as Dubai and the Philippines where DEAN & DELUCA has been well-received. In the real estate development

business, PACE began 2015 with a huge success at the launch of Nimit Langsuan project early in the year. Freehold residences on Langsuan, the most prime location of Bangkok, were sold at the VVIP pre-sales event organized two weeks prior to the project's official launch. Nimit Langsuan also achieved the highest average price in the industry at approximately 300,000 THB/sq. m. This grand achievement reflects customers' loyalty and trust towards PACE as we have excellently maintained our highest standards in all process of our developments. This has positioned us as Thailand's leader in high-end real estate development industry.

With regards to MahaNakhon, we started last year with the building being topped-off at its highest point, 314 metres and earned its status as Thailand's tallest landmark. By the end of last year, the building's exterior has progressed to 90% and MahaNakhon was invited to join the CTBUH Conference 2015 along with well-known developers and famous architects around the world.

For MahaSamutr Development, the Lagoon has now been completed while MahaSamutr villas have been under construction and scheduled to be finished at the end of 2017. Sales of villas have commenced in January 2016. Construction of Nimit Langsuan development is on schedule and will start at the beginning of this year. Moreover, PACE is now preparing to launch a new project on Naradhiwas Rajanagarindra Road. PACE is currently conducting feasibility study of developing a resort villa project

in Niseko, Hokkaido, Japan. With our expertise in locations, PACE will also start having land banks in the most sought-after areas of Bangkok and resort towns in and outside of Thailand to develop new projects for its high-end clientele. The success of PACE could not have been achieved without dedication and effort of management teams and the staff. I would like to thank everyone for going through challenges together over the past years, I firmly believe that 2016 will be another golden year for PACE as DEAN & DELUCA is firmly established, revamped, and expanded, while the landmark MahaNakhon and MahaSamutr developments will be completed and the transfer process will begin shortly. Finally, I would like to share our pride and success throughout

2016 with clients, investors, partners, and shareholders who have firmly believe in PACE.



Mr. Sorapoj Techakraisri
CEO



I firmly believe that 2016 will be another golden year for PACE as DEAN & DELUCA is firmly established, revamped, and expanded, while the landmark MahaNakhon and MahaSamutr developments will be completed and the transfer process will begin shortly.



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1 - MR. KRAITHIP KRAIRIKSH

Chairman of the Board and Independent Director

2 - MR. CHOTIPOL TECHAKRISRI

Vice Chairman of the Board

3 - MR. SORAPOJ TECHAKRAISRI

Director

4 - MR. CHUMPOL TECHAKRAISRI

Director

5 - MR. THEERA VAYAKORNVICHITRE

Director



BOARD OF DIRECTORS AND AUDIT COMMITTEE

6 - MR. PORNSON PATANASIN

Director

7 - MRS. LADDA SIRIWATTANAKOSOL

Director and Independent Director

8 - MR. PRASERT PATRADHILOK

Director and Independent Director

9 - MS. BENJAPORN PRISUWANNA

Director and Independent Director





PACE DEVELOPMENT CORPORATION

VISION & MISSION

OUR VISION

PACE focuses on creating design-driven properties hospitality, and gourmet food and beverages lifestyle retail business which match the needs of discerning and affluent individuals. With a strong team of dedicated staff and a wide-network in luxury real estate and lifestyle industries, PACE has continued to create developments and introducing new trends to the market while delivering sustainable social contribution activities, redefining and enhancing the people's standards of living.

OUR MISSION

- Creating team and networks that truly understand discerning customer's needs and lifestyle.
- Bringing new trends to real estate and gourmet food and beverage lifestyle retails businesses.
- Improving the landscape of development areas through world class architectural and interior design leadership.
- Delivering the highest quality standard property with finest top-end specifications and construction control.
- Providing customers with the world's finest gourmet products including food and beverages.
- Enhancing standards of living of Thai people through social contribution activities and laborers' care program in the construction areas.



2015 EVENTS & ACTIVITIES HIGHLIGHTS



**M^HA
N^KHON**



MahaNakhon Presents
**A MAGICAL NIGHT WITH
 ANDREA BOCELLI:**
 The World's Most Beloved Tenor

MahaNakhon by PACE Development Corporation Plc. has collaborated with Fresh Air Festival Co., Ltd. to celebrate the completion of the MahaNakhon's topping off at a glorious 314 metres. 77 floors high, it is now Thailand's tallest building. The success of this achievement was fittingly reflected in the phenomenal nature of this all-exclusive gala concert.



PACE Annual General Meeting

On April 27, 2015 PACE held the company's Annual General Meeting (AGM) at the W Hotel, Bangkok for shareholders. Invitations were issued officially to individuals, trusts and companies holding the stock of PACE.





DEAN & DELUCA®

PACE Signs with SCB to Acquire Dean & DeLuca

PACE Development Corporation Plc., signed a financing agreement worth USD125 million with Siam Commercial Bank to support the acquisition of 'Dean & DeLuca'; one of the world's most iconic gourmet food and beverage brands.

NIMIT LANGSUAN



NIMIT Langsuan Press Conference

During the month of February 2015, PACE unveiled the super-luxury 53-storey residential freehold development opposite to Lumpini Park, called NIMIT Langsuan, to the press at the Sofitel SO hotel. Mr. Sorapoj Techakraisri, PACE CEO, together with the executive management, joined the press conference to show its customers PACE's reputation for delivering world-class designs and superior construction standards.





PACE Unveiled MahaSamutr Private Country Club

PACE held a series of press conferences at the Bangkok Membership Pavilion to unveil its MahaSamutr Country Club in Hua Hin: Thailand's first private Country Club set around Asia's Largest Crystal Lagoon. The Country Club offers a comprehensive range of activities and facilities of a caliber that can only be found at the world's finest country clubs. With the MahaSamutr Membership Pavilion already opened in Bangkok and Hua Hin, sales for the private Country Club membership have already seen a rise from new members.



CNBC MANAGING ASIA Interviews PACE CEO

Christine Tan, the world-renowned CNBC anchor and her accompanying production team traveled from Singapore to Bangkok for an exclusive sit down interview with Mr. Sorapoj Techakraisri, PACE CEO.

ACTIVITIES



CTBUH CONFERENCE 2015 New York

PACE was invited by the Council on Tall Buildings and Urban Habitat (CTBUH) to attend the annual CTBUH Conference during October 2015 at the Grand Hyatt Hotel, New York, USA. The event kicked off with a VIP reception at One World Trade Center where 400 people from around the world attended. The first day of the 2015 conference welcomed over 1,200 delegates to one of the highest profile events in CTBUH's conference history. Prominent figures in the tall building industry were featured including MahaNakhon, Bangkok's current tallest building.



DEAN & DELUCA®

Media Press Visits DEAN & DELUCA JAPAN

Led by PACE CEO Mr. Sorapoj Techakraisri, the press was invited to visit Dean & DeLuca Japan to showcase an example of the successful of a Dean & DeLuca licensee, and to reveal his store expansion plan. Dean & DeLuca Japan's success was in evidence at the launch of its Fukuoka flagship branch, where a total of 10,000 Dean & DeLuca totes were sold within the first week of sales.



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AWARDS



PACE RECEIVED 3 AWARDS FROM ASIA PACIFIC PROPERTY AWARDS 2015

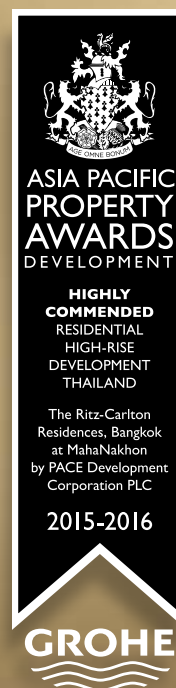
PACE received three major awards at the Asia Pacific Property Awards 2015 recently held at the Shangri-La Hotel in Kuala Lumpur, Malaysia.

The awards were presented for PACE's 'MahaNakhon' mixed-use development as 'Best Mixed-Use Development 2015 – Thailand', as well as its 'Ritz-Carlton Residences, Bangkok' which received 'Best Apartment / Condominium Development 2015 – Thailand' and 'Highly Commended Residential High-Rise Development 2015 – Thailand' prizes. Receiving the awards on behalf of PACE Development Corporation Plc. were Mr. Songphon Chaovanayothin Senior Executive Vice President (right) and Ms. Narumon Juthaprateep, Head of Public Relations and Corporate Communications (left).

The awards brought international recognition to the world-class standards of PACE's MahaNakhon landmark development, strengthening Bangkok's position as an AEC hub as well as the company's reputation as a leading luxury residential development company.

The Asia Pacific Property Awards is a part of the International Property Awards organised by International Property Media to recognise property companies and estate agencies worldwide. Contests are divided into regions, including Africa, Asia Pacific, Arabia, Canada, Caribbean, Central and South America, Europe, the United Kingdom and the United States of America.

QUALITY AWARDS 2015



2015 CSR HIGHLIGHTS



PACE Donates To Pattaya Redemptorist School

Under the Royal Patronage of her Royal Highness Princess Maha Chakri Sirindhorn, PACE donated a supply of warming jackets and sporting shoes to Pattaya Redemptorist School for the blind on February 24, 2015. This charity event was initiated by Mr. Sorapoj Techakraisri, PACE CEO, as part of the company's ongoing CSR program initiative to support underprivileged children.



Mae Hong Son Province Receives Aid From PACE

In January 2015, PACE donated in total THB 189,300 to 8 different schools within the Mae Hong Son province. Moreover the school's Director honorably invited PACE to attend the hand-over ceremony of "PACE Playground" in Khun Yuam, Mae Hong Son. Mr. Pornson Patanasin, Executive Director, Mr. Pongpat Thiensiri, Head of Corporate Social Responsibility and the PACE team participated in this activity. The company also donated money to repair solar cell systems, as electricity was not fully reaching its villages.



National Anti-Corruption Day

On September 6, 2015 the Anti-Corruption Organization of Thailand (ACT) held an activity marking the National Anti-Corruption Day to raise the awareness on the consequences of corruption, and promoting the public's role and power to eliminate it throughout all levels of society. PACE, together with volunteer staff, participated in the Anti-Corruption parade to demonstrate our commitment towards transparent business practice and in its Anti-Corruption initiative, as a CAC signatory company.



6th National Conference on Collective Action Against Corruption

PACE continues to be actively engaged in the national Anti-Corruption Initiative by participating in Thailand's 6th National Conference on Collective Action Against Corruption on October 15, 2015 at Siam Kempinski Hotel Bangkok.

POLICY AND OVERVIEW OF BUSINESS

01 VISION AND BUSINESS STRATEGY

Pace Development Corporation Public Company Limited (PACE), is engaged in high-end real estate development business. PACE focuses on creating world-class designs and finest quality features developments in the most sought-after locations. PACE is also engaged in gourmet food and beverages business under “DEAN & DELUCA” brand in order to diversify the Company’s revenue.

BUSINESS STRATEGY

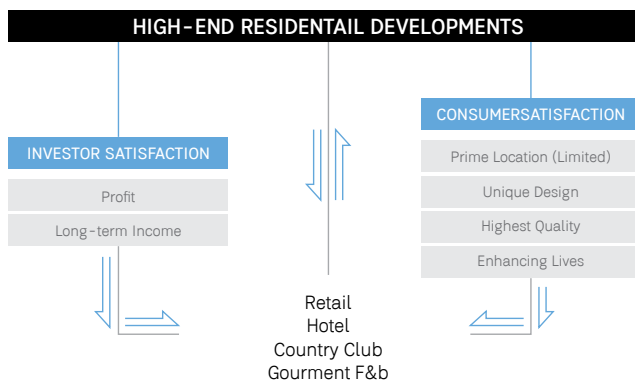
PACE has a strong and clear direction to do the business in order to serve the discerning needs of high-end customers. The business strategy of PACE can be categorized as followed:

HIGH-END RESIDENTIAL DEVELOPMENT

PACE’s core value in real estate development is the focus on quality with unique idealistic concepts. All projects developed by PACE are unique in terms of locations, designs and have highest quality control as well as finest top-end specifications. These highest quality standards have gained trust and credibility from customers and shareholders. PACE’s projects are also desirable and can also market at the higher price than the average high-end developments. The company targets to develop 1-2 residential projects per year.

LIFESTYLE BUSINESSES THAT GENERATE CONTINUED SUSTAINABLE INCOME

Residential development has limitation in revenue recognition which is recognized only when the project is fully completed and transferred to customers. With this in mind PACE planned into lifestyle elements into its property development business, which not only satisfy the Company’s vision in enhancing customers’ lives but also adding to the sustainability and continuity of its business and at the same time strengthen shareholders’ and investors’ trust. PACE’s lifestyle businesses is shown in its mixed-use development figure below; PACE’s “MahaNakhon” development consists of hotel and lifestyle retail elements; “MahaSamutr” featuring a Country Club. PACE also acquired gourmet food and beverage “DEAN & DELUCA” brand.

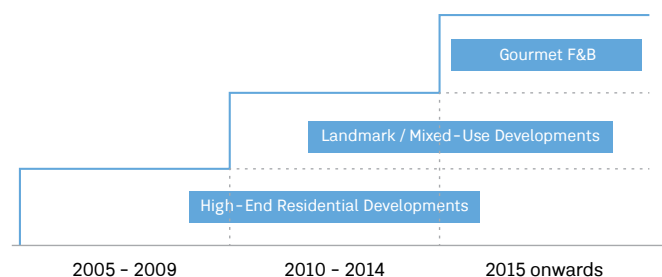


The diagram of PACE's business strategy

VISION

PACE creates high-end property developments and provides customers with the world’s finest gourmet food and beverages by a specialized team and networks that truly understand discerning customers’ needs and lifestyles. PACE has continued to create developments and introducing new trends to the market while maintaining the highest quality standards, delivering sustainable social contribution activities, redefining and enhancing the people’s standards of living.

From business direction, it can be categorized the steps of PACE’s business development per below chart:



PACE's stages of development

SIGNIFICANT CHANGES AND DEVELOPMENT

Pace Development Corporation Public Company Limited (“the Company”) has its main business in the high-end real estate development and gourmet food and beverages lifestyle retail worldwide under “DEAN & DELUCA” brand, and becomes the owner of the stores in the U.S., and in Thailand. As of December 31st, 2015, the Company’s registered capital and paid capital is 3,261.7 MB (Million Baht). The Company has its head office situated at 87/2 CRC Tower, All

Seasons Place, 45th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok

The Company was founded on September 1st, 2003, under the name “Cinkara Company Limited” with fully paid capital of 2 MB and on November 6th, 2003, Mr. Sorapoj Techakraisri and the Company increased its capital to fully paid 10 MB in order to do a business in real estate development.

YEAR	SIGNIFICANT CHANGES WITHIN THE YEAR
2003	Founded Cinkara Company Limited.
2004	Commenced development of “Ficus Lane”.
2007	Founded YLP Company Limited to develop a condominium under the name “Saladaeng Residences”.
	Founded Pace Project One Company Limited (“Pace One”) to develop the mixed-use MahaNakhon Development.
2008	Industrial Buildings Corporation Company Limited (IBC Thailand) and IDJ Holding Company Limited became partners of MahaNakhon Development, and the Company restructured MahaNakhon’s development structure as follows: <ul style="list-style-type: none"> Increased the registered and fully paid capital of Pace One to be 200 MB to operate Bangkok Edition Hotel. Founded Pace Project Two Company Limited (“Pace Two”) to develop long-term leased residential real estate under the name “The Ritz-Carlton Residences, Bangkok”. Founded Pace Project Three (“Pace Three”) to operate the shopping centre with 3 components: Retail Cube, Retail Hill and Sky Observation Deck. Founded PACE Real Estate Company Limited (“PRE”) as a holding company to hold shares in Pace One, Pace Two and Pace Three in the proportion of 50% each respectively.
2009	Officially launched Saladaeng Residences.
2010	The Company opened the sales gallery and sample unit of The Ritz-Carlton Residences, Bangkok at MahaNakhon Development.
2011	The Company restructured ownership portions within the group to prepare for listing in the Stock Exchange of Thailand (SET). The Company increased fully paid-up registered capital to 1,454.3 MB to acquire shares 99.99% in YLP, 25% each in Pace One, Pace Two and Pace Three respectively and 50% in PRE. <p>The Company completed the process of converting into a public company by issuing a capital increase of 600 MB for public offering. After the capital increase, the Company’s registered capital became 2,054.3 MB and the Company is renamed Pace Development Corporation Public Company Limited (PACE).</p>

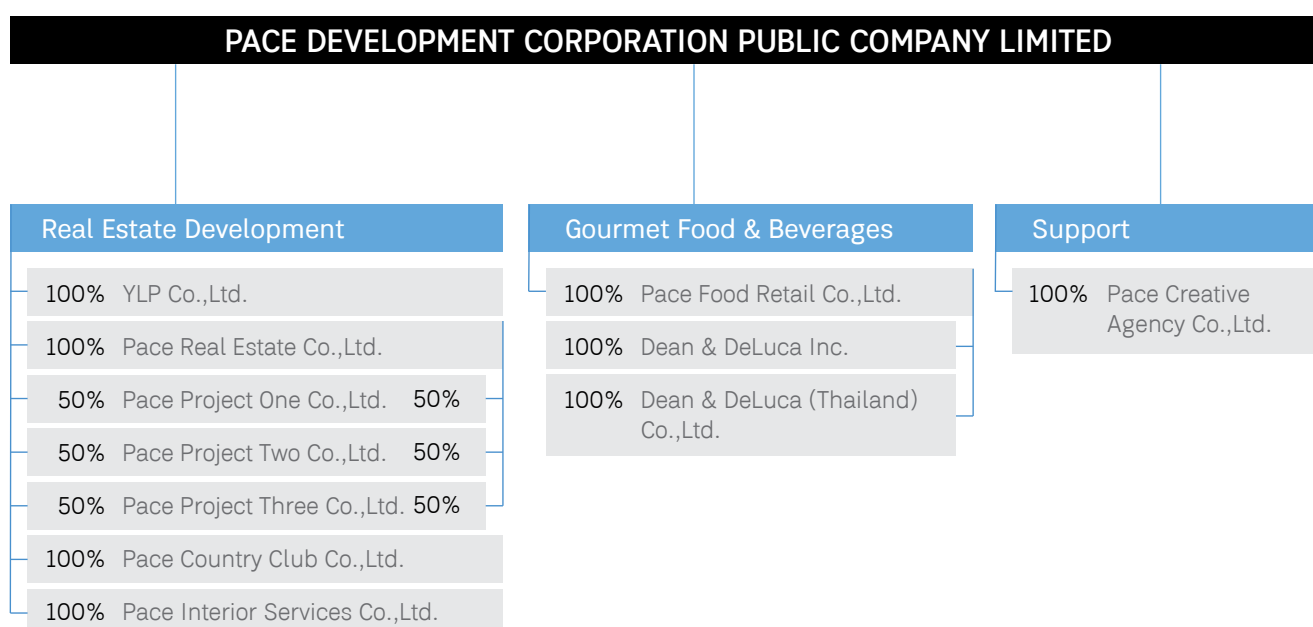
YEAR	SIGNIFICANT CHANGES WITHIN THE YEAR
2012	Construction of MahaNakhon Development progresses significantly following completion of piling and commencement of construction of core structure.
2013	<p>The Company launched MahaSamutr, a Luxury mixed - use Development in Hua Hin with Thailand's first private Country Club and Villas.</p> <p>The Company is listed in the Stock Exchange of Thailand (SET) with a registered capital of 2,054.3 MB fully paid - up. The Company bought shares and shareholder loans of the jointly controlled entities from IBC Thailand and IDJ Holdings Co., Ltd., resulting in PRE, Pace One, Pace Two and Pace Three becoming subsidiaries of the Company with the following ownership proportions (direct and indirect) approximately 68%.</p> <p>The Company commenced construction of MahaSamutr Development, Hua Hin.</p>
2014	<p>The Company bought land and successfully changed the proprietary right in MahaNakhon from leasehold to freehold.</p> <p>Founded Pace Country Club Co., Ltd.</p> <p>Founded Pace Food Retail Co., Ltd.</p> <p>Acquired DEAN & DELUCA, the world's iconic gourmet food and beverages brand valued USD 140 million.</p>
2015	<p>Unofficially launched and almost sold out Nimit Langsuan project.</p> <p>Bought the remaining shares of Pace One, Pace Two, and Pace Three from IBC Thailand and PRE, and from IBC Thailand and IDJ Holdings Co., Ltd., including the rights to transfer financial obligations of IBC's entire loan and accrued interest, and the option agreement.</p> <p>Allocated ordinary shares for private placement totally 542,722,500 shares for IBC Thailand Ltd. and IDJ Holding Co., Ltd. at THB 3.39 per share.</p> <p>Acquired ordinary shares and assignment of the rights to receive a repayment of the outstanding shareholder loan of Dean and Deluca (Thailand) Company Limited ("D&D Thailand") from Mr. Sorapoj Techakraisri with total consideration of THB 240 million by issuing 64,690,027 new ordinary shares at an offer price of THB 3.71 per share in order to repay to Mr. Sorapoj Techakraisri.</p> <p>Increased the capital by issuing newly ordinary shares by General Mandate to offer to the existing shareholders in proportion to their shareholding (Right Offering), in an amount of not exceeding 600,000,000 shares with the par value of Baht 1 per share.</p>

OVERVIEW OF BUSINESS OF THE COMPANY AND SUBSIDIARIES

The Company was founded on September 1st, 2003, under the name “Cinkara Company Limited”, and started its real estate development business by launching the first project called “Ficus Lane”. With the passion for the leader in high-end property development and continually expanded its business. Presently, the Company entered into a new line of the

business under “DEAN & DELUCA” brand, the world’s iconic gourmet food and beverages. Consequently, the Company generates main revenue from real estate development and gourmet food and beverages. As of 31 December, 2015, the Company has 11 subsidiaries which can be categorized as the business line as following below:

The Organization Structure of the Company and subsidiaries



NAME OF THE COMPANY	BUSINESS	TYPE OF BUSINESS	PROPORTION OF SHAREHOLDER (%)
Pace Development Corporation Public Company Limited	Property development and management, and manage its subsidiaries	Develop real estate projects such as MahaSamutr – villa, Nimit Langsuan, etc.	-
YLP Co., Ltd.	Property development and management	Develop real estate projects such as Saladaeng Residences and a new project on Narathiwas-Rajanakarin Road, which will be launched in the early of the year 2016.	100
Pace Real Estate Co., Ltd.	Property development and management	A holding company to hold shares in MahaNakhon project.	100
Pace Project One Co., Ltd.	Hotel	Develop a 5 - star luxury boutique hotel under a new brand of Marriott Group, managed by the Ritz - Carlton Hotel Company called “The Bangkok Edition” in MahaNakhon tower.	50+50**

NAME OF THE COMPANY	BUSINESS	TYPE OF BUSINESS	PROPORTION OF SHAREHOLDER (%)
Pace Project Two Co., Ltd.	Property development and management	Develop a super - luxury residences under an internationally recognizable brand "the Ritz - Carlton Residences, Bangkok"	50+50**
Pace Project Three Co. Ltd.	Lifestyle retail	Develop lifestyle retail such as MahaNakhon CUBE, Retail Hill, and Sky Observation Deck as in MahaNakhon tower.	50+50**
Pace Country Club Co., Ltd.	Property development and management	Develop and manage a luxury real estate project "MahaSamutr Country Club in Hua Hin"	100
Pace Food Retail Co., Ltd.	Gourmet food & beverages	A holding company to hold shares in Gourmet food and beverages under brand Dean & DeLuca in the U.S., and Thailand.	100
Dean & DeLuca (Thailand) Co., Ltd.	Gourmet food & beverages	A licensee to operate gourmet food and beverages business, premium supermarket under brand "Dean & DeLuca" in Thailand.	100
Dean & DeLuca Inc.*	Premium supermarket, and food and beverages	Operate premium supermarket, and provide gourmet food and beverages brand "DEAN & DELUCA" worldwide, and become the owner of the store in the U.S.	100
Pace Interior Services Co., Ltd.	Design and interior design	Provide services of design and interior design.	100
Pace Creative Agency Co., Ltd.	Advertising media and marketing communications	A new subsidiary that is founded for providing the services of advertising media design and marketing communications.	100

REMARK : * Dean and DeLuca Inc., (registered in the U.S.) shares held (indirect) by Pace Food Retail Co, Ltd. with the proportion of 100% in 2014 and 2015 which is the same type of business – gourmet food and beverages, totaling of 18 subsidiaries: Dean & DeLuca Inc., Dean & DeLuca Brands, Inc., Dean & DeLuca Marketing, LLC, Dean & DeLuca Atlanta, LLC, Dean & DeLuca Markets, LLC, D&D Cafes of North Carolina, LLC, Dean & DeLuca Georgetown, Inc., Dean & DeLuca Imports, Incorporated, Dean & DeLuca Call Center, Inc., Dean & DeLuca New York, Inc., Dean & DeLuca Espresso, Inc., Dean & DeLuca Madison Avenue, Inc., Gaetano & Barteau, Inc., Dean & DeLuca International, LLC, Dean & DeLuca Brands Hawaii, LLC, Dean & DeLuca, Incorporated, Dean & DeLuca Espresso D.C., Inc, Dean & DeLuca Productions, LLC.

** The proportion of shareholder is indirectly through Pace Real Estate Co., Ltd.

As of 31 December, 2015, the Company and its subsidiaries has developed 5 real estate projects that are completed and are in the construction process. Ficus Lane, Saladaeng Residences, MahaNakhon, MahaSamutr, and Nimit Langsuan.

In addition, the Company operates the world's iconic gourmet food and beverages under brand the "DEAN & DELUCA". Presently, the Company owns 12 stores in the U.S. and 5 stores in Thailand as well as the licensing agreements in 30 stores in the country/city of Japan, Singapore, South Korea, Philippines, Kuwait, and Dubai.

04

THE RELATIONSHIP BETWEEN THE BUSINESS AND MAJOR SHAREHOLDER (IF ANY)

The Company has no relationship or relevant to the business operation of a major shareholder significantly.

OPERATION OF BUSINESS

01

CHARACTERISTICS OF PRODUCTS AND SERVICES

The Company and subsidiaries generate main revenues from real estate development for sale and gourmet food and beverages which can be summarized the revenues 3 years as following below:

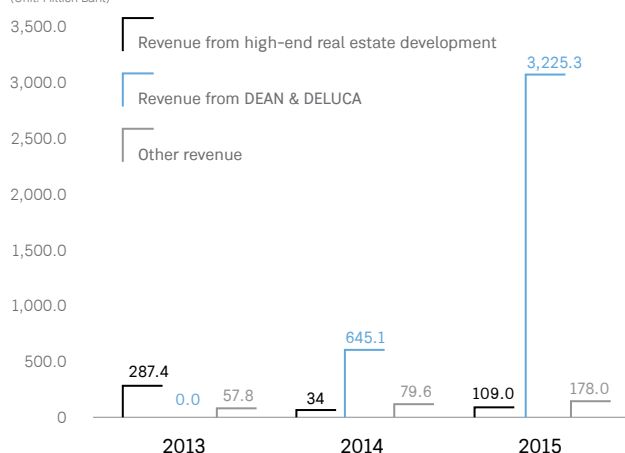
(Unit : Million Baht)

BUSINESS	OPERATED BY	% OF THE COMPANY'S SHAREHOLDERS	2013 REVENUE	%	2014 REVENUE	%	2015 REVENUE	%
Revenue from High-end Real Estate Development	The Company and subsidiaries	100	287.4	83.3	34.0	4.5	109.0	3.1
Revenue from Dean & DeLuca*	Subsidiaries	100	-	-	645.1	85.0	3,225.3	91.8
Other Revenues	The Company and subsidiaries	100	57.8	16.7	79.6	10.5	178.0	5.1
TOTAL REVENUES			345.2	100.0	758.7	100.0	3,512.3	100.0

* Revenue recognition started from 4 December, 2014, since the Company acquired DEAN & DELUCA Inc. (U.S.A.), and acquired DEAN & DELUCA (Thailand) in 2015. Therefore, the revenue recognition is considered as if the Company's subsidiary which is the business combination under common control.

REVENUE STRUCTURE OF THE COMPANY (3 YEARS)

(Unit: Million Baht)



In 2015, the Company generated revenue from residential unit sales of 109.0 Million Baht, or increased 220.6 % as compared with the year 2014. The increase was mainly due to the ability to close sales from the “Saladaeng Residences” Project that had 5

residential units remaining to sell and able to transfer all remaining units within 2015.

Moreover, the Company generated revenue from Food and Beverages “DEAN & DELUCA” of 3,225.3 Million Baht, or increased 400.0 percent as compared with the year 2014. This was due to the Company could recognize only 1 month sales revenue in 2014 since the Company acquired DEAN & DELUCA INC. (U.S.) Meanwhile, the Company could recorded sales revenue of DEAN & DELUCA (U.S.) for the entire year in 2015. As well as, the rental and services income that increased from 14.5 Million Baht in 2014 to 42.0 Million Baht in 2015; or increased 190.1 percent. This rental income was from the retails opening in MahaNakhon CUBE. Furthermore, the other income increased from 65.1 Million Baht in 2014 to 136.0 Million Baht in 2015; or increased 108.9 percent. Consequently, the Company was able to generate the total revenue of 3,512.3 Million Baht in 2015.

The other revenues that have been rising continually since 2014 resulting from the revenues from DEAN & DELUCA (U.S.A) for a month, and considerably rising in 2015 owing to the revenues from DEAN & DELUCA (U.S.A) together with DEAN & DELUCA (Thailand). Most of the revenues are from selling the DEAN & DELUCA's license and tradename since the Company acquired DEAN & DELUCA Inc. The Company expects that the revenues from this part will increase by expanding the stores and selling the license to licensees.

As of 31st December, 2015, the Company and its subsidiaries a total of 5 developments that are completed and are on-going of which consist of Ficus Lane, Saladaeng Residences, MahaNakhon, MahaSamutr, and Nimit Langsuan projects. The summary of all the projects are following below:

PROJECT	LOCATION	TYPE OF PROJECT	NO. OF UNIT	SALE AREA (SQ.M.)	PROJECT VALUE FOR SALE (MILLION BAHT)	RECOGNIZABLE PORTION (%)	CONSTRUCTION PERIOD
COMPLETED PROJECTS:							
1. FICUS LANE	Sukhumvit 44/1 Road	Condominium	70 Units	12,109.8	900	99.0	2004-2006
2. SALADAENG RESIDENCES	Saladaeng Soi 1, Silom Road	Condominium	132 Units	13,087.9	2,310	100	2008-2011
DEVELOPING PROJECTS:							
3. MAHANAKHON:	Narathiwas Rajanagarindra Road.	Mixed-use					2011-2016
3.1 THE BANGKOK EDITION		5-star luxury boutique hotel	159 Keys	Area for Services	-	-	2011-2020
3.2 THE RITZ-CARLTON RESIDENCES, BANGKOK		Super luxury residences	209 Residences	48,284	14,500	69.0*	2011-2016
3.3 LIFESTYLE RETAIL:				Area for Services			
- MAHANAKHON CUBE		Lifestyle retail	-	5,003	...		2011-2014
- RETAIL HILL		Lifestyle retail	-	2,434	...		2011-2016
- SKY OBSERVATION DECK		Viewpoint area	-	2,139	...		2011-2016
4. MAHASAMUTR	Soi 112 Hua-Hin District, Prachuabkhirikhan Province	Luxury resort-style villas and luxurious private club					2013-2017 (Some parts to be finished in 2016)
4.1 LUXURY VILLA		Luxury resort-style villas	80 Luxury villas	-	4,000	-	
4.2 COUNTRY CLUB		Luxurious Country Club	-	-	-	-	
5. NIMIT LANGSUAN	Langsuan Road	Super luxury condominium	187 Residences	25,280	7,584	82.9*	2016-2018

REMARK: % of total unit sold

Furthermore, the Company is preparing a new super luxury condominium project on Narathiwas Rajanagarindra Road of which is already bought the land plot, and now it's in the process of design in order to be launched during the second half of the year 2016.





The main target group for the Company's real estate development is a high purchasing power both Thais and foreigners. With this respect, the Company considers the selling price per square meters that is appropriate

for each project as well as a location and a type of each project. For the lifestyle retail: MahaNakhon CUBE, Retail Hill, and Sky Observation Deck, the main target group includes residents in the hotel and the residential building of MahaNakhon development, tourists, and residents or workers in the adjacent offices.

Gourmet food and beverages under DEAN & DELUCA brand are operated by 2 subsidiaries:

SUBSIDIARIES	BY	TYPE OF BUSINESS	STARTED SINCE
1. DEAN & DELUCA INC. (U.S.A.)	Company	Premium supermarket and gourmet food and beverages in the U.S.	December, 2014 (since acquired)
2. DEAN & DELUCA (THAILAND) CO., LTD.	Company	Premium supermarket and gourmet food and beverages in the Thailand.	April, 2015 (since acquired)

The completed real estate developments are Ficus Lane, which is the Company's first residential condominium project and Saladaeng Residences project.

Details of the Project (As of 31 st December, 2015)	 FICUS LANE	 SALADAENG RESIDENCES
		
LOCATION	Soi Sukhumvit 44/1 (Pichaisawat), Sukhumvit Road, Klong-Toei district, Bangkok	Soi Saladaeng 1, Silom Road, Silom sub-district, Bang-Rak district, Bangkok
PROJECT AREA	2-3-57 Rai (1,157 sq.w.)	584 sq.w.
SALES AREA	Approx. 12,109.8 sq.m.	Approx. 13,087.9 sq.m.
AVERAGE SALES PRICE PER SQ.M.	Approx. 75,000 Baht/sq.m.	Approx. 180,000 Baht/sq.m.
PROJECT DETAILS	Two 7-storey residential buildings	A residential building with 25 floors above ground and 5 floors below ground.
NO. OF UNIT	70 residential units	132 residential units
PROJECT VALUE FOR SALE	Approx. 900 Million Baht.	Approx. 2,310 Million Baht
YEAR OF COMPLETION	2006	2011
PROGRESS ON SALES	Proportion of contract signed 99.1% of the total sale area.	Proportion of contract signed 100.0% of total sale area.
RECOGNIZABLE PORTION	99.15 (TOTAL OF 69 UNITS)	100.0%

NOTE: As of December 31st, 2015, Ficus Lane has 1 residential unit with the total area of 366.6 sq.m. whose sale agreement has been signed but ownership transfer has not been completed, and 1 residential unit with the total area of 113.4 sq.m. is unsold.


Presently, the Company is developing high-end projects such as MahaNakhon, MahaSamutr, and Nimit Langsuan which details are as following below:

MAHANAKHON PROJECT

“MahaNakhon”, the most significant complex of contemporary architecture with a mixed-use style that consists of hotel, residences, and lifestyle retail. The details of the project are summarized as follows:



Details of the Project
(As of 31st December, 2015)

	HOTEL	RESIDENCES	LIFESTYLE RETAIL
LOCATION	On Narathiwas Rajanagarindra Road, Bangrak District, Bangkok		
PROJECT AREA	9 Rai 1 Ngan 51.1 sq. wah		
SALES AREA / RENTAL AREA (SQ.M.)	Approx. 39,682	Approx. 48,284	Retail CUBE: 5,003
AVERAGE SALES PRICE/SQ.M.	Approx. 7,500 Baht/night	Approx. 300,000 Baht	Approx. 2,500 Baht/sq.m.
PROJECT DETAILS	<p>EDITION</p> <p>A super-luxury boutique hotel under a new brand of Marriott Group and is managed by The Ritz-Carlton Hotel Company.</p>	<p> THE RITZ-CARLTON RESIDENCES® BANGKOK</p> <p>The Ritz - Carlton Residences, Bangkok (23 – 73/F)</p> <ul style="list-style-type: none"> - A super-luxury residential development under an internationally recognizable brand - Residents will enjoy a legendary service by The Ladies and Gentlemen of The Ritz - Carlton 	<p>M^H A NAKHON</p> <p>MahaNakhon CUBE Retail Hill (1 – 5/F) Sky Observation Deck (74 – 77/F)</p> <ul style="list-style-type: none"> - A lifestyle retail center that hosts world-famous gourmet food and beverages offering pleasing food - bon - vivant experiences, such as Vogue Lounge, L'Atelier de Joël Robuchon and Dean & DeLuca, to satisfy gastronomic lifestyles of the dwellers and the neighboring office workers
NO. OF UNIT	154 Keys	209 Residences	
PROJECT VALUE FOR SALE		Approx. 14,500 Million Baht	
YEAR OF COMPLETION	2011 – 2016	2011 – 2016	2011 – 2016
TARGET GROUP	Businessmen and both Thai and foreign tourists.	High purchasing power group including Thai and foreign investors.	Residents in the hotel and the residential building of MahaNakhon development and the neighboring areas including tourists, residents and workers in the adjacent offices.

* The floor numbers were assigned by the project's sales department, who omits 21st and 22nd Floors as they are middle layers between hotel and residential zones. Six transfer floors were also counted as three, resulting in MahaNakhon having 72 floors, which is consistent with the number of floors defined in the application for construction permit given to Bangkok Metropolitan Administration.

MAHASAMUTR PROJECT

Situated in an upper market beach resort town, MahaSamutr Hua Hin consists of luxury resort-style villas and a luxurious Country Club set around Asia's largest man-made clear water lagoon and beach that offer breezy yet ritzy environment in a safe atmosphere, suitable for family gatherings and recreational activities. The 800-meter-long lagoon, situated on the 72,000-sq.m. lot, is visible and accessible from all villas, making the stay very much pleasant and packed with fun activities, such as swimming, paddle-boarding, diving, and other water sports. With the latest technology from Crystal Lagoons Corporations, the color and the quality of the water is tested and carefully monitored to ensure a total environment reservation and energy saving.



Details of the Project
(As of 31st December, 2015)

LOCATION	Soi 112 Hua-Hin District, Prachuabkhirikhan Province
PROJECT AREA	Approximately 128 Rai 2 Ngan 84.9 sq. wah
NO. OF VILLAS	80 luxury villas
SALES PRICE	Approx. 50 Million Baht/villa
PROJECT DETAILS	RESIDENTIAL UNITS : MahaSamutr Villa (Approximately 80 resort-style villas) COUNTRY CLUB : Hua Hin Country Club, managed by PACE and supported by ILC (for members and residents)
PROJECT VALUE FOR SALE*	Approx. 4,000 Million Baht (*only villa part)
CONSTRUCTION PERIOD	Construction started in Quarter 3/2013-2017, expect to start ownership transfer in the second half of the year 2016.
SALES PERIOD	Sales to start and opening of sales office in the first half of the year 2016
PROJECT FEATURES	The 800-meter-long lagoon with the total area of 72,000 sq.m.
PROGRESS ON CONSTRUCTION (AS OF 31 DEC 2015)	Crystal lagoon is already completed, and it is in the construction process of about 12 villas, and other villas respectively.

NIMIT LANGSUAN PROJECT

Nimit Langsuan is a super-luxury residential freehold development with 53-storey, and centrally-located on Langsuan Road and within walking distance to Lumpini Park. 'Nimit Langsuan' is designed and built to the highest international standards. It comprises of 187 super-luxury residences together with roof top private club as well as a 'greenhouse'-style lush garden which provides a unique entrance experience to the building. The tower is clad in a state-of-the-art, never-seen-before glass façade wrapping the building in a glistening reflective skin. The three-dimensional molded glass will create a highly sculptural.

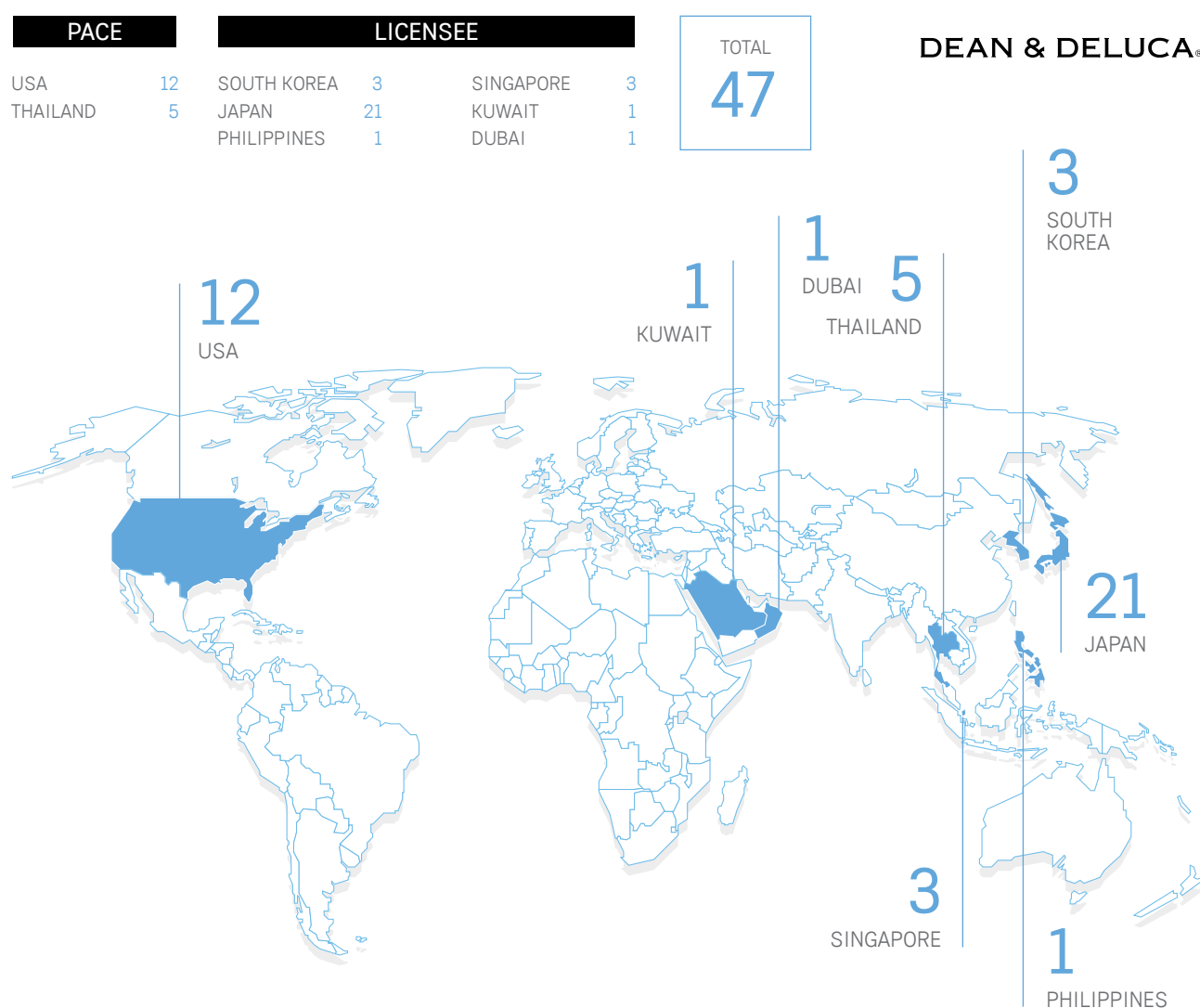


Details of the Project
(As of 31st December, 2015)

LOCATION	Soi Langsuan
PROJECT AREA	Approx. 2 Rai 2 Ngan 40.2 sq. wah
SALES AREA	Approx. 25,280 sq.m.
SALES PRICE	Approx. 300,000 Baht/sq.m.
PROJECT DETAILS	A super luxury residential building with 53 floors, 187 residences
PROJECT FEATURES	<ul style="list-style-type: none"> • “Greenhouse” a ‘greenhouse’-style lush garden which provides a unique entrance experience to the building. • Full facility services on 10/F
PROJECT VALUE FOR SALE	Approx. 7,584 Million Baht
CONSTRUCTION PERIOD	2015-2018
SALES PERIOD	Since 1Q/2015 - Present
PROGRESS ON CONSTRUCTION	It's in the process of the applicant filed a report with the EIA and preparation to begin construction.

Apart from high-end real estate development, the Company also operates lifestyle retail in gourmet food and beverages under DEAN & DELUCA brand. Currently, there are 17 stores, consisting of 12 stores in the U.S., and 5 stores in Thailand. Besides, the Company sell a license to officially operate DEAN & DELUCA abroad for licensees for instance Japan, Singapore, South Korea, Philippines, Kuwait, and Dubai totally of 30 stores worldwide. Meanwhile, the Company plans to expand the stores both in Thailand and in the U.S. as well as selling a license and tradename to its licensees.

DEAN & DELUCA offers world's best epicurean treats from supply chain around the globe, consists of sales through retailers and e-commerce business in the United States.



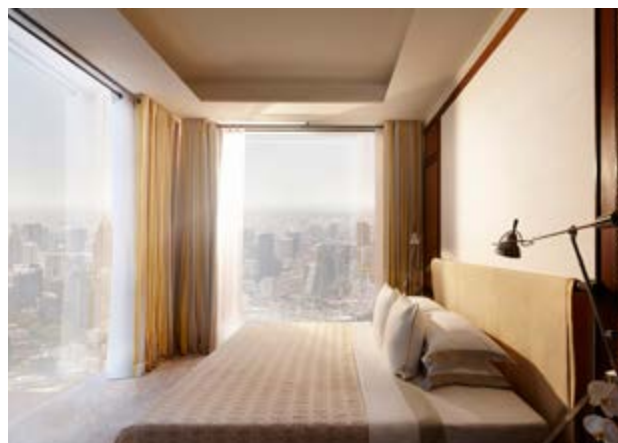
MARKETING AND COMPETITION

02.1 COMPETITIVE POLICY AND PRODUCT DISTRIBUTION

REAL ESTATE DEVELOPMENT BUSINESS

The Company and its subsidiaries categorizes a type of business by its core business segments. For instance, real estate development (high-end residential development business, lifestyle retail business, and hospitality business), gourmet food and beverages are the key segments. Because our main target group is high purchasing power Thais and foreigners, the Company conducts its business with the goal of developing high-end real estate considered super luxury focusing on creating design-driven properties that feature world-class architectural design. These properties are meant to focus on the most sought-after prime locations in the central business district area. Each of PACE's projects is created with modern concepts in mind emphasizing super luxurious style. The construction meets the highest international standards in order to match the needs of discerning and affluent individuals through innovation, dedication and leadership. The Company, therefore, puts in place strict quality-control measures under the "Zero Defect" policy to be followed before delivering projects. Indeed, this policy has been highly regarded by PACE's customers, including those of completed projects such as Ficus Lane and Saladaeng Residences. The projects under development are MahaNakhon, MahaSamutr, and Nimit Langsuan.

The Company is also interested in investing in high-end real estate development in the province that will ultimately become a major tourist destination



in Thailand. An example is the MahaSamutr project located in Hua-Hin District, Prachuabkhirikhan Province. MahaSamutr project consists of 80 freehold luxury resort-style villas and the one and only Country Club which will be introduced to the market and sold in the first quarter of 2016.

The Company's pricing schedule is comparable to the competitors in the same industry by considering of reasonable factors such as the innovative design of modern architecture blended harmoniously into the environment, the most sought-after prime locations, reputation of the residential development, other facilities, the panorama of the residential development, and a reasonable profit, etc. The Company emphasizes assurance of services and quality products delivered to its customers.

PROJECT	AVERAGE PRICE	NO. OF UNITS	PROJECT VALUE (MILLION BAHT)
FICUS LANE	75,000 Baht/sq.m.	70	900
SALADAENG RESIDENCES	180,000 Baht/sq.m.	132	2,310
MAHANAKHON-RESIDENCES ONLY	300,000 Baht/sq.m.	209	14,500
MAHASAMUTR-RESIDENCES ONLY	50 Million Baht/Villa	80	4,000
NIMIT LANGSUAN	300,000 Baht/sq.m.	187	7,584

GOURMET FOOD AND BEVERAGES

“DEAN & DELUCA” conducts a business of premium food cuisine, and gourmet food and beverages retailer around the world as well as provides its customers with a variety of gourmet food, and the world’s best epicurean treats for cooking. Including a small café format providing fresh food and beverages through retailers and e-commerce business in the United States. Furthermore, DEAN & DELUCA conducts a business under the business-to-business (B2B) with partners such as hotels and airlines, including the preparation of business gifts. DEAN & DELUCA has been operating since 1977 and has earned a reputation as a quality brand worldwide.

DEAN & DELUCA seeks placement of locations in high visibility, high income trade areas that can

draw combinations of residential, office, and tourist consumers to its central business district locations. Locations are assessed on demographic factors, store sizes, permitted zoning laws, unit economics, visibility, retail adjacencies with both complementary and competitive retailers, and foot and vehicle traffic density, among other qualitative factors.

DEAN & DELUCA’s founding philosophy is to introduce consumers to high quality food products and prepared foods that are authentic “old world” culinary traditions and were unfamiliar, at that time, in the United States marketplace. Since then, it has evolved into a mission to introduce consumers to any culinary trend or product that may be exciting, unfamiliar or noteworthy, and the brand is now truly global in its reach.

02.2 MARKET CONDITIONS AND COMPETITION

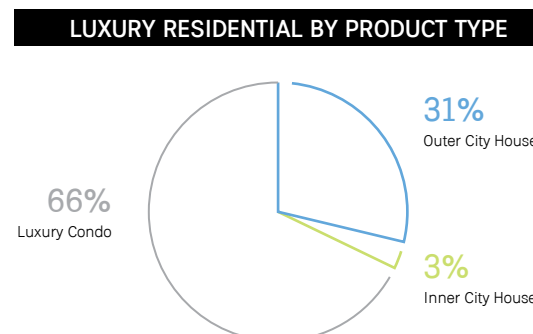
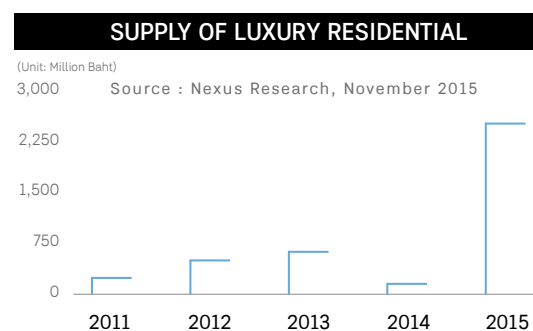
REAL ESTATE DEVELOPMENT BUSINESS

Overview of the real estate in 2015¹: super luxury real estate development was still in trend as reviewed from both small and big enterprises that are turning their attention into this market. Although the overall economic situation and the real estate market slowed down somewhat, it did not affect the high-end sector as much as the middle and low-end sectors. In addition, the land cost was a key factor that encouraged the real estate developers consider this market segment closely.

Condominiums in Bangkok are still attractive to the real estate business because of high-end customers that have high purchasing power². Referring to the outcome of new residential units priced over than 20 million baht, there were 1,151 units with the total value of 41,460 million baht sold out. This result shows that the luxurious residences were not affected by the economic slowdown. Another interesting fact shows that the condominium sales price of 20 million baht, accounted for only 3% of the total projects launched, valued about 38% of all the projects.³

Since 2011, the total numbers of super luxury residences launched were 4,045 units; consisting of single detached house and townhouse in the city 129 units, and single detached house in suburban 1,263 units, and condominium 2,653 units. On the other hand, the new projects launched in 2015 increased to 21 projects, and 9 projects of the total were condominium which was a record high.

Supply of Luxury Residential by Product Type



SOURCE :

¹ an article in the website “ThinkOfLiving.com” on 30 November 2015

² “Business Outlook Report” from the website “Bank of Thailand” in April, 2015.

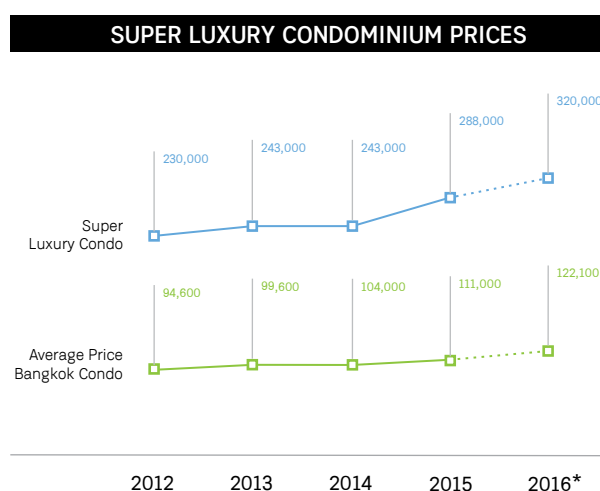
³ an article about the area announce in the 1st five months in 2015 from www.area.co.th

According to the announcement of the appraised value of the land from the Treasury Department that will start using from 1 January, 2016, the land prices nationwide rose by 25%, while the land prices in Bangkok rose by 15.78%. The area that has the highest assessed value is Silom Road, which the appraised land prices are about 1 million baht per square wah⁴. The top 5 of the area appraisal are summarized as following below:

NO.	AREA	ESTIMATED LAND PRICE (BAHT/SQ. WAH)
1	Silom Road	1,000,000
2	Ploenchit–Rajdamri Road	900,000
3	Sathorn–Wittayu Road	750,000
4	Yaowarat Road	700,000
5	Sukhumvit Road	650,000

The main factors that cause the price of the super luxury real estate development to increase steadily are luxurious concept, cost of land, and construction costs. However, the sales price also depends on the elaboration of the project details such as materials used for each project⁵. The picture below shows the average sales price rising for the super luxury projects.

The trend of real estate development in 2015 shows that huge projects, which project value about 5,000 – 10,000 million baht are presented obviously. Their concepts focus on mixed-use development consisting of offices, retails, hotel, and residences for investment. They are also designed for a new landmark. As well as MahaNakhon project, which is under-construction, is creatively designed to be a mixed-use development with unique architecture design, and becomes a new landmark in Bangkok and it is the tallest building in Thailand.



SOURCES :

⁴ an article "สีลม-เพลินจิตแพงปสูงสุด" in Thairath online newspaper on Tuesday 19 January, 2016.

⁵ an article "เปิดภาพตลาด Hi-End ในกทม. ปี 58 โตกว่ากระโดด" in the website ThinkOfLiving.com on 30 November, 2015.

⁶ an article "อสังหาฯ ปี58 เน้นโครงการใหญ่พื้นที่ราบจุดเปลี่ยนเหตุที่ดิน หายาก ราคาแพง" in Bangkokbiznews online newspaper

The Company has policy concerning the pricing of its developments in a competitive range when compared to market prices of the projects of similar nature. In practice, it considers several factors, such as project architectural features, the brands of the projects, projects' amenities, visual features of the residences, project cost, and required rate of return. Nevertheless, its main consideration in project pricing is the relative quality-to-price rate.

The Company's marketing and public relations policies focus on getting access to the upper-class customers efficiently through various marketing means. Such means are, for example, direct marketing, in which the marketing messages are sent effectively to the target customers with lower marketing budget compared to other approaches, and mock-up room, in which customers can expose themselves to the layout of the room, the material used in the room, and the atmosphere of the project. This allows the customers to decide on their purchase more quickly and confidently.

In addition, the Company also organizes project road shows for target customers in other countries to convey marketing messages and provide detailed information to foreign customers directly.

The Company focuses on delivering marketing messages to and having marketing activities with target customers, including residents of The Ritz-Carlton and The Bangkok Edition's hotel guests as well as high-purchasing-power office workers and residents in residential buildings, and hotels in the nearby locations such as:

- Residents in approximately ten neighboring leading hotels, such as Sukhothai Hotel, Banyan Tree Hotel, Dusit-Thani Hotel, W Hotel, and Mandarin Hotel.
- High-income dwellers in neighboring residential projects, such as Empire Place, Sky Villas, Sukhothai Residences, Infinity Condominium, and the Met.
- Workers in the nearby office buildings, such as Empire Tower, Sathorn City Tower, Sathorn Thani I and II Tower, and Sathorn Square Tower

Moreover, the Company uses more advertising media such as, print media, magazines, newspaper, and billboard to create its brand awareness through digital marketing, the popular social media that quickly reach its target group; for instance, Facebook and Instagram. PACE joined the sponsorship marketing events such as "MahaNakhon A Magical Night with Andrea Bocelli", "Operation Smile Foundation Fight Night Event", "The Heritage Hua Hin 2015" in order to build brand image and reputation of the Company. In addition, the objective of using the advertising media is to directly access PACE's main target group and their lifestyle as well as to continue the Company's news releases continue.

GOURMET FOOD AND BEVERAGES BUSINESS

DEAN & DELUCA seeks to appeal to people passionate about high quality food products and food experiences, and care about choice amongst the finest producers, ingredients and prepared foods that the company can source on their behalf. We strive to cater to a knowledgeable consumer base with the personal income to seek out and pay for high quality ingredients and food experiences. Given the company's offering of market and café formats, the brand offers equal opportunity for time-pressured consumers to have a high quality convenience coffee and meal, or a home chef seeking broad ingredients for their own preparation purposes.

As a pioneer of importing and selective sourcing, DEAN & DELUCA has established a price point that reflects the product differentiation and considers its competitors. The customers will recognize the materials and products that have been carefully selected and prices at comparable quality.

DEAN & DELUCA has established a successful multi-location, multi-format retail footprint in the United

States market, a diversified direct channel distribution strategy to consumers and corporate customers, and a successful license model that has allowed it to develop multi-channel operations over 30 store locations. DEAN & DELUCA focuses on offering high quality food products, providing good service and impressive experiences, treating its customers, employees, and partners with integrity. As well as it develops good relationships within the organization; including operation and excellent brand management.

Due to the original uniqueness of the DEAN & DELUCA brand heritage, the business has historically required modest marketing and public relations support to successfully expand in both domestic U.S. and international markets. Marketing and public relations enhancement strategies that have been selectively used to launch segments, locations, products, and brand stories have been refined by the company and will be used more aggressively to differentiate the Dean & DeLuca brand experience from other high end food retail offerings or gourmet-style grocers.

SUPPLY OF PRODUCTS OR SERVICES

REAL ESTATE DEVELOPMENT BUSINESS

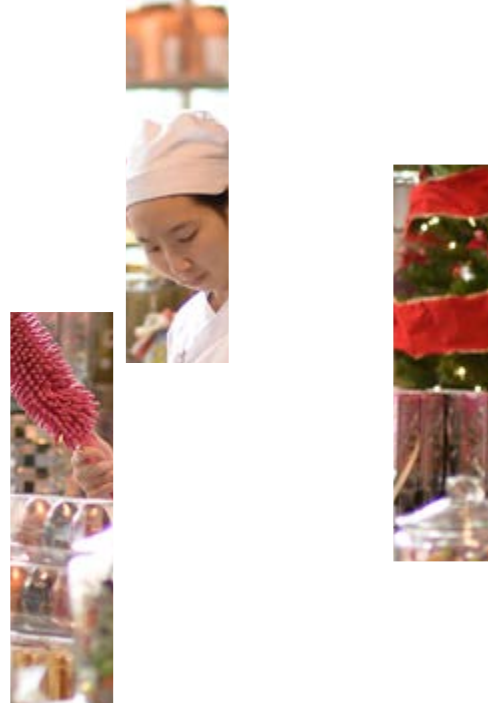
Situated in a business center area, PACE's lifestyle retail center (MahaNakhon CUBE) is surrounded by main business streets, such as Sathorn-Narathiwas Rajanagarindra Road/Silom Road, and by large office buildings and residences; therefore, it is convenient to access. Due to its location closed to Chongnonsri BTS station, a sky bridge to access the second floor of MahaNakhon CUBE is built and is planned to officially open in 2016. The lifestyle retail center's main attraction is its several world-class fine dining; for instance, "DEAN & DELUCA" Gourmet Food Hall, the world's first "VOGUE Lounge", and the French Michelin star restaurant "L'Atelier de Joël Robuchon", the modern Chinese with French style dining "M Krub", high quality handmade height increasing shoes "Don's Footwear", and premium tailor-cut and imported high-quality custom tailored shirts and suits "MahaNakhon Bespoke Tailoring".

The Company uniquely designs its lifestyle retail center to stand out from others by a distinctive architectural design, well-known shops, and various interior components, such as walkways and courtyards. All of the architectural components are carefully formed to create pleasant shopping atmosphere and mood.

Anchor tenants are expected to draw customers' attention to the shopping center. Therefore, the Company plans to engage several magnet shops, such as "Dean and Deluca" Gourmet Food Hall, the world's first "VOGUE Lounge", and the French Michelin-star restaurant "L'Atelier de Joël Robuchon", etc. PACE

selects well-qualified anchor tenants who can attract potential customers to increase spending and traffic. The Company's lease rate is slightly higher than that of competitors to account for a more convenient location and higher-than-average purchasing power of the surrounding potential customers. The Company has a policy to carefully select participating retailers by appointing Husband Retail Consulting, a professional retail business consultant, to handle the design of a proper retail mix that truly matches the lifestyles of the residents and the office workers in the surrounding areas.

The hotel's main selling point is the reputation of the hotel itself and of its management team. The Company strategically chose the brand "Edition", a new 5 star luxury boutique hotel brand under Marriott Group managed by The Ritz-Carlton Hotel Company. It is a co-creation of Mr. Bill Marriott, CEO of Marriott, and Mr. Ian Schrager, a renowned hotelier specialized in boutique hotel service design. Indeed, the design of "Edition" hotel most resonates with the style and features of MahaNakhon Project. In addition, choosing Marriott's brands means that the most efficient hotel reservation system will be used in Bangkok Edition, as the hotel can utilize Marriott's world-wide network. This actually is one of the reasons that make customers over the world trust the brand. The hotel is positioned to accommodate businessmen seeking for a pleasant and convenient stay that, at the same time, offers modern and cutting edge atmosphere.



The hotel is positioned to accommodate businessmen, Thai and foreign tourists with high-purchasing power, and seeking for a pleasant and convenient stay that, at the same time, offers modern and cutting edge atmosphere. Also, the target group includes all other retail clients who visit the hotel's restaurants and banquet rooms.

Main distribution channels consist of direct marketing system, world-wide sales representative offices, and an internet-based reservation system. Moreover, to enhance the hotel's image and increase its brand awareness, the hotel also regularly advertises through printing media and launches promotion plans for the ultimate purpose of boosting sales of Marriott system.



GOURMET FOOD AND BEVERAGES BUSINESS

DEAN & DELUCA has a diversified direct channel distribution models that includes the stores by its investment and by its licensees worldwide, e-commerce, and international business-to-business that the Company foresees great growth opportunities in the future.

1. Expanding store locations by the Company's investment in the United States and international markets as well as signing with new licensees.
2. The attention from a landlord with DEAN & DELUCA which could have a result in a power to negotiate for store expansion.
3. The performance of online sales from orders across the United States and some orders from worldwide stores indicates that DEAN & DELUCA has a strong brand and becomes the needs of the market. Besides, the Company recognizes the importance of the increasing internet users and smart phones help contribute the growth of business; therefore, the Company intends to use technology to boost sales performance more in the future.

UNDELIVERED UNITS AS OF DECEMBER 31ST, 2015

Information as of December 31st, 2015

PROJECT NAME	PROJECT TYPE	LAND SIZE	TOTAL UNITS/ TRANSFERRED UNITS OR RECOGNIZABLE UNITS	% COMPLETION	UNDELIVERED SOLD OR LEASED UNITS		SALES PERIOD	CONSTRUCTION PERIOD	TRANSFER OF OWNERSHIP OR LEASE STARTS FROM:
					NUMBER (UNIT)	VALUE (MB)			
Ficus Lane	Residential condominium	1,157 sq.wah	70 units/ 69 units	100	1	14.5 (Book value)	2004– Present	2004–2006	Transfer of ownership started from 2006
MahaNakhon	Mixed-use project consisting of residential condominium, hotel, and lifestyle retail center	9 Rai 1 Ngan 51.1 sq.wah	Residential condo 209 residences	85	144	Subsidiaries' net investment in the land cost and construction cost of 7,297.7 MB.	2009–2016	2011–2016	From the end of 2016
MahaSamutr	Luxury villas and country club	128 Rai 2 Ngan 84.9 sq.wah	80 villas and country club membership	25	–	–	2016	2013–2017 (Some parts to be finished in 2016)	From the end of 2016
Nimit Langsuan	A super luxury residential freehold development	2 Rai 2 Ngan 40.2 sq.wah	187 residences	–	155	5,991.4	2015–2016	2016–2018	From the end of 2018

RISK FACTORS

STRATEGIC RISK FACTORS

RISKS ARISING FROM THE LAND ACQUISITION POLICY FOR FUTURE DEVELOPMENT PROJECTS

The Company generally does not have the policy to buy and hold land for future projects (except some lands that offer exceptionally high potentials for development and high return on investment) because the Company wants to avoid incurring unnecessary financial burden, changes in city plans, changes in expropriation areas, and devaluation of lands due to the cancelation or the delay of adjacent mass transportation systems. In so doing, the Company faces the risk of being unable to buy lands in the desired locations and/or the risk of buying lands in an exaggerated price. These risks may affect the Company's abilities to acquire the land in advantageous locations and may also impair its financial performance should it choose to purchase the lands with higher costs.

Nevertheless, the Company has put in place a strategic plan to seek for and seize the land to match with its planned investment each year. To ensure land availability of all time, the Company formed a meticulous approach

to trace, track, and monitor detailed information on lands. This enables the Company to forecast the trends and growth potentials of lands in many locations, based on the expansion of residential area, and outlook on city expansion and developmental path. Before acquiring the target lands, the Company estimates city expansion directions, explores regulation constraints, and also scrupulously examines land ownership to reduce any possible risks. It also surveys the target lands and assesses financial feasibility and marketability of the land before acquisition.

The Company acquires its land by itself and through brokers/dealers, who have constantly reached out to the Company for the past years. The Company, however, tries to contact and negotiate with the land owners directly. This allows the Company to better control acquisition costs to ensure that the developed land will generate proper profit margin.

OPERATIONAL RISKS

RISKS OF CONSTRUCTION DELAYS AND QUALITY OF THE PROJECTS

The Company hires outsourced contractors to construct its real estate projects. Having no in-house construction team may expose the Company to the risk of uncontrollable construction delays due to contractors' unprofessional management or insufficient labors. In addition, even if the delivery is on-time, the quality of the delivered project may be considered sub-standard. These issues may result in a failure to timely deliver projects to the customers, and/or ineffective cost control. To prevent the said adverse outcomes, PACE has taken the following measures:

1. Tracking and controlling purchases to match the defined budget. The Company has a strict policy to appoint well-known quantity-surveyor companies to estimate budgets for bigger projects, such as MahaNakhon Project, to make sure that the budget is estimated with

precision and thoroughness. In the contractor hiring process, the Company applies bidding procedure, in which it will select contractors that are suitable for the project not only in terms of construction capability and techniques, but also in terms of team capacity, and available fund size. This is done to avoid project cost overrun.

2. Controlling construction period to match the defined timeline. To effectively control construction period, the Company not only utilize its own highly-experienced in-house team, but also has a policy to hire professional project managers to make sure that the construction is timely completed with high quality. Furthermore, PACE utilizes updated software packages to design and monitor the building process to reduce errors and lessen the time to fix the work.

RISKS OF LEGAL DISPUTE ARISING FROM CONSTRUCTION

The risk of damaging surrounding buildings is a common risk facing development and construction companies. Therefore, most companies, including PACE, generally manage to have insurance policy in place. This insurance not only transfer risk to insurance companies, who are responsible to pay damage compensation covered by the policy, it can also help prevent possible legal disputes that come with the damage. Furthermore, the Company also enforces the following preventive measures on site supervision.

In addition, PACE requires that contractors and site supervisors visit neighboring households to determine any problem created by its construction. If such problems occur, actions must be immediately taken. If there is any request from such households to fix small problem, contractors and site supervisors should be willing to assist. Moreover, PACE requires contractors and site supervisors to intermittently check with district offices for any complaint against project construction so as to provide immediate remedies to the affected parties.



The use of skeletal mesh panels for prevention of falling materials around MahaNakhon Tower.

RISKS OF INVESTMENT IN GOURMET FOOD AND BEVERAGES “DEAN & DELUCA” BRAND

Over its 38 year history, DEAN & DELUCA has earned a reputation as an icon of New York city culture and lifestyle with a focus on food. It was originally from the U.S., and has been building on its reputation as the defining brand in luxury gourmet food retail around the world. This good reputation might result in a risk of the Company's management and supervision due to meager experiences in this business and the diverse regulations of that country. Although the Company may be confident in the business and management team that will be able to conduct the business as planned, the high investment costs of the F&B business and the main business situated in the U.S. could affect the effectiveness of the management and internal control. Furthermore, the unstable situation of the world's economy might cause possible delay in achieving the expansion plan.

However, the Company considerably believes that investing in DEAN & DELUCA business is such a growth opportunity as assured by the fact that the US market has risen after the recession as well as the growth in big cities around the world due to the expansion of licensee. The distribution of business licensee will support the expansion plan with lower investment cost significantly. Moreover, PACE has great trust in the current of DEAN & DELUCA's management team and all employees' reputable skills in bringing the best out of each growing the business. In addition, the Company has sent the management team to closely manage, observe, and control as well as keeping the Company updated on performance reports regularly.

RISKS ARISING FROM MAJOR COMPETITORS IN MAIN BUSINESS LINE

1. Risks From Competitors in Super-Luxury Residential Real Estate Business

In 2015, the competition among super-luxury residential real estate companies is still more competitive. The average of sale price per square meters of high-end condominiums starts at 300,000 baht, and it tends to rise significantly. Due to the demand of the high purchasing power, it encourages the real estate developers consider more closely about the factors such as locations, design, quality of materials and construction process. The Company, therefore, focuses on serving the discerning needs of high-end customers and their lifestyle. Furthermore, PACE focuses on creating premium quality of each project and closely monitoring for all processes; for instance; delivering world-class designs and the finest standard of the construction control, and maintaining excellent quality in the development of residential projects to be recognized by customers constantly.

By early 2015, the Company has launched a new luxurious project called "Nimit Langsuan" which was well response by the existing customers and increased new customers. Also, the success of the pre-sales created the highest record before officially sale.

2. The Risk and Competition in Food and Beverage Business

Food and beverage business is a challenging and highly competitive business because of many factors such as different of taste, pricing, quality, value, service and location. These factors are risks for the entrepreneurs who must also compete against other business owners. Due to the limitation of store locations, and inability to expand its stores worldwide enough to reach all its target group, it will cause DEAN & DELUCA to face with a high competition. Although DEAN & DELUCA has earned a reputation as a unique brand almost 40 years history, and it begins to step into a leading global brand, the food and beverages business is easily to entrance and the Company will have to compete with many competitors in the same country and other countries around the world. Besides, the Company may face with a risk of not specialize in food and beverages because it is a new business line for the Company.

However, the Company has a management team with expertise in this business, study and follow up the movement, and closely monitor the market. In addition, the Company has prepared the business plan to expand and will focus more on selling the licensees of DEAN & DELUCA to other partnerships.

CORRUPTION RISK

RISKS ARISING FROM DIRECTORS, MANAGEMENT, AND EMPLOYEES TO CORRUPT AND INVOLVE IN EITHER DIRECTLY OR INDIRECTLY.

Since 14th August, 2014, the Company has conducted the anti-corruption policy to comply with this policy effectively and efficiently. In this respect, the Company determines reviewing the Anti-corruption on a regular basis at least once a year, defines the internal control system in respect of Anti-corruption, and the persons responsible for examinations are always entitled to take an examining action in the event of corruption occurrence, and prepares channels for whistle-blowing acceptance and dishonesty complaint. Although, the Company conducts the Anti-corruption policy, it will take times for practice. Due to the ethical and moral conscience of a person and the external factors such as society, environment, and the stakeholders that may affect the Company, the Company needs to promote the employees in all levels to have the spirit in ethics and merits by strictly complying with the Anti-corruption policy and shall update the Anti-corruption policy in the stricter manner on a yearly basis.

FINANCIAL RISKS

RISKS ARISING FROM REVENUE INSTABILITY AND LOSS AT THE BEGINNING OF THE DEVELOPMENTAL PHASE

Presently, the Company is developing the projects such as MahaNakhon, MahaSamutr, and Nimit Langsuan of which total residential projects' value were about 26,084 million baht. Besides, there are 1 unit of the Ficus Lane project that is in the process of sale and ownership transfer with the total book value of 6.8 MB (equivalent to sales value of 9.0 MB), and it is expected to be transferred and recognizable in 2016. Although the Company previously faced revenue instability, it was considered as usual for real estate development companies. This is because the real estate companies will be able to recognize the revenues only when the construction and the ownership transfer of the real estate developments are completed.

However, the Company is currently in the process of monitoring the residences of MahaNakhon project, the Ritz-Carlton Residences, Bangkok brand, and expecting to transfer and recognize the revenues since the late of the second quarter of 2016. Moreover, PACE expects to generate income from the hotel business "The Bangkok Edition", and revenues from retail business which is a part of MahaNakhon project such as "Retail Hill" and "Sky Observation Deck" in late 2016. The Company will also recognize revenues from sales of the MahaSamutr villa of which value approximately 4,000 Million Baht since the late 2016 as well as plan to sell the MahaSamutr villas and membership of MahaSamutr Country Club during the first quarter of 2016. For Nimit Langsuan project, which value of 7,584 Million Baht it is now in the process of construction, and expected to be completed and be able to recognize revenues since 2018. Besides, the Company is planning to launch a new real estate project on Narathiwas Rajanakarin Road which total value is about 2,800 Million Baht during the second half of the year 2016, and expecting to complete the project and recognize the revenues in 2019.

RISK RELATED TO INVESTMENT OF SECURITIES HOLDERS AND RISK RELATED TO THE ABILITY TO PAY DIVIDEND

Due to the reason that the Company is in the progression of developing big projects such as MahaNakhon, MahaSamutr, and Nimit Langsuan of which total projects' value approximately were 26,084 million baht, they are expected to be completed and started to be recognized revenues partially since 2016. This progression could cause the Company's consolidated financial statements in 2015 show losses, and its unconsolidated financial statements may be negatively impacted, possibly further affecting the Company's ability to pay dividend. However, if the MahaNakhon, MahaSamutr, and Nimit Langsuan projects are completed successfully and able to be recognized the revenues as planned, the Company expects to generate profits and, as such, be able to significantly pay dividends to its shareholders. Since dividends will be paid out of retained earnings in unconsolidated financial statement only, the Company, therefore, is preparing for new projects in a prime location of the city and other interesting locations. If the Company is profitable and has no constraints on dividend payment that may be attached to the loan agreements with financial institutions for the purpose of financing project development, PACE will be able pay dividends to its shareholders based on its dividend policy.

INTERNAL CONTROL AND RISK MANAGEMENT

01

OPINIONS OF BOARD OF DIRECTORS AND AUDIT COMMITTEE

In the meeting of the Board of Directors (BOD) number 2/2016 on February 26th 2016, with the presence of the Audit Committee, the Board of Directors and the Audit Committee jointly assessed the Company's internal control process and compared it to the standards provided by referencing the "Internal Control System Assessment Form" of the Securities and Exchange Commission. There are 5 components of the SEC standards, namely Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities.

The BOD concluded that the Company has an internal control system that is sufficient and suitable for its business. In addition, the BOD supported the Company's management to continually improve the quality of the internal control system to bolster PACE's Good Corporate Governance. The summary of the assessment is as follows :

1. CONTROL ENVIRONMENT

The Company's organization is well-arranged and suitable for the type of business. The organization's objectives are clearly identified and the operational guidelines are well-planned and measurable. Moreover, the Company's policy, regulation, and code of conducts on business ethics are clearly written to prevent the management and employees from engaging in any activities that may give rise to conflicts of interest.

2. RISK MANAGEMENT

The Company places high importance on risk management. It, hence, set up the Risk Management Committee to monitor the overall risk level of the Company, established a process to analyze external and internal risk factors that may affect the business, and arranged to have regular Risk Management Committee Meetings to assess risk factors and identified mitigation measures to reduce or avoid any event that may pose a threat to the Company's performance or reputation. The Risk Management Committee is obliged to report directly to the Board of Directors. The identified measures are then communicated to relevant officers for execution, after which regular monitoring and reassessment will be done.

3. CONTROL ACTIVITIES

The Company has put a proper process in place to appropriately control management's actions. It clearly identified the rights, duties and approval authorities for each level of management persons in the written form. The roles and responsibilities in giving approvals, recording, asset custody, and auditing are distinctly segregated. In the case of a transaction with major shareholders, directors, executives, and their related parties, the Company will strictly follow the approval regulation with the Company's interest as the ultimate consideration and as if the transaction was being done with other unrelated parties.

4. INFORMATION & COMMUNICATION

The Company arranged to have sufficient data reporting to support the decision making of the Board of Directors. In practice, the BOD receives meeting invitations and all supporting documents that contain sufficient information at least 7 days prior to the meeting. The minutes are kept both as hard copies and electronic copies that are easy to be retrieved yet cannot be altered. The minutes contain complete details that shareholders can use to assess the appropriateness of the directors' conducts. In addition, the Company set up a systematic approach to store supporting documents for account recording. A complete set of documents are sorted in a pattern that is ever-ready for auditors. Financial reports are prepared for the Board of Directors in a manner that truly represent the performance of the business.

5. MONITORING ACTIVITIES

The Company has the meeting of the Board of Directors (BOD) arranged 7 meeting and the meeting of the Audit Committee arranged 5 meeting. For Consider and monitor the performance of the management team to Achieve the Target.

The Audit Committee considered and approved The annual internal audit plan and reviews identified issues with the Internal Audit Department on a regular. The Committee requires the department to submit audit reports to it directly so that the auditors can do their job independently and free from management's interference, if any. In the case that significant errors are singled out, the Company will report the findings to the Board of Director and the Audit Committee to seek immediate remedies. After that, the progress on remedies will be reported to the Board of Directors. Moreover, the Company determined the policy requiring that executives immediately report to the Board of Directors if any fraud, illegal action, violation of laws, or any event that may significantly affect the Company's reputation or financial status take place.

02

HEAD OF INTERNAL AUDITS AND HEAD OF COMPLIANCE

HEAD OF AUDITS

Miss Montakan Teannetinun
Vice President, Internal Audit Department

HEAD OF COMPLIANCE

Mr. Sarath Pavorndechapong
Deputy Executive Vice President,
Legal & Compliance Department

SECURITY AND SHAREHOLDER INFORMATION

01 THE COMPANY'S SECURITIES

As of December 31st, 2015, the Company has registered capital of 3,261,678,197 Baht, comprising of 3,261,678,197 ordinary shares, with the par value of 1 Baht, and paid-up capital of 3,261,678,197 shares, with the par value of 1 Baht.

02 SHAREHOLDERS

The list of the Company's shareholders and their respective share portions as recorded in the shareholder register book as of December 30th, 2015 are shown below:

SHAREHOLDER'S NAME	NUMBER OF SHARES	%
GROUP OF TECHAKRAISRI'S FAMILY		
1. Mr. Sorapoj Techakraisri	1,360,338,437	41.71
2. Mrs. Yupa Techakraisri	150,224,814	4.61
3. Mr. Sumate Techakraisri	118,572,446	3.64
4. Mr. Chotipol Techakraisri*	38,584,362	1.18
5. Mr. Chumpol Techakraisri	12,288,190	0.38
6. Others	12,114,544	0.37
TOTAL SHARES OWNED BY GROUP OF TECHAKRAISRI'S FAMILY	1,692,122,793	51.88
7. Mr. Wiwat Kraipisitkul	260,848,004	8.00
8. UBS AG SINGAPORE BRANCH	129,299,424	3.96
9. ROSALIND DEVELOPMENT LTD.	90,558,538	2.78
10. Mr. Sakesan Sethasakon	78,112,500	2.39
11. IBC THAILAND LTD	73,525,200	2.25
12. Thai NVDR Co., Ltd.	69,349,184	2.13
13. SCB SECURITIES CO.,LTD. - HEDGING FOR OTC PRODUCT	57,075,800	1.75
14. Mr. Narit Chia - Apar	49,813,300	1.53
15. Others	760,973,454	23.33
TOTAL	3,261,678,197	100.00

* Including shareholding of spouse.

DIVIDEND POLICY

The Company's Board of Directors determines dividend policies for the Company and its subsidiaries, as in the followings:

1. THE COMPANY'S DIVIDEND POLICY

The Company determines its dividend payout ratio to be not lower than 40% of its net profit after corporate tax and legal reserves, provided that such dividend payout does not significantly affect the Company's normal course of operation. The dividend payment is subjected to adjustment depending on the Company's growth prospect, investment plan, liquidity, work expansion, loan covenants or debenture covenants of the Company's and its subsidiaries, as well as suitability and necessity to create value for the Company's shareholders in the future.

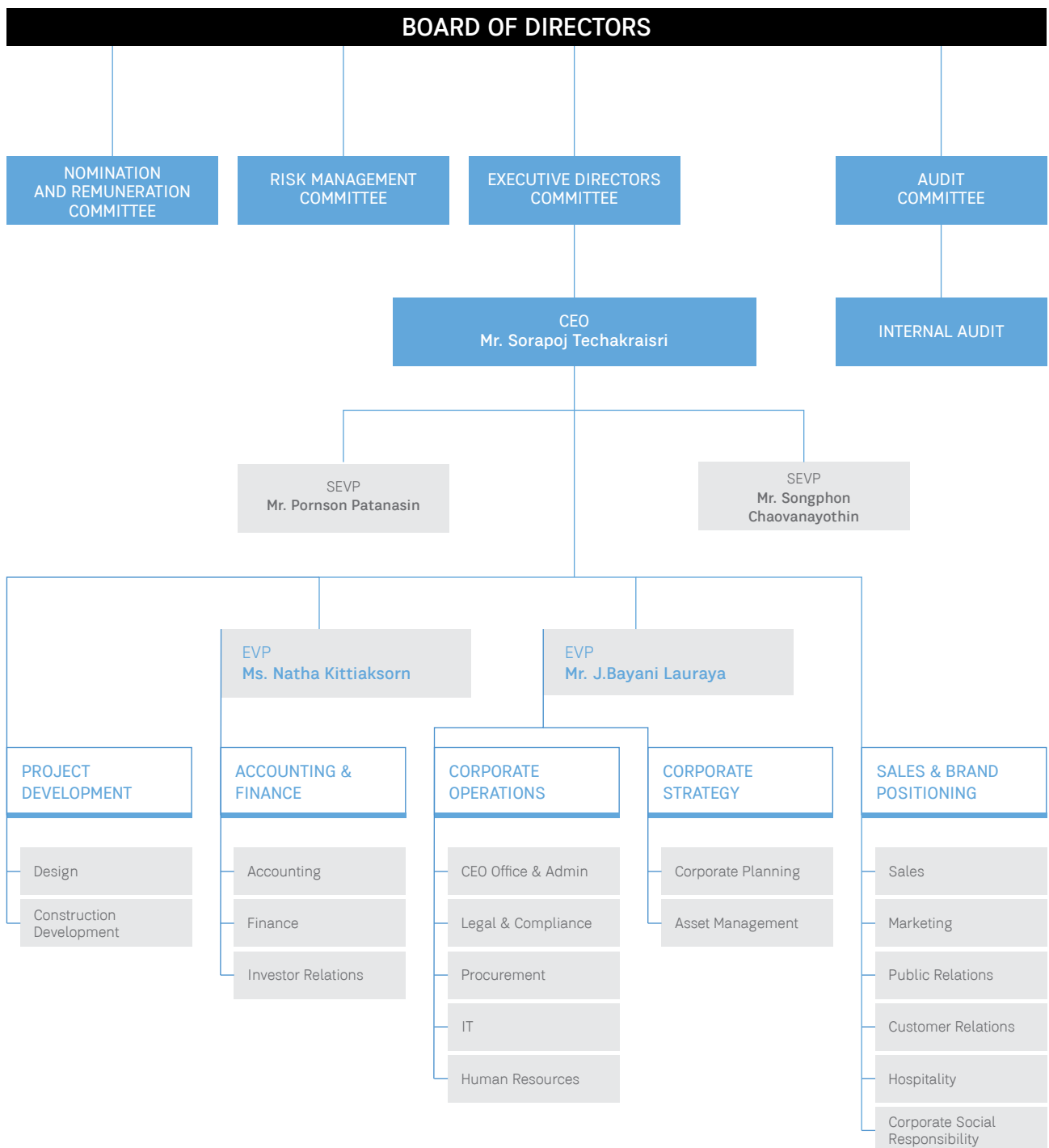
2. DIVIDEND POLICY OF SUBSIDIARIES

For a subsidiary in which PACE holds 100% of its shares, such subsidiary maintains a policy to pay dividend of no less than 40% of its net profit after corporate tax and legal reserves, provided that such dividend payout does not significantly affect its normal course of operation. The dividend payment is subjected to adjustment depending on the Company's growth prospect, investment plan, liquidity, work expansion, loan covenants or debenture covenants of the Company's and its subsidiaries, as well as suitability and necessity to create value for its shareholders in the future.

Therefore, Pace One, Pace Two, Pace Three, PCC, PFR and PRE cannot pay dividends to their shareholders unless the loans from financial institutions, loans from shareholders, and the interests borne from the aforesaid loans are entirely paid off.

MANAGEMENT STRUCTURE

ORGANIZATION CHART



01 BOARD OF DIRECTORS

As of December 31st, 2015, the Company's Board of Directors consists of 9 members as following below:

NAME	POSITION	NUMBER OF MEETING HELD	NUMBER OF MEETING ATTENDED
1. Mr. Kraithip Krairiksh	Chairman of the Board	7	7
2. Mr. Chotipol Techakraisri	Vice Chairman of the Board	7	7
3. Mr. Sorapoj Techakraisri	Director	7	7
4. Mr. Chumpol Techakraisri	Director	7	7
5. Mr. Theera Vayakornvichitre	Director	7	6
6. Mr. Pornson Patanasin	Director	7	7
7. Mrs. Ladda Siri Wattanakosol	Director, Chairman of Audit Committee, and Independent Director	7	6
8. Mr. Prasert Patradhilok	Director, Member of Audit Committee, and Independent Director	7	7
9. Ms. Benjaporn Prisuwan	Director, Member of Audit Committee, and Independent Director	7	7

Note : The Company's directors and executives perform their functions to maintain the maximum benefits of the Company's and its shareholders with a clear, balanced and verifiable structure by:

- The Board of Directors understands its fiduciary roles and responsibilities to shareholders and shows that it can perform such roles and assume such responsibilities
- Directors and management have a balanced structure that facilitates examination and verification by:
 - Having Audit Committee that consists of at least 3 independent directors whose qualifications are consistent with the ones defined by the rule of Stock Exchange of Thailand and who have sufficient knowledge and experiences to be able to verify reliability of financial statements and perform other functions as members of the Audit Committee.
 - Having delegation of authorities from the Board of Directors to Management

Company Secretary is Mr. Sarath Pavorndechapong.

02 MANAGEMENT

As of December 31st, 2015, The Company's management team consists of 5 members as the followings:

NAME	POSITION
1. Mr. Sorapoj Techakraisri	Chief Executive Officer
2. Mr. Pornson Patanasin	SEVP/Executive Director
3. Mr. Songphon Chaovanayothin	SEVP/Customer Relations Director
4. Ms. Natha Kittiaksom	EVP/Chief Financial Officer
5. Mr. J. Bayani Lauraya	EVP/Chief Operating Officer

Note : The Company's management according to the definitions in the announcement of Securities and Exchange Commission.

03 COMPANY SECRETARY

The Board of Directors' Meeting No. 1/2011, held on 21st September 2011, appointed Mr. Sarath Pavorndechapong to be the Company Secretary so as to conform with the Securities and Exchange Act B.E. 2535 (and subsequent amendments). Scope of duties and responsibilities of the Company Secretary are shown below:

1. To produce and maintain the following documents:
 - (a) a register of directors
 - (b) a notice calling a director meeting, minute of the meeting of the board of directors and an annual report of the Company;
 - (c) a notice calling a shareholder meeting and minutes of the shareholders' meeting.
2. To keep all interest or conflicts of interest reported by directors or any member of management team.
3. To submit the interest and conflict of interest report which is conducted by directors to Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days upon receiving by the Company.
4. To perform any other action as determined by Capital Market Supervisory Board.

04 COMPENSATION FOR DIRECTORS AND EXECUTIVES

The form and the criteria to consider compensation packages paid to the Company's directors and executives are determined based on suitability, fairness, transparency, clarity, and adequacy. In practice, such packages are defined by comparing the rates in the same industry and proposed to the Board of Directors for approval. Compensation for directors and members of Audit Committee is determined and approved in the Shareholders Meeting. To ensure fairness, attractiveness of the positions, and maximum benefits of the Company, compensation for each executive is determined based on both the performance of the Company and the performance of each individual executive.

4.1 DIRECTORS' COMPENSATION

The Company considers compensation packages paid to the Company's directors by comparing the rates in the same industry and proposed to the Nomination and Remuneration Committee, the Board of Directors, and it's been approved from the Annual General Meeting of Shareholders. The details are such following below:

(A) ANNUAL ALLOWANCE (QUARTERLY PAYMENT)	BAHT/YEAR
Chairman	240,000
Member	180,000
(B) MEETING ALLOWANCE (PAY PER MEETING)	BAHT/TIME
Chairman	12,000
Member	10,000

The following table shows the directors' compensation in 2015

2015

DIRECTORS	NUMBER OF MEETINGS ATTENDED				COMPENSATION AND ATTENDANCE FEE (BAHT)
	BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	RISK MANAGEMENT COMMITTEE	
1. Mr. Kraithip Krairiksh	7 / 7	-	-	-	324,000
2. Mr. Chotipol Techakraisri	7 / 7	-	1 / 1	1 / 1	266,000
3. Mr. Sorapoj Techakraisri	7 / 7	-	1 / 1	1 / 1	266,000
4. Mr. Chumpol Techakraisri	7 / 7	-	-	-	250,000
5. Mr. Theera Vayakornvichitre	6 / 7	-	-	-	240,000
6. Mr. Pornson Patanasin	7 / 7	-	-	-	250,000
7. Mrs. Ladda Siri wattanakosol	6 / 7	5 / 5	1 / 1	1 / 1	296,000
8. Mr. Prasert Patradhilok	7 / 7	5 / 5	1 / 1	1 / 1	306,000
9. Ms. Benjaporn Prisuwana	7 / 7	5 / 5	1 / 1	1 / 1	306,000

4.2 EXECUTIVES' COMPENSATION

The Company has set a clear policy on compensation for executives by linked to the operating results of the Company and individual job evaluation.

In 2014 and 2015, the Company provided compensation to its executives in the form of salary, bonus, and other compensation for 5 executives in the amount of 39.9 million Baht and 44.5 million Baht, respectively.

The Company's executives according to the definitions in the announcement of Securities and Exchange Commission. The Company's executives are provided with special position-based welfares, which are car allowance, gas allowance and mobile phone allowance.

05 HUMAN RESOURCES

The Company believes that human resources are one of the most valuable resources of the Company. It thus places high importance on the management and development of its personnel in order to retain knowledgeable, experienced personnel to fortify the foundation of the Company's competitiveness.

5.1 TOTAL NUMBER OF EMPLOYEES

As of December 31st, 2015, the Company had total employees of 148 people, and paid the compensations with the total amount of 303.4 million Baht of which consists of salary, the cost of living allowance, bonus, social security funds, and provident funds, etc.

2015	COMPANY PACE DEVELOPMENT CORPORATION PLC.	SUBSIDIARY PACE COUNTRY CLUB CO., LTD.	SUBSIDIARY PACE INTERIOR SERVICES CO., LTD.	SUBSIDIARY DEAN & DELUCA (THAILAND) CO., LTD.	SUBSIDIARY DEAN & DELUCA INC.	SUBSIDIARY YLP CO., LTD.	TOTAL
Operation Employee (Person)	138	32	28	188	785	7	1,178
Executive Management (Person)	10	4	4	23	7	1	49
Total (Person)	148	36	32	211	792	8	1,227
TOTAL OF COMPENSATION (MILLION BAHT)	303.4	10.8	7.6	78.7	884.7	10.4	1,295.6

Details of the number of employees in each function as of December 31st, 2015 are shown in the following table:

Unit: Person

FUNCTIONAL LINE	31 DEC 2015
Executives of the Company and its subsidiaries	6
Accounting - Finance	18
Public Relations - Marketing	11
Sales	6
Legal	9
Design - Construction	44
Technical Management	3
Administration	17
Procurement	4
Internal Audit	2
Human Resources	3
CEO Office	3
Property Management	4
Hospitality Development	10
CSR	1
Compliance	1
Investors Relations	1
Corporate Strategy	5
TOTAL	148

5.2 SIGNIFICANT CHANGE IN THE NUMBER OF EMPLOYEES IN THE PREVIOUS 3 YEARS –NONE–

5.3 MAJOR LABOR DISPUTE IN THE PREVIOUS 3 YEARS –NONE–

5.4 COMPENSATION FOR COMPANY'S EMPLOYEES

The Company provides compensation to its employees in the forms of salary, bonus, overtime, social security fund, and provident fund to help employees lighten the expense loads and to hopefully elevate their standards of living. Compensation for employees in 2015 are shown below:

Unit: Million Baht

TYPE OF COMPENSATION	2015
Salary, bonus, and other	299.6
Contribution to provident funds*	3.8
TOTAL	303.4

NOTE : *The Company established a provident fund for employee on 1 October 2011 onwards.

5.5 LABOR DISPUTE –NONE–

5.6 HUMAN RESOURCE DEVELOPMENT POLICY

The Company highly values human resource development as it truly believes that, in order for a corporate to grow sustainably, it needs teamplayers that are knowledgeable, skillful, experienced in subject matters supporting the Company's business conducts, and decisive. These desirable characteristics will be collectively merged together to form a solid corporate culture. Human resource development indeed starts with a proper hiring process that is able to identify preferred candidates with knowledge, skills, and attributes that correspond with the Company's culture.

The Executive Committee Meeting No. 2/2012 held on March 28th, 2012, reviewed the Company's human resource development plan and human resource management policy, and approved the said human resource management policy and the rules and guidelines for human resource development. In the policy part, the Company viewed that employees are valuable resources; therefore, it is determined to maintain and improve its employees continually and systematically to enhance their potentials, to lift their working spirits, to encourage employee unity, and to create the sense of pride as a part of the Company. The Company's human resource management policy can be summarized as follows:

- Select and hire candidates that are knowledgeable, skillful, accountable, and ethical to join the Company
- Develop its human resources to have knowledges, abilities, expertises, skills, and management capabilities to ensure proper job security and professional advancement
- The Company supports and encourages its employees to maintain job security and have professional advancement by ways of promotions. The Company will consider and select internal candidates to resume vacant positions
- Improve and provide various employee benefits that are suitable for employees' positions, experiences, and qualifications, and satisfied with the Company's performance, economic and social conditions
- Instill awareness and sense of respect of the rules of the Company and the society in the mind of its employees
- Retain and support good employees to stay and grow with the Company as long as possible

The Company holds that it is a responsibility of heads of each function to deeply understand human resource development system, as well as to join the Company and lead their subordinates in the collaboration to steer the organization in the directions defined by the Company's policies.

Details of Directors and Executives

MR. KRAITHIP KRAIRIKSH

Age 62

Chairman of the Board

EDUCATIONAL BACKGROUND

- Master's Degree in Economics, Northeastern University, U.S.A.
- Bachelor's Degree in Economics (B.A.), Tufts University, U.S.A.
- Director Accreditation Program (DAP), class 42/2005
- Corporate Governance for Capital Market Intermediaries (CGI), class 3/2015

STARTING DATE OF DIRECTORSHIP

14 November 2013

SHAREHOLDING PROPORTION¹ (%)

-

RELATIONSHIP BETWEEN THE EXECUTIVE

-

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2013 - Present	Chairman of the Board	Pace Development Corporation Public Company Limited Property Development

CURRENT POSITION IN LISTED COMPANIES

2015 - Present	Audit Committee/ Independent Director	Major Cineplex Group Public Company Limited Media & Publishing
2009 - Present	Audit Committee/ Independent Director	Samitivej Public Company Limited Health Care Services
2008 - Present	Audit Committee/ Independent Director	Vanachai Group Public Company Limited Construction Materials

CURRENT POSITION IN NON-LISTED COMPANIES

2009 - Present	Chairman of the Board/ Independent Director	KT ZMICO Securities Company Limited Securities
2009 - Present	Director	Krungthep Thanakom Company Limited Public Utility Services
2008 - Present	Director	Advance Energy Plus Company Limited Energy and Environment Consultant
2004 - Present	Director	Capital Market Development Fund Foundation -

MR. CHOTIPOL TECHAKRAISRI

Age 39

Vice Chairman of the Board/
Authorized Director**EDUCATIONAL BACKGROUND**

- Bachelor's Degree in Finance and International Business, Seattle University, USA.
- Director Accreditation Program (DAP), class 90/2011

STARTING DATE OF DIRECTORSHIP

19 September 2011

SHAREHOLDING PROPORTION¹ (%)

1.18 (by himself 38,339,278 shares and by spouse 245,084 shares)

RELATIONSHIP BETWEEN THE EXECUTIVE

Elder brother of
Mr. Sorapoj Techakraisri and
Mr. Chumpol Techakraisri, cousin of
Mr. Songphon Chaovanayothin

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011 - Present	Vice Chairman of the Board/ Director	Pace Development Corporation Public Company Limited Property Development
2003 - 2011	Director	Cinkara Company Limited ² Property Development

CURRENT POSITION IN LISTED COMPANIES

-

CURRENT POSITION IN NON-LISTED COMPANIES

2015 - Present	Director	Pace Creative Agency Company Limited Marketing and Advertising
2015 - Present	Director	Pace Interior Services Company Limited Interior Design
2014 - Present	Director	Pace Country Club Company Limited Sport Club
2014 - Present	Director	Pace Food Retail Company Limited Food and Beverages
2008 - Present	Director	Pace Real Estate Company Limited Property Development
2008 - Present	Director	Pace Project Two Company Limited Property Development
2008 - Present	Director	Pace Project Three Company Limited Property Development
2008 - Present	Director	Dean & Deluca (Thailand) Company Limited Gourmet Food and Beverages
2008 - Present	Director	Fourteen Points Company Limited Property Development
2007 - Present	Director	Pace Development Company Limited Property Development
2007 - Present	Director / Managing Director	YLP Company Limited Property Development
2007 - Present	Director	Pace Project One Company Limited Property Development
2007 - Present	Director	Cinkara Property Company Limited Property Development
2004 - Present	Director	MFT Development Company Limited Property Development
2001 - Present	Director	Chadsan Phansuan Company Limited Property Development

MR. SORAPOJ TECHAKRAISRI Age 38

Chief Executive Officer/Authorized Director

EDUCATIONAL BACKGROUND

- Bachelor's Degree in Business Administration (B.B.A.), Thammasat University
- Director Accreditation Program (DAP), class 91/2011

STARTING DATE OF DIRECTORSHIP

19 September 2011

SHAREHOLDING PROPORTION¹ (%)

41.71 (by himself 1,360,338,437 shares)

RELATIONSHIP BETWEEN THE EXECUTIVE

Younger brother of Mr. Chotipol Techakraisri, elder brother of Mr. Chumpol Techakraisri and cousin of Mr. Songphon Chaovanayothin

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Director/Chief Executive Officer	Pace Development Corporation Public Company Limited Property Development
2003-2011	Director/Chief Executive Officer	Cinkara Company Limited ² Property Development

CURRENT POSITION IN LISTED COMPANIES

-

CURRENT POSITION IN NON-LISTED COMPANIES

2015-Present	Director	Pace Creative Agency Company Limited Marketing and Advertising
2015-Present	Director	Pace Interior Services Company Limited Interior Design
2014-Present	Director	Pace Country Club Company Limited Sport Club
2014-Present	Director	Pace Food Retail Company Limited Food and Beverages
2008-Present	Director	Pace Real Estate Company Limited Property Development
2008-Present	Director	Pace Project Two Company Limited Property Development
2008-Present	Director	Pace Project Three Company Limited Property Development
2008-Present	Director	Dean & Deluca (Thailand) Company Limited Gourmet Food and Beverages
2008-Present	Director	Fourteen Points Company Limited Property Development
2007-Present	Director	Pace Development Company Limited Property Development
2007-Present	Director	YLP Company Limited Property Development
2007-Present	Director	Pace Project One Company Limited Property Development
2007-Present	Director	Cinkara Property Company Limited Property Development
2005-Present	Director/ Managing Director	Fierce Publishing Company Limited Publications
2004-Present	Director	MFT Development Company Limited Property Development
2003-Present	Director	Mittraphap Bangplee Transportation Company Limited Logistic
2001-Present	Director	Chadsan Phansuan Company Limited Property Development

MR. CHUMPOL TECHAKRAISRI Age 36

Authorized Director

EDUCATIONAL BACKGROUND

- Bachelor's Degree in Banking and Finance (B.B.A.), Chulalongkorn University
- Director Accreditation Program (DAP), class 10/2004
- Director Certification Program (DCP), class 102/2008

STARTING DATE OF DIRECTORSHIP

19 September 2011

SHAREHOLDING PROPORTION¹ (%)

0.38 (by himself 12,288,190 shares)

RELATIONSHIP BETWEEN THE EXECUTIVE

Younger brother of Mr. Chotipol Techakraisri, Mr. Sorapoj Techakraisri and cousin of Mr. Songphon Chaovanayothin

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Director	Pace Development Corporation Public Company Limited Property Development

CURRENT POSITION IN LISTED COMPANIES

2004-Present	Director/ Executive	T. Krungthai Industries Public Company Limited Automotive
2003-Present	Assistant to Managing Director	T. Krungthai Industries Public Company Limited Automotive

CURRENT POSITION IN NON-LISTED COMPANIES

2015-Present	Director	Pace Creative Agency Company Limited Marketing and Advertising
2015-Present	Director	Pace Interior Services Company Limited Interior Design
2014-Present	Director	Pace Country Club Company Limited Sport club
2014-Present	Director	Pace Food Retail Company Limited Food and Beverages
2011-Present	Director	Pace Real Estate Company Limited Property Development
2011-Present	Director	Pace Project Two Company Limited Property Development
2011-Present	Director	Pace Project Three Company Limited Property Development
2011-Present	Director	YLP Company Limited Property Development
2011-Present	Director	Pace Project One Company Limited Property Development
2011-Present	Director	Lean Enterprise Company Limited Import and Export Business
2007-Present	Director	Cinkara Property Company Limited Property Development
2004-Present	Director	MFT Development Company Limited Property Development
2001-Present	Director	Chadsan Phansuan Company Limited Property Development

MRS. LADDA SIRIWATTANAKOSOL

Age 59

Independent Director/
Chairman of Audit Committee

EDUCATIONAL BACKGROUND

- Master's Degree in Business Administration, Thammasat University
- Bachelor's Degree in Accountancy (B.B.A.), Chulalongkorn University
- Director Certification Program (DCP), class 99/2008
- Monitoring the Quality of Financial Reporting (MFR), class 5/2007
- Monitoring the Internal Audit Function (MIA), class 1/2007
- Monitoring the System of Internal Control and Risk Management (MIR), class 2/2008

- Audit Committee Program (ACP), class 20/2008
- Monitoring Fraud Risk Management (MFM), class 6/2011
- Anti-Corruption for Executive Program (ACEP), class 15/2015
- Compensation Committee (RCC), class 20/2015

STARTING DATE OF DIRECTORSHIP
19 September 2011

SHAREHOLDING PROPORTION¹ (%)
-

**RELATIONSHIP BETWEEN
THE EXECUTIVE**
-

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Independent Director / Chairman of Audit Committee	Pace Development Corporation Public Company Limited Property Development
2007-2010	Independent Director / Audit Committee	ACL Bank Company Limited Financial Institution
2006	Executive Vice President- Strategic	TMB Bank Public Company Limited Financial Institution

CURRENT POSITION IN LISTED COMPANIES

2010-Present	Independent Director / Audit Committee	Industrial and Commercial Bank of China (Thai) Public Company Limited Financial Institution
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CURRENT POSITION IN NON-LISTED COMPANIES

-

MR. PRASERT PATRADHILOK

Age 59

Independent Director/
Audit Committee

EDUCATIONAL BACKGROUND

- Master's Degree in Business Administration, Chulalongkorn University
- Bachelor's Degree in Engineering, Prince of Songkla University
- Director Certification Program (DCP), class 20/2002
- Director Certification Program Refresher (DCP), class 1/2005
- Anti-Corruption the Practical Guide (ACPG), class 15/2014

STARTING DATE OF DIRECTORSHIP

19 September 2011

SHAREHOLDING PROPORTION¹ (%)

-

RELATIONSHIP BETWEEN THE EXECUTIVE

-

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Independent Director / Audit Committee	Pace Development Corporation Public Company Limited Property Development
2004-2015	President	Advisory Plus Company Limited Financial Advisor

CURRENT POSITION IN LISTED COMPANIES

2015-Present	Independent Director / Audit Committee	Wave Entertainment Public Company Limited Media & Publishing
2006-Present	Independent Director / Chairman of Audit Committee	Fancy Wood Industries Public Company Limited Production and Distribution - Parawood Furniture
2004-Present	Independent Director / Chairman of Audit Committee	Boutique New City Public Company Limited Supply and Distribution Women's Clothing

CURRENT POSITION IN NON-LISTED COMPANIES

2015-Present	Director	Advisory Plus Company Limited Financial Advisor
2009-Present	Director	Plus Advisory Company Limited Financial Advisor
2007-Present	Director	Advance Energy Plus Company Limited Energy and Environment Consultant
2004-Present	Vice Chairman	Investment Banking Club Financial Advisory Club
2004-Present	Director	Kindred Company Limited Other Investment
1994-Present	Director	Robinson Planner Company Limited Bankruptcy Plan Advisor

MISS BENJAPORN PRISUWANNA

Age 51

Independent Director/Audit Committee/
Expert on Financial Accounting

EDUCATIONAL BACKGROUND	STARTING DATE OF DIRECTORSHIP
• Master's Degree in Accountancy, Chulalongkorn University	19 September 2011
SHAREHOLDING PROPORTION ¹ (%)	-
RELATIONSHIP BETWEEN THE EXECUTIVE	-
• Bachelor's Degree in Accountancy, Chulalongkorn University	
• Director Accreditation Program (DAP), class 90/2011	
• Compensation Committee (RCC), class 20/2015	

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Independent Director/ Audit Committee	Pace Development Corporation Public Company Limited Property Development

CURRENT POSITION IN LISTED COMPANIES

2000-Present	Executive Vice President & Manager	Bangkok Bank Public Company Limited Financial Institution
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CURRENT POSITION IN NON-LISTED COMPANIES

2001-Present	Director	Motion Link Company Limited Advertising Agency
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MR. THEERA VAYAKORNVICHITRE

Age 38

Director

EDUCATIONAL BACKGROUND	STARTING DATE OF DIRECTORSHIP
• Master's Degree in Finance, Thammasat University	19 September 2011
SHAREHOLDING PROPORTION ¹ (%)	-
RELATIONSHIP BETWEEN THE EXECUTIVE	-
• Bachelor's Degree in Finance, Thammasat University	
• Director Accreditation Program (DAP), class 91/2011	

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Director	Pace Development Corporation Public Company Limited Property Development

CURRENT POSITION IN LISTED COMPANIES

-

CURRENT POSITION IN NON-LISTED COMPANIES

2003-Present	Director	Sansanee Industries Company Limited Clothing Export
2002-Present	Director	Fierce Publishing Company Limited Publication
2001-Present	Director/ Managing Director	Dynasty Apparel Company Limited Manufacturer

MR. PORNSON PATANASIN

Age 55

Director/Senior Executive Vice President

EDUCATIONAL BACKGROUND	STARTING DATE OF DIRECTORSHIP
• Bachelor's Degree in Business Administration, Assumption University	19 September 2011
SHAREHOLDING PROPORTION ¹ (%)	-
RELATIONSHIP BETWEEN THE EXECUTIVE	-
• Director Accreditation Program (DAP), class 91/2011	
• Director Certification Program (DCP), class 192/2014	

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Director/ Senior Executive Vice President	Pace Development Corporation Public Company Limited Property Development

2007-2011	Executive Committee/Chief Operating Officer	Pace Development Company Limited ³ Property Development
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CURRENT POSITION IN LISTED COMPANIES

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CURRENT POSITION IN NON-LISTED COMPANIES

2005-Present	Director	Complete Data System Company Limited Computer System Service
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MR. SONGPHON CHAOVANAYOTHIN

Age 41

Senior Executive Vice President/CRM

EDUCATIONAL BACKGROUND

- Bachelor of Business Administration Assumption University

SHAREHOLDING PROPORTION¹ (%)

-

RELATIONSHIP BETWEEN THE EXECUTIVE

Cousin of Mr.Chotipol Techakraisri,
Mr. Sorapoj Techakraisri and
Mr. Chumpol Techakraisri

MISS NATHA KITTIKSORN

Age 47

Executive Vice President/
Chief Financial Officer

EDUCATIONAL BACKGROUND

- Master's Degree in Economics, Cal Poly Pomona, USA.
- Bachelor's Degree in Economics, University of California, Los Angeles (UCLA), USA.
- Director Accreditation Program (DAP), class 49/2011

SHAREHOLDING PROPORTION¹ (%)

-

RELATIONSHIP BETWEEN THE EXECUTIVE

-

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Senior Executive Vice President/CRM	Pace Development Corporation Public Company Limited Property Development
2008-2011	Senior Executive Vice President	Pace Development Company Limited ³ Property Development
2003-2008	Senior Supervisors	Toyota Motor Thailand Company Limited Auto and Automotive Parts

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2011-Present	Chief Financial Officer	Pace Development Corporation Public Company Limited Property Development
2011-2014	Executive Committee	Pace Development Corporation Public Company Limited Property Development
2011-2013	Director	Pace Development Corporation Public Company Limited Property Development
2008-2011	Chief Financial Officer	Pace Development Company Limited ³ Property Development
2002-2007	Chief Financial Officer Executive Vice President – Accounting and Finance	Major Development Public Company Limited Property Development

MR. J. BAYANI LAURAYA

Age 51

Executive Vice President/
Chief Operating Officer

EDUCATIONAL BACKGROUND

- Bachelor's Degree in Accounting & Finance San Francisco State University

SHAREHOLDING PROPORTION¹ (%)

-

RELATIONSHIP BETWEEN THE EXECUTIVE

-

WORK EXPERIENCE IN THE PAST 5 YEARS

DURATION	POSITION	NAME OF ORGANIZATION/COMPANY BUSINESS TYPE
2014-Present	Executive Vice President/ Chief Operating Officer	Pace Development Corporation Public Company Limited Property Development
2011-2014	Executive Director/Chief Financial Officer	Boutique Asset Management Company Limited Investment Management and Property Development
2005-2014	Managing Director	Baker Tilly Tax and Consulting Services (Thailand) Ltd. Baker Tilly Risk Management Services (Thailand) Ltd. Tax, Accounting and Management Services

Note : ¹Including shareholding of spouse and minor children.

²Cinkara Company Limited has converted and registered to be a public company limited and changed name to Pace Development Corporation Public Company Limited.

³For the purpose of business restructuring, the officers of Pace Development Company Limited were transferred to Cinkara Company Limited. Recently, Cinkara Company Limited has converted and registered to be a public company limited and changed name to Pace Development Corporation Public Company Limited since 20 September 2011.

Changes in PACE shares held by directors and management in 2015

NO.	NAME	POSITION	SHAREHOLDING AS OF 31 DECEMBER 2014	SHAREHOLDING AS OF 31 DECEMBER 2015	INCREASE / (DECREASE) IN SHARE IN 2015	PERCENTAGE OF SHAREHOLDING (%)
1	Mr. Kraithip Krairiksh	Chairman of the Board	-	-	-	-
	Spouse and Minor Children		-	-	-	-
2	Mr. Chotipol Techakraisri	Vice Chairman of the Board	31,200,100	38,339,278	7,139,178	1.18
	Spouse and Minor Children		200,000	245,084	45,084	0.01
3	Mr. Sorapoj Techakraisri	Director / Chief Executive Officer	1,108,122,950	1,360,338,437	252,215,487	41.71
	Spouse and Minor Children		-	-	-	-
4	Mr. Chumpol Techakraisri	Director	10,000,000	12,288,190	2,288,190	0.38
	Spouse and Minor Children		-	-	-	-
5	Mrs. Ladda Siriwattanakosol	Chairman of Audit Committee	-	-	-	-
	Spouse and Minor Children		-	-	-	-
6	Mr. Prasert Patradhilok	Audit Committee	-	-	-	-
	Spouse and Minor Children		-	-	-	-
7	Miss Benjaporn Prisuwanna	Audit Committee	-	-	-	-
	Spouse and Minor Children		-	-	-	-
8	Mr. Theera Vayakornvichitre	Director	-	-	-	-
	Spouse and Minor Children		-	-	-	-
9	Mr. Pornson Patanasin	Director	-	-	-	-
	Spouse and Minor Children		-	-	-	-
10	Mr. Songphon Chaovanayothin	Senior Executive Vice President/CRM	-	-	-	-
	Spouse and Minor Children		-	-	-	-
11	Miss Natha Kittisakorn	Executive Vice President/Chief Financial Officer	-	-	-	-
	Spouse and Minor Children		-	-	-	-
12	Mr. J. Bayani Lauraya	Executive Vice President/Chief Operating Officer	-	-	-	-
	Spouse and Minor Children		-	-	-	-

Attachment 2 Information of holding office of executive and controlling persons of the Company in subsidiaries, associated and affiliated companies
(December 31, 2015)

BOARD OF DIRECTORS	1	SUBSIDIARIES										ASSOCIATED COMPANIES									
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1. Mr. Kraithip Krairiksh	/																				
2. Mr. Chotipol Techakraisri	//, ///, Y	///, XX	///	///	///	///	///	///	///	///	///	///	///	///	///	///					
3. Mr. Sorapoj Techakraisri	//, ///, X, Y	///	///	///	///	///	///	///	///	///	///	///	///	///	///	///	///, YY	///			
4. Mr. Chumpol Techakraisri	//, ///, Y	///	///	///	///	///	///	///	///	///	///	///	///	///				///, YY	///		
5. Mrs. Ladda Siriwattanakosol	//, ///																			///	
6. Mr. Prasert Patradhilok	//, ///																				
7. Ms. Benjaporn Prisuwananna	//, ///																				
8. Mr. Theera Vayakornvichit	//, Y																//				
9. Mr. Songphon Chaovanayothin	YY																				
10. Mr. Pornson Patanasin	//, Y, YY																				
11. Ms. Natha Kittikakorn	YY																				
12. Mr. J. Bayani Lauraya	YY																				

Annotation: / = Chairman of the Board, // = Director, /// = Authorized Director, /// = Audit Committee, x = Chief Executive Officer, xx = Managing Director, Y = Executive Committee, YY = Executive

- | | | |
|--|--|---|
| 1. Pace Development Corporation Public Company Limited | 8. Pace Interior Services Company Limited | 16. Pace Development Company Limited |
| 2. YLP Company Limited | 9. Pace Food Retail Company Limited | 17. Fierce Publishing Company Limited |
| 3. Pace Real Estate Company Limited | 10. Dean and Deluca (Thailand) Company Limited | 18. Mittraphap Bangplee Transportation Company Limited |
| 4. Pace Project One Company Limited | 11. Pace Creative Agency Company Limited | 19. T.Krungthai Industries Public Company Limited |
| 5. Pace Project Two Company Limited | 12. Cinkara Property Company Limited | 20. Lean Enterprise Company Limited |
| 6. Pace Project Three Company Limited | 13. Chadsan Phansuan Company Limited | 21. Industrial and Commercial Bank of China (Thai) Public Company Limited |
| 7. Pace Country Club Company Limited | 14. MFT Development Company Limited | |
| | 15. Fourteen Points Company Limited | |

Attachment 2 Information of holding office of executive and controlling persons of the Company in subsidiaries, associated and affiliated companies
(December 31, 2015)

BOARD OF DIRECTORS	1	ASSOCIATED COMPANIES																				
		22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
1. Mr. Kraithip Krairiksh	/							//							////	/	////	//	////			
2. Mr. Chotipol Techakraisri	//, ///, Y																					
3. Mr. Sorapoj Techakraisri	//, ///, X, Y																					
4. Mr. Chumpol Techakraisri	//, ///, Y																					
5. Mrs. Ladda Siriwattanakosol	//, ///																					
6. Mr. Prasert Patradhilo	//, ///	////	///	////	///	////	///	///	///, XX													
7. Ms. Benjaporn Prisuwan	//, ///								///	YY												
8. Mr. Theera Vayakornvichit	//, Y										///, XX	///										
9. Mr. Songphon Chaovanayothin	YY													//								
10. Mr. Pornson Patanasin	//, Y, YY																			//	//	//
11. Ms. Natha Kittikarn	YY																					
12. Mr. J. Bayani Lauraya	YY																					

Annotation: / = Chairman of the Board, // = Director, /// = Authorized Director, //// = Audit Committee, x = Chief Executive Officer, xx = Managing Director, Y = Executive Committee, YY = Executive

22. Wave Entertainment Public Company Limited	29. Advisory Plus Company Limited	36. KT ZMICO Securities Company Limited
23. Kindred Company Limited	30. Bangkok Bank Public Company Limited	37. Samitivej Public Company Limited
24. Boutique Newcity Public Company Limited	31. Motion Link Company Limited	38. Krunghthep Thanakom Company Limited
25. Plus Advisory Company Limited	32. Dynasty Apparel Comapny Limited	39. Vanachai Group Public Company Limited
26. Fancy Wood Industries Public Company Limited	33. Sansanee Industries Company Limited	40. Roadshore Capital Partners Company Limited
27. Robinson Planner Company limited	34. Complete Data System Company Limited	41. Rachasiam Management Company Limited
28. Advance Energy Plus Company Limited	35. Major Cineplex Group Public Company Limited	42. Silverline Management Services Company Limited

CORPORATE GOVERNANCE

The Company profoundly recognized that Corporate Governance (CG) is a key driver to the business efficiency and the sustainable growth, which ultimately lead to the maximum returns for all stakeholders including employees, investors, shareholders and other interested persons. The Board of Directors (BOD) thus agreed to establish the policy of Good Corporate Governance, covering major substances including the structure, roles and responsibilities of the BOD, as well as the executives' managing principles that must be transparent, clear, and measurable. This is to ensure that all of the Company's business maneuvers are done with fairness and on the ground of the maximum benefits of the Company's shareholders and stakeholders.

The BOD and the Company's management team strongly adhere to determination and uprightness. The Company determines its vision, policies, and guidelines to be abided by all of its directors, executives, and employees to create the culture of continual CG mindset and build sustainable grounds for value creation for all stakeholders. This is an important engine to accomplish the goals set by the BOD, who designed the Company's structure to be transparent and facilitative to justifiable business conducts according to the CG framework under the rules set forth by the Stock Exchange of Thailand (SET).

01 CORPORATE GOVERNANCE POLICY

The Company's BOD places high importance on stringent conforming to the CG principle. Recognizing the importance of the roles and responsibilities of the BOD and the management team in building a good CG environment that will strengthen the Company's competitiveness, fortify effective and transparent management, and increase the level of trust from shareholders, investors, and other stakeholders, PACE established its CG policy, covering 5 main principles as the followings:

PRINCIPLE 1 SHAREHOLDERS' RIGHTS

The Company respects shareholders' rights to make decisions pertaining to the Company's major changes and the rights to receive correct, complete, sufficient, and timely information evenly. Consequently, the Company has performed as the following:

1. SHAREHOLDERS' RIGHTS PROTECTION

- 1.1 The Company emphasize the protection of shareholders' rights and the promotion of exercising the basic legal rights i.e. the rights to obtain the relevant and adequate information of the Company, to participate and vote in the shareholders' meeting, to elect and remove members of the board, appoint the external auditor, and make decisions on any transactions that affect the Company such as the amendment to the Company's articles of association and memorandum of association, the capital decrease or increase etc.
- 1.2 The Company recognizes the importance of shareholders' rights by facilitating shareholders

more than legal requirement i.e. providing the current important information via the Company's website and providing Management Discussion and Analysis (MD & A) on a quarterly basis.

- 1.3 The shareholding structure of the Company comprises of numerous minority shareholders to balance with the majority shareholders, not contributing to any person or group to control vote or control of the Company, while enhancing the good corporate governance to shareholders. Currently, the Company has free float more than 40%, no cross shareholding, and no pyramid structure.

2. THE SHAREHOLDERS' MEETING

- 2.1 The Company held the Shareholders' Meeting once a year within 4 months after the end of the accounting period. In 2015, the meeting was held on 27th April, 2015, where Chairman of the Board of Directors, Chairman of Nomination and Remuneration Committee, Chairman of Risk Management Committee, directors, Chief Executive Officer, management, external auditor, and legal advisor attended the meeting to respond questions.
- 2.2 The Company has provided Legal Advisor of Baker & McKenzie Ltd. and shareholders' volunteers checking the vote counting in the shareholders' meeting, which was disclosed in the minutes of shareholders' meeting.

3. DELIVERING THE MEETING INVITATION LETTER

- 3.1 The Company assigned Thailand Securities Depository

Company Limited, the Company's share registrar, to send the meeting invitation letter to shareholders 14 days in advance, while posted such information, which is the same information as sent to shareholders, in www.pacedev.com, the Company's website to allow shareholders sufficient time to study such information in advance. The Company also advertised the meeting invitation in daily newspapers for 3 consecutive days and 3 days in advance before the meeting in order to inform such shareholder meeting.

3.2 The meeting invitation provide sufficient and complete information, including date, time, place, agenda with details whether each agenda is for acknowledgement or consideration, enclosures of each agenda, purpose and reason, the directors' opinion, articles of association relating to the meeting, map, document or evidences required to be presented on the meeting date, and meeting attendance procedure. The Company has also provided meeting invitation letter in English to facilitate foreign shareholders.

3.3 The Company recognizes the importance of shareholders' rights, encourages shareholders to exercise their rights, and does not infringe or curtail shareholders' rights. At the shareholders' meeting, the Company provides significant issues for shareholders consideration and includes important items as required by laws, SET's regulations and the Company's regulations.

3.4 In the meeting invitation, agendas are clearly categorized for shareholders' consideration and approval. Details included in the invitation are:

- **DIRECTOR APPOINTMENT** : The Company allows shareholders to appoint individual director by providing information about name, age, educational background, work experience, number of listed and non-listed companies served as director, nomination criteria and method, types of director that is proposed for appointment and meeting attendance in case of proposing previous director, which is screened by the Nomination and Remuneration Committee.
- **DIRECTOR REMUNERATION** : The Company provides details of proposed the director remuneration policy and conditions, which is screened by the Nomination and Remuneration Committee.
- **APPOINTMENT OF EXTERNAL AUDITORS** : The Company provides details of external auditor's name and company, audit fee, consideration method of audit fee appropriateness, which is screened by the Audit Committee
- **ALLOCATING PROFIT AND DIVIDEND PAYMENT** : The Company provides details of profit allocation and reserve fund, no dividend payment together with the reason in accordance with law, regulation and dividend policy.

4. **FACILITATING SHAREHOLDERS**

4.1 The Company's policy is to facilitate and encourage institutional investors, major and individual shareholder to attend the meeting.

4.2 The Company held the shareholders' meeting at W Hotel, Bangkok, the convenient place which is easily accessible by shareholders. The Company also facilitated all shareholders in a fair manner by providing adequate officers to take care of them.

4.3 The Company allows registration of shareholders one hour before the meeting, does not limit the rights of shareholders who come late, and facilitates shareholders to fully use their meeting rights.

4.4 The Company uses a barcode system detailing each shareholder's information as printed on the registration form. This is to facilitate fast and accurate registration, vote counting and display.

4.5 The Company gives shareholders who show up late a chance to vote on agenda items still under deliberation.

5. **CONDUCT OF THE SHAREHOLDERS' MEETING**

5.1 At the beginning of the meeting, the Company introduces the Board of Directors, Chairman of each sub-committee, management, external auditor, and legal advisor attending the meeting and informs shareholders of the meeting rules and voting procedure, as well as the voting right.

5.2 The Company provides enough time for the meeting, encourages equal opportunities for shareholders to express their opinions and raise any questions in the meeting, where directors and management address and answer all questions clearly and precisely.

5.3 The Company conducts the shareholders' meeting in sequence detailed in the agenda as informed in the meeting invitation letter. There was no additional important material or information or agenda other than that printed in the meeting invitation added during the shareholders' meeting.

5.4 The Company provides separate voting card for each agenda for transparency and further investigation in case of argument afterwards, and in case that an agenda includes various topics, such as director appointment, the Company opens the opportunity for the shareholders to separately appoint individual director.

6. **AFTER THE SHAREHOLDERS' MEETING**

6.1 The Company disclosed the resolutions of the meeting, together with the votes of each agenda, via SET and will announce on the Company's website within 9.00 AM of the day after the shareholders' meeting date.

6.2 The minutes of meeting was correct, complete and could be verified by shareholders. The minutes covered the name and position of directors who attended the meeting, voting method and counting,

shareholders' opinions, the director's clarification and clear resolution, classifying into agree, disagree or abstain votes. The minutes was sent to the SET within 14 days after each meeting as well as posted on the Company's website.

PRINCIPLE 2 FAIR TREATMENT OF SHAREHOLDERS

The Company requires that all shareholders be treated fairly and equally. Consequently, the BOD set up the following policies:

1. Facilitate minority shareholders to nominate directors and suggest additional agenda before the commencement of the shareholder meeting.
2. Determine a clear rule in advance as to whether and how to add additional agenda suggested by minority shareholders into the existing agenda, and as to how minority shareholders can nominate candidates for the Company's directors.

The Company provides channel for shareholders to propose agenda item and nominate person for election as a director for the 2016 Annual General Meeting of Shareholders, which is disclosed via the SET and the Company's website. One or several shareholders, holding not less than 1% of total shares can propose meeting agenda and director nominee, for 3 months, from 15 October–15 January of each year. This proportion facilitates the shareholders more than specified by the law, which specifies that one or several shareholders, holding minimum share in the amount of 5% can propose meeting agenda.

3. Include only the agenda determined in advance without changing major information or adding new untold agenda unnecessarily, especially in the meeting with agenda that require extensive time to study and thorough understandings from shareholders.
4. Facilitate shareholders unable to attend the meeting by allowing such shareholders to grant the authority to attend and vote in the meeting to at least one of the independent directors or any individual of choice. The names of the selected independent directors must be informed in the meeting invitation letter.
5. Treat every shareholder fairly and equally, regardless of being majority or minority shareholders, Thai or foreign shareholders.
6. Encourage the use of voting cards in every agenda to prove transparency and measurability in the voting process, in case of a later dispute. In the director

nomination agenda, the Company grants each shareholder the right to nominate directors person by person.

7. Establish a written guideline to maintain internal information and prevent misuse of such information and communicate the guideline to all entities in the organization. The Company also requires that all directors and executives report their securities holding and submit the report to the Company's BOD.

PRINCIPLE 3 RESPONSIBILITIES TO STAKEHOLDERS

The Company truly recognizes and respects the rights of internal stakeholders, such as shareholders and employees, and external stakeholders, such as customers, trading partners, competitors, governmental entities, and other entities including surrounding communities, as they are important contributors to the Company's competitiveness and profitability, the main drivers of PACE's long-term value creation. The Company, therefore, set up the following policies:

1. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS SHAREHOLDERS

PACE realizes that shareholders are the true owners of the Company and wholeheartedly accepts fiduciary duty to create long-term value to its shareholders. It therefore requires that its employees adhere to the following guidelines:

- Behave in an honest, upright manner and always base one's decision on thorough considerations and fairness to every shareholder in order to maximize overall shareholders' value.
- Monitor and control the operation to ensure that the Company's financial status and performance are well maintained, and regularly report the Company's business status, performance, financial status, accounting information and other information in a true, unbiased manner.
- Report the Company's positive and negative trends, based on probabilities, solid evidence and backup reasoning, to every shareholder in an equal, unprejudiced fashion.
- Refrain from exploiting the Company's undisclosed information to one's or other's personal benefits and abstain from any other actions that may result in conflicts of interest with the organization.
- The Company must treat all shareholders equally in the shareholders' meeting.

2. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS GOVERNMENTAL ENTITIES

The Company highly values compliance with laws, rules, and regulations set forth by the regulating bodies, especially when transacting with governmental entities.

In such exposures, it will avoid maneuver that may lead to misuses of authorities and misconducts. The Company, instead, tries to build relationships with the governmental bodies in a lawful way, such as normal greetings in public venues and paying visits in normal traditions. Guidelines for dealing with governmental bodies are as follows:

- Properly and carefully conduct oneself when contacting with governmental bodies or persons.
- Always realize that the laws, rules, and regulations set by different governmental entities may require different procedures, which the Company must know by heart and follow accordingly.

3. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS EMPLOYEES

The Company realizes that all employees are the most valuable assets and the key drivers for the organization's achievement. It thus determined the policy to ensure fair treatment in employment opportunity, compensation, nomination, job rotation, and skill development as the followings:

- Treat all employees with respects in their honors, dignities, and individual rights.
- Always maintain a working environment that is safe for the lives and properties of employees.
- Nomination, rotation, awards giving, and penalty giving must be done with genuine intention, taking into account such employee's knowledge and appropriateness.
- Support the development of knowledge and skills of employees by constantly engaging them in learning opportunities, such as seminars, trainings, and workshops, which are equally accessible to all employees.
- Set fair remuneration rates consistent with the market condition, business competition, job type, performance, and the Company's ability to pay.
- Avoid any unfair treatment that may negatively affect employees' job security.
- Create opportunities for employees to give comments or file complaints in the subjects related to their professions and to suggest possible recommendations that will benefit all parties involved and create relationships and good working environment.

4. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS CUSTOMERS

The Company is determined to stay in real estate development business with the main purposes to create, present, and administer its products and services in the quality - focused, ethical principles as shown below:

- Be determined to procure and develop products and services to best serve the need of the clients.
- Deliver quality products and services with fair terms and conditions.
- Provide precise and sufficient information related to

products and services that customers can utilize in their decision making process without exaggerating the qualifications, quality, quantity, or any conditions of the products and services in the Company's advertisement or in other communicating channels.

- Arrange to have communicating mechanism for customer complaints in place should there be any problems related to the Company's products or services so that the Company can immediately resolve such problem and utilize the information to improve the quality of its products and services.
- Maintain customers' confidential information and abstain from revealing or misuse of such information.

5. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS TRADING PARTNERS AND COUNTERPARTIES

Realizing that trading partners and other counterparties are quintessential to the success of the Company, PACE has a strong policy to treat its trading partners and counterparties fairly and equally, placing mutual benefits before its own benefits. Guidelines for treatment of trading partners and counterparties are as follows:

- The Company will arrange to procure products and services efficiently by applying the following principles:
 - Competition on equivalent information
 - Clear rules on trading partners and counterparty selection and assessment
 - Have proper agreements that are fair to both sides
 - Put in place management and tracking system to ensure that the conditions in the agreement are followed through completely and accurately to prevent fraud and corruption in every step of the procurement process
 - Make payment to trading partners and counterparties in a timely manner according to the agreed payment terms
- The Company is strongly resolute to develop and preserve sustainable relationship with its trading partners and counterparties that are reliable and determined to provide quality products and services worth of the Company's cost.
- All executives and employees must abstain from taking personal benefits from trading partners and counterparties directly or indirectly in any circumstance.
- All executives and employees must abstain from abusing information on procurement or purchasing for personal gains of oneself or of others.

6. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS LENDERS

The Company is determined to conduct its business based on solid principles and strict disciplines to create trust for lenders. In so doing it follows these rules:

- Rigorously follows the terms and conditions defined in the contracts or agreements.

- If the Company, in any circumstances, cannot satisfy the said terms and conditions, it will promptly inform relevant lenders in advance to seek for mutually agreed resolutions.

7. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS COMPETITORS

The Company is determined to be sustainably successful and to stand to be a leading real estate developer that competes fairly and ethically by following these principles:

- Conduct oneself according to a fair competition framework.
- Abstain from acquiring competitors' confidential information wrongfully or inappropriately and abusing such information for the Company's sake.
- Refrain from making false allegations or false statements that may destroy the reputation of the competitors.
- Abstain from engaging in activities that violate intellectual property rights of the Company's competitors or other entities.

8. PROPER CONDUCTS AND RESPONSIBILITIES TOWARDS SOCIETY

Recognizing its role in the sustainable development of the society and environment, the Company has been active in arranging several altruistic activities in its surrounding communities applying the following principles on responsibilities towards communities and environment:

- Put in place a policy to responsibly conduct business, taking into account environmental concerns, and strictly adhere to the laws and regulations on environment conservation currently in use.
- Have a clear set of CSR policies and enforce such policies in the organization.
- Encourage the Company's employees to be aware of and responsible for environment and society.
- Pay respects to local traditions, customs, and cultures in which the Company operates.
- Constantly engaging in activities that improve the living conditions of the surrounding communities, society, and environment held both by the Company itself and through collaboration with other governmental, local, or private entities.
- Suitably participate in the activities held by communities surrounding the project sites.
- Respond promptly and efficiently to the incidences that may affect the environment, communities, lives, and properties of others due to the business conducts of the Company, and unduly cooperate with governmental agents or other relevant parties to resolve such incidences

In addition, the Company's interested persons can make inquiries, give comments, file complaints, or give information on illegal actions, financial statement inaccuracy, flawed internal control, and unethical actions to the Company's

independent directors or members of the Audit Committee. The information will be classified and protected. Independent directors and members of Audit Committee will arrange to have the information investigated and find solutions (if any) and report to the Boards of Directors.

PRINCIPLE 4 INFORMATION DISCLOSURE AND TRANSPARENCY

1. The BOD has a policy to disclose financial information and other information pertaining to the business and the performance of the Company in a precise, complete, sufficient, regular, and timely manner to represent the true financial status, current performance, and the future trend of the Company's business.
2. The BOD is determined to ensure that the Company complies with laws, rules, and regulations regarding information disclosure and transparency. It arranges to have such information presented both in Thai and English versions on the Company's websites, public communication channels, and SET's communication channel to provide to its shareholders and other stakeholders a convenient access to the Company's information. It will also adjust its communication means to comply with guidelines set forth and enforced by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
3. The Company will arrange to have staff in Investor Relations Department to be responsible for communicating with shareholders, institute investors, and retail investors, and to set up regular analyst meetings, as well as to distribute financial and general information to the Company's shareholders, analysts, rating agencies, and other governmental entities through several channels, such as reports submitted to the SET and the SEC and on PACE's website. In addition, the Company regularly discloses its information in both Thai and English versions through the Company's website to provide its shareholder a convenient access to updated company's information. The information posted on the website, including the Company's visions, missions, financial reports, news, annual reports, organization structures and executives, shareholder structure, and major shareholders will be regularly updated to reflect the most current status of the Company.
4. The Company places high emphasis on its financial reports and make sure that they reflect the true financial status and performance of the Company based upon correct, complete, and sufficient data according to the generally accepted accounting standards.

5. The Company will disclose the information regarding each director, roles and responsibilities of the Board of Directors and sub-committees, the number of meeting held and the number of meeting attended by each directors in the past year in its annual report (Form 56-2) and annual registration statement (Form 56-1).

PRINCIPLE 5 BOARD OF DIRECTOR'S RESPONSIBILITIES

The BOD owes its fiduciary duty to the Company's shareholders to ensure that the Company complies with the governing laws, company's objectives, company's articles of association, and resolutions of shareholders' meetings

1. STRUCTURE OF THE BOARD OF DIRECTORS

- 1.1 The Company's BOD consists of 9 members, each serving a 3-year term in position. Three of the members are executive directors. The other 6 members are non-executive directors, three of whom are independent directors. This structure is satisfied with the rules set forth by the SEC requiring that all listed companies must have the ratio of 1 independent director per 3 directors. All directors are knowledgeable in Engineering, Accounting and Finance.
- 1.2 The Company appointed Company Secretary to provide opinions and suggestions on legal points and regulations that the BOD must acknowledge, to support the activities of the BOD, and to coordinate with various entities in the execution of the BOD's resolution.

2. SUB-COMMITTEES

- 2.1 The Company has 4 sub-committees, namely Audit Committee, Executive Committee, Nomination and Remuneration Committee, and Risk Management Committee. These sub-committees are set up to conform to the principle of good corporate governance and to provide assistance to the BOD.
- 2.2 Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee, and Chairman of Risk Management Committee are all independent directors. This is to ensure independence and transparency in their job function.

3. ROLES, DUTIES, AND RESPONSIBILITIES OF THE BOARD AND COMMITTEES

The roles, duties, and responsibilities of the BOD and sub-committees will be covered in topic 9.2.

4. MEETING OF THE BOARD OF DIRECTORS

- 4.1 The BOD determines at least 1 meeting per 1 quarter in advance, is scheduled in advance throughout the year and will arrange to have special meetings based on necessity and appropriateness on the case-by-case basis. In case of special meetings, the Company must inform the attendants at least 7 days

prior to the meeting date. The meeting's constituted quorum is achieved when at least half of the directors attend the meeting.

- 4.2 The meeting agenda are clearly determined in advance by Chairman of the BOD and Chief Executive Officer (CEO). Company Secretary is responsible for ensuring that all the directors receive supporting document in a sufficient time period prior to the meeting to allow all attendants to study the agenda and make informed voting decision.
- 4.3 The BOD must receive sufficient, complete, and timely information before the commencement of every meeting. Directors can contact Company Secretary directly and freely to request recommendations pertaining to legal and regulation issues.
- 4.4 Chairman of the BOD is responsible for managing the meeting time properly to allow adequate time for management to present the information and sufficient time for the Board to discuss important agenda and give opinion on each agenda before summarizing the Meeting's resolution.
- 4.5 The BOD has a policy to allow non-executive directors to have a separated session to discuss management related issues of interest without the presence of management. The result of such meeting is to be informed to the CEO.
- 4.6 The BOD supports the decision of the CEO to invite high-level executives to the meeting of the BOD to give additional information to the Meeting as directly operative agents. This also gives the directors an opportunity to know high-level executives to be considered in the Company's succession plan.
- 4.7 During the consideration and the voting of every agenda, the directors who have conflicts of interest in such agenda must leave the meeting and refrain from voting.
- 4.8 Written meeting minutes are required in all of the meeting of the BOD. The minutes must be approved by the BOD and be maintained in a form that is ready to be reviewed by directors and/or other relevant parties.

5. DIRECTORS' SELF-ASSESSMENT

Despite the fact that the Board of Directors and each committee have completely performed their responsibility, they arranged for self-assessment of the Board of Directors and Nomination and Remuneration Committee, in order to continually improve operational effectiveness. The self-assessment covers assessment for the entire Board of Directors and individual director. Audit Committee and Risk Management Committee are subjected to assessments for the entire committee. The performance assessment of the Board of Directors and each committee has the same rating criteria, and is consistent with the example of self-assessment of the board, provided by the SET. Furthermore, the assessment has been reviewed regularly to ensure its appropriateness.

The Company has in place an assessment procedure. The Company Secretary and the secretary of each committee sent the assessment form to the directors. After filling in the assessment form, the directors would send it back to the Company. To provide an independent evaluation, the name of the director would be concealed. The assessment result was proposed in the meetings of the Board of Directors and each committee for discussion and sought for the performance improvement.

The Board's entire assessment consists of 6 main items i.e.

1. Director's structure and qualifications
2. Roles, duties, and responsibilities of director
3. Director's Meeting
4. Director's Act
5. Relationship with management
6. Training and other information.

The Board's individual assessment consists of 3 main items i.e.

1. Director's structure and qualifications
2. Director's Meeting
3. Roles, duties, and responsibilities of director

6. REMUNERATION

The Company's BOD delegates the authority to recommend remuneration protocols to the Nomination and Remuneration Committee. Such protocols are to be approved in the shareholders' meeting and will be embodied in a remuneration policy. Such remuneration protocols are based on the following criteria:

- 6.1 The Company's performance and the size of the business, by comparing with remuneration of directors in other listed companies of the same nature and size
- 6.2 Experiences, roles, duties and responsibilities of each director
- 6.3 Expected value contribution from each director
- 6.4 Remuneration rate should be sufficient to attract qualified candidates to join the Company as directors or executives
- 6.5 Responsibilities of each director

7. DIRECTORS AND EXECUTIVES DEVELOPMENT AND TRAINING PROGRAMS

The BOD has a policy to support and facilitate trainings for directors engaging in the Company's corporate governance process, such as directors, members of the Audit Committee, and high-level executives, to continually improve the Company's CG procedures. In the case of changing directors or appointing new directors, the Company's management will prepare document containing useful information for the work of the new directors and also arrange to have a session in which the Company's business nature and its operations are introduced to the new directors.

As of present, all directors have passed director training programs from Thai Institute of Directors (IOD). Some of them have passed Director Accreditation Program (DAP) and Director Certification Program (DCP) offered by the same institution.

In 2015, 3 directors attend the seminar held by IOD as the following details:

NAME	COURSE
1. Mr. Kraithip Krairiksh	Corporate Governance for Capital Market Intermediaries (CGI)
2. Mrs. Ladda Siri Wattanakosol	Anti-Corruption for Executive Program (ACEP) Compensation Committee (RCC)
3. Ms. Benjaporn Prisuwan	Compensation Committee (RCC)

8. CONFLICTS OF INTEREST

The BOD has determined the guidelines to handle conflicts of interest satisfied with the ones provided by the SET and Securities and Exchange Act for the ultimate benefit of the Company. It is the duty of personnel in every level to resolve the situations at risk of conflicts of interest with a careful, upright, and independent mindset based on a well-laid ethical framework, and to transparently disclose necessary information with the Company's interest at heart.

02 COMMITTEES AND BOARDS

The Company's committee structure consist of 5 committees, which are

- 1) Board of Directors
- 2) Audit Committee
- 3) Executives Committee
- 4) Nomination and Remuneration Committee
- 5) Risk Management Committee

2.1 BOARD OF DIRECTORS

As of December 31st, 2015, the Company's Board of Directors consists of 9 members as the follows:

NAME	POSITION
1. Mr. Kraithip Krairiksh	Chairman of the Board
2. Mr. Chotipol Techakraisri	Vice Chairman of the Board
3. Mr. Sorapoj Techakraisri	Director
4. Mr. Chumpol Techakraisri	Director
5. Mr. Theera Vayakornvichitre	Director
6. Mr. Pornson Patanasin	Director
7. Mrs. Ladda Siri Wattanakosol	Director, Chairman of Audit Committee, Independent Director
8. Mr. Prasert Patradhilok	Director, Audit Committee, Independent Director
9. Ms. Benjaporn Prisuwan	Director, Audit Committee, Independent Director

Note : The Company Secretary is Mr. Sarath Pavorndechapong, appointed on September 21st, 2011.

AUTHORIZED DIRECTORS

The Company's authorized directors as defined in the Company's Affidavit is Mr. Sorapoj Techakraisri, can solely sign with the Company's seal affixed or Mr. Chotipol Techakraisri and Mr. Chumpol Techakraisri, can jointly sign with the Company's seal affixed.

AUTHORITIES, ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Director's no. 1/2011 held on September 21st, 2011 determined the authorities, roles and responsibilities of the Board of Directors as the follows:

1. Perform its duties in a manner that conforms to the governing laws, the company's objectives, the company's articles of associations, resolutions of the Board of Directors, and resolutions of shareholder's meeting with accountability, caution, and integrity.
2. Review in details and give approval on visions, business strategies, business direction, policies, objectives, guidelines, plans, and budgets of the Company, its affiliates, and its subsidiaries that the Executive Committee and the Company's management team propose.
3. Supervise and track the performance of the Company's executive committee, CEO, management, and any other persons delegated the management functions to make sure that such persons undertake their functions in a fashion consistent to the policy given by the BOD.
4. Continually monitor the Company's performance to match with the Company's plan and budget.
5. Ensure that the Company, its affiliates, and its subsidiaries have proper and efficient accounting system, effective internal control, and effective internal audit systems in place.
6. Arrange to have the Company's balance sheet and income statement completed for the end of the Company's accounting period and present them in the Annual General Meeting for approval.
7. Review and approve the Audit Committee's selection and nomination of the Company's auditor and compensation to such auditor and present them in the Annual General Meeting for approval.
8. Arrange to have a written corporate governance policy and make sure that such policy is effectively executed in the organization to establish the perception that PACE is responsible for fair treatment to every stakeholder.
9. Give approval on the appointment of qualified persons that have no prohibitive characteristics defined in the Public Company Act B.E.2535 (and subsequent amendments), the Securities and Exchange Act B.E. 2535 (and subsequent amendments), and other relevant announcements, rules, and/or regulations pertaining to the appointment of directors in the case that the position becomes vacant due to reasons other than expiration of terms, and agree on the appointment of directors to replace the ones whose terms expire and the determination of directors' compensation that the Remuneration Committee proposes to the Annual General Meeting for approval.
10. Appoint sub-committees, including Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee and other sub-committees, and determine roles and responsibilities of such committees to assist and support the work of the Company's directors.
11. Make decision on the determination of or alteration of the Company's authorized directors.
12. Appoint the Company's management, according to the definition provided by the Securities and Exchange Commission (SEC) or Capital Market Supervisory Board,

and the Company Secretary, and decide on giving approval on the Remuneration Committee proposal of executive compensation.

13. Request professional opinions from external organizations, if needed, to support in the BOD's decision making process.
14. Encourage the Company's directors and management to participate in seminars held by Thai Institute of Directors in the subject matters relevant to the roles and responsibilities of such persons.

The authorization of roles and responsibilities must not be done in such a way that the directors or the person given the power of attorney from the directors can make approval/disapproval on the transactions that such persons or the persons having conflicts with such persons may have interests upon or the transactions that may entail conflicts of interest with the Company, its affiliates, and its subsidiaries (according to the definition provided by notifications of the SEC or notifications of the Capital Market Supervisory Board), except the approval on such transactions are done on the policy or the rules that the shareholders' meeting or the Board of Directors have previously approved.

SEPARATE THE BOARD OF DIRECTORS AND MANAGEMENT'S ROLE

The Chairman is non-executive director and is not the same person as CEO. The role of Chairman and CEO are clearly separate for check and balance purposes by means of separation of supervision and management roles.

Chairman play a major role in care and support of the Board of Directors for fully capable of acting in accordance with direction and strategy such as sharing determine, give a consultation and recommendation to management, supervision and control the Board of Directors' Meeting and Shareholders' Meeting effectively, as well as driving and enhance corporate governance standard to the Board of Directors.

CEO is the head of management and reports to the Board of Directors to ensure that policy and strategic plan have been properly implemented.

In addition, the Company separate roles and responsibilities of the Board of Directors and management, including the authority of the Board of Directors and management power to approve the assignment of the Company's Board of Directors and management in various significant i.e. procurement authority and payment authority.

NON-EXECUTIVE DIRECTORS' MEETING

The Board of Directors has a policy to encourage non-executive directors to meet as necessary to discuss interested management issues without presence of the management. In 2015, there is no issue regarding performance and management which must convene non-executive directors' meeting.

2.2 AUDIT COMMITTEE

As of December 31st, 2015, Audit committee consists of 3 members as in the follows:

NAME	POSITION
1. Mrs. Ladda Siriwattanakosol	Chairman of Audit Committee
2. Mr. Prasert Patradhilok	Member of Audit Committee
3. Ms. Benjaporn Prisuwanna*	Member of Audit Committee

Note :

- Ms. Benjaporn Prisuwanna is the member of audit committee who has knowledge and experience in Accounting or Finance
- Ms. Montakan Teannetinun appointed as secretary of Audit Committee on December 25th, 2013

AUTHORITIES, ROLES, AND RESPONSIBILITIES OF AUDIT COMMITTEE

The Board of Directors' Meeting no. 1/2016, held on January 7th, 2016, approved the authorities, roles and responsibilities of the Audit Committee as in the follows:

1. AUTHORITY

- 1.1 The Audit Committee is empowered to request director, management or any employee to attend the meeting with the Audit Committee in order to clarify or provide information which the Audit Committee deems necessary. The Chairman and all members are empowered to request documents, explanations or information at all times regardless of Audit Committee's meeting.
The management and employees who have been contacted, inquired or requested for the information shall fully cooperate.
- 1.2 The Audit Committee shall under the Board of Directors' approval, hires the external advisor should they are of the opinion that it is necessary to advise and provide guidance for the performance to the internal auditor and Audit Committee.
- 1.3 The Audit Committee has the authority to approve the third party employment from time to time to help the internal auditor in case the workload exceeds the capability of the internal auditor to perform for the best interest of the Company.
- 1.4 The Audit Committee has authority to examine rules, regulations and operational method of the Company,

which are potential to affect the business, finance, account, assessment, and risk management. The Audit Committee is also empowered to examine the Company's internal control so that advice on the Company's development, correction or improvement can be rendered.

- 1.5 The Audit Committee has authority to approve and revise the Company's internal Charter before formal announcement to employees.
- 1.6 The Audit Committee has authority to other matters assigned by Board of Director further to this Charter.

2. DUTIES

The Audit Committee has the duties as follows:

- 2.1 To review the financial reports and accounts of the Company by emphasizing on the transparency, accuracy and completeness and to disclose the information sufficiently as required under the generally accepted and reliable accounting principles.
- 2.2 Selecting and nominate a name of a certified public accountant that should be appointed to be the auditor of the Company including to evaluate the performance and propose the remuneration for the auditor. The first step is the audit committee to propose to the Board of Directors level and then the Board of Directors shall propose to the shareholders' annual general meeting for approval. The shareholders' annual general meeting will consider and approve the appointment of the auditor and the remuneration of the auditor as stipulated by applicable laws.
- 2.3 To review the Company's corporate governance, internal audit and risk management systems in order to ensure that it is in compliance with the guidelines of SET and SEC.
- 2.4 To review and ensure that there is no conflicts of interests among the Company, director, management or employee, including to review if the employee and the management's work compliant to the policy, regulations and articles in relation to laws and ethics.
- 2.5 To review, give advice and support internal auditor to enhance efficiency and effect of the comments after auditing. To ensure that those auditor's comment are brought into action, the Audit Committee shall promote understanding among the Board of Directors, management, employees and the internal auditor.
- 2.6 To recruit and give comments to the Board of Directors for assessment, appointment, rotation, removal and compensation of internal auditor.
- 2.7 To review and approve year plan of internal auditor, i.e. budget plan, audit plan, manpower plan and human resources development plan with the emphasis on financial and operational audit, development of knowledge, skill and characteristic of internal auditor including to follow up the performance of the said plan.
- 2.8 To follow up, review external auditor's performance comply with Thai Standards on Auditing.
- 2.9 To promote the good coordination between management, directors, employee, internal auditor and external auditor.
- 2.10 To review compatibility of the Company's accounting policy, the adequacy of financial statement disclosure, and the consistency of provision of accounting standard in relation to such matters as well as the understanding on the effect from the financial statement.
- 2.11 To examine the management letter by considering the significant weakness or disadvantage, and the advice reported by the auditor in order to ensure that the useful advice shall be implemented. In the case where the disadvantage has not been remedy without reasonable grounds, it should be consulted with the management and be proposed to the Board of Directors for their acknowledgement and further action as necessary.
- 2.12 To review the internal audit control and technology information processing system.
- 2.13 To have a meeting regularly or at least one meeting a year with External Auditors without management's presence to ensure that External Auditors have a freedom opinion on the financial statements and comply with an accounting standards and auditing standard.
- 2.14 To conduct reviews to ensure that the Company complies with Anti-Corruption policy and in case the Company's employees or management are suspected that there is a transaction with a corruption or an irregularity which incurred damages to the Company and to propose those summaries to the Company's Board of Directors to consider immediately.
- 2.15 From the performance of the Audit Committee, if the Committee suspects that there are any transactions or acts which will affect the Company's financial status or business operation, the Committee shall report to the Company's Board of Directors in order to remedy within the appropriate period especially the transactions as follows:
 - 1) a transaction which causes a conflict of interest;
 - 2) any fraud, irregularity, or material defect in an internal control system; or
 - 3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Company's Board of Directors or management fails to make a rectification within the period of time prescribed by the Office of the Securities and Exchange Commission or the Exchange, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange.

QUALIFICATIONS OF INDEPENDENT DIRECTORS

Independent directors must not have businesses or take part in managing businesses that share interest with the Company and, therefore, may sabotage independent decision making of such directors. Independent directors must have the following qualifications:

1. Hold not more than 1% of the shares with voting rights of the Company, its parent company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities, with the inclusion of such shares held by relating parties of such independent directors.
2. Must not be or have been directors who are involved in the management of the employees, salaried advisory agents, or controlling entities of the Company, its parent company, its affiliates, its subsidiaries, the subsidiaries of the same rank, its major shareholders, or its controlling entities except such position has been terminated at least 2 years prior to the appointment date.
3. Must not be relatives or by legal registration in the form of parents, spouses, brothers and sisters, children of, or spouses of the children of the Company's executives, major shareholders, controlling entities, or any other persons nominated to be executives or controlling entities of the Company, its affiliates, or its subsidiaries.
4. Have no prior business relationship with the Company, its holding company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities in a fashion that may prevent such directors from making independent judgment, and must not be or have been significant shareholders or controlling entities of the persons having business relationships with the Company, its parent company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities except such relationship has been terminated at least 2 years prior to the appointment date.

Business relationships mentioned in paragraph one includes ordinary business transactions in the real estate lease or rent business, transactions related to properties or services, or provision or receiving of financial supports by means of receiving, lending, guaranteeing, giving assets as collaterals for the loans, or similar transactions that result in one counterparty, or a requester, having a binding obligation to repay to the other counterparty the amount equal to or higher than 3% of net tangible of the requester or 20 million Baht, whichever is lower. Such debt obligation is calculated using the formula of the value of related transactions as defined in the Notification of Capital Market Advisory Board on Related Transactions,

with the inclusion of debt obligation incurred within 1 year prior to the date on which such relationships take place.

5. Must not be or have been auditors of the Company, its holding company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities, and must not be significant shareholders, controlling entities, or partners with the audit offices in which the auditor of the Company, its holding company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities operates except such position has been terminated at least 2 years prior to the appointment date.
6. Must not be or have been professional service providers, including legal advisers or financial advisers, who were compensated with more than 2 million baht worth of compensation per year from the Company, its parent company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities, and must not be significant shareholders, controlling entities, or partners of such professional service providers except such position has been terminated at least 2 years prior to the appointment date.
7. Must not be appointed as a representative of any directors, major shareholders, or shareholders that are related to the Company's major shareholders.
8. Must not have businesses that have the same nature and can be viewed as competitors of the Company, its affiliates, and its subsidiaries, and must not be significant partners in partnerships or directors that participate in the management of, employees of, salaried advisory agents of, or hold more than 1% of the shares with voting rights of other companies that have the same nature and can be viewed as competitors of the Company, its affiliates, and its subsidiaries.
9. Must not have any other qualities that may prevent such directors from providing independent opinion related to the operation of the Company.

The Audit Committee reports directly to the Board of Director. The term of each member of the Audit Committee is 3 year since the appointment date. Members of the Audit Committee whose term has expired can be reappointed, with the condition satisfied with rules and regulations defined by relevant government entities.

2.3 EXECUTIVE COMMITTEE

As of December 31st, 2015, the Company's Executive Committee consists of 6 members as the follows:

NAME	POSITION
1. Mr. Chotipol Techakraisri	Chairman of Executive Committee
2. Mr. Sorapoj Techakraisri	Member of Executive Committee
3. Mr. Chumpol Techakraisri	Member of Executive Committee
4. Mr. Theera Vayakornvichitre	Member of Executive Committee
5. Mr. Pornson Patanasin	Member of Executive Committee

Note : Mr. Sarath Pavorndechapong appointed as secretary of Executive Committee on September 21st, 2011.

AUTHORITIES, ROLES, AND RESPONSIBILITIES OF EXECUTIVE COMMITTEE

The Board of directors' Meeting no. 1/2011 held on September 21st, 2011 approved the authorities, roles and responsibilities of the Executive Committee in the follows:

- Executive Committee is responsible for the management of the Company to satisfy with the Company's objectives, the Company's policy, memorandum of association, or any other orders given by the Board of Directors. In addition, the Executive Committee is responsible for reviewing and selecting agenda to be proposed to the Board of Directors for agreement for approval.
- Prepare and formulate visions, business strategies, business directions, objectives, guidelines, plans, and budgets of the Company, its affiliates, and its subsidiaries and propose such things to the Board of Directors for approval.
- Monitor and track the execution of the Company's policies and management guidelines to make sure that such policies and guidelines are effectively executed in the manner satisfied with the intentions of the Board of Directors.
- Have authority to give approval on or execute transactions deemed to be normal business activities under the limits or budget approved by the Board of Directors. In so doing, the Executive Committee cannot incur indebtedness or contingencies of more than 450 million baht with maturity of more than 5 years. This applies to all kinds of indebtedness and contingencies, including project financing facilities from financial institutions.
- Prepare the following reports and submit to the Board of Directors within a specified timeframe
 - Quarterly performance report within the time frame set by the Stock Exchange of Thailand (SET)
 - Auditor's report on the Company's financial statements, including annual and quarterly financial statements, within the time frame set by the Stock Exchange of Thailand (SET)
 - Other reports deemed necessary by the Executive Committee
- In the meeting of Executive Committee to execute any of its authority, the meeting's constituted quorum is achieved and the execution of authority is plausible when at least half of the directors attend the meeting.
- Each member of the Executive Committee has 1 vote per person. In the case that the votes are equal, Chairman of the Executive Committee has the power to exercise 1 final decisive vote.
- To give approval on any agenda, the Meeting must have at least half of the votes from the total votes from attendants in such meeting
- The Company must hold Meeting of Executive Committee at least once a year and as necessary. Any members of the Executive Committee can call a special meeting on the condition that he/she must inform the agenda of such special meeting to other members in advance to allow sufficient time for the meeting attendants to prepare for such meeting.
- The Executive Committee can appoint a taskforce and/or other persons to select the agenda to present to the Executive Committee or to perform other tasks beneficial to the work of the Committee or to perform any other delegated tasks under the authority of the Executive Committee.
- The Company allows the Executive Committee to give its authority to and/or assign other persons to perform its tasks, if such giving of authority/assignment falls under the scope of the letter of power of attorney (POA) and/or is done according to the rules, regulations, orders that the Board of Directors has provided. The authorization of the Executive Committee's roles and responsibilities must not be done in such a way that the members of the Executive Committee or the person given the power of attorney form can make approval/disapproval on the transactions that such persons or the persons having conflicts with such persons (according to the definitions given in notifications of Capital Market Advisory Board or notifications of Securities

and Exchange Commission) may have interests upon or the transactions that may entail conflicts of interest with the Company, its affiliates, and its subsidiaries.

The Executive Committee reports directly to the Board of Director. The term of each member of Executive Committee is 2 year since the appointment date. Members of Executive Committee whose term has expired can be reappointed.

2.4 NOMINATION AND REMUNERATION COMMITTEE

As of December 31st, 2015, the Nomination and Remuneration Committee consists of 5 members as follows:

NAME	POSITION
1. Ms. Benjaporn Prisuwan	Chairman of Nomination and Remuneration Committee
2. Mr. Prasert Patradhilok	Member of Nomination and Remuneration Committee
3. Mrs. Ladda Siri Wattanakosol	Member of Nomination and Remuneration Committee
4. Mr. Sorapoj Techakraisri	Member of Nomination and Remuneration Committee
5. Mr. Chotipol Techakraisri	Member of Nomination and Remuneration Committee

Note : Secretary of the Remuneration Committee is Mr. Piya Petchsod, appointed on March 20th, 2012

AUTHORITIES, ROLES, AND RESPONSIBILITIES OF NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors' Meeting no. 2/2016 held on February 26th, 2016 approved the authorities, roles and responsibilities of the Nomination and Remuneration Committee as follows:

- To consider the recruitment and selection of qualified persons to take a position of director and top executive by defining guidelines with clear and transparent process to present to the Board of Director meeting and/or the Annual General Meeting for approval.
- To consider on remuneration and interest of the Board of Directors, Committees and top executive with suitable, clear and transparent manner and present to the Board of Director meeting and/or the Annual General Meeting for approval by
 - Board of Directors shall approve compensation and other benefits of top executives which include Chief Executive Officer (CEO) and the top four executives.
 - Compensation and other benefits of the Board of Directors shall be presented in the Annual General Meeting.
- To screen the evaluation of the Chief Executive Officer and top executives on annual basis and present to the Board of Directors for consideration.

- To self-assess the performance of Remuneration Committee on regular basis.
- To act any other tasks related to remuneration as assigned by the Board of Directors. The Nomination and Remuneration Committee reports directly to the Board of Director. The term of each member of Nomination and Remuneration Committee is 2-year since the appointment date. Members of Nomination and Remuneration Committee whose term has expired can be reappointed.

2.5 RISK MANAGEMENT COMMITTEE

As of December 31st, 2015, the Risk Management Committee consists of 5 members as the follows:

NAME	POSITION
1. Mr. Prasert Patradhilok	Chairman of Risk Management Committee
2. Ms. Benjaporn Prisuwan	Member of Risk Management Committee
3. Mrs. Ladda Siri Wattanakosol	Member of Risk Management Committee
4. Mr. Sorapoj Techakraisri	Member of Risk Management Committee
5. Mr. Chotipol Techakraisri	Member of Risk Management Committee

Note : Secretary of the Risk Management Committee is Mr. Nuthapon Luckkanalawan, appointed on September 21st, 2011

AUTHORITIES, ROLES, AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE

The Board of Directors' Meeting no. 2/2016 held on February 26th, 2016 approved the authorities, roles and responsibilities of the Risk Management Committee as follows:

- Review the Company's overall risk management policies and guidelines covering all important risks, such as financial risk, investment risk, and reputation risk, and present to the Board of Directors for approval. The Company must hold Risk Management Committee Meeting at least once a year and as necessary.
- Formulate risk management strategies and guidelines that are consistent with the Company's risk management policies to help assess monitor and control the Company's risk in an acceptable level.
- Monitor and track the execution of the risk management policies to ensure that it is consistent with the framework given by the Board of Directors.
- Provide an opinion to management on setting risk measurement criteria and acceptable risk level before proposing to BOD.

5. Provide an opinion to management on setting appropriate risk management measures to cope with different situations before proposing to BOD.
6. Review the adequacy of the risk policies and risk management system, including the effectiveness of the system and the policy execution.
7. Report regularly to the Board of Directors the subjects pertaining to the Company's management, operations, and the status of the Company's risk, as well as any changes in risk factors and measures needed to be done to mitigate the risks a consistent with the risk policies and strategies.
8. Constitute risk management taskforces when necessary.
9. Support the risk management taskforces in such aspects as personnel, budget, and other resources suitable for the scope of task.

Risk Management Committee reports directly to the Boards of Directors. The term of each member of Risk Management Committee is 2 year since the appointment date. Members of Risk Management Committee whose term has expired can be reappointed and can be reappointed.

03 SELECTION OF DIRECTORS AND MANAGEMENT

Nomination and Remuneration Committee is in charge of nominating qualified persons to be considered for the positions of the Company's directors, independent directors, and executives and seeking approval from the Board of Directors and/or Shareholders' Meeting (on a case-by-case basis). In so doing, the Committee will consider the candidate's qualifications, knowledge, abilities, and relevant experiences with consideration on desirable characteristics defined in Public Company Act. In addition, the candidates must not have prohibitive characteristics defined in Notification of the Securities and Exchange Commission No. KorChor. 8/2553 on Determination of Untrustworthy Characteristics of Company Directors and Executives (and subsequent amendments).

COMPONENTS AND APPOINTMENT OF THE BOARD OF DIRECTORS

The Board of Directors determines the rules to appoint and release the Company's directors as follows:

1. The Board of Directors consists of at least 5 directors, who will collectively select, among themselves, one person to be Chairman of the Board of Directors, and may select other members to be Vice Chairman of the Board of Directors and other positions as deemed suitable. At least half of the members of the Board of Directors must domicile in the Kingdom of Thailand.
2. The Company's directors do not need to also be the Company's shareholders.
3. The Meeting of the shareholders has authority to appoint the Company's directors based on majority rule by the following procedures
 - 1) Each shareholder has his/her voting rights equal to the number of shares held by such shareholder
 - 2) Each shareholder can use all of his/her voting rights to vote for one person or many persons, but he/she cannot divide the voting rights into pools of different size and give to many persons
- 3) Candidates will be selected based on their ranks in the voting process. The number of candidates selected will equal the number of vacant positions. If two or more candidates share the same rank, Chairman of the Meeting has authority to ultimately select the candidates.
4. In each annual general of shareholders' meeting, 1 in 3 of the Company's directors must resign. If the number of the directors is not divisible by 3, the number of directors who must resign will be the closest to 1/3 of the directors. The Company uses lot method to define the directors to resign in the first and second year after the Company is listed. In the following years, the directors with the longest term in position must resign, yet with the chance of being reelected.
5. Besides termination by term expiration, the director status may end when the directors:
 - 1) Decease
 - 2) Resign
 - 3) Lack required qualifications or have prohibitive characteristics according to the Public Company Act
 - 4) The Meeting of shareholders resolute early termination of the director status by voting at least 3 in 4 of the shareholders with voting rights who present in the Meeting and have the combined shares at least half of the shares held by shareholders who present in the Meeting
 - 5) The status is terminated by court decree
6. In case that the director position becomes vacant for the reasons other than expiration of term, the Board of Directors may select qualified persons who have no prohibitive characteristics according to the Public

Company Act to be a representative of the directors, except such term will be expired within 2 months. The persons who represent in the Board will assume the position only for the remaining term of the previous director. Selecting of such representative requires 3 in 4 approvals from the remaining directors.

COMPONENTS AND APPOINTMENT OF AUDIT COMMITTEE

1. Audit Committee consists of 3 independent directors, at least 1 of them possesses adequate knowledge or experiences of Accounting and Finance to be able to verify the reliability of the Company's financial statements.
2. Qualifications of independent directors are stated in topic 2.2 Qualifications of independent directors, which is consistent with the minimum requirements defined by the SEC and the SET
3. The Board of Directors or the annual general of shareholders' meeting has the authority to appoint the Audit Committee. Each member of the Audit Committee has a 3-year term, and can be reappointed once after the expiration of term. Reappointment is subjected to the approval of the Board of Directors or the Shareholders' Meeting.

COMPONENTS AND APPOINTMENT OF EXECUTIVE COMMITTEE AND THE COMPANY'S EXECUTIVES

Nomination and Remuneration Committee has the authority to search for, review, and nominate the qualified candidates to the Board of Directors for approval as already mentioned in topic 2.4.

COMPONENTS AND APPOINTMENT OF NOMINATION AND REMUNERATION COMMITTEE

1. Nomination and Remuneration Committee consists of 5 directors, at least 1 in 3 (1/3) of whom are independent directors. Chairman of Nomination and Remuneration Committee must be an independent director.
2. The Board of Directors owns authority to appoint the members of the Nomination and Remuneration Committee.
3. Each member of the Nomination and Remuneration Committee has a 2 - year term, and can be reappointed once after the expiration of term. Reappointment is subjected to the approval of the Board of Directors.

COMPONENTS AND APPOINTMENT OF RISK MANAGEMENT COMMITTEE

1. Risk Management Committee consists of 5 directors, at least 1 in 3 (1/3) of whom are independent directors. Chairman of the Risk Management Committee must be an independent director.
2. The Board of Directors owns authority to appoint the members of the Risk Management Committee
3. Each member of the Risk Management Committee has a 2 - year term, and can be reappointed once after the expiration of term. Reappointment is subjected to the approval of the Board of Directors.

04 MONITORING OF THE OPERATION OF AFFILIATES AND SUBSIDIARIES

In order to monitor the operation of its affiliates and subsidiaries, the Company will send a representative, whose may be Chairman of the Board of Directors, CEO, directors, top management, or any person who has the qualifications and experience of those, to be directors in affiliates and subsidiaries. A representative shall not have a conflict of interest and shall perform by based on rule and regulation of affiliates and subsidiaries as set out in the article of association, related law of affiliates and subsidiaries, including regulation of SET and SEC such as the acquisition and disposal of asset, and connected transaction.

In the past operation of the Company, the nomination and the voting to appoint directors of the Company's affiliates and subsidiaries are performed by the Company's management. Nevertheless, starting from 2014 onwards, the nomination and the appointment of such persons must be approved by the Company's Board of Directors. Directors of the affiliates and subsidiaries are responsible for maximizing the benefits of such companies, not those of the Company. In addition, in the case of subsidiaries, the directors of such subsidiaries are responsible for arranging to have a recording system of related transactions to ensure that such transactions be recorded, maintained in the proper fashion that is easy to verify and used for timely financial statement preparation.

05 CONTROLLING MEASURES FOR THE USE OF INTERNAL INFORMATION

Realizing the importance of transparency in corporate governance, the Company's Board of Directors put in place the following policies to prevent the misuse of the Company's undisclosed information for personal benefits:

1. Educate the Company's directors, executives, and managers in charge of Accounting or Finance Department with the rank of First Vice President and higher about the duty to prepare and submit the report of securities holding of oneself, spouses, and minor children to the SEC and SET according to the rules defined in Chapter 59 and penalty clauses in Chapter 275 of the Securities and Exchange Act B.E. 2535
2. The Company requires directors, executives, and managers in charge of Accounting or Finance Department with the rank of First Vice President and higher to always prepare and submit the report of securities holding of oneself, spouses, and minor children through Company Secretary before submitting to the SEC and the SET within 30 days since the date that such persons are appointed to assume the positions of directors or executives, as well as to prepare and submit the report of change of securities holding within 3 days since the date of the purchase, sale, transfer, or receiving of such securities.
3. The Company requires that its directors, executives, managers in charge of Accounting or Finance Department with the rank of First Vice President or higher, and other persons having access to the Company's material undisclosed information that may affect the price of the Company's securities refrain from selling or buying such securities before the disclosure of financial statements, financial status, or business status prior to the disclosure of such information to the public. In so doing, the Company will notify its directors, executives, and managers in charge of Accounting Department or Finance Department with the rank of First Vice President or higher to refrain from aforementioned action in written notices at least 30 days prior to the public disclosure date. In addition, such persons must wait at least 24 hours after the public disclosure before they can start transacting the securities and must not reveal such information to others by themselves.
4. The Company determines a range of disciplinary penalties for the misuse of internal information for personal benefits from written warnings, compensation deduction, suspension without payment, and dismissal. Execution of appropriate penalties depends on the offender's intention and the seriousness of the offensive actions.

06 COMPENSATION OF AUDITORS

The compensation paid to the auditor for the review of interim financial statements and the auditing of financial statements for the accounting period 2015 of the Company and its subsidiaries totals 6.9 million Baht.

CORPORATE SOCIAL RESPONSIBILITY

IN 2015

In 2015 it is PACE's milestone in CSR management despite the fact that we have been running CSR seriously for just about 3 years. There is apparent approach in PACE's CSR guidelines which is still in line with the guidelines of Corporate Social Responsibility Institute (CSRI) like in the past years.

FIRST INITIATIVE PACE has set up Corporate Social Responsibility Committee (CSRC) comprising of PACE executives from various departments such as Legal & Compliance, Corporate Communications & Public Relations, Customer Relationship Management, Hospitality and Government Liaison to guide proper direction towards corporate sustainability together with PACE's reputational and sustainability risk management. In this regard, CSRC has set up 4 different sub-committees to take care of specific issues namely.

01

CSRC SUB-COMMITTEE
ON ACTIVITIES

02

CSRC SUB-COMMITTEE
ON SPONSORSHIP AND
DONATION

03

CSRC SUB-COMMITTEE
FOR NEARBY
COMMUNITY

04

CSRC SUB-COMMITTEE
FOR STAKEHOLDER
ENGAGEMENT

SECOND INITIATIVE Anti-Corruption initiatives has paid off a little as PACE's progress indicator in Anti-Corruption in 2015 has been moved up from level 1 to level 3 (established) out of 5 levels. Besides, in term of Corporate Governance PACE's Board of Directors have performed well by attending almost every meeting and do not take the position in more than 3 other listed companies. This proves the emphasis PACE has put on BOD's performance. Lastly, PACE builds employee awareness in the importance of ESG factors (Environmental, Social and Governance) as they are a part to help building corporate sustainability in long term through various activities and campaigns such as quizzes via email, trainings all year long and PACE towards Sustainability: ESG campaign by persuading employees to wear ESG polo shirt Thursdays.

The reporting format for the year 2015 PACE aims at reporting and managing risks in ESG as per details in each dimension below.

E

ENVIRONMENTAL MANAGEMENT AND HOW WE MANAGE ENVIRONMENTAL RISK THAT MIGHT OCCUR

PACE realizes the importance of the environment and identifies environmental risk and manage issues in operational process including at every construction site together with adding green spaces all around our construction sites in collaboration with Bangrak District Administration Office as well as in accordance with PACE's mission of Bangkok scenery improvement.



MAHANAKHON

Inside this new iconic landmark, MahaNakhon CUBE has been operating since last year. PACE has garbage management system by sorting out wet garbage and normal garbage into different types to make sure they will be treated in the right manner once removed from the CUBE. Moreover, the company has coordinated with Bangrak District Administration Office in gardening spaces around our project such as under the BTS Chong Nonsi Station as our first stage. Later on, we have plan to further expand gradually such as Silom - Narathiwas Intersection.

At MahaNakhon CUBE, we finished bridging BTS link from Chong Nonsi Station into the building already to facilitate people using mass transportation in reaching MahaNakhon project at ease and environmental friendly. In front of MahaNakhon CUBE we also provide parking spaces for bike lovers. For our big Media Wall at the CUBE despite of testing run we adjust the lighting exposure to a balanced level either for day or night. This is to avoid negative impact among passersby and nearby community. Media Wall will be in plan for social benefit usage as well. Apart from this, PACE is planning to determine goals in both quantity and quality especially in terms of environmental impact assessment for results comparison and future improvement in each aspect with effectiveness.



MAHASAMUTR

Environmental Risk Management that PACE realizes while constructing our MahaSamutr is the garbage smell management for Hua Hin Community. PACE voluntarily participates in proposing an initiative of offering land soil 10,000 cubic meter for landfilling to mitigate the problem around the area under responsibility of Hua Hin Municipality. More importantly, PACE has a long term plan of fixing the problem sustainably by innovation that is now under study and we will gradually consult with related parties from now on. Apart from the garbage issue, MahaSamutr project consists of Crystal Lagoons that offers plenty of water sport activities. The water issue is also our primary concern and another part of environmental risk which PACE can't neglect

at all since the drought has been a big issue for so many parts of the country. Therefore, we coordinate with Provincial Waterworks Authority, Pranburi to buy water resource from Pranburi dam and sponsored the delivery pipe to the project making sure Hua Hin community has enough water for consumption.

S

SOCIETAL MANAGEMENT AND HOW WE MANAGE SOCIAL RISK THAT MIGHT OCCUR

MAHANAKHON

PACE puts emphasis mainly on CSR in process for social dimension which comprises of 2 significant activities include

01

MAHANAKHON STUDENT VISIT DURING CONSTRUCTION

The company has initiated this activity since 2013 until present since we believe that in today's world in Thai construction and design industry there is a scarcity in know-how and experience in high-rise building development either for residential or commercial. Therefore, as a leader in high-end property developer, PACE, the developer of MahaNakhon – yet the tallest building in Thailand – is determine to transfer the knowledge and experiences for the architect students to get knowledge and inspiration for designing other Thai projects in the future. In 2015, PACE welcomed and briefed total of 5 groups comprising of 114 students from various universities. Until today, PACE has welcomed the total of 465 Thai students and will continue to do so when our construction is fully completed in 2016. Besides, PACE also welcomed a group of MBA students from Stetson University, USA who requested a company visit since PACE is recognized as one of the fastest growing



companies running business in different industries at the same time. We thus take this initiative as our CSV (Creating Shared Value) that PACE uses our corporate expertise to fix social problems, supporting CSV initiatives in the fields PACE is keen on.

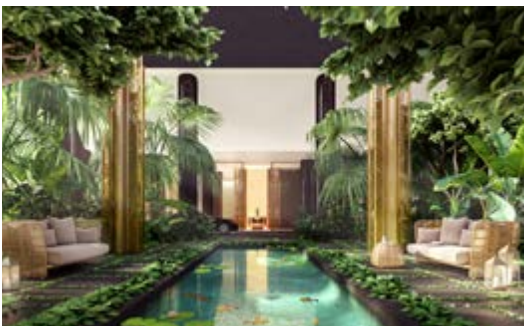
PACE DAY CARE CENTRE FOR THE CHILDREN OF CONSTRUCTION WORKERS

PACE realizes the risk of safety and security of life and assets of construction workers at each of our construction site since we put emphasis on human rights without discrimination in race and religion. We therefore open up opportunity for all construction workers to give their beloved children at PACE Day Care Centre behind MahaNakhon's construction worker camp whilst working at the construction site without any cost. In cooperation with Melissa Cosgrove's Children Foundation, we are able to set up PACE Day Care Centre that provides dairy milk, teaching with a full time and well-trained babysitter. The centre opens Mondays, Thursdays, Fridays, Saturdays and Sundays. In this regard, the company also lets employees participate in volunteering as for teaching, organizing activities for the children.

Regarding the internal aspect in social, PACE has excellent performance in Human Capital Development with clear goals in organizing the training together with analyzing the benefits the employees would get from each training. However, we still lack of training records keeping and the annual total hours of conducted training for each employee. Next year, we plan to have them in place. Moreover, we initiated an Employee Engagement program by which the employees had a chance to participate and suggest types of activities they need in order to be engaged with the company more and create harmony



among employees. This initiative has been done by online survey and PACE hopes it will prevent the company from losing high-potential employees and engage them in a more effective means.



NIMITLANGSUAN

Community engagement has been regularly implemented to let PACE have social license to operate in the area and construct the project. We have signboard showing the relevant information together with contact details for convenient

24 hours hotline in case there is impact caused by the project. Also, a warning sign during demolition period to prevent people from possible injury around the site. Moreover, PACE appointed Corporate Social Responsibility Sub-committee for nearby community to engage with the neighbors for better understanding and getting feedback, concern or complaints they may have while we are constructing the project and after the project is completed.

G

CORPORATE GOVERNANCE IN PRACTICE AND HOW WE MANAGE CG RISK THAT MIGHT OCCUR

In today's world, we can't argue that corruption is one of the national agendas for Thailand that needs collaboration from every part of the society to eliminate the issue from Thai society. Many private companies then actively participate in Collective Action Coalition against Corruption (CAC) to become a role model for other companies that show commitment against corruption based on CG principles. PACE is one of those companies who join CAC and in process of filing for CAC certification. If we earn the certificate, PACE will become only the third company in Property and Construction sector who get CAC certificate. In this regard, PACE provides a useful channel audit_com@pacedev.com for whistleblowing made by both the employees and other relevant stakeholders so that they could tell the clue of any suspicious misconduct that might be against PACE's Anti-Corruption Policy for the Audit Committee investigation. In 2015, we received total of zero case.

In the past year, PACE had participated in various CG/Anti-Corruption activities namely 2015 Thailand's Anti-Corruption Day a group of volunteer staff gathered for a parade to show commitment against corruption, Thailand's 6th National Conference on Collective Action against Corruption which General Prem Tinsulanonda did give very useful final words to end the seminar and inspired people to be against any corrupted act for the future of Thailand, Thailand CG Forum: Governance as a driving force for business sustainability at Napalai Room, Dusit Thani Hotel, Bangkok on 28 October 2016 and National Research Alliance Dialogue on Corporate Governance 2015 organized by leading institutions and Thailand Sustainable Development Foundation as a new venue for publishing academic papers in CG and exchanging knowledge in Corporate Compliance that can be applied in the organization. Every experience and knowledge gained at those seminars are so fruitful to PACE that we could apply and implement



internally. Apart from this active participation, we realize the importance of guidelines for good corporate business code of conduct. PACE then produces Code of Conduct for Business (Employee Handbook) to guide our employees in working with corporate governance in their every breath to prove to the public that PACE concerns a lot on CG and Business Code of Conduct. Also, PACE provides related training to our staff on regular basis to clarify CG issues and strengthen knowledge and guideline for good practices throughout the year (for newly recruited employees) and a brush up course for current staff with hope for enhanced work performances and tendency in zero tolerance to corruption. We then promote Anti-Corruption with series of poster around PACE's compound to raise awareness.

In addition to the CG in practice and CSR in process mentioned above, PACE still continues in supporting Thai society through our active CSR after process activities throughout 2015 as summarized details below.

PACE'S CSR AFTER PROCESS (DONATION AND SPONSORSHIP) IN 2015



01

FIGHT NIGHT 2015

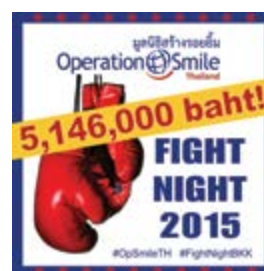
2015 is the third straight year for PACE that we have supported Operation Smile Thailand in organizing their annual Fight Night event to raise fund for free surgeries to repair cleft lip, cleft palate and other facial deformities for Thai children throughout Thailand. 2015 is the fifth year for Operation Smile in running such a good event and we were able to raise total amount of 5,146,000 Baht which could help more than 1,200 children. In this regard, PACE donated 100,000 Baht as a part to help bringing smiles back to children faces. PACE by MahaSamutr project also gave a big prize of 1 year membership at MahaSamutr Country Club.



02

PACE DEVELOPMENT AND 22 NOR ASSOCIATION BUILDING IN UMPHANG, TAK PROVINCE

PACE together with 22 Nor Association provides a new building to a school in remote area of Tak. PACE realizes the importance of enhanced standard of living of Thai children, as a leader in Real Estate developer and high-end lifestyle provider, providing assistance to the children in remote areas has been in our interest. In 2015, PACE donated 350,000 Baht to develop a new building called PACE Development and 22 Nor Association to be used as new learning center. In this regard, Khun Kraithip, the Chairman of the Board of Directors together with a group of volunteer staff, did join the trip to deliver the building to the school.



03

ONE YOUNG WORLD 2015

Since Bangkok has been nominated as the host city for One Young World 2015 during 18-21 November 2015. PACE sponsored the event around 6 Million Baht to open up opportunities for the youngsters across the globe to join, brainstorm and discuss world issues in 6 different topics namely Education, Environment, World business, Human Rights, Leadership and Government and Peace and Safety. This is to empower them to explore new ways of fixing those problems guided by top elites. PACE is delighted as one of our employees, Khun Benja Wangpeerawong, did get a chance to be one of 1,300 youngsters from 196 different countries to participate in One Young World 2015 activities.

RELATED PARTY TRANSACTIONS

AS OF DECEMBER 31ST, 2015

LEGAL PERSONS THAT MAY HAVE CONFLICTS OF INTEREST

LEGAL PERSONS THAT MAY HAVE CONFLICTS OF INTEREST (LEGAL ENTITY)	ABBREVIATION	NATURE OF BUSINESS	NATURE OF RELATIONSHIP
Fourteen Points Co., Ltd.	FP	Restaurant	Mr. Sorapoj Techakraisri holds 100% of its shares.
Pace Development Co., Ltd.	Paced	Project management services	Mr. Sorapoj Techakraisri and Mr. Chotipol Techakraisri hold 50% and 50% of its shares, respectively.
Fierce Publishing Co., Ltd.	Fierce	Publish advertisements on newspapers, journals, and magazines	Mr. Sorapoj Techakraisri holds 88.6% of its shares.
Fourteen Points Holding Co., Ltd.	FPH	Holding Company	Mr. Sorapoj Techakraisri holds 100% of its shares.
Lumpini Property Management Co., Ltd.	Lumpini	Buy, procure, rent, rent out, lease out, and manage real estate properties	Mrs. Yupa Techakraisri, mother of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri and Mr. Chumpol Techakraisri, is the company's director.
Wm Imagineer Co., Ltd.	WM-IM	Construction	Mr. Pongsak Mahattanasakul is the company's director.
Wm Advisory Co., Ltd.	WM-AD	Consultancy services	Mr. Pongsak Mahattanasakul is the company's director.
Mahanakhon Bespoke Tailoring Co., Ltd.	Bespok	Tailor shop	Mr. Sorapoj Techakraisri holds 100% of its shares.
Finch & Partners Group	F&P	Consultancy Services	The Company under control of Mr. Charles Finch

LEGAL PERSONS THAT MAY HAVE CONFLICTS OF INTEREST (PERSONS)	NATURE OF RELATIONSHIP
Mr. Sorapoj Techakraisri	The Company's authorized director and major shareholders, holding 41.7% of the Company's shares
Mr. Chotipol Techakraisri	The Company's authorized director and shareholder, holding 1.2% of the Company's shares, and older brother of Mr. Sorapoj Techakraisri.
Mr. Sumate Techakraisri	The Company's shareholder, holding 3.6% of the Company's shares, and father of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri
Mrs. Yupa Techakraisri	The Company's shareholder, holding 4.6% of the Company's shares, and mother of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri
Mr. Chumpol Techakraisri	The Company's authorized director and shareholder, holding 0.4% of the Company's shares, and younger brother of Mr. Sorapoj Techakraisri.
Mr. Theera Vayakornvichitre	The Company's director
Mr. Pongsak Mahattanasakul	The director of Pace Interior Services Co., Ltd.
Mr Charles Finch	The director of Dean & DeLuca Inc.

In 2014 and 2015, the Company engaged in transactions with the persons who may have conflicts of interest; however, such transactions did not result in conflicts of interest. Such transactions are as follows:

01 PURCHASE OF PRODUCTS AND SERVICES

SELLER/ SERVICE PROVIDER	BUYER	TYPE OF TRANSACTION	TRANSACTION SIZE		PRICING AND CONDITION	AUDIT COMMITTEE'S OPINIONS
			In the year ending on December 31 st , 2014 (Million Baht)	In the year ending on December 31 st , 2015 (Million Baht)		
PACE THREE	FP	Income from space rentals and services Beginning balance	0.6	13.4	FP entered into a Rental and Service Agreement for 2 contracts as of dated Dec 1 st , 2013 and May 15 th , 2014 with PACE Three for the rent of space in Cube Building with the total rental space of 531.29 sq.m. and 785.46 sq.m., respectively for 3 years. Subsequently, in Q4'2015, the agreement have been revised to rent more space as 543.29 sq.m and 803.46 sq.m, respectively. Monthly rental and service rates for each year are defined as: The First Contract: Year 1 : 291,217.50 baht/month Year 2 : 333,097.50 baht/month Year 3 : 413,257.50 baht/month Such agreement is effective from Dec 1 st , 2013 to Nov 30 th , 2016. The Second Contract: Year 1 : 578,597.50 baht/month Year 2 : 682,745.50 baht/month Year 3 : 885,632.50 baht/month Such agreement is effective from May 15 th , 2014 to May 14 th , 2017.	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee
		Increase in income from space rentals and service during the period	12.8	33.5		
PACE THREE	BeSPK	Payment during the period	-	5.0	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Ending balance	13.4	41.9		
PACE THREE	BeSPK	Income from space rentals and services Beginning balance	-	-	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Increase in income from space rentals and service during the period	-	0.5		
Dean & Deluca (Thailand)	FP	Payment during the period	-	-	During 2015, FP bought foods and beverages from Dean & Deluca (Thailand)	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Ending balance	-	0.5		
Dean & Deluca (Thailand)	FP	Income from sales of foods and beverages Beginning balance	-	0.5	During 2015, FP bought foods and beverages from Dean & Deluca (Thailand)	Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Increase in income from sales of foods and beverages during the period	6.0	1.0		
YLP	Mr. Sorapoj Techakraisri	Payment during the period	(5.5)	(1.4)	On Dec 29 th , 2014, YLP sold one condominium unit to Mr. Sorapoj Techakraisri with sale value of Baht 20 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on April 30 th , 2015, and recorded as income from sales of residential condominium unit.	The pricing of such transaction was calculated based on market price and has passed the review of Audit Committee.
		Ending balance	0.5	0.1		

SELLER/ SERVICE PROVIDER	BUYER	TYPE OF TRANSACTION	TRANSACTION SIZE		PRICING AND CONDITION	AUDIT COMMITTEE'S OPINIONS
			In the year ending on December 31 st , 2014 (Million Baht)	In the year ending on December 31 st , 2015 (Million Baht)		
YLP	Mr. Chotipol Techakraisri	Income from sales of residential condominium units	-	30.0	On Dec 29 th , 2014, YLP sold one condominium unit to Mr. Chotipol Techakraisri with sale value of Baht 30 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on March 20 th , 2015, and recorded as income from sales of residential condominium unit.	The pricing of such transaction was calculated based on market price and has passed the review of Audit Committee.
YLP	Mr. Chumpol Techakraisri	Income from sales of residential condominium units	-	15.0	On Dec 29 th , 2014, YLP sold one condominium unit with Mr. Chumpol Techakraisri with sale value of Baht 15 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on April 3 rd , 2015, and recorded as income from sales of residential condominium unit.	The pricing of such transaction was calculated based on market price and has passed the review of Audit Committee.
YLP	Mrs. Yupa Techakraisri	Income from sales of residential condominium units	-	44.0	On Dec 29 th , 2014, YLP sold two condominium units with Mrs. Yupa Techakraisri with sale value of Baht 44 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on April 30 th , 2015, and July 15 th , 2015 and recorded as income from sales of residential condominium unit.	The pricing of such transaction was calculated based on market price and has passed the review of Audit Committee.
FIERCE	The Company	Selling, General, and Administrative Expenses (SG&A) Beginning balance Expenses incurred in the period (including VAT recorded as expenses) Payment during the period Ending balance	- 0.1 (0.1) -	- - - -	The company hired FIERCE to take a photo for advertising and marketing	The pricing of such transaction was calculated based on market price
FIERCE	PACE Two	Marketing Expenses Beginning balance Expenses incurred in the period (including VAT recorded as expenses) Payment during the period Ending balance	- 0.2 (0.2) -	- - - -	PACE Two hired FIERCE to take a photo of showroom unit and model for advertisement.	The pricing of such transaction was calculated based on market price
FP	The Company	Entertainment expenses and Marketing expenses Beginning balance Expenses incurred in the period (including VAT recorded as expenses) Payment during the period Ending balance	- 0.1 (0.1) -	- 1.3 (1.2) 0.1	During 2015, the Company bought food and beverages, and gift voucher from FP.	The pricing of such transaction was calculated based on market price

SELLER/ SERVICE PROVIDER	BUYER	TYPE OF TRANSACTION	TRANSACTION SIZE		PRICING AND CONDITION	AUDIT COMMITTEE'S OPINIONS
			In the year ending on December 31 st , 2014 (Million Baht)	In the year ending on December 31 st , 2015 (Million Baht)		
FP	PACE One, PACE Two, and PACE Three	Entertainment expenses and Marketing expenses Beginning balance	-	0.2	During 2015, PACE One, PACE Two, and PACE Three bought food and beverages from FP.	The pricing of such transaction was calculated based on market price
		Entertainment expenses incurred in the period (including VAT recorded as expenses)	0.1	1.3		
		Marketing expenses during the period (including VAT recorded as expenses)	0.2	0.9		
		Payment during the period Ending balance	(0.1) 0.2	(2.4) -		
FP	Pace Food Retail	Selling, General, and Administrative Expenses (SG&A) Beginning balance	-	-	During 2015, Pace Food Retail bought foods and beverages from FP.	The pricing of such transaction was calculated based on market price
		Expenses incurred in the period Payment during the period Ending balance	- - -	0.1 - 0.1		
		Selling, General, and Administrative Expenses (SG&A) Beginning balance	-	-		
		Expenses incurred in the period Payment during the period Ending balance	- - -	0.6 (0.5) 0.1		
WM-IM	Pace Interior Services	Purchase of fixed assets (include VAT) Beginning balance	-	-	Pace Interior Services hired WM - IM to create temporary office for construction work in construction area.	The pricing of such transaction was calculated based on market price
		Increase during the period Payment during the period Ending balance	- - -	0.9 (0.9) -		
		Selling, General, and Administrative Expenses (SG&A) Beginning balance	-	-		
		Increase during the period Payment during the period Ending balance	- - -	25.0 (15.0) 10.0		
WM-AD	Pace Interior Services	Selling, General, and Administrative Expenses (SG&A) Beginning balance	-	-	Pace Interior Services entered into 2 Managed and Interior Services Agreement for construction management and interior services of MahaNakhon project dated July 1 st , 2015 and August 1 st , 2015 with WM - AD. • The first agreement is effective on Jan - July 2015 amounted to Baht 15 million and the second agreement is effective on Aug - Dec 2015 amounted to Baht 10 million	The pricing of such transaction was calculated based on market price
		Increase during the period Payment during the period Ending balance	- - -	25.0 (15.0) 10.0		
		Selling, General, and Administrative Expenses (SG&A) Beginning balance	-	-		
		Increase during the period Payment during the period Ending balance	- - -	25.0 (15.0) 10.0		

SELLER/ SERVICE PROVIDER	BUYER	TYPE OF TRANSACTION	TRANSACTION SIZE		PRICING AND CONDITION	AUDIT COMMITTEE'S OPINIONS
			In the year ending on December 31 st , 2014 (Million Baht)	In the year ending on December 31 st , 2015 (Million Baht)		
FIERCE	Pace Country Club	Selling, General, and Administrative Expenses (SG & A) Beginning balance Increase during the period Payment during the period Ending balance	- - - -	- 1.9 (1.9) -	Pace Country Club hired FIERCE to take a photo for advertising and marketing.	The pricing of such transaction was calculated based on market price
F&P	The Company	Selling, General, and Administrative Expenses (SG & A) Beginning balance Increase during the period Payment during the period Ending balance	- - - -	- 21.6 (21.6) -	The company entered into Consultancy agreement dated April 1, 2015 with F&P. F&P will provide the services as indicated in agreement for the period of one year expiring on March 31, 2016. The consultancy fee is USD 800,000.	The pricing of such transaction was calculated based on market price
F&P	Dean & DeLuca Inc.	Selling, General, and Administrative Expenses (SG & A) Beginning balance Increase during the period Payment during the period Ending balance	- - - -	- 5.1 (5.1) -	F&P provide consultancy service to Dean & DeLuca Inc.	The pricing of such transaction was calculated based on market price
F&P	Pace Food Retail	Selling, General, and Administrative Expenses (SG & A) Beginning balance Increase during the period Payment during the period Ending balance	- - - -	- 5.4 (5.4) -	F&P provide consultancy service to Pace Food Retail	The pricing of such transaction was calculated based on market price
LUMPINI	PACE Two	Selling, General, and Administrative Expenses (SG & A) Beginning balance Expenses incurred in the period (including VAT recorded as expenses) Payment during the period Ending balance	0.1 0.5 (0.5) 0.1	0.1 0.3 (0.4) -	On Jan 5 th , 2011, PACE Two hired LUMPINI to provide maintenance services for its sales offices and mock - up rooms with a 1 - year contract term, starting from Jan 5 th , 2011 to Jan 4 th , 2012, and service fee of 42,800 baht/month (price including VAT). The agreement has been extended continuously until July 31 st , 2015 with the same service fee.	Such expenses were calculated based on market price and passed the review of Audit Committee Note: After the contract ends, PACE Two does not plan to extend the contract, yet it will continue to use LUMPINI's cleaning service and will pay relevant service fee to LUMPINI each time it provides such services at market prices. It will also compare such fees with other service providers every time.

02 ADVANCED RECEIVED

PAYEE	PAYER	TYPE OF TRANSACTION	OUTSTANDING AS OF DECEMBER 31 ST , 2013 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2014 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2015 (MILLION BAHT)	PRICING AND CONDITIONS	AUDIT COMMITTEE'S OPINION
YLP	Mr. Sorapoj Techakraisri	Advanced received from customers	-	6.0	-	6.0	14.0	(20.0)	-	On Dec 29 th , 2014, YLP sold one condominium unit to Mr. Sorapoj Techakraisri with sale value of Baht 20 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on April 30 th , 2015, and recorded as income from sales of residential condominium unit.	Such transaction is a normal business transaction with a then-current market sales price.
YLP	Mr. Chotipol Techakraisri	Advanced received from customers	-	9.0	-	9.0	21.0	(30.0)	-	On Dec 29 th , 2014, YLP sold one condominium unit to Mr. Chotipol Techakraisri with sale value of Baht 30 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on March 20 th , 2015, and recorded as income from sales of residential condominium unit.	Such transaction is a normal business transaction with a then-current market sales price.
YLP	Mr. Chumpol Techakraisri	Advanced received from customers	-	4.5	-	4.5	10.5	(15.0)	-	On Dec 29 th , 2014, YLP sold one condominium unit to Mr. Chumpol Techakraisri with sale value of Baht 15 million. Referring to the agreement, divided to be down payment 30% and final payment transfer of ownership 70%. Such amount was fully received on April 3 rd , 2015, and recorded as income from sales of residential condominium unit.	Such transaction is a normal business transaction with a then-current market sales price.

PAYEE	PAYER	TYPE OF TRANSACTION	OUTSTANDING AS OF DECEMBER 31 ST , 2013 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2014 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2015 (MILLION BAHT)	PRICING AND CONDITIONS	AUDIT COMMITTEE'S OPINION
YLP	Mrs. Yupa Techakraisri	Advanced received from customers	-	13.2	-	13.2	30.8	(44.0)	-	On Dec 29 th , 2014, YLP sold two condominium units to Mrs. Yupa Techakraisri with sale value of Baht 44 million. Referring to the agreement, divided to be down payment 30% and final payment to transfer of ownership 70%. Such amount was fully received on April 30 th , 2015, and July 15 th , 2015 and recorded as income from sales of residential condominium unit.	Such transaction is a normal business transaction with a then - current market sales price.
The Company	Dynasty Apparel Co., Ltd.	Advanced received from customers	-	0.3	-	0.3	-	-	0.3	On Jun 28 th , 2013, the Company sold a life-time membership of Country Club Hua Hin to Mr. Theera Vayakornvichitree.	Such transaction is a normal business transaction with a then - current market sales price.
The Company	Mr. Sumate Techakraisri	Advanced received from customers	-	0.3	-	0.3	-	-	0.3	On Jul 9 th , 2013, the Company sold a life-time membership of Country Club Hua Hin to Mr. Sumate Techakraisri.	Such transaction is a normal business transaction with a then - current market sales price.
The Company	Mr. Chumpol Techakraisri	Advanced received from customers	-	0.3	-	0.3	-	-	0.3	On Jun 28 th , 2013, the Company sold a life-time membership of Country Club Hua Hin to Mr. Chumpol Techakraisri.	Such transaction is a normal business transaction with a then - current market sales price.
The Company	Mr. Theera Vayakornvichitree	Advanced received from customers	-	-	-	-	0.5	-	0.5	On Feb 15 th , 2015, the company has made the agreement to purchase and sales a condominium unit of Nimit Langsuan Project with K. Theera Vayakornvichitree.	Such transaction is a normal business transaction with a then - current market sales price.
PRE	PACED	Advance Received	0.5	-	-	0.5	-	(0.5)	-	Due to PRE do not have petty cash, PACED as a project developer paid all relevant operating expenses. Such amount was fully paid on Nov 3 rd , 2015.	Such transaction already occurred in the past. Presently, the Company is responsible for advance payment for PACED and already signed that agreement.

PAYEE	PAYER	TYPE OF TRANSACTION	OUTSTANDING AS OF DECEMBER 31 ST , 2013 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2014 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2015 (MILLION BAHT)	PRICING AND CONDITIONS	AUDIT COMMITTEE'S OPINION
F&P	Dean & DeLuca Inc.	Advance Payment	-	-	-	-	21.0	-	21.0	F & P provide consultancy service to Dean & DeLuca Inc and Dean & DeLuca Inc made advance payment to F & P of 21MB.	Such transaction is a normal business transaction with a then-current market sales price.
F&P	Pace Food Retail	Advance Payment	-	-	-	-	4.6	(2.5)	2.1	F & P provide consultancy service to Pace Food Retail and Pace Food Retail made advance payment to F & P for travelling expense of 4.6MB. Such amount was cleared as expense in year 2015 amounted to 2.5MB	Such transaction is a normal business transaction with a then-current market sales price.

03 LOANS AND INTEREST EXPENSES

BORROWER	PAYER	TYPE OF TRANSACTION	OUTSTANDING AS OF DECEMBER 31 ST , 2013 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2014 (MILLION BAHT)	INCREASE DURING THE PERIOD (MILLION BAHT)	DECREASE DURING THE PERIOD (MILLION BAHT)	OUTSTANDING AS OF DECEMBER 31 ST , 2015 (MILLION BAHT)	PRICING AND CONDITIONS	AUDIT COMMITTEE'S OPINION
PRE, PACE One, PACE Two, and PACE Three	Mr. Sorapoj Techakraisri	Loans Accrued Interest Payable	- 386.3	- -	- -	- 386.3	- -	- -	- 386.3	<ul style="list-style-type: none"> Important details of the loan are: <ul style="list-style-type: none"> Interest rates of 14% and 15% per annum Repayment is made on Lender's request No collateral The lender will transfer assignment of interest to the assignee after 60 days since the borrower receives Form Or.6 from government authority. 	Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity
PACE One, PACE Two, and PACE Three	FPH	Loans Accrued Interest Payable	- 76.9	- -	- -	- 76.9	- -	- -	- 76.9	<ul style="list-style-type: none"> Important details of the loan are: <ul style="list-style-type: none"> Interest rate of 14% per annum Repayment is made on Lender's request No collateral The lender will transfer assignment of interest to the assignee after 60 days since the borrower receives Form Or.6 from government authority. 	Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

04 GUARANTEES AND COLLATERAL SECURITIES PROVIDED TO FINANCIAL INSTITUTIONS (AS OF DECEMBER 31ST, 2015)

The Company, and its subsidiaries entered into credit facilities agreements with financial institutions whereby the Company's directors and related parties provided guarantee to the loans. Guarantors did not ask for guarantee fees from the Company, and subsidiaries for such transaction. The transactions are as follows:

GUARANTORS	RECEIVER OF THE LOANS FROM FIS	LENDERS	LOAN LIMIT (MILLION BAHT)	LOAN OUTSTANDING (MILLION BAHT)	DETAILS OF GUARANTEE/COLLATERAL SECURITIES	AUDIT COMMITTEE'S OPINION
Mrs. Yupa Techakraisri	PACE One, PACE Two, and PACE Three	The Siam Commercial Bank Public Company Limited	532	532	On Feb 6 th , 2014, the Company entered into the Credit Facility Agreement to have loan amount of 532 MB of which to buy land for MahaNakhon project. Mrs. Yupa Techakraisri is the guarantor.	The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mrs. Yupa Techakraisri Mr. Sorapoj Techakraisri	Dean and Deluca (Thailand)	The Bangkok Bank Public Company Limited	85	80	<ul style="list-style-type: none"> On Sep 22nd, 2014, Dean & Deluca (Thailand) entered into the Credit Facility Agreement to have long term loan amount of 80 MB are guaranteed by 1. The company's shares held by Mr. Sorapoj Techakraisri of 35 million shares. 2. Shares of related party held by Mrs. Yupa Techakraisri of 20 million shares 3. Guarantee by Mr. Sorapoj Techakraisri and Mrs. Yupa Techakraisri Overdraft 5 MB is guaranteed by the Company's share held by Mr. Sorapoj Techakraisri of 30 million shares. 	The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mr. Sorapoj Techakraisri Mr. Chotipol Techakraisri Mrs. Yupa Techakraisri	Dean and Deluca (Thailand)	Bank of Ayudhya Public Company Limited	15	10	<ul style="list-style-type: none"> On May 16th, 2012 Dean & Deluca (Thailand) entered into the Credit Facility Agreement to have long term loan amount of 10 MB and overdraft 5 MB that are guaranteed by 1. Residential condominium unit of Mr. Sorapoj Techakraisri 2. Residential condominium unit of Mr. Chotipol Techakraisri 3. Guarantee by Mr. Sorapoj Techakraisri and Mrs. Yupa Techakraisri 	The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mr. Chotipol Techakraisri Mrs. Yupa Techakraisri	YLP	Kasikorn Bank PCL	1,100	270	<ul style="list-style-type: none"> On Oct 29th, 2015 YLP entered into the Credit Facility Agreement to have long term loan amount of 1,090 MB and overdraft 10 MB. Guarantee by Mr. Chotipol Techakraisri and Mrs. Yupa Techakraisri 	The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mr. Sorapoj Techakraisri	The Company	The Siam Commercial Bank Public Company Limited	4,738	1,146.6	<ul style="list-style-type: none"> On Nov 25th, 2015, the Company entered into the credit facility agreement to obtain long term loan facility 4,673 MB, overdraft 30 MB, and Letter of guarantee 35 MB. Guarantee by Mr. Sorapoj Techakraisri 	The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.

MANAGEMENT DISCUSSION AND ANALYSIS

01 OVERVIEW OF BUSINESS OPERATION AND FACTORS THAT CREATE SIGNIFICANT CHANGES

In 2015, the overview of the Company's business operation is about continuously developing the investment plan. For high-end real estate business, the Company has launched "Nimit Langsuan" Project on February 2015 with higher average prices and more sales than anticipated. Moreover, the Company purchased of the ordinary shares and the transfer of financial obligations (loan and accrued interest) in the remaining parts of "MahaNakhon" project from IBC Thailand Ltd. and IDJ Holding Co., Ltd. As a result, the Company's proportion of MahaNakhon's ownership has become 100 percent both directly and indirectly since April, 2015. For lifestyle retail business "DEAN & DELUCA" brand, after the Company has fully acquired all of "DEAN & DELUCA" which is the leading gourmet food and beverages of the world from United States of America as well as acquiring the supply chain network on December 2014 that had 42 branches worldwide as of year 2014.

For the year 2015, the Company has also acquired DEAN & DELUCA (Thailand) Company Limited and expanded its branches resulting in total of 47 branches worldwide at the end of year 2015 which the Company owns a total of 17 branches, 12 branches in United States of America and another 5 branches in Thailand. In addition, the Company has allocated new ordinary shares to Private Placement through General Mandate type and increased its registered capital from 2,054,265,670 Baht (common share 2,054,265,670 shares @ Baht 1 par value) to 3,261,678,197 Baht (common share 3,261,678,197 shares @ Baht 1 par value) resulting in total assets, liabilities and shareholder's equity of the Company to significantly change.

INDUSTRY AND ECONOMIC CONDITIONS THAT AFFECT THE BUSINESS OPERATIONS

Presently, the Company has 2 main revenues from high-end real estate development and retail business (luxury lifestyle retail) under "DEAN & DELUCA" brand. In addition, the Company has 5 residential projects; consisting of 2 completed projects and 3 developing projects. The summary of all projects could be summarized as in the table below.

Details and progress of the Company's residential projects as of 31 December, 2015 are as follows :

PROJECT	OPERATED BY	PROJECT VALUE (MB)	TOTAL UNITS	SALES RECOGNIZED			% OF CONSTRUCTION IN PROGRESS	START OF TRANSFER IN YEAR
				NO. OF SOLD UNITS	MILLION BAHT	%		
Ficus Lane	Company	900.4	70	69	866.9	99.0	100	2006
Saladaeng Residences	YLP	2,309.8	132	132	2,309.8	100	100	2011
MahaNakhon - The Ritz-Carlton Residences, Bangkok	PACE TWO	14,500.0	209	-	-	-	85	2016
MahaSamutr Villa	Company	4,000.0	80	-	-	-	-	2016
Nimit Langsuan	Company	7,584.0	187	-	-	-	-	2018

For the overview of real estate business in 2015, although real estate is a competitive business, but the demand of the top level customers has continued to thrive, especially Super Luxury real estate that the reservation rate keeps rising while the cancellation of reservation is exceptionally low. In the past, the Company has won the trust from its top level customers which can be seen from recent project launches such as “Nimit Langsuan” Project, a Super Luxury residential project that the Company launched in the beginning of 2015 and set a new record of reservation during the pre-sales period with reservations and fully paid deposits more than 80 percent. The major factors that result in success of rapid sales is that the location of the project that is located in the central area of the city near a large public park (Lumpini Park), freehold ownership and highest world’s standard construction quality as well as our current customer’s confidence in our quality and the Company’s reputation. As a result, the Company has significantly increased reservation and sales revenue to be transferred and recognized from 2 projects which are “MahaNakhon” Project and “Nimit Langsuan” Project, totaling revenue of approximately 14,985 Million Baht which the transfer and revenue recognition will begin in 2016 onward.

In 2015, the Company closed sales and transferred remaining 5 condominium residential units, totaling of 109.0 Million Baht from “Saladaeng Residential” Project as targeted. The construction progress of “MahaNakhon” Project and “MahaSamutr” Project are slightly deviated from the original plan due to the fact that construction of such enormous projects are quite detailed and complicated in aspect of quality control and inspection in accordance with international standard defined resulting each party to take more time than anticipated. Therefore, the Company necessarily has to postpone the revenue recognition plan of “MahaNakhon” Project and “MahaSamutr”

Project. The Company plans to gradually transfer and recognize revenue from sales of residential units from “MahaNakhon” Project and “MahaSamutr” Project from 2016 onward.

For the Company to steadily grow and efficiently generate income, the Company decided to invest in gourmet food and beverages premium brand such as “DEAN & DELUCA” to support high-end real estate business since real estate business can recognize the revenue after the project is finished and the transfer to the buyer is completed resulting in non-continuous revenue recognition. However, the gourmet food and beverages business will provide the Company with continuous income while the Company’s strategic focus is to expand the branches worldwide as well as strategic plan to keep developing unique high-end real estate projects.

Since DEAN & DELUCA is a trade mark that has been famous for a long period of time, the Company intends to develop to add more value to the trade mark which is currently in the process of preparation in various aspects such as new design, law to expand branches through Licensee, etc. In recent years, the Company has expanded branches worldwide in the form of investment and sales of “DEAN & DELUCA” brand through Licensee which, in year 2015, has total of 47 branches worldwide increased from year 2014 that had 42 branches. It is anticipated that the Company will significantly expand its branches from 2016 onward.

Other income that has increased steadily from 2014 was from copyrights and trade mark of DEAN & DELUCA for 1 month after acquisition of the business and significantly increased in 2015. The Company expects significant increase in future income from this business from branch expansion and more sales of copyrights to use brand through Licensee.

02 BUSINESS OPERATION AND ABILITY TO MAKE PROFIT ANALYSIS

OPERATING RESULTS ANALYSIS

For operating results at the end of 2015 ended 31 December, the Company had total revenue of 3,512.3 Million Baht, increased 363.0 Million from last year

due to gourmet food and beverages business. However, the food and beverages business “DEAN & DELUCA” caused to significantly increase the

Company's selling and administrative expenses as well. The total selling expenses were 1,608.0 Million Baht, or increased 341.9 percent, and the total administrative expenses were 1,553.3 Million Baht, or increased 323.4 percent. The finance costs also rose to 583.8 Million Baht, or increased 178.4 percent. This was mainly due to the increasing loans that consisted of debentures, bill of exchange, and loans from financial institution for DEAN & DELUCA acquisition in December, 2014, and the loans for purchasing land of Nimit Langsuan project. As a result, the Company had a net loss of 1,868.6 Million Baht, a net loss of 53.2 percent of the total revenue; or decreased 208.0 percent as comparing to the net loss in 2014. Such loss was attributed to owners of the parent 1,785.0 Million Baht, non-controlling interests of 45.9 Million Baht, and equity holders of the former shareholders of subsidiary of 37.6 Million Baht.

In addition, the result of the loss was due to the current real estate projects for sales that are under development such as "MahaNakhon", "MahaSamutr", and "Nimit Langsuan" projects that cannot be recognized the revenue from sales within this year.

There is only Saladaeng Residences project that had been transferred and recognized from selling of remaining 5 residential units. Moreover, the Company acquiring DEAN & DELUCA (Thailand) at the beginning of 2015 results in expenses recognition from sales and management of the Company as well as the increased financial costs make the Company unable to compare the Company's performance with other companies' performance in the same industry.

However, the Company expects growth in revenue from continuously recognizing revenue from real estate business from 2016 onward from transferring ownership of residential units of "MahaNakhon" Project, "MahaSamutr" Project and "Nimit Langsuan" Project, respectively. The Company also prepares operation plan to develop new real estate projects for 2016 and prepare to expand branches by investing both in United States of America, Thailand and other countries worldwide including making agreement with new partners (Licensee). The Company expects that gourmet food and beverage business will be another main business that can continuously generate income for the Company.

STATEMENT OF COMPREHENSIVE INCOME	31 DEC 2015		31 DEC 2014		INCREASE / (DECREASE)	
	MILLION BAHT	% OF TOTAL REVENUE	MILLION BAHT	% OF TOTAL REVENUE	MILLION BAHT	%
Revenue from sales residential condo units and furniture	109.0	3.1	34.0	4.5	75.0	220.6
Costs of sale residential condo units and furniture	(85.2)	(2.4)	(23.6)	(3.1)	(61.6)	261.0
Gross profit from residential condo units and furniture	23.8	0.7	10.4	1.4	13.4	128.8
Revenue from sales of food and beverages	3,225.3	91.8	645.1	85.0	2,580.2	400.0
Costs of sales of food and beverages	(1,597.3)	(45.5)	(377.8)	(49.8)	(1,219.5)	322.8
Gross profit from food and beverages	1,628.0	46.4	267.3	35.2	1,360.7	509.1
Rental and service income	42.0	1.2	14.5	1.9	27.5	190.1
Interest income	136.0	3.9	65.1	8.6	70.9	108.9
Gain on sale of land held for sale	3,512.3	100.0	758.7	100.0	2,753.6	363.0
Selling, General & Administrative Expenses	(3,303.4)	(94.1)	(839.8)	(110.7)	(2,463.6)	293.4
Profit (Loss) before Finance Costs and Income Tax	(1,473.6)	(42.0)	(482.5)	(63.6)	(991.1)	205.4

STATEMENT OF COMPREHENSIVE INCOME	31 DEC 2015		31 DEC 2014		INCREASE / (DECREASE)	
	MILLION BAHT	% OF TOTAL REVENUE	MILLION BAHT	% OF TOTAL REVENUE	MILLION BAHT	%
Finance Costs	(583.8)	(16.6)	(209.7)	(27.6)	(374.2)	178.4
Profit (Loss) before Income Tax	(2,057.5)	(58.6)	(692.2)	(91.2)	(1,365.2)	197.2
Income Tax Income	188.9	5.4	85.5	11.3	103.4	120.9
Profit (Loss) for the Year	(1,868.6)	(53.2)	(606.7)	(80.0)	(1,261.9)	208.0
Owners of the parent	(1,785.0)	(50.8)	(381.1)	(50.2)	(1,403.9)	368.4
Equity holders of the former shareholders of subsidiary	(37.6)	(1.1)	(102.9)	(13.6)	65.3	(63.5)
Non-controlling interests	(45.9)	(1.3)	(122.7)	(16.2)	76.8	(62.6)

REVENUE

In 2015, the Company generated revenue from residential unit sales of 109.0 Million Baht, or increased 220.6 % as compared with the year 2014. The increase was mainly due to the ability to close sales from the “Saladaeng Residences” Project that had 5 residential units remaining to sell and able to transfer all remaining units within 2015.

Moreover, the Company generated revenue from Food and Beverages “DEAN & DELUCA” of 3,225.3 Million Baht, or increased 400.0 percent as compared with the year 2014. This was due to the Company could recognize only 1 month sales revenue in 2014 since the Company acquired DEAN & DELUCA INC. (U.S.) Meanwhile, the Company could recorded sales revenue of DEAN & DELUCA (U.S.) for the entire year in 2015. As well as, the rental and services income that increased from 14.5 Million Baht in 2014 to 42.0 Million Baht in 2015; or increased 190.1 percent. This rental income was from the retails opening in MahaNakhon CUBE. Furthermore, the other income increased from 65.1 Million Baht in 2014 to 136.0 Million Baht in 2015; or increased 108.9 percent. Consequently, the Company was able to generate the total revenue of 3,512.3 Million Baht in 2015.

As of the year ended 2015, the Company had the total reservation and sales of 14,985.1 Million Baht from 2 projects: “MahaNakhon” and “Nimit Langsuan”, or increased 106.1percent. As a result of the launch of “Nimit Langsuan” project in 2015 as compared to the year 2014 that the Company only had the total reservation and sales from MahaNakhon’s residences which total amount of 7,269.7 Million Baht. However, the Company expects to start transferring and recognizing revenue from sales of MahaNakhon’s residences and MahaSamutr’s luxury villas in 2016 onward.

COSTS OF SALES

In 2015, the costs of sales residential condominium units “Saladaeng Residences” were 85.2 Million Baht, or 2.4 percent of its revenue. While the costs of sales food and beverages “DEAN & DELUCA” were 1,597.3 Million Baht, or 45.5 percent of its revenue. The main reason was due to the increasing of revenue from sales together with the revenue recognition of DEAN & DELUCA (U.S.) for the entire year and the revenue from DEAN & DELUCA (Thailand) partially in 2015.

GROSS PROFIT MARGIN

The gross profit margin of real estate business and gross profit margin of food and beverages could be summarize as following below:

GROSS PROFIT MARGIN (UNIT: %)	2014	2015
Real Estate Business	30.6	21.8
Food & Beverages Business	41.4	50.5

In 2015, the Company had the gross profit from real estate business of 23.8 Million Baht, or gross profit margin of 21.8 percent decreasing from the year 2014. This was due to the transfer of ownership and recognition of revenue from selling of remaining 5 residential units of “Saladaeng Residence” Project with the special discount for a group of buyer in order to close the project.

For the gourmet food and beverages business, the gross profit was 1,628.0 Million Baht, or gross profit margin of 50.5 percent increasing 9.1 percent as compared to the year 2014. The main reason was that the Company acquired DEAN & DELUCA Inc. (U.S.) in December, 2014, and was able to recognize the revenue only 1 month. Whereas, in 2015, the Company could recognize revenue throughout the year together with income from DEAN & DELUCA (Thailand) in 2015.

SELLING AND ADMINISTRATIVE EXPENSES

OPERATING EXPENSES	31 DEC 2015		31 DEC 2014		INCREASE / (DECREASE)	
	MILLION BAHT	% OF TOTAL REVENUE	MILLION BAHT	% OF TOTAL REVENUE	MILLION BAHT	%
GOURMET FOOD AND BEVERAGES BUSINESS						
Selling expenses	1,197.6	34.1	176.0	23.2	1,021.6	580.5
Administrative expenses	954.3	27.2	125.0	16.5	829.3	663.4
REAL ESTATE BUSINESS						
Cost of rental and services	93.4	2.7	64.8	8.5	28.6	44.2
Selling expenses	410.4	11.7	274.4	36.2	136.0	49.6
Administrative expenses	647.8	18.4	344.8	45.5	303.0	87.9
TOTAL OF OPERATING EXPENSES	3,303.4	94.1	985.0	129.8	2,318.5	235.4

Selling and administrative expenses in 2015 were 3,303.4 Million Baht, or increased 235.4 percent comparing to selling and administrative expenses in 2014. Those expenses consisted of selling and administrative expenses from gourmet food and beverages “DEAN & DELUCA” of 2,151.8 Million Baht, or 61.3 percent of the total revenue and other expenses from real estate business which were 1,151.6 Million Baht, or 32.8 percent of the total revenue. These expenses consisted of the selling expenses which were 410.4 Million Baht, administrative expenses of 647.8 Million Baht, cost of rental and services of 93.4 Million Baht. Besides, the increasing expenses of food and beverages business were due to the revenue recognition for the entire year, and the increasing expenses from the sales of Nimit Langsuan project launched in the first quarter in 2015. As well as, the marketing expenses to promote the Company’s projects, and the rising administrative expenses that the Company has increased the number of employees to support business expansion.

FINANCE COSTS

The Company recorded financial costs of 583.8 Million Baht in 2015, increased 178.4 percent from last year. This was a result from financial cost for real estate development together with the cost of construction and loans for land acquisition of “Nimit Langsuan” and “MahaSamutr” projects. Moreover, there were loans from financial institutions for investment in acquiring DEAN & DELUCA (U.S.) for the amount of USD 80 Million, loans from issuing of debentures during the year for the total amount of 1.6 Billion Baht including outstanding debentures of 4.6 Billion Baht, and short-term loans from issuing bill of exchange at the end of 2015 for 2.8 Billion Baht.

THE ABILITY TO MAKES A PROFIT

Since 2015 is the year that the Company is in the process of investment and preparation of developing new projects as well as preparation in expansion of branches of “DEAN & DELUCA” worldwide, the Company has increased expenses that are inconsistent with income since there are 3 huge real estate projects currently under development which are yet to have revenue recognition. Moreover, the Company has invested to acquire DEAN & DELUCA (Thailand) as well as financial costs, operational costs resulting the Company to have annual loss for owners of the parent of 1,785.0 Million Baht, a net loss of 50.8 percent; or increased 368.4 percent from last year.

In 2015, the Company had revenue of reservation and sales of super luxury residences at “The Ritz - Carlton Residences, Bangkok” Project for the total amount of 8,681.1 Million Baht which is expected to gradually transfer to buyers in the second quarter of 2016 onward. Also, there was revenue from reservation and agreement of the residential units of “Nimit Langsuan” Project for the total amount of 5,991.4 Million Baht which is expected to gradually recognize the revenue from 2018 onward. Besides, the Company is prepared to launch the luxury villa of “MahaSamutr” project in first quarter of 2016, and expected to gradually transfer to buyers from the end of 2016 onward. If the Company could transfer the residential units and recognize the revenue according to the plan, the Company will be able to pay out dividend in accordance to the policy set which is dependent to the investment plan, necessity and appropriateness in the future.

SUMMARY OF STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	2015	2014	INCREASE / (DECREASE)	
	MILLION BAHT	MILLION BAHT	MILLION BAHT	%
Total Assets	25,932.1	19,416.9	6,515.2	33.6
Total Liabilities	23,804.5	17,907.5	5,897.0	32.9
Equity Attributable to Owners of the Parent	2,127.6	2,380.9	(253.3)	(10.6)
Non-controlling interests	-	(725.0)	725.0	(100.0)
Equity-net	2,127.6	1,509.4	618.2	41.0
TOTAL LIABILITIES AND EQUITY	25,932.1	19,416.9	6,515.2	33.6

ASSETS

At the end of 2015, the Company and its subsidiaries had total assets of 25,932.1 Million Baht, increased 33.6 percent from the year ended 2014. The main assets consist of cash and cash equivalents of 720.0 Million Baht, real estate projects for sales under development and construction in progress of MahaNakhon project of 9,791.7 Million Baht, MahaSamutr project and the land cost of Narathiwas project of 1,621.3 Million Baht, Nimit Langsuan project of 1,972.1 Million Baht, land of MahaNakhon and MahaSamutr projects of 1,222.2 Million Baht, 281.2 Million Baht, respectively. Also, there are property for lease (MahaNakhon CUBE) of 1,017.2 Million Baht, goodwill of DEAN & DELUCA acquisition of 3,717.3 Million Baht, and intangible assets of 2,573.6 Million Baht from DEAN & DELUCA's business; for instance, trade mark, trade name, copyrights of the DEAN & DELUCA brand, etc. The main assets are 88.4 percent of the total assets.

LIABILITIES

At the end of 2015, the Company and its subsidiaries had total liabilities of 23,804.5 Million Baht, increased 32.9 percent. The main liabilities consist of bank overdrafts and short-term loans from financial institutions of 503.7 Million Baht, short-term loans of 2,727.0 Million Baht, current portion of long-term loans from financial institutions of 8,171.7 Million Baht, current portion of debentures of 2,992.6 Million Baht that are four groups of the bonds issued in 2014, and maturing in 2016. Moreover, there are advances and deposits received from customers of 3,753.6 Million Baht; mostly from MahaNakhon and Nimit Langsuan projects' customers. As well as, the long-term loans from shareholders and accrued interest of 463.2 Million Baht, long-term loans from financial institutions of 1,143.9 Million Baht, and debentures of 1,580.0 Million Baht of which are four groups of the debentures issued in 2015, and maturing in 2017 and 2018. All the debts will be repayable after the Company has Cash flow from transferring all the projects; thus, it will reduce the risk of the ability to repay.

SHAREHOLDERS' EQUITY

At the end of 2015, the Company and its subsidiaries had shareholder's equity at 2,127.6 Million Baht, decreased 10.6 percent. Due to the Company increased its registered capital for an amount of 3,261.7 Million Baht during 2015, and its net loss in 2015 which was the total comprehensive loss transfer to deficit of 1,785.0 Million Baht making the Company had deficits of 2,853.2 Million Baht.

03 THE ABILITY FOR ASSETS MANAGEMENT

TRADE ACCOUNT RECEIVABLES

As of 31 December, 2015 and 2014 the Company had trade account receivables totaling of 105.8 Million Baht, and 48.6 Million Baht, respectively. Its average collection period in 2015 was 11.7 days, or decreased from the year 2014 of which was 26.5 days. Due to the nature of DEAN & DELUCA business that most of its sales and trade account receivables were dealing mainly by cash, there was less trade account receivables.

INVENTORIES

At the end of the year 2015, the Company had ending inventories value of 268.3 Million Baht; consisting of 2 residential units of Ficus Lane project, total value of 21.4 Million Baht, and inventories of gourmet food and beverages business "DEAN & DELUCA" brand value of 243.9 Million Baht. The inventory turnover was 6.6 times in 2015, which was unable to compare with the year 2014 due to the revenue recognition of only 1 month that caused the inventory turnover to decrease significantly.

04 LIQUIDITY AND ADEQUACY OF CAPITAL

SOURCES OF FUNDS

At the end of 2015, the Company had total current asset of 10,270.5 Million Baht, total current liabilities of 18,787.2 Million Baht. The current ratio was 0.5 times, decreased from last year of which was 1.0 times due to the increasing current assets and current liabilities. For instance, the current assets increased to 2,852.1 Million Baht; owing to the growing real estate projects for sales from MahaNakhon and MahaSamutr projects. Additionally, the current liabilities increased to 10,993.3 Million Baht due to current portion of long-term loans from financial institutions increased to 6,247.7 Million Baht for MahaNakhon project, current portion of debentures of 2,992.6 Million Baht, short-term loans from bill of exchange issued increased to 1,561.7 Million Baht, advances and deposits received from customers increased to 665.6 Million Baht. All of these factors caused its current liabilities to rise.

APPROPRIATENESS OF THE FUNDING STRUCTURE

At the end of the year 2015, the Company recorded total debt to equity ratio of 11.2 times, financial institutions debt and others' debt to equity ratio of 8.0 times which were high. This was due to the inability for revenue recognition from developing real estate projects for sales that only created the operating expenses and finance costs during development. As a result, it caused making the deficit and the deficit increased. In addition, the Company is continually investing for DEAN & DELUCA's expansion and preparing to buy new land lot for developing a new project on Narathiwas-Rajanakar Road in November 2015 by using the loans from financial institutions. However, if the Company can recognize the revenue as its plan and transfer the residential units to the customers whereby reduce its debt by repayment to the financial institutions, the debt to equity ratio will decrease significantly in 2016.

05 OBLIGATIONS ON LIABILITIES AND MANAGEMENT OF OFF-BALANCE SHEET LIABILITIES

DEAN & DELUCA Inc. had commitments under non cancellation operating lease agreements covering the retail rental agreements, warehouse and office premises for the period from 12 months to 193 months. The totals of future minimum lease payments under non-cancellable operating leases for each period are as follows:

	IN MILLION BAHT	
	2015	2014
Not later than 1 year	285.5	254.1
Later than 1 year and not later than 5 years	1,029.3	659.2
Later than 5 years	1,140.1	742.5
TOTAL	2,454.9	1,655.8

As at December 31, 2015 and 2014, the Pace Development Corporation Group had obligation and commitment to complete project on hand.

	2015	2014
Value of sales already contracted (in Million Baht)	14,514.3	7,235.7
As percentage of total sales of project on hand (%)	65.72	49.53

2015 AUDITOR'S REMUNERATION

Accounting auditor's fee for auditing interim and annual financial statement for the year 2015, ending 31 December 2015 totaled approximately 6.9 Million Baht. (exclude the business units which incorporated in USA.)

06 FACTORS THAT MAY INFLUENCE BUSINESS OPERATION IN THE FUTURE

In present day, Land cost become the major risks of operating real estate business because of land prices continuously increase and might be hard to find a nice piece of land which cost reasonable price in the central of city for the Company's investment. However, the Company has already studied the trend of high-end real estate business outlook and prepare to acquire new lands for upcoming project in 2-3 years for continuous recognition of revenue from real estate business.

For major factors that may affect gourmet food and beverages business "DEAN & DELUCA" are, such as,

competitive environment and economic growth of the country since food and beverages business is very competitive with rapid expansion of new branches and restaurants. It can be clearly seen that number of high-end food and beverage brand are increasing in potential location such as department store, central area office building as well as community mall. Moreover, current consumers' behaviors are prone to prefer enjoyment of foreign and fine-dining restaurant to socialize with friends. There are also consumers that become more concerned about health and nutrition of their food and are willing to pay more for better quality of food.



FINANCIAL STATEMENT

ANNUAL REPORT 2015

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of PACE Development Corporation Public Company Limited composed of 3 independent directors: Mrs. Ladda Siri wattanakosol as Chairman of Audit Committee, Mr. Prasert Patradhilok, and Miss Benjaporn Prisuwan as Member of Audit Committee. The Audit Committee operates independently, as well as has carried

out its duties and responsibilities in accordance with the established best practices guidelines for Audit Committee as announced by the SET, in accordance with the Charter of Audit Committee and performs as assigned by the Board of Directors in overseeing the Company. The summary of the significant details were following below:

01 THE MEETING OF AUDIT COMMITTEE

In the year 2015, the Company's Audit Committee held 5 meetings to discuss and consider important subjects. So that meeting without management team only one time.

02 REVIEW OF ACCURACY OF FINANCIAL STATEMENTS

The Audit Committee reviewed the quarterly and annually Company's financial statements 2014. In order to propose them to the Board of Directors for consideration and acceptance; whereby questions and clarifications were discussed with the Management and Auditors with regards to the accuracy and comprehensiveness of the financial statements, as well as the sufficiency of note to financial statements disclosures. The Audit Committee has an opinion that such financial statements and all related transaction items present fairly in accordance with the generally accepted accounting principles and disclose accurate information adequately for the benefit of investors and users of financial statements.

03 REVIEW AND EVALUATION SUFFICIENCY OF INTERNAL CONTROL SYSTEMS

The Audit Committee reviewed the Company's internal control systems with the internal audit unit and approved the annual internal audit plan; including quarterly review and monitoring, The Audit Committee has an opinion that the Company had been operating sufficiency and appropriately of the internal control systems. According to the external auditor also evaluated the Company's internal control systems and report that there is no cause that might impact on the Company's financial statements significantly.

04 REVIEW RELATED PARTY TRANSACTIONS

The Audit Committee reviewed the Company's related transactions that may give rise to conflicts of interest. It shows that such transactions are actual commercial transactions that occur in the normal business condition. It also shows that the Company has sufficiently and appropriately disclosed such related transactions in the financial statements and the footnotes to the financial statements, consistent with relevant rules and guidelines set forth by the Stock Exchange of Thailand and Securities and Exchange Commission.

05 REVIEW OF COMPLIANCE WITH LAWS ON SECURITIES AND STOCK EXCHANGE, THE SET'S REGULATIONS AND LAWS RELATED TO THE COMPANY'S OPERATIONS

The Audit Committee reviewed the Company's laws and regulations compliance with the legal unit, the compliance unit, and the internal audit unit and found no incident indicating significant violation of these rules, related laws and regulations relevant to the Company's business operations.

06 CONSIDERATION OF SELECTING OF THE AUDITORS

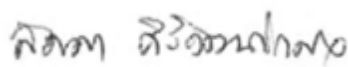
The Audit Committee reviewed the auditors' qualifications, business knowledge and experiences, as well as appropriateness of the compensation packages given to such auditors. It shows that the auditors from Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd. are independent and properly function as auditors according to the standards in audit profession.

07 GOOD CORPORATE GOVERNANCE

In 2015, the Audit Committee approved the Company announced its intention to participate in Thai Private Sector Collective Action Coalition Against Corruption. In order to express and commitment in the fight against all forms of the corruptions, including focus on the management of good corporate governance such a control procedure that could create operational efficiency, transparency, ethics and accountability of the Company. Caused trustworthy and confidence of its shareholders, investors and all groups of its stakeholders. Thus will support the operations of the Company including the stability and sustainable growth in long term.

08 THE AUDIT COMMITTEE'S PERFORMANCE ASSESSMENT

The Audit Committee's performance assessment was conducted annually. It was participated by the Audit Committee's members themselves, The Audit Committee perform independently throughout the time. To review that completeness of the extent set forth in the Charter of the Audit Committee.



MRS. LADDA SIRIWATTANAKOSOL
Chairman of Audit Committee

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

ASSETS

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
		"Revision"			
	Notes	2015	"Restated"	2015	2014
CURRENT ASSETS					
Cash and cash equivalents	5, 24	651,100,217	424,523,269	125,199,788	98,366,549
Short-term investments	6	68,912,316	518,900,582	68,912,316	458,410,008
Restricted savings deposit and current account	24	188,754,407	67,108,720	-	-
Trade and unbilled trade account receivables					
- Related companies	4	42,442,238	13,889,133	-	-
- Other companies - net	7	63,365,967	34,750,290	-	-
Inventories - net	8, 23, 24	268,274,448	314,585,059	21,370,371	21,370,371
Real estate projects for sales under development	10, 11, 12, 13, 21, 24, 36	8,262,491,656	5,496,747,134	964,817,237	371,515,068
Advance payments for construction		423,387,548	386,450,836	53,192,795	63,224,694
Short-term loans to subsidiaries and interest receivables	4	-	-	714,498,073	91,983,281
Advances to and other receivables from subsidiaries and related parties	4	26,055,599	108,320	106,831,867	101,644,523
Refundable value added tax		158,077,107	84,523,117	1,118,379	460,814
Other current assets		117,595,393	76,789,772	5,590,422	24,344,420
Total Current Assets		10,270,456,896	7,418,376,232	2,061,531,248	1,231,319,728
NON-CURRENT ASSETS					
Investments in shares of subsidiaries - at cost	4, 9, 18, 19, 24	-	-	2,934,143,503	1,077,821,506
Restricted savings deposit and current account	36	37,947,785	108,840,682	17,015,897	-
Deposit for acquisition of assets	4	-	318,908,775	-	318,908,775
Accrued management fee income	4	-	-	180,000,000	120,000,000
Interest receivables from subsidiaries	4	-	-	1,184,350,054	685,975,753
Long-term loans to subsidiaries	4, 24	-	-	6,762,710,692	4,938,925,344
Right to use assets - net	13, 14, 36	35,780,289	-	-	-
Land	11, 12, 16, 21, 24, 36	1,503,387,183	1,493,170,020	276,241,642	271,023,701
Advance payments for land	4, 10, 11	-	211,000,000	-	211,000,000
Advance payments for construction		136,585,793	123,844,471	-	-
Deferred loan arrangement fee	24	65,976,300	-	29,671,250	-
Real estate projects for sales under development	10, 11, 12, 13, 21, 24, 36	2,365,645,367	68,724,677	1,972,086,547	68,724,677
Construction in progress	2, 11, 13, 14, 16, 21, 24, 36	3,152,615,267	1,959,774,958	398,361,305	356,379,446
Leasehold improvements, sales gallery and equipment - net	4, 15	477,216,590	450,344,778	50,032,320	61,180,640
Properties for lease - net	12, 13, 16, 24	1,017,150,853	1,016,917,866	-	-
Intangible assets - net	17, 18	2,592,252,104	2,447,432,937	3,649,114	1,785,603
Goodwill - net	9, 18, 19, 20	3,717,292,709	3,435,181,629	-	-
Deferred income tax assets - net	20	508,608,670	345,207,618	107,712,796	19,473,103
Other non-current assets - net		51,230,948	19,202,958	14,842,526	5,858,516
Total Non-Current Assets		15,661,689,858	11,998,551,369	13,930,817,646	8,137,057,064
TOTAL ASSETS		25,932,146,754	19,416,927,601	15,992,348,894	9,368,376,792

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

LIABILITIES AND EQUITY

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
		"Revision"			
		"Restated"			
	Notes	2015		2015	2014
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	11, 12, 13, 21, 24	503,714,624	1,362,926,908	-	1,362,926,908
Short-term loans	22	2,727,023,019	1,165,299,518	2,727,023,019	1,165,299,518
Trade account payables					
- Related company	4	44,319	-	-	-
- Other companies		1,041,674,982	737,354,078	271,501,410	13,786,497
Payable for purchase of land	12	101,412,000	110,409,864	101,412,000	-
Other payables to related companies	4	13,830,469	17,957,947	1,443,685	840,132
Other account payables		20,921,739	7,118,196	-	-
Current portion of long-term loans from financial institutions	4, 5, 8, 9, 11, 12, 13, 16, 24	8,171,653,693	1,923,966,181	-	-
Current portion of liabilities under finance lease contracts		3,848,288	3,573,930	2,911,257	2,945,116
Current portion of debentures	27	2,992,574,406	-	2,992,574,406	-
Advances and deposits received from customers	4, 8, 23	2,720,640,851	2,055,072,771	43,746,122	27,246,122
Income tax payable		3,076,738	226,458	-	-
Retention payables to contractors	25	52,261,254	21,904,643	447,495	285,613
Current portion of deferred revenue		95,787,174	74,762,164	-	-
Accrued expenses		206,926,018	175,910,575	51,342,038	49,767,286
Accrued construction costs		13,774,452	20,131,283	-	-
Other current liabilities		118,022,827	117,232,617	19,768,054	32,348,512
Total Current Liabilities		18,787,186,853	7,793,847,133	6,212,169,486	2,655,445,704
NON-CURRENT LIABILITIES					
Deposits received from customers	23, 36	1,032,987,999	8,128,419	1,002,442,715	-
Retention payables to contractors	25	-	39,183,573	-	-
Loans from director	4	-	161,000,000	-	-
Long-term loans from shareholders and accrued interest	4	463,167,988	2,413,001,320	-	-
Long-term loans from financial institutions - net	4, 5, 8, 9, 11, 12, 13, 16, 24	1,143,924,348	3,687,064,888	1,143,924,348	-
Liabilities under finance lease contracts - net		9,728,823	8,731,606	6,465,209	5,728,964
Debentures - net	27	1,579,962,667	2,971,839,616	1,579,962,667	2,971,839,616
Deferred revenue - net		32,001,458	114,614,380	-	-
Deferred income tax liability	18, 20	734,812,464	703,176,064	-	-
Provision for employee retirement benefit	28	9,241,348	6,125,693	7,869,009	5,064,881
Other non-current liabilities		11,532,942	814,907	-	-
Total Non-Current Liabilities		5,017,360,037	10,113,680,466	3,740,663,948	2,982,633,461
Total Liabilities		23,804,546,890	17,907,527,599	9,952,833,434	5,638,079,165

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

LIABILITIES AND EQUITY (Continued)

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014			
		"Revision"			
		"Restated"			
	Notes	2015		2015	2014
EQUITY					
Share capital	2, 29				
- Authorized share capital, common share					
3,261,678,197 shares in 2015 and 2,054,265,670 shares					
in 2014 at Baht 1 par value		<u>3,261,678,197</u>	<u>2,054,265,670</u>	<u>3,261,678,197</u>	<u>2,054,265,670</u>
- Issued and paid-up share capital, common share					
3,261,678,197 shares in 2015 and 2,054,265,670 shares					
in 2014 at Baht 1 per share		3,261,678,197	2,054,265,670	3,261,678,197	2,054,265,670
Premium on common shares		2,897,314,489	1,431,062,052	2,897,314,489	1,431,062,052
Discount on increase in shareholding in subsidiaries	2, 9	(1,064,004,042)	-	-	-
Discount on business combination under common control		(324,475,349)	(61,374,560)	-	-
Currency translation differences		194,621,407	9,627,781	-	-
Retained earnings (Deficit)					
- Appropriated for legal reserve	30	15,643,231	15,643,231	15,643,231	15,643,231
- Unappropriated (Deficit)		<u>(2,853,179,169)</u>	<u>(1,068,316,173)</u>	<u>(135,120,457)</u>	<u>229,326,674</u>
Equity Attributable to Owners of the Parent		<u>2,127,598,764</u>	<u>2,380,908,001</u>	<u>6,039,515,460</u>	<u>3,730,297,627</u>
Equity attributable to former shareholders of subsidiary		-	(146,467,144)	-	-
Non-controlling interests		<u>1,100</u>	<u>(725,040,855)</u>	<u>-</u>	<u>-</u>
Equity - Net		<u>2,127,599,864</u>	<u>1,509,400,002</u>	<u>6,039,515,460</u>	<u>3,730,297,627</u>
TOTAL LIABILITIES AND EQUITY		<u>25,932,146,754</u>	<u>19,416,927,601</u>	<u>15,992,348,894</u>	<u>9,368,376,792</u>

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2014		2014	
		2015	"Revision" "Restated"	2015	"Restated"
Revenues					
Revenue from sale of residential condominium units	4	109,000,000	34,000,000	-	34,000,000
Revenue from sales of merchandises, foods and beverages	4	3,225,264,874	645,061,225	-	-
Rental and service income	4	42,003,199	14,477,747	-	-
Interest income	4	1,322,334	3,775,266	524,642,294	250,114,558
Gain on sale of land held for sale	8	58,347	30,592,172	58,347	30,592,172
Gain on foreign exchange - net		4,212,121	4,358,715	2,536,979	1,842,507
Management fee income	4	-	-	69,685,140	60,000,000
Other income	4, 8	130,434,134	26,388,094	5,928,243	18,041,632
Total Revenues		3,512,295,009	758,653,219	602,851,003	394,590,869
Expenses					
Cost of sale of residential condominium units		85,185,163	23,604,165	-	23,604,165
Costs of sales of merchandises, foods and beverages		1,597,299,036	377,799,191	-	-
Cost of rental and service		93,393,609	64,769,675	-	-
Selling expenses	4	1,607,980,360	363,916,171	209,824,120	73,420,916
Administrative expenses	4	1,553,261,591	366,831,342	389,678,921	212,885,930
Management benefit expenses	4, 32	48,788,169	44,263,852	45,341,999	41,043,232
Total Expenses	31	4,985,907,928	1,241,184,396	644,845,040	350,954,243
Profit (Loss) before Finance Costs and Income Tax		(1,473,612,919)	(482,531,177)	(41,994,037)	43,636,626
Finance Costs	4	(583,848,842)	(209,686,555)	(410,741,908)	(133,941,025)
Loss before Income Tax		(2,057,461,761)	(692,217,732)	(452,735,945)	(90,304,399)
Income Tax Income	20	188,869,517	85,498,008	88,249,517	13,007,215
Loss for the Year		(1,868,592,244)	(606,719,724)	(364,486,428)	(77,297,184)
Other Comprehensive Income					
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences		184,993,626	9,627,781	-	-
Item that will not be reclassified subsequently to profit or loss:					
Actuarial gains		194,392	2,911,501	49,121	2,767,088
Income tax relating to other comprehensive income not be reclassified		(38,879)	(582,300)	(9,824)	(553,418)
		155,513	2,329,201	39,297	2,213,670
Other Comprehensive Income for the Year - Net of Tax		185,149,139	11,956,982	39,297	2,213,670
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,683,443,105)	(594,762,742)	(364,447,131)	(75,083,514)
Loss for the year attributable to:					
Owners of the parent		(1,785,018,509)	(381,057,432)	(364,486,428)	(77,297,184)
Equity holders of the former shareholders of subsidiary		(37,633,445)	(102,935,012)	-	-
Non-controlling interests		(45,940,290)	(122,727,280)	-	-
		(1,868,592,244)	(606,719,724)	(364,486,428)	(77,297,184)
Total comprehensive loss for the year attributable to:					
Owners of the parent		(1,599,869,370)	(369,146,073)	(364,447,131)	(75,083,514)
Equity holders of the former shareholders of subsidiary		(37,633,445)	(102,889,389)	-	-
Non-controlling interests		(45,940,290)	(122,727,280)	-	-
		(1,683,443,105)	(594,762,742)	(364,447,131)	(75,083,514)
Basic Loss per Share Attributable to Owners of the Parent		(0.631)	(0.185)	(0.129)	(0.038)
Weighted Average Number of Shares (In Shares)	29	2,827,248,880	2,054,265,670	2,827,248,880	2,054,265,670

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Consolidated Financial Statements (In Baht)														
	Notes	Issued and paid-up share capital	Premium on common shares	Discount on increase in shareholding in subsidiaries	Discount on business combination under common control	Currency translation differences	Retained earnings (Deficit)		Equity attributable to owners of the parent	Equity attributable to former shareholders of subsidiary			Non-controlling interests	Equity - net
							Appropriated for legal reserve	Deficit		Share capital	Deficit	Net		
Balance as at January 1, 2014 (Revision)		2,054,265,670	1,431,062,052	-	(61,374,560)	-	15,643,231	(689,542,319)	2,750,054,074	5,750,000	(143,577,755)	(137,827,755)	(602,314,175)	2,009,912,144
Change in equity for the year														
- Increase in share capital of former shareholders of subsidiary		-	-	-	-	-	-	-	-	94,250,000	-	94,250,000	-	94,250,000
- Addition in non-controlling interests from investments in new subsidiaries		-	-	-	-	-	-	-	-	-	-	-	600	600
Total comprehensive income (loss) for the year		-	-	-	-	9,627,781	-	(378,773,854)	(369,146,073)	-	(102,889,389)	(102,889,389)	(122,727,280)	(594,762,742)
Balance as at December 31, 2014 (Revision)		2,054,265,670	1,431,062,052	-	(61,374,560)	9,627,781	15,643,231	(1,068,316,173)	2,380,908,001	100,000,000	(246,467,144)	(146,467,144)	(725,040,855)	1,509,400,002
Change in equity for the year														
- Increase in share capital	29	1,207,412,527	1,466,252,437	-	-	-	-	-	2,673,664,964	-	-	-	-	2,673,664,964
- Addition investment in subsidiaries by purchasing shares from non-controlling interests	2	-	-	-	-	-	-	-	-	-	-	-	(293,022,297)	(293,022,297)
- Discount on increase in shareholding in subsidiaries	2, 9	-	-	(1,064,004,042)	-	-	-	-	(1,064,004,042)	-	-	-	1,064,004,042	-
- Purchase of investment from former shareholder	2	-	-	-	-	-	-	-	-	(100,000,000)	21,000,000	(79,000,000)	-	(79,000,000)
- Decrease in equity attributable to former shareholders of subsidiary from business combination under common control	2	-	-	-	(263,100,789)	-	-	-	(263,100,789)	-	263,100,589	263,100,589	200	-
- Addition in non-controlling interests from investments in new subsidiaries		-	-	-	-	-	-	-	-	-	-	-	300	300
Total comprehensive income (loss) for the year		-	-	-	-	184,993,626	-	(1,784,862,996)	(1,599,869,370)	-	(37,633,445)	(37,633,445)	(45,940,290)	(1,683,443,105)
Balance as at December 31, 2015		3,261,678,197	2,897,314,489	(1,064,004,042)	(324,475,349)	194,621,407	15,643,231	(2,853,179,169)	2,127,598,764	-	-	-	1,100	2,127,599,864

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

Separate Financial Statements (In Baht)					
	Note	Issued and paid-up share capital	Premium on common shares	Retained earnings	
				Appropriated for legal reserve	Unappropriated
					Total
Balance as at January 1, 2014		2,054,265,670	1,431,062,052	15,643,231	304,410,188
					3,805,381,141
Total comprehensive loss for the year		-	-	-	(75,083,514)
					(75,083,514)
Balance as at December 31, 2014		2,054,265,670	1,431,062,052	15,643,231	229,326,674
					3,730,297,627
Change in equity for the year					
- Increase in share capital	29	1,207,412,527	1,466,252,437	-	-
					2,673,664,964
Total comprehensive loss for the year		-	-	-	(364,447,131)
					(364,447,131)
Balance as at December 31, 2015		3,261,678,197	2,897,314,489	15,643,231	(135,120,457)
					6,039,515,460

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014		2014	
	2015	"Revision" "Restated"	2015	"Restated"
CASH FLOWS FROM OPERATING ACTIVITIES:				
Loss for the year	(1,868,592,244)	(606,719,724)	(364,486,428)	(77,297,184)
Adjustments to reconcile loss for the year to net cash provided by (used in) operating activities:				
Management fee income	-	-	(60,000,000)	(60,000,000)
Allowance for doubtful accounts	151,101	11,501	-	11,501
Allowance for decline in value of inventories	2,731,601	-	-	-
Depreciation and amortization	357,712,889	87,758,458	46,052,227	6,679,822
Gain on sales of short-term investments	(6,507,778)	(4,091,028)	(5,409,162)	(4,091,028)
Gain on sales of land held for sale	-	(30,592,172)	-	(30,592,172)
Loss on sales and write-off of leasehold improvements and equipment	8,439,977	219,126	116,426	45,374
Write-off intangible assets	468,880	-	-	-
Reversal of provision for loss on litigation case	-	(651,038)	-	(651,038)
Provision for employee retirement benefit	3,310,047	6,126,529	2,853,249	5,255,584
Unrealized loss (gain) on foreign exchange - net	196,552	(214,343)	(3,914,196)	(232,698)
Unrealized gain on revaluation of short-term investments	(93,146)	(896,770)	(93,146)	(406,196)
Allowance for impairment loss on goodwill	3,295,178	2,374,027	-	-
Income tax income	(188,869,517)	(85,498,008)	(88,249,517)	(13,007,215)
Interest income	(1,322,334)	(3,775,266)	(524,642,294)	(250,114,558)
Interest expense	583,848,842	209,686,555	410,741,908	133,941,025
Decrease (increase) in operating assets:				
Trade and unbilled trade account receivables	(57,319,883)	4,167,746	-	(11,501)
Inventories	43,579,010	105,796,696	-	23,604,165
Advances and other receivables from subsidiaries and related parties	(25,947,279)	(108,320)	(5,187,344)	(100,771,584)
Refundable value added tax	(73,553,990)	(49,250,882)	(657,565)	(460,814)
Real estate project for sales under development	(4,087,779,896)	(905,328,330)	(1,841,442,867)	(142,720,091)
Advance payments for construction	(36,936,712)	(209,529,881)	10,031,899	(63,224,694)
Other current assets	(40,708,578)	13,920,584	44,368,891	(4,792,176)
Other non-current assets	(25,802,165)	(12,308,253)	(9,239,445)	(3,257,078)
Increase (decrease) in operating liabilities:				
Trade account payables and accrued construction costs	33,134,120	287,824	(721,747)	(6,714,199)
Other payables to related companies	(4,127,478)	(455,000)	603,553	825,086
Advances and deposits received from customers	1,690,427,660	533,074,764	1,018,942,715	900,000
Retention payables to contractors	(8,826,962)	21,155,491	161,882	272,476
Other account payables	13,803,543	2,940,827	-	-
Deferred revenue	(75,012,610)	(8,434,771)	-	-
Accrued expenses	(11,157,095)	5,433,208	(8,149,601)	24,433,178
Other current liabilities	790,210	88,276,865	(12,580,458)	23,796,880
Other non-current liabilities	10,718,035	814,907	-	-
Payment for loss on litigation case	-	(8,998,501)	-	(8,998,501)
Income tax paid	(7,404,152)	(9,284,167)	(93,217)	(6,547,637)
Net Cash Used in Operating Activities	(3,767,354,174)	(854,091,346)	(1,390,994,237)	(554,125,273)

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014		2014	
	2015	"Revision" "Restated"	2015	"Restated"
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in investments in shares of subsidiaries	(372,022,297)	(4,588,530,000)	(1,856,321,997)	(811,949,400)
Increase in restricted savings deposit and current account	(50,752,790)	(118,725,258)	(17,015,897)	-
Decrease (Increase) decrease in deposit for assets acquisition	318,908,775	(318,908,775)	318,908,775	(318,908,775)
Additions in non-controlling interests from investments in new subsidiaries	300	600	-	-
Effect on cash flows from additionally investing in subsidiaries	-	4,921,275	-	-
Increase in short-term investments	(2,940,000,000)	(2,190,000,000)	(2,880,000,000)	(2,130,000,000)
Proceeds from sales of short-term investments	3,396,589,190	1,676,087,216	3,275,000,000	1,676,087,216
Increase in short-term loans to subsidiaries	-	-	(618,491,494)	(90,700,000)
Increase in long-term loans to subsidiaries	-	-	(3,197,285,348)	(2,079,725,000)
Decrease in long-term loans to subsidiaries	-	-	1,373,500,000	85,000,000
Proceeds from sales of land held for sale	-	44,752,172	-	44,752,172
Proceeds from sales of land and structure	-	-	7,500,000	-
Proceeds from sales of equipment	679,931	683,377	700	607,477
Purchases of leasehold improvements, sales gallery and equipment	(200,577,421)	(155,623,399)	(29,622,011)	(47,292,052)
Purchases of intangible assets	(44,338,054)	(3,343,360)	(2,562,126)	-
Advance payments for construction	(12,741,322)	(68,834,853)	-	-
Advance payments for land	-	(211,000,000)	-	(211,000,000)
Payment of right to use assets	(27,729,205)	-	-	-
Purchases of land	(110,000,000)	(1,406,062,460)	-	-
Increase in construction in progress	(1,142,844,894)	(926,003,842)	(15,275,263)	(236,307,033)
Interest received	1,322,334	3,775,266	653,100	3,517,271
Net Cash Used in Investing Activities	(1,183,505,453)	(8,256,812,041)	(3,641,011,561)	(4,115,918,124)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	261,014,625	1,130,971,815	(242,700,000)	1,142,949,087
Increase in short-term loans	2,825,000,000	887,000,000	2,825,000,000	1,072,000,000
Repayment of short-term loans from financial institutions	(1,250,000,000)	-	(1,250,000,000)	-
Decrease in short-term loans from subsidiary	-	-	-	(205,000,000)
Cash receipts from loans from director	34,390,000	158,070,000	-	-
Cash receipts from long-term loans from financial institutions	2,226,032,774	4,001,709,305	-	-
Cash receipts from debentures	1,600,000,000	2,999,500,000	1,600,000,000	2,999,500,000
Repayment of loans from director	(195,390,000)	(193,250,000)	-	-
Repayment of long-term loans from shareholders	(1,228,800,426)	-	-	-
Repayment of long-term loans from financial institutions	(18,700,800)	(6,550,800)	-	-
Repayment of liabilities under finance lease contracts	(3,779,918)	(2,146,872)	(3,091,864)	(1,691,512)
Payment of deferred loan arrangement fee and debenture underwriting fee	(109,339,312)	(206,411,078)	(62,920,880)	(67,994,273)
Proceeds from increase in share capital of former shareholders in subsidiary	-	94,250,000	-	-
Proceeds from increase in share capital	2,679,829,275	-	2,679,829,275	-
Payment of expenses relating to increase in share capital	(6,164,311)	-	(6,164,311)	-
Interest paid	(1,636,655,332)	(315,030,977)	(481,113,183)	(175,793,959)
Net Cash Provided by Financing Activities	5,177,436,575	8,548,111,393	5,058,839,037	4,763,969,343
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	226,576,948	(562,791,994)	26,833,239	93,925,946
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	424,523,269	987,315,263	98,366,549	4,440,603
CASH AND CASH EQUIVALENTS AT END OF YEAR	651,100,217	424,523,269	125,199,788	98,366,549

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

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014		2014	
	"Revision"		"Restated"	
	2015	"Restated"	2015	"Restated"
Non-Cash Transactions				
a) Interest expense recorded as cost of real estate project for sales under development and construction in progress	7,053,090	51,715,147	4,230,415	-
b) Construction payables	759,935,833	501,514,945	271,501,410	13,173,852
c) Payable for purchase of land	101,412,000	110,000,000	101,412,000	-
d) Amortization of leasehold rights on land as part of real estate project for sales under development and construction in progress	-	1,327,722	-	-
e) Transfer leasehold right on land to land	-	2,082,015,965	-	-
f) Transfer land to real estate project for sales under development	-	2,390,989,319	-	-
g) Transfer real estate project for sales under development to land	10,217,163	-	10,217,163	-
h) Transfer construction in progress to real estate project for sales under development	6,673,108	1,635,768,316	6,673,108	-
i) Transfer construction in progress to property for lease	38,186,368	606,847,477	-	-
j) Transfer construction in progress to right to use assets	8,816,326	-	-	-
k) Deferred loan arrangement fee and debenture underwriting fee capitalized as a part of real estate project for sales under development, construction in progress and fixed assets	52,711,583	50,246,196	11,055,669	2,240,482
l) Increase in investments in shares of subsidiary by share swap	-	-	240,000,000	-
m) Refinance short-term loans to long term loans	1,146,000,000	-	1,146,000,000	-
n) Fixed assets increased by means of :				
- Finance lease agreements	5,051,493	5,039,450	3,794,250	5,039,450
- Cash payments	200,577,421	155,623,399	29,622,011	47,292,052
Total	205,628,914	160,662,849	33,416,261	52,331,502

- o) On December 4, 2014, the Pace Development Corporation Group purchased indirect investment in shares of the Dean Group wholly 100% from the former shareholders. Detail of assets and liabilities of the Dean Group for investing portion as at acquisition date were summarized below:

	In thousand Baht
Trade and other accounts receivable - net	37,658
Inventories - net	278,510
Other current assets	23,871
Property and equipment	144,572
Other non-current assets	3,772
Trade account payables	(226,889)
Deferred revenue	(197,518)
Accrued expenses	(122,739)
Other current liabilities	(11,718)
Intangible assets	2,431,794
Deferred income tax liability - net	(664,208)
Goodwill (Notes 18 and 19)	2,891,164
Fair value at the acquisition date	4,588,269
Effect from cash flows from investments in subsidiaries	4,921
Currency translation differences	(4,660)
Cash payment for purchase of investments in shares of subsidiaries	4,588,530

PACE DEVELOPMENT CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements

December 31, 2015

1. GENERAL

Pace Development Corporation Public Company Limited (“the Company”) was incorporated as a limited company in Thailand on September 1, 2003 and registered the change of the Company’s status to be a public company on September 20, 2011. Subsequently on August 7, 2013, the Company’s ordinary shares have been approved to be a listed security in the Stock Exchange of Thailand. The Company is principally engaged in property development.

The Pace Group in these financial statements represents Pace Project One Co., Ltd., Pace Project Two Co., Ltd., Pace Project Three Co., Ltd. and Pace Real Estate Co., Ltd.

The major shareholder of the Company as at December 31, 2015 and 2014 is Techakraisri Group who owned 51.87% and 60.92% of the Company’s authorized share capital, respectively.

The registered office address of the Company is located at 87/2 CRC Tower All Season Place, 45th Floor, Unit 3, Wireless Road, Lumpini, Pathumwan, Bangkok, Thailand.

2. BASIS FOR PREPARATION OF SEPARATE FINANCIAL STATEMENT AND CONSOLIDATED FINANCIAL STATEMENTS

- a) The Company and its subsidiaries are together referred to as “the Pace Development Corporation Group”. The consolidated and separate financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

Other than those specified in notes to financial statements, the consolidated and separate financial statements are prepared under the historical cost convention.

For the convenience of the readers, the Pace Development Corporation Group prepared an English translation of the financial statements from the Thai language financial statements, which are issued for domestic financial reporting purposes.

- b) Business combinations, Subsidiaries and Loss of control

The Pace Development Corporation Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Pace Development Corporation Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Pace Development Corporation Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Pace Development Corporation Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries are entities controlled by the Pace Development Corporation Group. The Pace Development Corporation Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Pace Development Corporation Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

- c) The financial statements for the years ended December 31, 2015 and 2014 of Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. (“the Pace Group”) have been prepared based on the quantitative information of construction area of each project of these subsidiaries, which is shown below:

Subsidiaries	Previous Proportion (%)	New Proportion (%)	
	Land, construction costs and common project costs	Land	Construction costs and common project costs
Pace Project One Co., Ltd.	40.00	25.68	25.80
Pace Project Two Co., Ltd.	40.00	60.02	60.88
Pace Project Three Co., Ltd.	20.00	14.30	13.32
Total	100.00	100.00	100.00

- d) During 2014, the Company invested in 3 new subsidiaries which are Pace Country Club Co., Ltd., Pace Food Retail Co., Ltd. and Dean & DeLuca Inc. (merged with Olive Acquisition Corporation on December 4, 2014) as discussed in Note 9.

During the first quarter of 2015, the Company invested in a new subsidiary namely Pace Interior Services Co., Ltd. as discussed in Note 9.

At the extraordinary shareholders’ meeting held on January 8, 2015, the shareholders approved

- the sale and purchase transaction and novation of repayment of loans and accrued interest in the Pace Group according to the Option Agreement with IBC Thailand Ltd. and IDJ Holding Ltd. as discussed in Note 4,
- the increase in authorized share capital from Baht 2,054,265,670 (divided into 2,054,265,670 common shares at Baht 1 par value) to Baht 3,196,988,170 (divided into 3,196,988,170 common shares at Baht 1 par value),
- the allocation of newly issued common shares to IBC Thailand Ltd. and IDJ Holding Ltd. under Private Placement Scheme for the purchase of additional investments in Pace Group and capital increase not exceeding 542,722,500 shares at the price of Baht 3.39 per share,
- the allocation of newly issued 600,000,000 common shares with the par value of Baht 1 to offer to the existing shareholders in proportion to their shareholding (Rights Offering) by General Mandate.

On April 22, 2015, the Company called IBC Thailand Ltd. and IDJ Holding Ltd. to pay up the additional share capital by the following means:

	In Thousand Baht
Cash contributions	1,725,239
Share swap	114,590
Total	1,839,829

The above cash contributions and share swap, including deposit for acquisition of assets of Baht 318.9 million and cash payment for withholding tax deducted at source of Baht 112.4 million are using for:

	No. of shares	Percentage of Shareholding	In Thousand Baht
Purchase of investments in common shares of the Pace Group:			
- Pace Real Estate Co., Ltd.	32,919	32.32%	11,581
- Pace Project One Co., Ltd.	320,000	16.00%	112,577
- Pace Project Two Co., Ltd.	320,000	16.00%	112,577
- Pace Project Three Co., Ltd.	160,000	16.00%	56,287
			293,022
Transfer the right of loans and accrued interest of the Pace Group from IBC Thailand Ltd.			1,978,113
Total			2,271,135

On April 22, 2015, the Company has additionally purchased shares in Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. from IBC Thailand Ltd. and Pace Real Estate Co., Ltd. from IBC Thailand Ltd. and IDJ Holding Ltd. as discussed in Notes 4 and 9 and has entered into the Loan and Payment Advances Assignment Agreements with the Pace Group and IBC Thailand Ltd. for the above transfer the right of loans and accrued interest as discussed in Note 4.

At the annual general shareholders' meeting held on April 27, 2015, the shareholders approved:

- a) the sale and purchase transaction and novation of repayment of loans in Dean and Deluca (Thailand) Co., Ltd.,
- b) the decrease in authorized share capital from Baht 3,196,988,170 (divided into 3,196,988,170 common shares at Baht 1 par value) to Baht 2,596,988,170 (divided into 2,596,988,170 common shares at Baht 1 par value),
- c) the increase in authorized share capital from Baht 2,596,988,170 (divided into 2,596,988,170 common shares at Baht 1 par value) to Baht 3,261,678,197 (divided into 3,261,678,197 common shares at Baht 1 par value),
- d) the allocation of newly issued not exceeding 64,690,027 common shares to Khun Sorapoj Techakraisri (for the purchase of common shares and loan assignment of Dean and Deluca (Thailand) Co., Ltd.) under Private Placement Scheme at the price of Baht 3.71 per share,
- e) the allocation of newly issued not exceeding 600,000,000 common shares with the par value of Baht 1 to offer to the existing shareholders in proportion to their shareholding (Right Offering) by General Mandate,
- f) approve the Company to issue and offer debentures within an amount not more than Baht 5,000,000,000.

On April 29, 2015, the Company called Khun Sorapoj Techakraisri to pay up the additional share capital by the following means:

	<u>In Thousand Baht</u>
Cash contributions	161,000
Share swap	79,000
Total	<u>240,000</u>

The above share swap is using for acquiring 100% of shareholding in common shares of Dean and Deluca (Thailand) Co., Ltd. (999,998 common shares at Baht 100 par value) and cash contributions is using for assignment of the rights to receive a repayment of outstanding loans of Dean and Deluca (Thailand) Co., Ltd. from Khun Sorapoj Techakraisri.

Before April 29, 2015, Khun Sorapoj Techakraisri, the major shareholder of the Company had held the shares of Dean and Deluca (Thailand) Co., Ltd. and controlled its operation. This acquisition was thus considered to be a business combination under common control. The investment value was Baht 79.0 million and had the difference between the cost of this business combination under common control and the net book value of the equity of the subsidiary, amounting to Baht 263.1 million, was recorded as "Discount on business combination under common control" and was presented under the equity in the consolidated statements of financial position. The Company newly prepared the consolidated financial statement for the year ended December 31, 2014, to be presented herein for comparative purposes, as if such subsidiary had always been a subsidiary of the Company.

The net book values of assets and liabilities as at the acquisition date (April 29, 2015) and share swap made to purchase the investment in such subsidiary are summarized below.

	<u>In Thousand Baht</u>
Cash and cash equivalents	7,332
Trade account receivables	3,305
Inventories	15,693
Refundable value added tax	1,012
Other current assets	4,468
Leasehold improvements and equipment – net	108,077
Intangible assets - net	16,082
Deferred income tax asset	174
Other non-current assets	9,042
Trade account payables	(17,561)
Other payables to related companies	(55,285)
Other account payables	(2,824)

	<u>In Thousand Baht</u>
Current portion of long-term loans from financial institutions	(18,701)
Deferred revenue	(1,149)
Accrued expenses	(1,764)
Other current liabilities	(1,187)
Long-term loans from financial institutions – net	(54,555)
Loans from director	(195,390)
Provision for employee retirement benefit	(869)
Net book values of liabilities as at the acquisition date	(184,100)
Share swap for purchase of investment in shares	79,000
Discount on business combination under common control	<u>(263,100)</u>

During the third quarter of 2015, which the Company has additionally invested in 2 subsidiaries (Pace Food Retail Co., Ltd. and Pace Country Club Co., Ltd.), which a portion of additional investment in the increase in share capital of Pace Food Retail Co., Ltd. amounting to Baht 240 million was made by share swap of investment in shares of Dean & DeLuca (Thailand) Co., Ltd. as discussed in Note 9. Hence, as at December 31, 2015, the Company has 100% indirect holding in Dean and DeLuca (Thailand) Co., Ltd.

At the Board of Directors' meeting of the Pace Food Retail Co., Ltd., a subsidiary, held on August 14, 2015, the Board of Directors of such subsidiary approved such subsidiary to convert loan amounting to USD 35 million into common share of Dean & DeLuca Inc. On September 16, 2015, Pace Food Retail Co., Ltd. has entered into Equity for Debt Exchange Agreement with Dean & DeLuca Inc. to convert debt of USD 35 million to 1,400 common shares of Dean & DeLuca Inc. at the conversion rate of 1 share for USD 25,000. Dean & DeLuca Inc. registered the additional share capital of USD 14 (common share 1,400 shares at USD 0.01 par value) under the law of the State of Delaware, the United States of America on September 16, 2015.

At the Board of Directors' meeting of the Company held on November 5, 2015, the Board of Directors approved the Company to:

- a) increase share capital of YLP Company Limited, a subsidiary, from Baht 50 million (divided into 500,000 common shares at Baht 100 par value) to Baht 170 million (divided into 1,700,000 common shares at Baht 100 par value),
- b) establish the new subsidiary, Pace Creative Agency Co., Ltd. with the registered capital of Baht 10,000,000 (common share 100,000 shares at Baht 100 par value),
- c) establish the new subsidiary, Dean & DeLuca Productions, LLC (which was be incorporated in USA) with the registered capital of USD 1,000,
- d) establish the new subsidiary, Dean & DeLuca Small Format, LLC (which was be incorporated in USA) with the registered capital of USD 1,000.

The consolidated financial statements for each of the years ended December 31, 2015 and 2014 include the financial statements of the Pace Development Corporation Group as follows:

	Nature of Business	Type of Holding	Proportionate of Share (%)	
			2015	2014
Subsidiaries				
YLP Company Limited	Property development	Direct	100	100
Pace Country Club Co., Ltd.	Property development and management	Direct	100	100
Pace Interior Services Co., Ltd.	Interior service	Direct	100	-
Pace Creative Agency Co., Ltd.	Designing, advertising and marketing communication	Direct	100	-
Pace Food Retail Co., Ltd.	Investment in equity shares of retailer of premium gourmet and delicatessen business	Direct	100	100
Dean and Deluca (Thailand) Co., Ltd.	Food and beverage	Indirect	100	-

	Nature of Business	Type of Holding	Proportionate of Share (%)	
			2015	2014
The Pace Group				
Pace Real Estate Co., Ltd.	Investment in equity shares	Direct	100	67.68
Pace Project One Co., Ltd.	Hotel	Direct and indirect	100	67.84
Pace Project Two Co., Ltd.	Luxury condominium	Direct and indirect	100	67.84
Pace Project Three Co., Ltd.	Shopping centre	Direct and indirect	100	67.84
Dean Group (Incorporated in USA) held by Pace Food Retail Co., Ltd.				
Dean & DeLuca Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Brands, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Marketing, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Atlanta, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Markets, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	100
D&D Cafes of North Carolina, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Georgetown, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Imports, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Call Center, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca New York, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Espresso, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Madison Avenue, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Gaetano & Barteau, Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca International, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Brands Hawaii, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca, Incorporated	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & DeLuca Espresso D.C., Inc.	Retailer of premium gourmet and delicatessen business	Indirect	100	100
Dean & Deluca Productions, LLC	Retailer of premium gourmet and delicatessen business	Indirect	100	-

- e) Significant transactions among the Pace Development Corporation Group have been eliminated in these consolidated financial statements.
- f) The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.
- g) Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and under equity in the consolidated statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use within the Pace Development Corporation Group. Cash equivalents are savings deposits and current accounts, highly liquid investment that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts.

The Pace Development Corporation Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Inventory Valuation

Inventories of real estate business are valued at the lower of cost by using specific method and net realizable value.

Inventories of retailer of premium gourmet and delicatessen business are values at the lower of cost by using first-in, first-out method and net realizable value.

Cost of retailer of premium gourmet and delicatessen business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Real Estate Projects for Sales under Development

Real estate projects for sales under development are stated at the lower of cost and net realizable value. Cost comprises cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.

The Pace Development Corporation Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Investments

Investments in shares of subsidiaries are accounted for at cost method in the separate financial statements.

Investment in available for sale equity security is determined at fair value. The change in the value of security is recorded as a separate item in equity until the security is sold, the change is then included in the statement of comprehensive income.

Equity securities which are not marketable securities are stated at cost less impairment losses.

The cost of investments disposed of during the year is determined by the weighted average method.

Right to Use Assets

Right to use assets that are acquired by the Pace Development Corporation Group is stated at cost less accumulated amortization and impairment losses.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that right to use assets are available for use over the estimated useful lives of such right to use assets for the period of 170 months (expiring in December 2029).

Leasehold Improvements, Sales Gallery and Equipment

Leasehold improvements, sales gallery and equipment are stated at cost less accumulated depreciation and allowance for impairment. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

The Pace Development Corporation Group depreciates their leasehold improvement and equipment by the straight-line method over the following estimated useful lives:

	Years
Leasehold improvements	1 - 20
Furniture, fixtures and equipment	1 - 10
Media equipment	5
Vehicles	3 - 5

Sales gallery is depreciated based on the percentage of total sales of project on hand until the estimated demolition date.

Properties for Lease

Properties for lease are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

Depreciation of properties for lease is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

	Years
Building and building improvement - cube building	50
Mechanical, electrical and plumbing, lifts and escalator works	20
Car park system	5
Interior decoration and landscape	5

Goodwill

Goodwill that arises upon the acquisition of subsidiaries are measured at initial recognition is discussed in Note 2 b). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Intangible Assets

Intangible assets that are acquired by the Pace Development Corporation Group are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

	Years
Trademark and trade name	Indefinite
Non-competition agreements	4
Franchise agreements	Term of agreements (4.17, 6.5)
Customer relationships	4
Computer softwares	1 - 5

Impairment of Assets

The Pace Development Corporation Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's net selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Pace Development Corporation Group recognizes the impairment losses by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in the statement of comprehensive income or reduce the revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increments in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provision

A provision is recognized when the Pace Development Corporation Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provision for Employee Retirement Benefit

As a result of TAS 19 (revised 2014), the Pace Development Corporation Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit and actuarial gains or losses recognition, which requires to be recognized immediately in other comprehensive income, and no longer permits to be recognized in profit or loss the Pace Development Corporation Group had applied in previous years. Such change affected to the consolidated and separate statements of comprehensive income for the year ended December 31, 2014 as follows:

	In Thousand Baht						
	Consolidated Statement of Comprehensive Income				Separate Statement of Comprehensive Income		
	As Previously Reported	Revision	Adjustment	As Revision and Restated	As Previously Reported	Adjustment	As Restated
Loss for the year	(501,501)	(102,890)	(2,329)	(606,720)	(75,083)	(2,214)	(77,297)
Total other comprehensive income for the year	9,628	-	2,329	11,957	-	2,214	2,214
Total comprehensive loss for the year	(491,873)	(102,890)	-	(594,763)	(75,083)	-	(75,083)
Basic loss per share (In Baht)	(0.184)	-	(0.001)	(0.185)	(0.037)	(0.001)	(0.038)

The Pace Development Corporation Group's employee retirement benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. The Pace Development Corporation Group recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Provision for Liability from Loyalty Programmes

The provision for customer loyalty program represents current obligations arising from reward point program granted to the Pace Development Corporation Group's customers, which is calculated based on the estimates of redemption rate of the accumulated points used by the customers for the rewards and the average prices of the rewards.

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Consolidation: whether the Pace Development Corporation Group has de facto control over an investee
- Lease classification
- Allocation basis for construction costs and common project costs of subsidiaries

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

Revenue Recognition and Expenses

The Pace Development Corporation Group recognized revenue from sales of residential condominium units as revenue when the construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

Sales of foods and beverages are recognized upon goods being delivered and services being rendered. Sales and service income are the invoiced value, excluding value added tax, of goods delivered and services rendered after deducting discounts and allowances.

Revenue from the sales of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the condition due, associated costs, the probable return of goods or the continuing management involvement with the goods.

Rental income is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease.

Service income is recognized as services are provided on an accrual basis.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement;

Other income is recognized as income on an accrual basis.

Expenses are recorded based on an accrual basis.

Cost of Residential Condominium Units Sold

Development costs are stated at the lower of cost and net realizable value, consisting of cost of land, design fees, utilities, construction and direct related interest and expense cost.

In determining the cost of residential condominium units sold, the Pace Development Corporation Group anticipates total development costs (taking into account actual costs incurred to date) are attributed to residential condominium units sold on the basis of the ownerships area.

The Pace Development Corporation Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when the ownerships have been transferred.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related assets.

Finance Lease

Leases in terms of which the Pace Development Corporation Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized to the statement of comprehensive income as an expense on a straight-line basis over the lease term.

Finance Costs

Interest expense and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Foreign Currency Transactions

Foreign currency transactions during the year are translated into Baht at the rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the prevailing bank rates at that date. Gains or losses on translation are credited or charged to current operations in statement of comprehensive income.

Functional and presentation currency

Items included in the financial statements of each of the Pace Development Corporation Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency and presentation currency.

Foreign Operations

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized in other comprehensive income and presented in the currency translation differences in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented in the currency translation differences in equity until disposal of the investment.

Income Tax

The income tax charge is based on profit for the year and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred income tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred income tax assets and deferred income tax liabilities reflects the tax consequences that would follow from the manner in which the Pace Development Corporation Group expect, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred income tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred income tax assets can be utilized. At each statement of financial position date, the Pace Development Corporation Group reassesses unrecognized deferred income tax assets. The Pace Development Corporation Group recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered. The Pace Development Corporation Group conversely reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Basic Loss per Share Attributable to Owners of the Parent

Basic loss per share attributable to owners of the parent are determined by dividing the loss attributable to owners of the parent for the year by the weighted average number of shares outstanding during the year.

4. TRANSACTIONS WITH RELATED PARTIES

Significant portions of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the price as stipulated in the agreement or mutual negotiation.

The significant transactions between the Pace Development Corporation Group and their related parties for each of the years ended December 31, 2015 and 2014 are as follows:

			In Thousand Baht			
			Consolidated		Separate	
			Financial Statements		Financial Statements	
Relationship	Policy of Pricing		2015	2014 “Revision”	2015	2014
Revenue from sale of residential condominium unit						
Khun Chotipol Techakraisri	Shareholder	Contract price	30,000	-	-	-
Khun Chumpol Techakraisri	Shareholder	Contract price	15,000	-	-	-
Khun Yupa Techakraisri	Shareholder	Contract price	44,000	-	-	-
Khun Sorapoj Techakraisri	Shareholder	Contract price	20,000	-	-	-
Total			109,000	-	-	-
Revenues from sales of foods and beverages						
Fourteen Points Company Limited	Related company	Mutual negotiation	946	26	-	-
Rental and service income						
Fourteen Points Company Limited	Related company	Contract price	31,312	12,486	-	-
MahaNakhon Bespoke Tailoring Co., Ltd.	Related company	Contract price	456	-	-	-
Total			31,768	12,486	-	-
Management fee income						
Dean & DeLuca Inc.	Subsidiary company	Contract price	-	-	9,685	-
Pace Project One Co., Ltd.	Subsidiary company	Contract price	-	-	15,480	15,480
Pace Project Two Co., Ltd.	Subsidiary company	Contract price	-	-	36,528	36,528
Pace Project Three Co., Ltd.	Subsidiary company	Contract price	-	-	7,992	7,992
Total			-	-	69,685	60,000
Commission income						
Pace Project Two Co., Ltd.	Subsidiary company	Contract price	-	-	-	990
Pace Project Three Co., Ltd.	Subsidiary company	Contract price	-	-	-	12,121
Total			-	-	-	13,111

			In Thousand Baht			
	Relationship	Policy of Pricing	Consolidated		Separate	
			Financial Statements		Financial Statements	
			2015	2014 “Revision”	2015	2014
Interest income						
Pace Country Club Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	14,174	1,283
Pace Food Retail Co., Ltd.	Subsidiary company	MLR+3% p.a. and 7.5% p.a.	-	-	83,422	9,189
Dean & DeLuca Inc.	Subsidiary company	MLR+3% p.a.	-	-	4,398	38
Pace Project One Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	152,553	92,231
Pace Project Two Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	145,730	79,604
Pace Project Three Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	97,192	49,566
Pace Real Estate Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	22,290	14,724
Dean and Deluca (Thailand) Co., Ltd.	Subsidiary company	7.5% p.a.	-	-	4,112	-
Total			-	-	523,871	246,635
Sales of land and structures						
Pace Country Club Co., Ltd.	Subsidiary company	Contract price	-	-	7,500	-
Other income						
Khun Apichart Kasemkulsiri	Shareholder	Contract price	-	951	-	-
Interest expense (included in real estate projects for sales under development, construction in progress and finance costs)						
YLP Company Limited	Subsidiary company	5.00% to 6.75% p.a.	-	-	-	5,647
IBC Thailand Ltd.	Shareholder	7.5% p.a.	28,279	92,160	-	-
Total			28,279	92,160	-	5,647
Other expenses						
Finch & Partners Group *	Related company	Mutual negotiation	32,171	-	21,593	-
WM Advisory Co., Ltd. *	Related company	Contract price	25,000	-	-	-
Pace Project Two Co., Ltd.	Subsidiary company	Contract price	-	-	1,254	627
Dean and Deluca (Thailand) Co., Ltd.	Subsidiary company	Mutual negotiation	-	-	2,678	1,152
Pace Development Co., Ltd.	Related company	Contract price	-	7,476	-	-
Lumpini Property Management Co., Ltd.	Related company	Mutual negotiation	305	514	-	-
Fierce Publishing Co., Ltd.	Related company	Mutual negotiation	1,810	307	-	107
Fourteen Points Company Limited	Related company	Mutual negotiation	4,286	312	1,339	52
Total			63,572	8,609	26,864	1,938
Purchase of land						
Cinkara Property Co., Ltd.	Related company	Contract price	216,400	-	216,400	-
Purchase of fixed assets						
WM Imagineer Co., Ltd. *	Related company	Mutual negotiation	870	-	-	-

* Relatives through the subsidiaries' directors

The monetary management benefit expenses for each of the years ended December 31, 2015 and 2014 are as follows:

Description	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Salaries and other benefits	47,964	43,141	44,518	39,921
Meeting allowances	824	1,122	824	1,122
Total	48,788	44,263	45,342	41,043

The outstanding balances with related parties as at December 31, 2015 and 2014 in the consolidated financial statements are as follows:

	Consolidated Financial Statements (In Thousand Baht)				
	Balance as at December 31, 2014 “Revision”	Increase	Decrease	Currency translation differences	Balance as at December 31, 2015
Trade and unbilled trade account receivables					
Fourteen Points Company Limited	13,889	33,705	(5,623)	-	41,971
MahaNakhon Bespoke Tailoring Co., Ltd.	-	471	-	-	471
Total	13,889	34,176	(5,623)	-	42,442
Advances and other receivables					
Finch & Partners Group	-	24,623	(2,535)	1,056	23,144
Pace Development Co., Ltd.	-	2,765	-	146	2,911
Khun Sorapoj Techakraisri	108	-	(108)	-	-
Total	108	27,388	(2,643)	1,202	26,055
Advance payment for land					
Cinkara Property Co., Ltd.	180,000	-	(180,000)	-	-
Trade account payables					
WM Imagineer Co., Ltd.	-	931	(931)	-	-
Fourteen Points Company Limited	-	143	(99)	-	44
Total	-	1,074	(1,030)	-	44
Other payables to related companies					
Pace Development Co., Ltd.	17,721	-	(14,162)	-	3,559
Lumpini Property Management Co., Ltd.	86	305	(391)	-	-
Fourteen Points Company Limited	151	4,303	(4,183)	-	271
Fierce Publishing Co., Ltd.	-	1,936	(1,936)	-	-
WM Advisory Co., Ltd.	-	25,000	(15,000)	-	10,000
Total	17,958	31,544	(35,672)	-	13,830
Advances received from customers					
Khun Sumate Techakraisri (shareholder)	327	-	-	-	327
Khun Yupa Techakraisri (related party)	13,200	-	(13,200)	-	-
Khun Chotipol Techakraisri (shareholder)	9,000	-	(9,000)	-	-
Khun Sorapoj Techakraisri (shareholder)	6,000	-	(6,000)	-	-
Khun Chumpol Techakraisri (shareholder)	4,827	-	(4,500)	-	327
Khun Theera Vayakornvichitre (director)	-	500	-	-	500
Dynasty Apparel Co., Ltd. (directorship)	327	-	-	-	327
Total	33,681	500	(32,700)	-	1,481

Consolidated Financial Statements (In Thousand Baht)

	Balance as at December 31, 2014 “Revision”	Increase	Decrease	Currency translation differences	Balance as at December 31, 2015
Loans from director					
Khun Sorapoj Techakraisri	161,000	34,390	(195,390)	-	-
Long-term loans from shareholders and accrued interest					
Loans from shareholders of the Pace Group	1,228,800	-	(1,228,800)	-	-
Accrued interest	1,184,201	28,279	(749,312)	-	463,168
Total	2,413,001	28,279	(1,978,112)	-	463,168

The aging analyses of trade account receivables - related companies as at December 31, 2015 and 2014 are as follows:

	Consolidated Financial Statements (In Thousand Baht)	
	2015	2014 “Revision”
Trade account receivables		
Within credit term	712	218
Overdue		
- Not over 3 months	9,056	4,467
- Over 3 months to 6 months	8,546	2,779
- Over 6 months to 12 months	15,892	891
- Over 12 months	3,453	-
Total trade account receivables	37,659	8,355
Unbilled trade account receivables	4,783	5,534
Total	42,442	13,889

Deposit for acquisition of assets

On September 19, 2014, the Company entered into Option Agreement with IBC Thailand Ltd. and IDJ Holdings Ltd. to:

- Purchased 1.17% shares in Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. from IBC Thailand Ltd. and 2.35% shares in Pace Real Estate Co., Ltd. from IBC Thailand Ltd. and IDJ Holding Ltd. and the Company was assigned 7.245% of the right of loans and accrued interest from IBC Thailand Ltd. with the purchase price totalling USD 5 million, and
- Option to purchase 14.83% shares in Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. from IBC Thailand Ltd. and 29.9829% shares in Pace Real Estate Co., Ltd. from IBC Thailand Ltd. and IDJ Holding Ltd. and the Company was assigned 92.755% of the right of loans and accrued interest from IBC Thailand Ltd. with the non-refundable option price of USD 5 million (unless the other parties, IBC Thailand Ltd. and IDJ Holding Ltd. cannot comply with the conditions specified in the Option Agreement) and exercise price of USD 59 million within March 31, 2015.

Subsequently, on October 7, 2014, the Company made payment for deposit of above sale and purchase transaction and option to purchase totalling USD 9.75 million (net offset with withholding tax deducted at source of USD 0.25 million), equivalent to Thai Baht 318.9 million. The Company recorded such payment as “Deposit for acquisition of assets” in the statement of financial position as at December 31, 2014.

Subsequently, on April 22, 2015, the Company made the allocation of newly issued common shares to IBC Thailand Ltd. and IDJ Holding Ltd. under Private Placement Scheme for the purchase of additional investments and loan and accrued interest assignment in Pace Group of 542,722,500 shares at the price of Baht 3.39 per share as discussed in Notes 2 and 9. Thus, such deposit for acquisition of assets of Baht 318.9 million was recorded as a part of purchase of investments and loan and accrued interest assignment.

Long-term loans from shareholders

Long-term loans from shareholders of the Pace Group are the unsecured loans, which were obtained under the shareholder loan agreements. The significant details are follows:

- a) Loans are due upon the lenders' written demand given at least 30 days in advance.
- b) Loans are to be subordinated to long-terms from the financial institutions as discussed in Note 24.
- c) These loans bear interest at the rate of 7.5% per annum.

MANAGED SERVICES AGREEMENT

The Pace Development Corporation Group has entered into Managed Services Agreement dated August 14, 2008 with Pace Development Co., Ltd., a related company, whereby the latter will provide the services as indicated in agreements. In consideration thereof, the Pace Development Corporation Group is committed to pay service fees of Baht 5 million per month to such related company.

On September 1, 2011, the Pace Development Corporation Group entered into novation agreement to transfer the right and obligation under Managed Services Agreement between Pace Development Co., Ltd. (Assignor) and the Company (Assignee) for novation and obligation under conditions as indicated in Managed Services Agreement.

Subsequently on January 6, 2014, the Company entered into the amendment Managed Services Agreement to extend the service period to the Pace Group until the completion of the project with the service fees of Baht 5 million per month. Such service fees are repayable within 30 days after the date of receipt of an invoice which can be billed after the completion of the project of the Pace Group and the completion of the construction loan repayment of the project.

Dean & DeLuca Inc. has entered into Managed Services Agreement dated January 1, 2015 with the Company, whereby the Company will provide the services as indicated in agreements for the period of one year commencing from January 1, 2015. In consideration thereof, the Dean & DeLuca Inc. is committed to pay service fees of USD 70,500 per quarter. Up to present, the Company is during the renewal process of this agreement.

MEMORANDUM TO SELL AND PURCHASE OF LAND

On March 14, 2014, the Company has entered into amendment agreement of memorandum to sell and purchase of land for developing the new project with Cinkara Property Co., Ltd. at the amount of Baht 216.4 million. Expenses relating to the transfer of ownership shall be absorbed by the buyer as indicated in the agreement. The ownership on such land shall be transferred to the Company when payments are made in full amount within December 2014. Subsequently, on December 16, 2014, the Company made an amendment agreement to extend the payment of such remaining amount to be on March 31, 2015 (the date of transfer the ownership of land).

As at December 31, 2014, the Company made an advance payment for land of Baht 180 million and recorded such payment as "Advance payments for land" in the statement of financial position as at December 31, 2014.

On March 20, 2015, the Company made an additional payment for land of Baht 36.4 million for the remaining amount and the ownership of such land was transferred to the Company on that date.

ADVANCES RECEIVED FROM CUSTOMERS

On June 6, 2014, YLP Company Limited, a subsidiary, has made a memorandum to cancel sell and purchase Saladaeng Residences Project with Khun Apichart Kasemkulsiri, a shareholder. In this regard, the subsidiary has returned the advances received to such customer of Baht 8.6 million and recorded the confiscation of Baht 0.9 million as a part of "Other income" in the consolidated statement of comprehensive income for the year ended December 31, 2014.

On December 29, 2014, YLP Company Limited has made the agreements to purchase and sales of 5 condominium units of Saladaeng Residences Project with 4 related parties with the totalling sale value of Baht 109 million. As at December 31, 2014, the subsidiary has received the advance payment of Baht 32.7 million and recorded such advances as a part of "Advances received from customers" in the consolidated statement of financial position as at December 31, 2014. The remaining amounting to Baht 76.3 million was paid in 2015.

DISTRIBUTION AND LICENSE AGREEMENT AND TRADEMARK LICENSE AGREEMENT

A subsidiary of Pace Development Corporation Group has entered into the Distribution and License Agreement and the Trademark License Agreement, with an effective date of January 1, 2010 with Pace Development Co., Ltd., a related company, whereby the latter will be granted certain distribution and trademark usage rights in the business of operation of certain food stores under the name "Dean & DeLuca" in Thailand and hospitality sales business in some countries. In consideration thereof, the Pace Development Co., Ltd. is committed to pay initial license fee and royalty payment to a subsidiary of Pace Development Corporation Group at the rate that indicated in the agreement. The agreement will be in effective until December 31, 2018 with renewal option of 1 year advance notice.

On November 1, 2014, Pace Development Co., Ltd. (Assignor), a related company, entered into novation agreement to transfer the right and obligation under the Distribution and License Agreement and the Trademark License Agreement to Dean and Deluca (Thailand) Co., Ltd. (Assignee) under conditions as indicated in the Distribution and License Agreement and the Trademark License Agreement with Dean & DeLuca Inc. In consideration thereof, Dean and Deluca (Thailand) Co., Ltd. agreed to pay the novation fee to Pace Development Co., Ltd. of Baht 12.8 million within 3 months after the novation date. Such novation fee was paid on September 24, 2015 and was recorded as a part of "Intangible assets" in the consolidated statements of financial position as at December 31, 2015 and 2014.

INTERIOR DECORATION WORKS TO RESIDENTIAL UNITS (UPPER/SKY RESIDENCE) AGREEMENT

On May 19, 2015, Pace Project Two Co., Ltd. has entered into the Interior Decoration Works to Residential Units (Upper/Sky Residence) Agreement with Pace Interior Services Co., Ltd. for drawing and interior services for the upper and sky residence units of MahaNakhon Project totalling Baht 342.2 million.

MANAGED AND INTERIOR SERVICES AGREEMENT

Pace Interior Services Co., Ltd., a subsidiary, has entered into 2 Managed and Interior Services Agreements for construction management and interior services of MahaNakhon Project dated July 1, 2015 and August 1, 2015 with WM Advisory Co., Ltd., a related company, whereby the latter will provide the services as indicated in agreements for the period ended on December 31, 2015. In consideration thereof, the Pace Development Corporation Group is committed to pay service fees to such related company totalling Baht 25 million.

CONSULTANCY AGREEMENT

The Company has entered into Consultancy Agreement dated April 1, 2015 with Finch & Partners Group, a related company, whereby the later such related company will provide the services as indicated in agreement for the period of one year expiring on March 31, 2016. In consideration thereof, the Company is committed to pay consultancy fee totalling USD 800,000.

The outstanding balances with related parties as at December 31, 2015 and 2014 in the separate financial statements are as follows:

	Separate Financial Statements (In Thousand Baht)			
	Balance as at December 31, 2014	Increase/ Transfers	Decrease/ Transfers	Balance as at December 31, 2015
Short-term loans to and interest receivable				
Pace Country Club Co., Ltd.				
- Principal	90,700	226,000	-	316,700
- Interest receivable	1,283	14,174	-	15,457
	91,983	240,174	-	332,157
Pace Food Retail Co., Ltd.				
- Principal	-	129,200	-	129,200
- Interest receivable	-	2,813	-	2,813
	-	132,013	-	132,013
Dean & DeLuca Inc.				
- Principal	-	110,930	-	110,930
- Interest receivable	-	4,515	-	4,515
	-	115,445	-	115,445
Dean and Deluca (Thailand) Co., Ltd.				
- Principal	-	130,770	-	130,770
- Interest receivable	-	4,113	-	4,113
	-	134,883	-	134,883
Total	91,983	622,515	-	714,498
Advances to and other receivables				
Pace Project One Co., Ltd.	60	1,266	(662)	664
Pace Project Two Co., Ltd.	1,099	93,071	(87,806)	6,364
Pace Project Three Co., Ltd.	19,369	15,532	(21,886)	13,015
Pace Real Estate Co., Ltd.	545	608	-	1,153
Pace Country Club Co., Ltd.	-	8,809	(7,790)	1,019
Pace Interior Services Co., Ltd.	-	75,175	(75,175)	-
Pace Creative Agency Co., Ltd.	-	441	-	441
Pace Food Retail Co., Ltd.	1	28,295	(27,841)	455
Dean & DeLuca Inc.	80,570	10,445	(7,295)	83,720
Finch & Partners International Limited	-	21,593	(21,593)	-
Total	101,644	255,235	(250,048)	106,831
Accrued management fee income				
Pace Project One Co., Ltd.	30,960	15,480	-	46,440
Pace Project Two Co., Ltd.	73,056	36,528	-	109,584
Pace Project Three Co., Ltd.	15,984	7,992	-	23,976
Total	120,000	60,000	-	180,000
Interest receivables				
Pace Project One Co., Ltd.	267,609	152,553	-	420,162
Pace Project Two Co., Ltd.	254,460	145,730	-	400,190
Pace Project Three Co., Ltd.	105,858	97,192	-	203,050
Pace Real Estate Co., Ltd.	48,860	22,290	-	71,150
Pace Food Retail Co., Ltd.	9,189	80,609	-	89,798
Total	685,976	498,374	-	1,184,350

Separate Financial Statements (In Thousand Baht)

	Balance as at December 31, 2014	Increase/ Transfers	Decrease/ Transfers	Balance as at December 31, 2015
Long-term loans to				
Pace Project One Co., Ltd.	1,372,488	1,044,871	-	2,417,359
Pace Project Two Co., Ltd.	1,311,677	1,265,090	(219,200)	2,357,567
Pace Project Three Co., Ltd.	837,131	741,798	-	1,578,929
Pace Real Estate Co., Ltd.	196,329	145,527	-	341,856
Pace Food Retail Co., Ltd.	1,221,300	-	(1,154,300)	67,000
Total	4,938,925	3,197,286	(1,373,500)	6,762,711
Advance payment for land				
Cinkara Property Co., Ltd.	180,000	-	(180,000)	-
Other payables				
Pace Project Two Co., Ltd.	-	1,254	(1,254)	-
Dean and Deluca (Thailand) Co., Ltd.	840	2,866	(2,383)	1,323
Fourteen Points Company Limited	-	1,339	(1,218)	121
Total	840	5,459	(4,855)	1,444
Advances received from customers				
Khun Sumate Techakraisri (shareholder)	327	-	-	327
Khun Chumpol Techakraisri (shareholder)	327	-	-	327
Khun Theera Vayakornvichitre (director)	-	500	-	500
Dynasty Apparel Co., Ltd. (directorship)	327	-	-	327
Total	981	500	-	1,481

Short-term loans to subsidiaries

Short-term loans to Pace Country Club Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in January to September 2016.

Short-term loans to Dean & DeLuca Inc. are unsecured loans. These loans bear interest at the rate of MLR+3% per annum and will be repayable in January to December 2016.

Short-term loans to Dean and Deluca (Thailand) Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in February to August 2016.

Short-term loans to Pace Food Retail Co., Ltd. are unsecured loans. These loans bear interest at the rate of 7.5% per annum and will be repayable in February to September 2016.

Long-term loans to subsidiaries

Long-term loan to Pace Food Retail Co., Ltd. is unsecured loan. This loan bears interest at the rate of MLR+3% per annum and will be repayable upon the lenders' written demand given at least 15 days in advance. This loan is to be subordinated to the loans from the financial institutions as discussed in Note 24.

The Company entered into long-term loan agreements with the Pace Group. These loans are unsecured loans. The significant details are follows:

- Loans are due upon the lenders' written demand given at least 30 days in advance.
- Loans are to be subordinated to the loans from the financial institutions as discussed in Note 24.
- These loans bear interest at the rate of 7.5% per annum.

5. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014			
	2015	"Revision"	2015	2014
Cash on hand	4,542	3,409	79	49
Cash at banks - current accounts	6,307	177,653	3,853	352
Cash at banks - savings accounts	640,251	243,461	121,268	97,966
Total	651,100	424,523	125,200	98,367

6. SHORT-TERM INVESTMENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014			
	2015	"Revision"	2015	2014
Investments in open-end fixed income fund				
- Cost value	68,819	518,004	68,819	458,004
- Unrealized gain on revaluation	93	897	93	406
Fair value	68,912	518,901	68,912	458,410

7. TRADE AND UNBILLED TRADE ACCOUNT RECEIVABLES - OTHER COMPANIES - Net

The aging analyses of trade account receivables - other companies as at December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014			
	2015	"Revision"	2015	2014
Trade account receivables				
Within credit term	24,407	12,906	-	-
Overdue				
- Not over 3 months	28,650	11,593	-	-
- Over 3 months to 6 months	2,923	987	-	-
- Over 6 months to 12 months	55	12	-	12
- Over 12 months	350	338	350	338
Total trade account receivable	56,385	25,836	350	350
Unbilled trade account receivables	7,523	9,305	-	-
Total	63,908	35,141	350	350
Less: Allowance for doubtful accounts	(542)	(391)	(350)	(350)
Net	63,366	34,750	-	-
Doubtful debts during the year	151	12	-	12

8. INVENTORIES - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Revision"	2015	2014
Inventories in real estate business	21,370	106,556	21,370	21,370
Supplies in interior service business	2,966	-	-	-
Inventories in retailer of premium gourmet and delicatessen				
- Cost	249,320	210,680	-	-
- Less: Allowance for decline in value of inventories	(5,382)	(2,651)	-	-
- Net	243,938	208,029	-	-
Total	268,274	314,585	21,370	21,370
Write-down of merchandises recognized as a part of cost of sales during the year	2,731	-	-	-

Details of inventories in real estate business as at December 31, 2015 and 2014 are as follows:

	Consolidated Financial Statements (In Thousand Baht)					
	Ficus Lane Project		Saladaeng Residences Project		Total	
	2015	2014	2015	2014	2015	2014
Residential condominium units						
- Units with sale agreements	14,542	14,542	-	85,186	14,542	99,728
- Units not been sold	6,828	6,828	-	-	6,828	6,828
Total	21,370	21,370	-	85,186	21,370	106,556

	Separate Financial Statements (In Thousand Baht)	
	2015	2014
Residential condominium units of Ficus Lane Project		
- Units with sale agreements	14,542	14,542
- Units not been sold	6,828	6,828
Total	21,370	21,370

The Company

As at December 31, 2015 and 2014, a residential condominium unit which the Company has made sale agreement with its customer (selling price of Baht 24.6 million) and the customer has moved into unit. However, the Company has not received full payment and has not transferred the right to that customer. As at December 31, 2015 and 2014, the Company recorded the amount received from customer based on installments of Baht 19.6 million and Baht 19.1 million, respectively, as "Advances received from customers" in the statements of financial position.

The Company engaged an independent appraisal firm to appraise the value of the remaining residential condominium units by using the market comparison approach. Residential condominium units of Ficus Lane project have appraisal values as per reports dated January 7, 2016 and December 17, 2014 totalling Baht 51.0 million and Baht 46.9 million as at December 31, 2015 and 2014 (cost totalling Baht 21.4 million as at December 31, 2015 and 2014), respectively.

Certain residential condominium units of Ficus Lane project, which have carrying value totalling Baht 6.8 million, including the restriction use of sale proceeds from such residential condominium units, are pledged as collateral for credit facilities from a financial institution of the Pace Group as at December 31, 2014 as discussed in Note 24 (2015: Nil).

During 2014, the Company sold land held for sale to other company and recorded gain on sale of land held for sale amounting to Baht 30.6 million in the statement of comprehensive income for the year ended December 31, 2014.

Subsidiary

Residential condominium units of Saladaeng Residences Project, which have carrying value totalling Baht 85.2 million, including the restriction use of sale proceeds from such residential condominium units, are pledged as collateral for credit facilities from a financial institution of the Pace Group as at December 31, 2014 as discussed in Note 24 (2015: Nil).

During the second quarter of 2014, YLP Company Limited has made memorandum to cancel sell and purchase Saladaeng Residences Project with 4 customers (including a shareholder as discussed in Note 4). In this regard, the subsidiary has returned the advances received to such customers totalling of Baht 25.0 million (including a shareholder of Baht 8.6 million as discussed in Note 4) and recorded the confiscation of Baht 2.8 million (including a shareholder of Baht 0.9 million as discussed in Note 4) as a part of "Other income" in the consolidated statement of comprehensive income for the year ended December 31, 2014.

On December 29, 2014, YLP Company Limited has made the agreement to purchase and sales of 5 condominium units in Saladaeng Residences Project with 4 related parties with the totalling sale value of Baht 109 million as discussed in Note 4.

Details of inventories in retailer of premium gourmet and delicatessen business as at December 31, 2015 and 2014 are as follows:

	Consolidated Financial Statements (In Thousand Baht)	
	2015	2014 "Revision"
Merchandise inventories	234,024	195,197
Raw materials	3,017	4,193
Supplies	12,279	11,290
Total	249,320	210,680
Less: Allowance for decline in value of inventories	(5,382)	(2,651)
Net	243,938	208,029

9. INVESTMENTS IN SHARES OF SUBSIDIARIES - At Cost

As at December 31, 2015 and 2014, investments in shares of subsidiaries are as follows:

	Country of Registration	Type of Business	Paid-up Share Capital (In Million Baht)		Percentage of Ownership (%)		Separate Financial Statements (In Thousand Baht) Cost Method	
			2015	2014	2015	2014	2015	2014
YLP Company Limited	Thailand	Property development	170	50	100	100	170,000	50,000
Pace Country Club Co., Ltd.	Thailand	Property development and management	20	1	100	100	20,000	1,000
Pace Interior Services Co., Ltd.	Thailand	Interior services	20	-	100	-	20,000	-
Pace Creative Agency Co., Ltd.	Thailand	Designing, advertising and marketing communication	10	-	100	-	10,000	-
Pace Food Retail Co., Ltd.	Thailand	Investment in equity shares of retailer of premium gourmet and delicatessen business	2,205.25	810.9	100	100	2,205,250	810,950
Pace Real Estate Co., Ltd.	Thailand	Investment in common shares	10.2	10.2	100	67.68	19,972	8,391
Pace Project One Co., Ltd.	Thailand	Hotel	200	200	50	34	195,569	82,992
Pace Project Two Co., Ltd.	Thailand	Luxury condominium	200	200	50	34	195,569	82,992
Pace Project Three Co., Ltd.	Thailand	Shopping centre	100	100	50	34	97,784	41,497
Total							<u>2,934,144</u>	<u>1,077,822</u>

All of the Pace Group's shares, Pace Food Retail Co., Ltd.'s shares and Pace Country Club Co., Ltd.'s shares held by the shareholders are pledged as collateral for credit facilities of subsidiaries as discussed in Note 24.

At the Board of Directors' meeting of the Company held on May 14, 2014, the Board of Directors approved the Company to establish the new subsidiary, Pace Country Club Co., Ltd. with the registered capital of Baht 1,000,000 (common share 10,000 shares at Baht 100 par value). Such subsidiary registered the incorporation with the Ministry of Commerce on June 18, 2014.

During the third quarter of 2014, the Board of Directors approved the Company to establish the new subsidiary, Pace Food Retail Co., Ltd. with the registered capital of Baht 1,000,000 (common share 10,000 shares at Baht 100 par value). Such subsidiary registered the incorporation with the Ministry of Commerce on September 19, 2014.

During the third quarter of 2014, Pace Food Retail Co., Ltd. has invested in Olive Acquisition Corporation, a new subsidiary, with the paid-up capital of USD 10 (common share 1,000 shares at USD 0.01 par value) and paid for the consideration of USD 25 million (equivalent to Baht 809.55 million). Such subsidiary registered under the law of the State of Delaware, the United States of America on September 22, 2014.

On September 29, 2014, the Company, Pace Food Retail Co., Ltd. and Olive Acquisition Corporation entered into the conditional share purchase agreement ("Agreement") with Dean & DeLuca Holdings, Inc. (a major shareholder of Dean & DeLuca, Inc., 93.56% holdings) and other minority shareholders to acquire a new business which is a multi-channel retailer of premium gourmet and delicatessen business under "Dean & DeLuca" brand with the purchase price totalling USD 140 million. Olive Acquisition Corporation paid a non-refundable deposit totalling USD 25 million (equivalent to Baht 809.55 million). Subsequently on December 4, 2014, Olive Acquisition Corporation was merged with Dean & DeLuca Inc., (the company incorporated in United States of America) as discussed in Note 18.

At the extraordinary shareholders' meeting of Pace Food Retail Co., Ltd., a subsidiary, held on October 30, 2014, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 1 million (divided into 10,000 common shares at Baht 100 par value) to Baht 810.95 million (divided into 8,109,500 common shares at Baht 100 par value). The subsidiary registered the increase in its authorized share capital with the Ministry of Commerce on October 31, 2014.

At the Board of Directors' meeting of the Company held on December 23, 2014, the Board of Directors approved the Company to establish the new subsidiary, Pace Interior Services Co., Ltd. with the registered capital of Baht 1,000,000 (common share 10,000 shares at Baht 100 par value). Such subsidiary registered the incorporation with the Ministry of Commerce on January 6, 2015.

At the extraordinary shareholders' meeting of Pace Interior Services Co., Ltd., a subsidiary, held on January 21, 2015, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 1 million (divided into 10,000 common shares at Baht 100 par value) to Baht 20 million (divided into 200,000 common shares at Baht 100 par value). The subsidiary registered the increase in authorized share capital with the Ministry of Commerce on January 23, 2015.

On April 22, 2015, the Company additionally purchased 16% shares in Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. from IBC Thailand Ltd. and 32.32% shares in Pace Real Estate Co., Ltd. from IBC Thailand Ltd. and IDJ Holding Ltd. as discussed in Notes 2 and 4. In this regard, the Company recognized discount on increase in shareholding in these subsidiaries totalling Baht 1,064.0 million and presented under equity in the consolidated statement of financial position as at December 31, 2015.

On April 29, 2015, the Company purchased 100% common shares in Dean and Deluca (Thailand) Co., Ltd. from Khun Sorapoj Teachakraisri as discussed in Note 2.

At the extraordinary shareholders' meeting of Dean and Deluca (Thailand) Co., Ltd., a subsidiary, held on May 21, 2015, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 100 million (divided into 1,000,000 common shares at Baht 100 par value) to Baht 261 million (divided into 2,610,000 common shares at Baht 100 par value). The subsidiary registered the increase in authorized share capital with the Ministry of Commerce on June 3, 2015. Hence, the Company additionally invested in such subsidiary of Baht 161 million to maintain the same percentage of ownership in such subsidiary.

At the extraordinary shareholders' meeting of Pace Food Retail Co., Ltd., a subsidiary, held on July 10, 2015, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 810.95 million (divided into 8,109,500 common shares at Baht 100 par value) to Baht 1,050.95 million (divided into 10,509,500 common shares at Baht 100 par value). The subsidiary registered the increase in authorized share capital with the Ministry of Commerce on July 20, 2015. Hence, the Company additionally invested in such subsidiary of Baht 240 million to maintain the same percentage of ownership in such subsidiary by share swap with the investment in common shares of Dean & Deluca (Thailand) Co., Ltd. of 2,610,000 shares at Baht 100 par value on July 10, 2015.

At the extraordinary shareholders' meeting of Pace Food Retail Co., Ltd., a subsidiary, held on September 2, 2015, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 1,050.95 million (divided into 10,509,500 common shares at Baht 100 par value) to Baht 2,205.25 million (divided into 22,052,500 common shares at Baht 100 par value). The subsidiary registered the increase in authorized share capital with the Ministry of Commerce on September 3, 2015. Hence, the Company additionally invested in such subsidiary of Baht 1,154.3 million to maintain the same percentage of ownership in such subsidiary.

At the extraordinary shareholders' meeting of Pace Country Club Co., Ltd., a subsidiary, held on August 4, 2015, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 1 million (divided into 10,000 common shares at Baht 100 par value) to Baht 20 million (divided into 200,000 common shares at Baht 100 par value). The subsidiary registered the increase in authorized share capital with the Ministry of Commerce on August 5, 2015.

At the extraordinary shareholders' meeting of YLP Company Limited, a subsidiary, held on November 24, 2015, the subsidiary's shareholders passed the resolution to increase the subsidiary's authorized share capital from Baht 50 million (divided into 500,000 common shares at Baht 100 par value) to Baht 170 million (divided into 1,700,000 common shares at Baht 100 par value). Such subsidiary registered the increase in authorized share capital with the Ministry of Commerce on November 26, 2015.

At the Board of Directors' meeting of the Company held on November 5, 2015, the Board of Directors approved the Company to establish the new subsidiary, Pace Creative Agency Co., Ltd. with the registered capital of Baht 10,000,000 (common share 100,000 shares at Baht 100 par value). Such subsidiary registered the incorporation with the Ministry of Commerce with the Ministry of Commerce on November 18, 2015.

10. ADVANCE PAYMENTS FOR LAND

	Consolidated/ Separate Financial Statements (In Thousand Baht)	
	2015	2014
Balance as at January 1	211,000	-
Addition with related party (Note 4)	-	180,000
Addition with third parties	-	31,000
Transfer to real estate projects for sales under development (Note 11)	(211,000)	-
Balance as at December 31	-	211,000

On August 15, 2014, the Company has entered into amendment agreement of memorandum to sell and purchase of land for developing the new project with a third party at the amount of Baht 310 million. As at December 31, 2014, the Company paid advance payment for land of Baht 31 million. Expenses relating to the transfer of ownership shall be absorbed by the buyer as indicated in the agreement. The ownership on such land was transferred to the Company when payments were made in full amount in March 2015.

11. REAL ESTATE PROJECTS FOR SALES UNDER DEVELOPMENT

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2014	278,483	278,483
Additions	1,098,456	150,166
Borrowing costs capitalized during the year	121,552	10,675
Capitalized amortization of leasehold rights on land during the year	1,073	-
Capitalized amortization of deferred loan arrangement fee and debenture underwriting fee during the year	39,151	916
Transfer from land (Note 12)	2,390,989	-
Transfer from construction in progress (Note 13)	1,635,768	-
Balance as at December 31, 2014	5,565,472	440,240
Additions	4,460,907	2,179,477
Borrowing costs capitalized during the year	349,232	99,210
Capitalized amortization of deferred loan arrangement fee and debenture underwriting fee during the year	45,070	10,521
Transfer from advance for land (Note 10)	211,000	211,000
Transfer to land (Note 12)	(10,217)	(10,217)
Transfer from construction in progress (Note 13)	6,673	6,673
Balance as at December 31, 2015	10,628,137	2,936,904
Balance as at December 31, 2014		
Current	5,496,747	371,515
Non-current	68,725	68,725
Total	5,565,472	440,240
Balance as at December 31, 2015		
Current	8,262,492	964,817
Non-current	2,365,645	1,972,087
Total	10,628,137	2,936,904

The Company

The borrowing costs were capitalized as part of the cost of real estate projects for sales under development amounting to Baht 99.2 million in 2015 and Baht 10.7 million in 2014 at the weighted average capitalization rate of the 6.5% per annum and 6.7% per annum, respectively.

As at December 31, 2015 and 2014, land and construction on land for real estate project, which have carrying values totalling Baht 2,936.9 million and Baht 363.0 million, respectively, were pledged as collateral for short-term and long-term loans from financial institution of the Company and subsidiary as discussed in Notes 21 and 24.

As at December 31, 2014, another plot of land for developing the real estate project and land of the Company (as discussed in Note 13), which have carrying values totalling Baht 19.1 million, were pledged as collateral for long-term loans from a local financial institution of the Pace Group as discussed in Note 24 (2015: Nil).

Subsidiaries

On October 1, 2015, October 8, 2015 and October 14, 2015, YLP Company Limited, a subsidiary, has entered into 3 agreements to sell and purchase land with various persons for the new development project with the total purchase value of Baht 385.1 million. At the agreement dates, the subsidiary has paid the advances to the sellers totalling Baht 99.3 million. Subsequently, on November 10, 2015 and November 30, 2015, the subsidiary has paid amounting to Baht 137.5 million and Baht 148.3 million, respectively, and the ownership of such land was transferred to this subsidiary.

The borrowing costs were capitalized as part of the cost of real estate projects for sales under development of YLP Company Limited amounting to Baht 1.8 million in 2015 at the weighted average capitalization rate of the 5.75% per annum (2014: Nil).

As at December 31, 2015, land and construction on land for real estate project of YLP Company Limited, which have carrying values totalling Baht 393.5 million were pledged as collateral for short-term loan from financial institution of the subsidiary as discussed in Note 21.

The management expected that the construction project of luxury condominium to real estate project can be sold in year 2016.

The borrowing costs were capitalized as part of the cost of real estate projects for sales under development of Pace Project Two Co., Ltd. amounting to Baht 248.2 million in 2015 and Baht 110.9 million in 2014 at the weighted average capitalization rate of the 6.5% per annum and 6.7% per annum, respectively.

As at December 31, 2015 and 2014, land and construction on land for real estate project of Pace Project Two Co., Ltd., which have carrying values totalling Baht 7,297.7 million and Baht 5,125.2 million, respectively, were pledged as collateral for credit facilities from financial institutions of the Pace Group as discussed in Note 24.

12. LAND

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2014	579,562	271,024
Additions	1,516,063	-
Transfer remaining leasehold rights on land to land	2,082,016	-
Transfer land to real estate projects for sales under development (Note 11)	(2,390,989)	-
Transfer land to property for lease (Note 16)	(293,482)	-
Balance as at December 31, 2014	1,493,170	271,024
Disposals	-	(4,999)
Transfer real estate projects for sales under development to land (Note 11)	10,217	10,217
Balance as at December 31, 2015	1,503,387	276,242

The Company

As at December 31, 2015 and 2014, land of the Company was pledged as collateral for short-term and long-term loans from financial institution of the Company and subsidiaries as discussed in Notes 21 and 24.

Subsidiaries

Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. (“the subsidiaries”) had leasehold rights on land from Roman Catholic Mission of Bangkok and Piyaphap Co., Ltd. totalling Baht 2,207.2 million (total costs in the consolidated financial statements as at December 31, 2013). Subsequently on February 6, 2014, Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. have entered into agreements to sell and purchase for purchasing 7 plots of land (which were previously recorded as leasehold rights on land as at December 31, 2013) from Roman Catholic Mission of Bangkok and Piyaphap Co., Ltd. with the purchase value, compensation for opportunity cost and expenses relating to the transfer of ownership amounting to Baht 1,516.1 million.

During 2014, Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. made the payment for land of Baht 1,406.1 million. The remaining unpaid amount of Baht 110 million would be paid on December 15, 2014. However, on December 16, 2014, such subsidiaries made an amendment agreement to extend the payment of such remaining amount to be on March 15, 2015. During the extension period, such subsidiaries agreed to pay to the seller at the rate of 8% per annum of the remaining unpaid amount, calculating on a daily basis. Hence, the remaining unpaid amount and accrued interest of Baht 110.4 million was recorded as “Payable for purchase of land” in the consolidated statement of financial position as at December 31, 2014. The remaining amount was fully paid in March 2015.

The ownerships on such land were transferred to the Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. on February 7, 2014. Hence, the remaining leasehold rights on land of such subsidiaries amounting to Baht 2,082.0 million was transferred to a part of cost of land on the same date.

As at December 31, 2014, Pace Project Two Co., Ltd. transferred cost of land amounting to Baht 2,391.0 million to be a part of real estate project for sales under development as discussed in Note 11.

Such land is pledged as collateral for credit facilities from financial institutions as discussed in Note 24.

13. CONSTRUCTION IN PROGRESS

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2014	3,093,361	101,264
Additions	1,021,428	237,852
Borrowing costs capitalized during the year	76,251	15,939
Capitalized amortization of leasehold rights on land during the year	255	-
Capitalized amortization of deferred loan arrangement fee and debenture underwriting fee during the year	11,095	1,324
Transfers to real estate projects for sales under development (Note 11)	(1,635,768)	-
Transfers to property for lease (Note 16)	(606,847)	-
Balance as at December 31, 2014	1,959,775	356,379
Additions	1,134,962	35,443
Borrowing costs capitalized during the year	103,947	14,521
Capitalized amortization of deferred loan arrangement fee and debenture underwriting fee during the year	7,606	499
Transfer to real estate projects for sales under development (Note 11)	(6,673)	(6,673)
Transfer to property for lease (Note 16)	(38,186)	-
Transfer to right to use assets (Note 14)	(8,816)	-
Disposals	-	(1,808)
Balance as at December 31, 2015	3,152,615	398,361

The Company

The borrowing costs were capitalized as part of the cost of construction in progress amounting to Baht 14.5 million in 2015 and Baht 15.9 million in 2014 at the weighted average capitalization rate of the 6.5% per annum and 4.5% per annum, respectively.

Construction in progress of the Company was pledged as collateral for long-term loans from financial institution of the Company as discussed in Note 24.

Subsidiaries

The borrowing costs were capitalized as part of the cost of construction in progress of Pace Country Club Co., Ltd. amounting to Baht 8.2 million in 2015 and Baht 1.3 million in 2014 at the weighted average capitalization rate of the 7.5% per annum.

Construction in progress of the Pace Country Club Co., Ltd. was pledged as collateral for short-term loans from financial institution of the Company as discussed in Note 21.

The borrowing costs were capitalized as a part of the cost of construction in progress of the Pace Group amounting to Baht 81.2 million in 2015 and Baht 59.0 million in 2014 at the weighted average capitalization rate of the 6.5% per annum and 6.7% per annum, respectively.

The Pace Group has mortgaged construction in progress of the project with financial institutions as collateral for credit facilities from financial institutions as discussed in Note 24.

14. RIGHT TO USE ASSETS - Net

	Consolidated Financial Statements (In Thousand Baht)
Cost	
Balance as at December 31, 2014	-
Additions	27,729
Transfer from construction in progress (Note 13)	8,816
Balance as at December 31, 2015	36,545
Accumulated amortization	
Balance as at December 31, 2014	-
Amortization during the year	765
Balance as at December 31, 2015	765
Net book value	
As at December 31, 2014	-
As at December 31, 2015	35,780

On August 18, 2014, Pace Project Three Co., Ltd., a subsidiary, had entered into the linkbridge agreement for the right to connect and use the linkbridge commuting path with Bangkok Mass Transit System Public Company Limited expiring on December 4, 2029 or the expiration date of concession that Bangkok Mass Transit System Public Company Limited derived from the Bangkok Metropolitan Administration. In consideration thereof, such subsidiary has to pay the fee (excluding value added tax) totalling Baht 54.5 million. The subsidiary has made the payment of Baht 20 million on March 31, 2015 and the remaining of Baht 34.5 million will be paid on 46 monthly equal installment amount of Baht 0.75 million per month. The right of linkbridge structures will be transferred to Bangkok Metropolitan Administration, hence, the Pace Development Corporation Group presented such cost of structures as a part of "Right to use assets" in the consolidated statement of financial position.

15. LEASEHOLD IMPROVEMENT, SALES GALLERY AND EQUIPMENT - Net

	Consolidated Financial Statements (In Thousand Baht)						
	Sales gallery	Leasehold improvements	Furniture, fixtures and equipment	Media equipment	Vehicles	Assets under installation	Total
Cost							
Balance as at January 1, 2014							
(Revision)	231,515	10,284	36,589	-	15,042	32,547	325,977
Additions from purchase of investments in subsidiaries	-	88,843	36,113	-	800	18,815	144,571
Additions	31,455	46,407	37,037	1,477	7,600	36,190	160,166
Disposals	-	-	(877)	-	(1,466)	-	(2,343)
Transfers	-	32,547	-	-	-	(32,547)	-
Currency translation differences	-	223	91	-	2	47	363
Balance as at December 31, 2014	262,970	178,304	108,953	1,477	21,978	55,052	628,734
Additions	293	62,695	93,364	2,489	9,609	37,718	206,168
Disposals	-	(1,024)	(2,673)	-	-	(7,900)	(11,597)
Transfers	-	46,753	4,631	-	-	(51,384)	-
Currency translation differences	-	11,197	6,699	-	121	2,480	20,497
Balance as at December 31, 2015	263,263	297,925	210,974	3,966	31,708	35,966	843,802
Accumulated Depreciation							
Balance as at January 1, 2014							
(Revision)	110,994	4,060	12,748	-	3,878	-	131,680
Depreciation charge for the year	25,457	7,240	11,779	16	3,658	-	48,150
Disposals	-	-	(535)	-	(906)	-	(1,441)
Balance as at December 31, 2014	136,451	11,300	23,992	16	6,630	-	178,389
Depreciation charge for the year	112,784	34,545	35,242	644	4,838	-	188,053
Disposals	-	(98)	(2,398)	-	-	-	(2,496)
Currency translation differences	-	1,491	1,132	-	16	-	2,639
Balance as at December 31, 2015	249,235	47,238	57,968	660	11,484	-	366,585
Net Book Value							
Owned assets	126,519	167,004	84,697	1,461	778	55,052	435,511
Assets under finance leases	-	-	264	-	14,570	-	14,834
As at December 31, 2014 (Revision)	126,519	167,004	84,961	1,461	15,348	55,052	450,345
Owned assets	14,028	250,687	152,742	3,306	3,389	35,966	460,118
Assets under finance leases	-	-	264	-	16,835	-	17,099
As at December 31, 2015	14,028	250,687	153,006	3,306	20,224	35,966	477,217

Separate Financial Statements (In Thousand Baht)					
	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Assets under installation	Total
Cost					
Balance as at January 1, 2014	5,728	8,970	8,841	-	23,539
Additions	6,298	5,592	7,600	32,714	52,204
Disposals	-	(171)	(1,465)	-	(1,636)
Balance as at December 31, 2014	12,026	14,391	14,976	32,714	74,107
Additions	140	6,381	5,149	22,302	33,972
Transfer	46,753	4,484	-	(51,237)	-
Disposals	-	(151)	-	-	(151)
Balance as at December 31, 2015	58,919	25,105	20,125	3,779	107,928
Accumulated Depreciation					
Balance as at January 1, 2014	2,479	2,877	2,454	-	7,810
Depreciation charge for the year	1,467	2,238	2,395	-	6,100
Disposals	-	(78)	(906)	-	(984)
Balance as at December 31, 2014	3,946	5,037	3,943	-	12,926
Depreciation charge for the year	37,749	4,123	3,133	-	45,005
Disposals	-	(35)	-	-	(35)
Balance as at December 31, 2015	41,695	9,125	7,076	-	57,896
Net Book Value					
Owned assets	8,080	9,090	-	32,714	49,884
Assets under finance leases	-	264	11,033	-	11,297
As at December 31, 2014	8,080	9,354	11,033	32,714	61,181
Owned assets	17,224	15,716	-	3,779	36,719
Assets under finance leases	-	264	13,049	-	13,313
As at December 31, 2015	17,224	15,980	13,049	3,779	50,032

The gross carrying amounts of the Company's certain equipment totalling approximately Baht 0.2 million were fully depreciated as at December 31, 2015 and 2014 (of the Pace Development Corporation Group approximately Baht 13.0 million and Baht 0.4 million, respectively), but these items are still in active use.

16. PROPERTIES FOR LEASE - Net

Consolidated Financial Statements (In Thousand Baht)					
	Land	Building and building improvement - cube building	Mechanical, electrical and plumbing, lifts and escalator works, and car park system	Interior decoration and landscape	Total
Cost					
Balance as at January 1, 2014	-	91,490	46,421	4,481	142,392
Transfers from land (Note 12)	293,482	-	-	-	293,482
Transfers from construction in progress (Note 13)	-	320,089	216,108	70,650	606,847
Balance as at December 31, 2014	293,482	411,579	262,529	75,131	1,042,721
Transfers from construction in progress (Note 13)	-	7,270	21,486	9,430	38,186
Balance as at December 31, 2015	293,482	418,849	284,015	84,561	1,080,907
Accumulated Depreciation					
Balance as at January 1, 2014	-	208	260	100	568
Depreciation charge for the year	-	6,064	8,730	10,441	25,235
As at December 31, 2014	-	6,272	8,990	10,541	25,803
Depreciation charge for the year	-	8,436	13,894	15,623	37,953
As at December 31, 2015	-	14,708	22,884	26,164	63,756
Net Book Value					
As at December 31, 2014	293,482	405,307	253,539	64,590	1,016,918
As at December 31, 2015	293,482	404,141	261,131	58,397	1,017,151

Such properties for lease are pledged as collateral for credit facilities from financial institutions as discussed in Note 24.

As at December 31, 2015 and 2014, properties for lease were appraised by an independent professional valuer as per report dated November 18, 2015 and February 2, 2015 by using income approach. The appraised value was Baht 1,117.9 million and Baht 1,100.2 million, respectively.

17. INTANGIBLE ASSETS – Net

Consolidated Financial Statements (In Thousand Baht)

	Trademark and trade name	Non- competition agreements	Franchise agreements	Customer relationships	Computer softwares	Deposits and computer software under installation	Total
Cost							
Balance as at January 1, 2014 (Revision)	-	-	-	-	4,863	-	4,863
Additions from purchase of investments in subsidiaries (Note 18)	1,735,734	3,511	594,621	95,407	2,521	-	2,431,794
Additions	-	-	12,800	-	4,523	-	17,323
Currency translation differences	4,364	9	1,495	240	6	-	6,114
Balance as at December 31, 2014	1,740,098	3,520	608,916	95,647	11,913	-	2,460,094
Additions	-	-	-	-	42,446	1,892	44,338
Write-off	-	-	-	-	(1,602)	-	(1,602)
Currency translation differences	169,169	342	57,953	9,299	2,276	-	239,039
Balance as at December 31, 2015	1,909,267	3,862	666,869	104,946	55,033	1,892	2,741,869
Accumulated Amortization							
Balance as at January 1, 2014 (Revision)	-	-	-	-	823	-	823
Amortization charge for the year	-	73	8,156	1,993	1,618	-	11,840
Currency translation differences	-	-	(1)	(1)	-	-	(2)
Balance as at December 31, 2014	-	73	8,155	1,992	2,441	-	12,661
Amortization charge for the year	-	917	98,642	24,918	6,076	-	130,553
Write-off	-	-	-	-	(1,134)	-	(1,134)
Currency translation differences	-	56	5,800	1,512	169	-	7,537
Balance as at December 31, 2015	-	1,046	112,597	28,422	7,552	-	149,617
Net Book Value							
As at December 31, 2014 (Revision)	1,740,098	3,447	600,761	93,655	9,472	-	2,447,433
As at December 31, 2015	1,909,267	2,816	554,272	76,524	47,481	1,892	2,592,252

Separate Financial Statements (In Thousand Baht)

	Computer software	Deposits and computer software under installation	Total
Cost			
Balance as at January 1, 2014	1,814	-	1,814
Additions	667	-	667
Balance as at December 31, 2014	2,481	-	2,481
Additions	1,070	1,492	2,562
Balance as at December 31, 2015	3,551	1,492	5,043
Accumulated Amortization			
Balance as at January 1, 2014	287	-	287
Amortization charge for the year	408	-	408
Balance as at December 31, 2014	695	-	695
Amortization charge for the year	699	-	699
Balance as at December 31, 2015	1,394	-	1,394
Net Book Value			
As at December 31, 2014	1,786	-	1,786
As at December 31, 2015	2,157	1,492	3,649

18. BUSINESS COMBINATIONS BY ACQUISITION METHOD

Dean & DeLuca Group

At the Board of Directors' meeting held on September 24, 2014, the Company's Board of Directors approved the Company, together with Pace Food Retail Co., Ltd., a subsidiary, to enter into the conditional share purchase agreement to acquire all shares of Dean & DeLuca, Inc. ("D&D") from the existing shareholders (Dean & DeLuca Holdings, Inc.) and other minority shareholders (collectively referred to as the "Sellers"), for a total consideration the "Transaction" of USD 140 million on September 29, 2014.

On July 28, 1999, Dean & DeLuca, Inc. was incorporated in Delaware, USA as a multi-channel retailer of premium gourmet and delicatessen under "Dean & DeLuca" brand. For international business operations, D&D adopts the licensing structure which provides the licensees with rights to use the "Dean & DeLuca" brand in the specific territory to operate as a multi-channel retailer. D&D has grown to the international outlets in Japan, Singapore, Korea, Thailand, and the Middle East countries.

On September 29, 2014, D&D had the authorized share capital of USD 836,696.50 (divided into 80,000,000 shares of common stock at USD 0.01 par value and 3,669,650 shares of preferred stock at USD 0.01 par value) and the issued and outstanding share capital of USD 569,381.24 (divided into 56,050,171 shares of common stock at USD 0.01 par value and 887,953 shares of preferred stock at USD 0.01 par value). In this transaction, the Company will purchase all issued stocks from the sellers.

The total value of the consideration of USD 140 million with payment terms are as follows:

- USD 5 million payment (initial deposit) made on August 26, 2014
- USD 20 million payment (additional deposit) made on September 29, 2014
- USD 115 million (final payment) made on December 4, 2014

In this regard, the Company has applied Thai Financing Reporting Standards No. 3 (revised 2012) "Business Combinations" to recognize the business combination transactions. The following summarizes the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed:

Identifiable Assets Acquired and Liabilities Assumed

	<u>In Thousand USD</u>	<u>In Thousand Baht</u>
Cash and cash equivalents	150	4,921
Trade and other accounts receivable - net	1,148	37,658
Inventories - net	8,489	278,510
Other current assets	728	23,871
Property and equipment	4,406	144,572
Other non-current assets	115	3,772
Trade account payables	(6,916)	(226,889)
Deferred revenue	(6,020)	(197,518)
Accrued expenses	(3,741)	(122,739)
Other current liabilities	(357)	(11,718)
Net liabilities - attributable to the Company	(1,998)	(65,560)
Intangible assets (Note 17)	74,121	2,431,794
Deferred income tax liability - net	(20,245)	(664,208)
Goodwill from purchase of investments	88,122	2,891,164
Currency translation differences	-	(4,660)
Consideration transferred	<u>140,000</u>	<u>4,588,530</u>
Consideration transferred consisted of:		
- Cash	25,000	809,550
- Short-term loan from financial institution - Baht currency (Note 21)	35,000	1,154,300
- Long-term loan from financial institution - U.S. Dollars currency (Note 24)	80,000	2,624,680
Total	<u>140,000</u>	<u>4,588,530</u>

The Company engaged an independent financial advisor to assess the fair value of the Dean & DeLuca Group. Based on such independent financial advisor's report dated February 4, 2015, the consideration transferred was approximately fair value of the Dean Group.

For the preparation of the consolidated financial statements for the year ended December 31, 2014, the Company has provisionally estimated the fair values of the consideration received from the acquired businesses, and measured components of non-controlling interests at fair value and recorded the difference amount between the purchasing price and the value of consideration received in the account "Goodwill" amounting to Baht 2,891.2 million by considering the information from such independent financial advisor's report and other relevant factors which may affect such information. Goodwill from the business combination will not qualify for any tax deduction.

In December 2015, the Company has adjusted the fair values of the consideration received from the acquired businesses, and recorded the difference between the purchase price and the value of consideration received in the account "Goodwill" amounting to Baht 2,928.5 million by considering the information from the report of the independent financial advisor's report dated February 17, 2016 and other relevant information obtained within one year after the acquisition date. Therefore, the consolidated statement of financial position as at December 31, 2014 has been restated accordingly. Details of the restatement are as follows:

	Consolidated Financial Statements (In Thousand Baht)		
	As Previously Reported	Adjustment	As Restated
Assets			
Goodwill	3,397,884	37,298	3,435,182
Liabilities			
Deferred income tax liabilities	665,878	37,298	703,176

19. GOODWILL - Net

	Consolidated Financial Statements (In Thousand Baht)	
	2015	2014 "Restated"
Beginning net book value as at January 1	3,435,182	501,823
Additions from purchase of investments in subsidiaries (Note 18)	-	2,928,462
Currency translation differences	285,406	7,271
Additionally provided allowance for impairment loss during the year	(3,295)	(2,374)
Beginning net book value as at December 31	3,717,293	3,435,182

20. DEFERRED INCOME TAX ASSETS (LIABILITY) - Net

Income tax income for each of the years ended December 31, 2015 and 2014 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Revision"	2015	2014
Income tax expense - current tax	25,430	(594)	-	-
Tax effects from deferred income tax of temporary differences				
- Recognize revenue from sale of residential condominium units	117,780	(1,264)	-	-
- Loss carry forward	21,431	78,367	83,947	16,236
- Depreciation	16,166	5,327	488	235
- Capitalize interest expenses as part of land	5,539	9,292	1,381	2,349
- Deferred debenture underwriting fee	76	(5,532)	76	(5,532)
- Others	2,448	(98)	2,357	(281)
Income tax income	<u>188,870</u>	<u>85,498</u>	<u>88,249</u>	<u>13,007</u>

Reconciliations between income tax income and accounting loss multiplied by the applicable tax rate for each of the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Revision"	2015	2014
Accounting profit (loss) before tax	<u>(2,057,462)</u>	<u>(692,218)</u>	<u>(452,736)</u>	<u>(90,304)</u>
Income tax rates at 20% for Thai companies and 41.0% in 2015 (2014: 38.8%) for USA companies	535,637	126,325	90,547	18,060
Tax effects from permanent differences				
- Non-deductible expenses	(39,658)	(46,391)	(3,531)	(5,053)
- Write-off deferred income tax assets on expiration of tax loss carry forward	(5,065)	-	-	-
- Related expenses for share capital increase	1,233	-	1,233	-
- Recognition of previously unrecognized tax loss carry forward	1,380	8,904	-	-
- Unrecognition of tax loss carry forward	(259,735)	(3,621)	-	-
Others	<u>(44,922)</u>	<u>281</u>	<u>-</u>	<u>-</u>
Income tax income (expense)	<u>188,870</u>	<u>85,498</u>	<u>88,249</u>	<u>13,007</u>

The details of deferred income tax assets (liability) - net as at December 31, 2015 and 2014 are as follows:

Consolidated Financial Statements (In Thousand Baht)					
	(Charged) / Credited to				
	December 31, 2014 “Revision”	Loss for the year	Other comprehensive income for the year	Currency translation differences	December 31, 2015
Deferred income tax assets					
Recognize revenue from sale of residential condominium units	3,435	117,780	-	-	121,215
Loss carry forward	170,825	21,431	-	-	192,256
Depreciation	27,897	16,166	-	-	44,063
Capitalize expenses and interest as part of land	146,667	5,539	-	-	152,206
Deferred debenture underwriting fee	(5,532)	76	-	-	(5,456)
Others	1,916	2,448	(39)	-	4,325
Net	345,208	163,440	(39)	-	508,609
Deferred income tax liability					
Intangible assets	703,176	(33,310)	-	64,946	734,812

	Separate Financial Statements (In Thousand Baht)			
	(Charged) / credited to			
	December 31, 2014	Loss for the period	Other comprehensive income for the period	December 31, 2015
Deferred income tax assets				
Recognize revenue from sale of residential condominium units	2,005	-	-	2,005
Loss carry forward	16,236	83,947	-	100,183
Depreciation	607	488	-	1,095
Capitalize expenses and interest as part of land	4,546	1,381	-	5,927
Others	1,611	2,357	(10)	3,958
Total	25,005	88,173	(10)	113,168
Deferred income tax liability				
Deferred debenture underwriting fee	5,532	(76)	-	5,456
Net	19,473	88,249	(10)	107,712

Unrecognized Deferred Income Tax Assets

As at December 31, 2015 and 2014, the Pace Development Corporation Group did not recognize deferred income tax assets from loss carry forward and certain temporary differences totalling Baht 688.1 million and Baht 950.0 million, respectively, since it is not probable that future taxable profit will be available against which such subsidiaries can utilize the benefit therefore.

21. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht					
	Interest rate (% p.a.)		Consolidated		Separate	
	2015	2014	2015	2014	2015	2014
Bank overdrafts	6.25 - 7.5 (Prime+3%, MOR)	-	49,138	-	-	-
Short-term loans						
- In Thai Baht	5.75 (MLR-0.75)	6.5 (MLR-0.25)	269,560	1,389,300	-	1,389,300
- In U.S. Dollars	2.17 (LIBOR+1.5)	-	186,195	-	-	-
Total			455,755	1,389,300	-	1,389,300
Less: Deferred loan arrangement fee			(1,179)	(26,373)	-	(26,373)
Net			454,576	1,362,927	-	1,362,927
Grand Total			503,714	1,362,927	-	1,362,927

The Company

As at December 31, 2015, the Company had an overdraft line amounting to Baht 30 million (2014: Nil).

Short-term loans from financial institution amounting to Baht 235 million will be repayable within one year from the first drawdown according to the agreement (August 9, 2013). Subsequently, on August 6, 2014, the Company entered into the first amendment agreement with such financial institution to extend the repayment period to be repayable within March 31, 2015. Subsequently, on March 31, 2015, the Company entered into the second amendment agreement with such financial institution to extend the repayment period to be repayable within September 30, 2015. Subsequently, on September 18, 2015, the Company entered into the third amendment agreement with such financial institution to extend the repayment period to be repayable within October 30, 2015. Subsequently, on October 22, 2015, the Company entered into the fourth amendment agreement with such financial institution to extend the repayment period to be repayable within December 30, 2015. Such loans are collateralized by land for developing the real estate project and land of the Company and the building located or will be constructed on land as discussed in Notes 11, 12 and 13.

Short-term loan from financial institution amounting to Baht 1,154.3 million using for purchase of investment in the Dean Group will be repayable within the 6 months from the first drawdown according to the agreement (December 4, 2014). Such loan is guaranteed as discussed in Note 24. Such loan was paid by the Company in full amount in June 2015.

Short-term loan from financial institution amounting to Baht 911.6 million will be repayable within one year from the first drawdown accounting to the agreement (March 20, 2015). Such loans are collateralized by land for developing the real estate project and the building located or will be constructed on land as discussed in Note 11.

Subsequently, on November 25, 2015, such financial institution has extend the repayment period of loans amounting to Baht 235 million and Baht 911.6 million to be repayable on the final maturity date which is the earlier of the date falling 6 months after the project completion date and December 30, 2019.

The Company committed to comply with certain conditions as indicated in the short-term loan agreements.

Subsidiaries

On March 17, 2015, Dean & DeLuca Inc. entered into the credit facilities agreement to obtain short-term credit facilities totalling U.S. Dollars 10 million from a financial institution in the United States of America using for working capital. Such credit facilities have interest rate as indicated in the agreement and are guaranteed by a standby letter issued by a financial institution in Thailand of credit of U.S. Dollars 10 million with the due date of credit line on January 31, 2016. As at December 31, 2015, this subsidiary withdrew short-term loans in U.S. Dollars amounted to U.S. Dollars 5.16 million. Subsequently, on January 25, 2016, such subsidiary entered into the first amended and restated credit facilities agreement to extend the due date to be June 2, 2016.

As at December 31, 2015 and 2014, the subsidiaries have an overdraft line amounting to Baht 80 million and Baht 40 million, respectively. Such credit facility of subsidiaries is guaranteed as discussed in Note 24.

22. SHORT-TERM LOANS

	Interest rate (% p.a.)		Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014	2015	2014
Short-term loans from				
- Asia Plus Securities Public Company Limited	5.8, 7.75	7.75	1,477,000	717,000
- KT Zmico Securities Company Limited	5 - 6.9	6.5, 6.9	690,000	495,000
- The Siam Commercial Bank Public Company Limited	5.8	-	470,000	-
- Other party	6.0	-	150,000	-
Total			2,787,000	1,212,000
Less : Prepaid interest expense			(59,660)	(46,700)
Less : Deferred loan arrangement fee			(317)	-
Net			2,727,023	1,165,300

As at December 31, 2015 and 2014, the above loans are unsecured billed of exchange and repayable during January to September 2016 and January to September 2015, respectively.

23. ADVANCES AND DEPOSITS RECEIVED FROM CUSTOMERS

Advances received from customers of the Company represent installments received from customer for sale agreement of Ficus Lane Project (as discussed in Note 8), sport club member fees and fees for reservation of the condominium unit of Nimit Luangsuan Project.

Advances received from customers of YLP Company Limited represent advance received from customers for agreements to purchase and to sell of Saladaeng Residences Project (as discussed in Note 4).

Advances received from customers of Pace Country Club Co., Ltd. represent advance received from customers for sport club member fees of MahaSamutr Project.

Advances and deposits received from customers of the Pace Group represent:

- fees for reservation of the units in the project of Pace Project Two Co., Ltd. whereby the customers may have rights to cancel or terminate such reservations. Pace Project Two Co., Ltd. will return advances in full amount to customers who cancel or terminate the reservation in according to the specified conditions or will transfer the advances to deposits from the customers when they sign the Unit Lease Purchase Agreement and/or Agreement to Sell and Purchase of Condominium Unit.
- deposits for rental and services of Pace Project Three Co., Ltd.

24. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - Net

	Consolidated Financial Statements (In Thousand Baht)		Separate Financial Statements (In Thousand Baht)	
	2015	2014 "Revision"	2015	2014
Loans from financial institutions				
- In Thai Baht	6,482,183	3,128,252	1,146,600	-
- In U.S. Dollars	2,887,088	2,631,280	-	-
Total	9,369,271	5,759,532	1,146,600	-
Less : Deferred loan arrangement fee	(53,693)	(148,501)	(2,676)	-
	9,315,578	5,611,031	1,143,924	-
Less : Portion due within one year	(8,171,654)	(1,923,966)	-	-
Net	1,143,924	3,687,065	1,143,924	-

The Company

On November 25, 2015, the Company entered into the credit facilities agreements to obtain credit facilities totalling Baht 4,738.3 million (including refinancing of loans for purchase of land amounting to Baht 1,146.6 million as discussed in Note 21) from a local financial institution for new development projects. The credit facilities are as follows:

Credit facility	Purpose	(In Million Baht)	
		Amount	Interest rate
A	Term loan facilities for land cost	1,146.6	MLR minus 0.5% p.a.
B1	Term loan facilities for construction costs	3,526.7	MLR minus 0.5% p.a.
B2	Letter of guarantee, letter of credit, trust receipt and aval (the aggregate of credit facility B1 and B2 shall not exceed Baht 3,526.7 million)	600	Indicated in each agreement
C	Bank overdrafts	30	MOR p.a.
D	Letter of guarantee	35	Indicated in each agreement

Such long-term loans will be repayable on the final maturity date which is the earlier of the date falling 12 months after the project completion date and December 30, 2019.

The Company is committed to comply with certain conditions as indicated in the credit facilities agreements.

Credit facilities are collateralized by the following:

- mortgage of land the building located or will be constructed on land of the developing the real estate project of the Company as discussed in Notes 11, 12 and 13,
- conditional assignment on main construction contracts and project accounts,
- assignment of rights and interests under the guarantee bond of contractors,
- assignment of rights and obligations under the insurances of the project,
- pledge of Interest Reserve Account of the Company,
- a director of the Company is the sponsor to provide the necessary financial supports in any events of cost overrun and cash deficiency of the Company.

YLP Company Limited

On October 29, 2015, YLP Company Limited (subsidiary) has entered into credit facility agreements with a local financial institution for the credit facilities totalling Baht 1,100 million for the new development project. The credit facilities are as follows:

Credit facility	Purpose	(In Million Baht)	Interest rate	Repayment term
		Amount		
A	Term loan facilities for land cost	270	MLR minus 0.5% p.a.	October 29, 2019
B	Short-term loan facilities - Promissory for land cost (the aggregate of credit facility A and B shall not exceed Baht 270 million)	270	MLR minus 0.75% p.a.	October 29, 2019
C	Term loan facilities for construction costs and additional construction costs	820	MLR minus 0.5% p.a.	October 29, 2019
D	Letter of guarantee and aval (the aggregate of credit facility C and D shall not exceed Baht 820 million)	30	Indicated in each agreement	October 29, 2016
E	Bank overdrafts	10	MOR p.a.	August 29, 2019

Credit facilities are collateralized by the following:

- mortgage of land the building located or will be constructed on land of the developing the real estate project of subsidiary as discussed in Note 11,
- assignment of rights and interests under the guarantee bond of contractors,
- assignment of rights and obligations under the insurances of the project,
- guarantee by a director and a related party,
- the Company is the sponsor to provide the necessary financial supports in any events of cash deficiency of subsidiary since June 30, 2016.

The subsidiary committed to comply with certain conditions as indicated in the credit facilities agreement such as maintaining of financial ratio and others.

Pace Country Club Co., Ltd.

On November 25, 2015, Pace Country Club Co., Ltd. (subsidiary) entered into the credit facilities agreement to obtain credit facilities totalling Baht 1,248.9 million from a local financial institution for development of sport club project. The credit facilities are as follows:

Credit facility	Purpose	(In Million Baht)	Interest rate	Repayment term
		Amount		
A1	Term loan facilities for hard construction costs	1,208.9	MLR minus 0.5% p.a.	Quarterly installment at the vary rate as specified in the agreement starting from the date of project completion ending June 30, 2022
A2	Letter of guarantee, letter of credit, trust receipt and aval (the aggregate of credit facility A1 and A2 shall not exceed Baht 1,208.9 million)	200	MLR minus 0.5% p.a.	
C	Bank overdrafts	20	MOR p.a.	
D	Letter of guarantee	20	Indicated in each agreement	

Credit facilities are collateralized by the following:

- mortgage of land the building located or will be constructed on land of the developing the real estate project of the Company and land of such subsidiary as discussed in Notes 11, 12 and 13,
- conditional assignment on main construction contracts and project accounts
- all of the Pace Country Club Co., Ltd.'s shares held by the shareholders as discussed in Note 9,
- assignment of rights and interests under the guarantee bond of contractors,
- assignment of rights and obligations under the insurances of the project,
- pledge of Interest Reserve Account of the subsidiary,
- Guarantee by the Company,
- the Company is the sponsor to provide the necessary financial supports in any events of cost overrun and cash deficiency of subsidiary.

The subsidiary is committed to comply with certain conditions as indicated in the facilities agreement.

Pace Group

On March 9, 2012, Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. ("the subsidiaries") have entered into credit facilities agreement with a local financial institution for the credit facilities totalling Baht 5,400 million for the MahaNakhon Project. Subsequently on October 29, 2012, the another local financial institution joined to be a co-lender for these credit facilities of Baht 2,000 million. On May 10, 2013, such subsidiaries entered into an agreement to amended and restated credit facilities agreement with 2 financial institutions with the significant matter of increase in credit facilities from Baht 5,400 million to Baht 5,750 million. On February 6, 2014, such subsidiaries entered into the second amended and restated credit facilities agreement with the significant matter of increase in credit facilities from Baht 5,750 million to Baht 6,550 million. The credit facilities are as follows:

Credit facility	Purpose	(In Million Baht)	Interest rate
		Amount	
A	Hard construction and development costs	5,370	MLR minus 0.25% p.a.
B	Letter of guarantee, letter of credit, trust receipt, aval and hedging (if credit facility A is fully utilized, credit facility B will be zero)	1,000	Indicated in each agreement
C	Bank overdrafts	30	MOR p.a.
D	Letter of guarantee	350	Indicated in each agreement
E	Aval facilities for land cost	468	Indicated in each agreement
F	Term loan facilities for land cost (the aggregate of credit facility E and F shall not exceed Baht 800 million)	800	MLR minus 0.25% p.a.

On May 15, 2013, the Company's audit committee and Board of Directors agreed and approved the Company to enter into an agreement to provide financial support to such subsidiaries for any purposes. This includes in case of that the subsidiaries need additional financial support for their real estate development projects. The Company will irrevocably agree to allow Siam Commercial Bank Public Company Limited to deduct the Company's deposit at Siam Commercial Bank Public Company Limited and transfer to the subsidiaries' deposit accounts.

On February 6, 2014, Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. have entered into an another credit facilities agreement with a local financial institution to obtain aval and term loan facilities for purchase of land amounting to Baht 532 million.

Such long-term loans will be repayable on the final maturity date which is the earlier of the date falling 6 months after the project completion date and June 30, 2016 or the Pace Group has the proceeds from the issuance and/or offering of a Real Estate Investment Trust. Subsequently, on December 24, 2015, such financial institution has extend the final maturity date to be which is the earlier of the date falling 6 months after the project completion date and December 30, 2016

On November 25, 2015, Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. (a subsidiary), have entered into another credit facilities agreement with 2 local financial institutions to obtain credit facilities of Baht 1,399 million for development of The Edition Hotel project. The credit facilities are as follows:

Credit facility	Purpose	(In Million Baht) Amount	Interest rate	Repayment term
A	Hard and equipment costs to complete hotel project	950	MLR minus 0.25% p.a.	Quarterly installment equally of 12.5% of loan starting from March 30, 2022 ending December 30, 2023
B	Hard and equipment costs to complete hotel project	424	MLR minus 0.25% p.a.	Quarterly installment at the vary rate as specified in the agreement starting from March 30, 2017 ending December 30, 2023
C	Letter of guarantee, letter of credit, trust receipt and aval (if credit facility A is fully utilized, credit facility C will be zero)	200	Indicated in each agreement	
D	Bank overdrafts	10	MOR p.a.	
E	Letter of guarantee	15	Indicated in each agreement	

Subsidiaries are committed to comply with certain conditions as indicated in the facility agreement such as maintaining of financial ratio and others.

Credit facilities are collateralized by the following:

- mortgage of land for real estate project for sales under development, land and offsite parking land of the Pace Group as discussed in Notes 11, 12 and 13,
- the building located or will be constructed on land of the Pace Group as discussed in Notes 11, 13 and 16,
- mortgage of certain land and land for developing the real estate projects of the Company as discussed in Notes 11 and 12,
- conditional assignment on managed services agreement, construction contracts, management agreement and other agreements with Marriott International Group, Unit Lease Purchase Agreement, Agreement to Sell and Purchase of Condominium Unit, and Retail Shop Lease Agreement with the customers of subsidiaries,
- all of the Pace Group's shares held by the shareholders as discussed in Note 9,
- pledge of Interest Reserve Account of the Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd.,
- deposits at bank of Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. without any restriction use,
- assignment of rights and interests under the guarantee bond of contractors,
- assignment of rights and obligations under the insurances of the project,
- guarantee by a related party for credit facility lines of Baht 532 million,
- the Company and another subsidiary are the sponsor to provide the necessary financial supports in any events of cost overrun and cash deficiency of subsidiaries.

Dean & DeLuca Group

On December 2, 2014, the Company and Dean & DeLuca Inc. (after merging with Olive Acquisition Corporation) entered into the credit facilities agreement to obtain credit facilities totalling USD 125 million from a local financial institution in Thailand for acquiring a multi-channel retailer of premium gourmet and delicatessen business under “Dean & DeLuca” brand as discussed in Note 9. The credit facilities are as follows:

Credit facility	Purpose	(In Million U.S. Dollars) Amount	Interest rate	Repayment term
A	Term loan facility for share acquisition (Thai Baht)	35	MLR minus 0.25% p.a.	6 months after the utilization of loan
B	Term loan facility for share acquisition (U.S Dollars)	80	3 month LIBOR plus 4% p.a.	18 months after the utilization of loan
C	Standby letter of credit facility for Dean & DeLuca Inc. and its subsidiaries	10	Indicated in each agreement	Indicated in each agreement

The Company and subsidiaries are committed to comply with certain conditions as indicated in the credit facilities agreements.

Credit facilities are collateralized by the following:

- all of the Dean & DeLuca Inc.’s shares held by the shareholders,
- all of the Pace Food Retail Co., Ltd.’s shares held by the shareholders as discussed in Note 9,
- the remaining of Company’s shares held by certain directors and a shareholder of 350 million shares,
- pledge of Interest Reserve Account of Dean & DeLuca Inc. (December 31, 2015) and of Pace Food Retail Co., Ltd. (December 31, 2014),
- conditional assignment of all Pace Food Retail Co., Ltd.,
- jointly guarantee by the Company, Pace Food Retail Co., Ltd. and Dean & DeLuca Inc., Dean & DeLuca Atlanta, LLC, Dean & DeLuca Markets, LLC, Dean & DeLuca Brands, Inc., Dean & DeLuca International, LLC.

Dean and Deluca (Thailand) Co., Ltd.

On May 10, 2012, Dean and Deluca (Thailand) Co., Ltd., a subsidiary, had obtained long-term loan credit facility from a local financial institution of Baht 10 million. Such loan is repayable in 48 monthly installments at varying amounts commencing from June 2012, ending in May 2016, bears interest at the rate of MLR per annum.

On September 22, 2014, such subsidiary, had obtained long-term loan credit facility from another local financial institution of Baht 80 million. Such loan is repayable in 60 monthly installments at varying amounts commencing from October 2014 ending in September 2019 and bears interest at the rate of MLR-1% per annum.

The subsidiary committed to comply with certain conditions as indicated in the credit facilities agreements such as maintaining of financial ratio and others.

As at December 31, 2015 and 2014, such subsidiary could not maintain debt to equity ratio not exceeding 2.5 to 1 indicated in the credit facility agreement with a financial institution. Subsequently, on October 28, 2015, the financial institution has made amendment to the loan agreement that consent such subsidiary to maintain such debt to equity ratio from the financial statement year 2015 onwards. Up to present, such financial institution is still give the credit line to the subsidiary with the normal interest rate. Hence, the subsidiary presented such loan totalling amounted to Baht 59.75 million and Baht 75.79 million as at December 31, 2015 and 2014, respectively, as a part of “Current portion of long-term loans from financial institutions” under the current liabilities in the consolidated statements of financial position at December 31, 2015 and 2014.

Credit facilities are collateralized by the following:

- mortgage of certain residential condominium units of 2 directors,
- the Company's shares held by a director of 35 million shares,
- shares of the related company held by a related person of 20 million shares,
- guarantee by a director of the Company and a related party.

25. RETENTION PAYABLES TO CONTRACTORS

Retention payables to contractors represent cash deducted from contractors at various percentages of total construction prices for guarantee of work performed by such contractors. The Pace Development Corporation Group will return such retention to contractors after the expired of guarantee period as agreed in the agreements.

26. PROVISION FOR LOSS ON LITIGATION CASE

Details of changes in provision for loss on litigation case are as follows:

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Balance as at January 1	-	9,650
Additions	-	-
Payments	-	(8,999)
Reversal	-	(651)
Balance as at December 31	-	-

On September 13, 2005, the Company was sued from a local company to claim for the damage resulted from the Company's construction project. Subsequently on July 31, 2006, the Court of First Instance determined the Company to pay the compensation of claimed to such company as follows:

- to pay the amount of Baht 1,660,048 plus interest at the rate 7.5% per annum starting from the sued date.
- to pay for the damage of Baht 252,353 per month starting from the sued date until December 31, 2007.

On June 28, 2010, the Court of Appeals has sentenced the same as the Court of First Instance.

On May 15, 2014, the Company agreed and paid for the claim amount of Baht 9.0 million to such local company at the Supreme Court.

27. DEBENTURES - Net

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Debentures	4,599,500	2,999,500
Less : Deferred debenture underwriting fee	(26,963)	(27,660)
	4,572,537	2,971,840
Less : Portion due within one year	(2,992,574)	-
Net	1,579,963	2,971,840

During 2014, the Company issued unsubordinated and unsecured debentures in registered name form to institutional investors and/or high net worth investors totalling Baht 2,999.5 million.

During 2015, the Company issued unsubordinated and unsecured debentures in registered name form by Private Placement to not more than 10 investors totalling Baht 1,600 million.

The details are as follows:

Issuance and offering date	Amount (In Thousand Baht)	Term of debenture	Maturity date	Fixed interest rate (% per annum)
May 16, 2014	793,500	1 year 9 months	February 16, 2016	6.5
June 4, 2014	470,000	1 year 9 months	March 4, 2016	7.0
June 20, 2014	236,000	1 year 9 months	March 20, 2016	6.5
September 25, 2014	1,500,000	1 year 9 months	June 25, 2016	6.5
April 29, 2015	200,000	3 years	April 29, 2018	6.25
July 23, 2015	500,000	3 years	July 23, 2018	5.8
July 23, 2015	300,000	2 years 1 day	July 24, 2017	5.8
August 20, 2015	600,000	3 years 3 months	November 20, 2018	6.0
Total	4,599,500			

The Company is committed to comply with certain conditions as indicated in the prospectus such as maintaining of financial ratio and others.

28. PROVISION FOR EMPLOYEE RETIREMENT BENEFITS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Revision"	2015	2014
Employee retirement benefit as at January 1	6,126	2,910	5,065	2,576
Current service costs	2,944	5,724	2,546	4,907
Interest expense	365	403	307	349
Actuarial gains	(194)	(2,911)	(49)	(2,767)
Employee retirement benefit as at December 31	9,241	6,126	7,869	5,065

Expenses recognized in the statement of comprehensive income for each of the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Revision"	2015	2014
In loss for the year :				
Current service costs	2,944	5,724	2,546	4,907
Interest expense	365	403	307	349
In other comprehensive income for the year :				
Actuarial gains	(194)	(2,911)	(49)	(2,767)
Total	3,115	3,216	2,804	2,489

Actuarial assumptions:

	The Company	Subsidiaries
Year 2015:		
Discount rate	3.12% per annum	3.12% - 4.03% per annum
Future salary increase rate	6.00% per annum	4.32% - 6.00% per annum
Employee turnover rate	0% - 28% per annum	0% - 28% per annum
Mortality rate	100% of Thai Mortality Table Year 2008	100% of Thai Mortality Table Year 2008
Disability rate	10% of Thai Mortality Table Year 2008	10% of Thai Mortality Table Year 2008

	The Company	Subsidiaries "Revision"
Year 2014:		
Discount rate	4.03% per annum	4.02% - 4.41% per annum
Future salary increase rate	6.00% per annum	3.78% - 7.00% per annum
Employee turnover rate	0% - 22% per annum	0% - 31% per annum
Mortality rate	100% of Thai Mortality Table Year 2008	100% of Thai Mortality Table Year 2008
Disability rate	10% of Thai Mortality Table Year 2008	10% of Thai Mortality Table Year 2008

29. SHARE CAPITAL

At the extraordinary shareholders' meeting of the Company held on January 8, 2015, the shareholders of the Company approved the increase in authorized share capital from Baht 2,054,265,670 (divided into 2,054,265,670 common shares at Baht 1 par value) to Baht 3,196,988,170 (divided into 3,196,988,170 common shares at Baht 1 par value). The Company registered the increase in authorized share capital with the Ministry of Commerce on January 14, 2015.

On April 22, 2015, the Company called IBC Thailand Ltd. and IDJ Holding Ltd. to pay up the newly issued common shares under Private Placement Scheme of 542,722,500 shares at the price of Baht 3.39 per share for the purchase of additional investments and transfer of loan and accrued interest assignment in Pace Group as discussed in Notes 1, 4 and 9. The Company registered the increase in share capital with the Ministry of Commerce on April 23, 2015.

At the annual general shareholders' meeting held on April 27, 2015, the shareholders approved the decrease in authorized share capital from Baht 3,196,988,170 (divided into 3,196,988,170 common shares at Baht 1 par value) to Baht 2,596,988,170 (divided into 2,596,988,170 common shares at Baht 1 par value) and the increase in authorized share capital from Baht 2,596,988,170 (divided into 2,596,988,170 common shares at Baht 1 par value) to Baht 3,261,678,197 (divided into 3,261,678,197 common shares at Baht 1 par value). The Company registered the decrease and increase in authorized share capital with the Ministry of Commerce on April 28, 2015 and April 29, 2015, respectively.

On April 29, 2015, the Company called Khun Sorapoj Techakraisri to pay up the newly issued common shares under Private Placement Scheme at the price of 64,690,027 shares at the price of Baht 3.71 per share for purchase of common shares and transfer of loan assignment in Dean and Deluca (Thailand) Co., Ltd. as discussed in Notes 1 and 9. The Company registered the increase in share capital with the Ministry of Commerce on May 1, 2015.

At the Board of Directors' meeting of the Company held on April 27, 2015, it determined that shareholders whose name appears on the share register book as of May 11, 2015 (Record Date) to be entitled to subscribe for the Company's newly issued common shares in the Rights Offering and to close the share register book to gather the names of the shareholders who are entitled to subscribe for the Company's newly issued common shares in the Rights Offering on May 12, 2015 as details below.

Number of Shares Offered:	Not exceeding 600,000,000 shares
Offering Price:	Baht 1 per share
Allotment ratio:	1 existing common share being entitled to subscribe to 0.22542 new common shares

In this regard, the Company already received the proceeds from increase in share capital from its shareholders of 600,000,000 shares at Baht 1 per share. The Company registered the increase in share capital with the Ministry of Commerce on June 2, 2015.

The Company incurred expenses relating to above share allocation and offering totalling Baht 6.2 million which were presented as a deduction from the premium on common shares.

Basic loss per share attributable to owners of the parent are determined by dividing the loss for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

Weighted average number of shares (basic) for each of years ended December 31, 2015 and 2014 are as follows:

	In Million Shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Number of shares outstanding as at January 1	2,054.3	2,054.3	2,054.3	2,054.3
Effect of shares issued during the year	772.9	-	772.9	-
Weighted average number of shares (basic)	2,827.2	2,054.3	2,827.2	2,054.3

30. LEGAL RESERVE

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit (after deduction of the deficit brought forward, if any) as reserve fund until the reserve fund reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

31. EXPENSES BY NATURE

Significant expenses by nature for each of the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014 "Revision"	2015	2014
Costs of sales of residential condominium units	85,185	23,604	-	23,604
Change in inventories	(16,689)	87,958	-	-
Purchase of inventories	1,588,330	155,735	-	-
Employee benefit expenses	1,258,172	291,374	267,854	141,778
Management benefit expenses	48,788	44,263	45,342	41,043
Selling, marketing and advertising expenses	340,346	153,218	83,049	70,644
Commission expenses	175,509	61,129	88,238	2,776
Depreciation and amortization	357,713	87,758	46,052	6,680
Professional fees	147,761	16,752	24,183	5,453
Rental, service and utilities expenses	547,341	101,328	15,656	8,891
Bank charges and credit card fee	74,572	14,592	1,487	107
Other expenses	378,880	203,473	72,984	49,978
Total expenses	4,985,908	1,241,184	644,845	350,954

32. REGISTERED PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 based on the approval from the Securities and Exchange Commission Thailand on October 1, 2011. Under the plan, members contribute to the fund at 2% and 3% of the employees' basic salaries. The Company contributes to the fund at 2% to 4% of the employees' monthly salaries, depending on the length of employment. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

The Group of the Company's contribution for the years 2015 and 2014, which were charged to the statement of comprehensive income, amounted to Baht 5.5 million and Baht 2.8 million, respectively.

33. OPERATING SEGMENTS

Operating segment information is reported in a manner consistent with the internal reports of the Pace Development Corporation Group that are regularly reviewed by the Board of Directors in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Pace Development Corporation Group is organized into business units based on their businesses and has 8 reportable segments as follows:

- 1) The property development segment, which develops and sells condominium units.
- 2) The investment segment, which invests in shares of the Pace Group
- 3) The hotel segment, which operates hotel business.
- 4) The luxury condominium segment, which develops and sells luxury condominium units
- 5) The shopping centre segment, which develops and leases out shopping centre
- 6) The interior services segment
- 7) The designing, advertising and marketing communication service segment
- 8) The retailer of premium gourmet and delicatessen business segment

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. The Pace Development Corporation Group comprises the following main geographic segments as follows:

- 1) Thailand
- 2) United States of America

The Board of Director monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

Inter-segment revenues and expenses are eliminated on consolidation.

The following table presents revenue and profit (loss) information regarding the Pace Development Corporation Group' operating segments for each of the years ended December 31, 2015 and 2014 and segment assets and liabilities as at December 31, 2015 and 2014:

In Million Baht "Revision"																				
	Property development		Investment in equity shares		Hotel		Luxury condominium		Shopping centre		Interior services		Design and produce advertising material		Premium gourmet and delicatessen		Elimination of inter-segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	109	34	-	-	-	-	-	-	72	38	24	-	-	-	3,235	647	(64)	(26)	3,376	693
Cost of sales	(85)	(24)	-	-	-	-	-	-	(95)	(65)	(24)	-	-	-	(1,604)	(377)	32	-	(1,776)	(466)
Gross profit (loss)	24	10	-	-	-	-	-	-	(23)	(27)	-	-	-	-	1,631	270	(32)	(26)	1,600	227
Other income	607	375	-	-	-	1	-	3	-	-	-	-	-	-	342	17	(813)	(329)	136	67
Other expenses	(741)	(341)	-	(1)	(17)	(18)	(242)	(189)	(20)	(24)	(36)	-	-	-	(2,263)	(302)	109	99	(3,210)	(776)
Segment profit (loss)	(110)	44	-	(1)	(17)	(17)	(242)	(186)	(43)	(51)	(36)	-	-	-	(290)	(15)	(736)	(256)	(1,474)	(482)
Finance costs	(417)	(139)	(24)	(20)	(112)	(79)	(44)	(20)	(135)	(82)	-	-	-	-	(386)	(31)	534	161	(584)	(210)
Income tax income	86	12	-	-	-	-	49	47	28	27	-	-	-	-	26	-	-	-	189	86
Loss for the year	(441)	(83)	(24)	(21)	(129)	(96)	(237)	(159)	(150)	(106)	(36)	-	-	-	(650)	(46)	(202)	(95)	(1,869)	(606)
Equity holders of the former shareholder of subsidiary																			38	102
Non-controlling interests																			46	123
Loss attributable to owners of the parent																			(1,785)	(381)
Other information																				
Segment assets	16,906	9,696	250	250	3,336	2,629	8,636	6,093	2,596	2,039	161	-	10	-	9,166	8,165	(15,129)	(9,455)	25,932	19,417
Segment liabilities	10,652	5,814	470	446	3,843	3,006	10,082	7,302	2,966	2,259	177	-	1	-	5,399	6,621	(9,785)	(7,541)	23,805	17,907
Depreciation	47	8	-	-	-	-	79	26	40	26	1	-	-	-	60	14	(1)	-	226	74

Geographical segment

The Pace Development Corporation Group has expanded its investment and operating in foreign countries. All significant revenue from sales for the years ended December 31, 2015 and 2014 and total assets as at December 31, 2015 and 2014 on the basis of geography are presented in this information. Segment revenue is based on the geographical location of customers and segment total assets are based on the geographical location of the assets.

	In Million Baht "Revision"							
	Thailand		United States of America		Elimination of inter-segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues and other income	1,240	303	3,149	483	(877)	(27)	3,512	759
Total assets	34,600	23,352	6,462	5,520	(15,130)	(9,455)	25,932	19,417

34. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated statement of financial position include cash and cash equivalents, trade account receivables, advances and other receivables from subsidiaries and related companies, refundable value added tax, restricted savings deposit and current account, short-term and long-term loans to subsidiaries, interest receivables from subsidiaries, bank overdrafts and short-term loans from financial institutions, short-term loans, trade account payables, payable for purchase of land, other payables to related companies, other account payables, retention payables to contractors, short-term loans and accrued interest from shareholder, and long-term loans from financial institutions, liabilities under finance lease contracts, debentures and long-term loans and accrued interest from shareholders. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. Based on the assessment of the Pace Development Corporation Group's current financial position and results of operations, the Pace Development Corporation Group does not face liquidity risk.

Foreign Currency Risk

The Pace Development Corporation Group has certain transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates. However, the Pace Development Corporation Group did not have hedging agreement to protect against such risk.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle their financial and contractual obligations to the Pace Development Corporation Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Pace Development Corporation Group. The Pace Development Corporation Group's exposure to interest rate risk relates primarily to their deposits at financial institutions, long-term loans to subsidiaries and interest receivable, bank overdraft and short-term loans from financial institutions, short-term loans, short-term loans and accrued interest from shareholder, long-term loans and accrued interest from shareholders, long-term loans from financial institutions and debentures, which bear interest. However, since most of the Pace Development Corporation Group's financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the Pace Development Corporation Group has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2015 and 2014, classified by type of interest rates are summarized in the table below:

	2015 (Consolidated Financial Statements)				In Thousand Baht		
	Fixed interest rates						Effective interest rates
	Within		Over	Floating	Non-interest		
	1 year	1- 5 years	5 years	interest rate	bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	640,251	10,849	651,100	0.10% - 1.45%
Short-term investments	-	-	-	-	68,912	68,912	-
Trade account receivables	-	-	-	-	94,044	94,044	-
Advances and other receivables							
from related companies	-	-	-	-	26,056	26,056	-
Refundable value added tax	-	-	-	-	158,077	158,077	-
Restricted savings deposit and current account	-	-	-	188,754	37,948	226,702	0.375%
Total	-	-	-	829,005	395,886	1,224,891	
Financial liabilities							
Bank overdrafts and short-term loans from							
financial institutions	-	-	-	503,715	-	503,715	2.17% - 7.50%
Short-term loans	2,727,023	-	-	-	-	2,727,023	5.00% - 7.75%
Trade account payables	-	-	-	-	1,041,719	1,041,719	-
Payable for purchase of land	-	-	-	-	101,412	101,412	-
Other payables to related companies	-	-	-	-	13,830	13,830	-
Other account payables	-	-	-	-	20,922	20,922	-
Deposit received from customers	-	-	-	-	10,328	10,328	-
Retention payables to contractors	-	-	-	-	52,261	52,261	-
Long-term loans from financial institutions - net	-	-	-	9,315,578	-	9,315,578	4.60% - 6.85%
Liabilities under finance lease contracts	3,848	9,729	-	-	-	13,577	5.75% - 15.00%
Accrued interest from shareholders	-	-	-	-	463,168	463,168	-
Debentures – net	2,992,574	1,579,963	-	-	-	4,572,537	5.80% - 7.00%
Total	5,723,445	1,589,692	-	9,819,293	1,703,640	18,836,070	

2014 (Consolidated Financial Statements) In Thousand Baht
“Revision”

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rates (% p.a.)
	Within 1 year	1- 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	243,461	181,062	424,523	0.10% - 1.45%
Short-term investments	-	-	-	-	518,901	518,901	-
Trade account receivables	-	-	-	-	34,191	34,191	-
Other receivables from related companies	-	-	-	-	108	108	-
Refundable value added tax	-	-	-	-	84,523	84,523	-
Restricted savings deposit and current account	-	-	-	67,109	108,841	175,950	0.375%
Total	-	-	-	310,570	927,626	1,238,196	
Financial liabilities							
Short-term loans from financial institutions	-	-	-	1,362,927	-	1,362,927	6.50%
Short-term loans	1,165,300	-	-	-	-	1,165,300	6.50% - 7.75%
Trade account payables	-	-	-	-	737,354	737,354	-
Payable for purchase of land	110,000	-	-	-	410	110,410	-
Other payables to related companies	-	-	-	-	17,958	17,958	-
Other account payables	-	-	-	-	7,118	7,118	-
Deposit received from customers	-	-	-	-	8,128	8,128	-
Retention payables to contractors	-	-	-	-	61,088	61,088	-
Long-term loans from financial institutions - net	-	-	-	5,611,031	-	5,611,031	6.60%, 6.64%
Liabilities under finance lease contracts	3,574	8,732	-	-	-	12,306	5.75% - 15.00%
Loans from director	-	-	-	-	161,000	161,000	-
Long-term loans from shareholders and accrued interest	-	404,511	824,289	-	1,184,201	2,413,001	7.50%
Debentures – net	-	2,971,840	-	-	-	2,971,840	6.50%, 7.00%
Total	1,278,874	3,385,083	824,289	6,973,958	2,177,257	14,639,461	

	2015 (Separate Financial Statements)				In Thousand Baht		
	Fixed interest rates						Effective interest rates
	Within		Over	Floating	Non-interest		
	1 year	1- 5 years	5 years	interest rate	bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	121,268	3,932	125,200	0.375% - 0.75%
Short-term investments	-	-	-	-	68,912	68,912	-
Other receivables from subsidiaries	-	-	-	-	106,832	106,832	-
Short-term loans to subsidiary and interest receivable	576,670	-	-	110,930	26,898	714,498	7.50%, - 9.52%
Accrued management fee income	-	-	-	-	180,000	180,000	-
Refundable value added tax	-	-	-	-	1,118	1,118	-
Restricted saving deposit and current account	-	-	-	17,016	-	17,016	0.375%
Interest receivable from subsidiaries	-	-	-	-	1,184,350	1,184,350	-
Long-term loans to subsidiaries	-	-	6,762,711	-	-	6,762,711	7.50%
Total	576,670	-	6,762,711	249,214	1,572,042	9,160,637	
Financial liabilities							
Short-term loans	2,727,023	-	-	-	-	2,727,023	5.00% - 7.75%
Trade account payables	-	-	-	-	271,501	271,501	-
Payable for purchase of land	-	-	-	-	101,412	101,412	-
Other payables to related company	-	-	-	-	1,444	1,444	-
Retention payables to contractors	-	-	-	-	447	447	-
Long-term loans from financial institution	-	-	-	-	1,143,924	1,143,924	6.03% - 6.50%
Liabilities under finance lease contracts	2,911	6,465	-	-	-	9,376	5.75% - 15.00%
Debentures – net	2,992,574	1,579,963	-	-	-	4,572,537	5.80% - 7.00%
Total	5,722,508	1,586,428	-	-	1,518,728	8,827,664	
	2014 (Separate Financial Statements)				In Thousand Baht		
	Fixed interest rates						Effective interest rates
	Within		Over	Floating	Non-interest		
	1 year	1- 5 years	5 years	interest rate	bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	97,966	401	98,367	0.375% - 0.50%
Short-term investments	-	-	-	-	458,410	458,410	-
Other receivables from subsidiaries	-	-	-	-	101,645	101,645	-
Short-term loans to subsidiary and interest receivable	90,700	-	-	-	1,283	91,983	7.50%
Accrued management fee income	-	-	-	-	120,000	120,000	-
Refundable value added tax	-	-	-	-	461	461	-
Interest receivable from subsidiaries	-	-	-	-	685,976	685,976	-
Long-term loans to subsidiaries	-	2,532,977	2,405,948	-	-	4,938,925	7.50%
Total	90,700	2,532,977	2,405,948	97,966	1,368,176	6,495,767	
Financial liabilities							
Short-term loans from financial institutions	-	-	-	1,362,927	-	1,362,927	6.50%
Short-term loans	1,165,300	-	-	-	-	1,165,300	6.50% - 7.75%
Trade account payables	-	-	-	-	13,786	13,786	-
Other payables to related company	-	-	-	-	840	840	-
Retention payables to contractors	-	-	-	-	286	286	-
Liabilities under finance lease contracts	2,945	5,729	-	-	-	8,674	5.75% - 15.00%
Debentures – net	-	2,971,840	-	-	-	2,971,840	6.50%, 7.00%
Total	1,168,245	2,977,569	-	1,362,927	14,912	5,523,653	

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments by Pace Development Corporation Group.

The fair value of cash and cash equivalents, restricted savings deposit and long-term loans to subsidiaries - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates, which approximate market rates.

Trade account receivables, short-term loans to subsidiary and interest receivable, other receivables from subsidiaries and related companies and refundable value added tax - the carrying value approximate their fair values due to the relatively short-term maturity of these financial assets.

Bank overdraft and short-term loans from financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rate, which approximate market rates.

Short-term loans, trade account payables, payable for purchase of land, other payables to related companies, other account payables, retention payables to contractors and short-term loan and accrued interest from subsidiary - the carrying value approximate their fair values due to the relatively short-term maturity of these financial liabilities.

Long-term loans financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rates, which approximate market rates.

Liabilities under finance lease contracts and debentures carrying interest at fixed rates - the fair value could not be calculated appropriately because the market floating rate could not be determined.

Long-term loans and accrued interest from shareholders - fair value cannot be reliable estimated since the specific repayment term is not known.

35. AGREEMENTS

- a) On March 16, 2009, a subsidiary entered into an International Services Agreement with Global Hospitality Licensing S.A.R.L. ("GHL"), whereby the latter will provide certain services in support of the hotel outside Thailand. On December 21, 2009, the subsidiary entered into an amendment agreement with the termination term of 35 years commencing from the effective date and shall automatically be renewed for additional two periods of 5 years each unless either party gives the other party at least 300 days written termination notice prior to the expiration of the initial or renewal term. In consideration thereof, the subsidiary is committed to pay the service fee as specified in the agreement.
- b) On March 16, 2009, a subsidiary entered into a License and Royalty Agreement with Global Hospitality Licensing S.A.R.L. ("GHL"), whereby the latter will grant the jointly controlled entity the right and license to use the EDITION trademark in Thailand. On December 21, 2009, the subsidiary entered into an amendment agreement with the termination term of 35 years commencing from the effective date and shall automatically be renewed for additional two periods of 5 years each unless either party gives the other party at least 300 days written termination notice prior to the expiration of the initial or renewal term. In consideration thereof, the subsidiary is committed to pay the license and royalty fees at the rates specified in the agreement.
- c) On March 16, 2009, a subsidiary entered into a Management Agreement with Luxury Hotels & Resorts (Thailand) Limited, whereby the latter will manage and operate the hotel. On December 21, 2009, the subsidiary entered into an amendment agreement with the termination term of 35 years commencing from the effective date and shall automatically be renewed for additional two periods of 5 years each unless either party gives the other party at least 300 days written termination notice prior to the expiration of the initial or renewal term. In consideration thereof, the subsidiary is committed to pay the fees at the rates specified in the agreement.

- d) On March 16, 2009, a subsidiary entered into a Residential Marketing License Agreement with Global Hospitality Licensing S.A.R.L. (“GHL”), whereby the latter will grant the subsidiary the license to use The Ritz-Carlton Residences, Bangkok as license marks. The term is commencing from the effective date until the earlier of December 31, 2015 or the closing of all residential units. In consideration thereof, the subsidiary is committed to pay the license fee at the rate specified in the agreement. Subsequently on December 29, 2015, such subsidiary entered into First Amended and Restated Residential Marketing License Agreement to revise the residential structure from long-term leasehold to be condominium for sales and extend the effective term to the earlier of June 30, 2017 or the closing of all residential units.
- e) On March 16, 2009, a subsidiary entered into a Management Agreement with Luxury Hotels & Resorts (Thailand) Limited, whereby the latter will manage, operate and maintain the residential project. On December 21, 2009, the subsidiary entered into an amendment agreement with the termination term of 35 years commencing from the effective date and shall automatically be renewed for additional two periods of 5 years each unless either party gives the other party at least 300 days written termination notice prior to the expiration of the initial or renewal term. In consideration thereof, the subsidiary is committed to pay the fees at the rates as specified in the agreement. Subsequently on December 29, 2015, such subsidiary entered into First Amended and Restated Management Agreement to revise the residential structure from long-term leasehold to be condominium for sales and update project timeline.

36. OTHERS

- 1) As at December 31, 2015 and 2014,

	In Thousand Baht	
	2015	2014 “Revision”
a) Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. had letters of credit opened but not utilized.	277,496	34,913
b) Pace Project Two Co., Ltd. had letters of guarantee issued by a local financial institution in favour of customers which were as discussed in Note 24.	97,098	90,240
c) Pace Project One Co., Ltd and Pace Project Three Co., Ltd. had letters of guarantee issued by a local financial institution in favor of a state enterprise which were guaranteed as discussed in Note 24.	10,186	3,950
d) Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. had commitments under the agreements for the cost of construction As at December 31, 2015 : a portion of Baht 277.5 million were covered by letters of credit; and a portion of Baht 172.2 million is committed under the agreement with Pace Interior Services Co., Ltd. As at December 31, 2014 : a portion of Baht 34.9 million were covered by letters of credit and a portion of Baht 137.1 million were aval by a local financial institution which were guarantee as discussed in Note 24.	1,559,163	1,677,264
e) Pace Project Three Co., Ltd. had commitment under the linkbridge agreement to pay the consideration fee for the right to connect and use the linkbridge commuting path with Bangkok Mass Transit System Public Company Limited.	28,500	54,500
f) Pace Country Club Co., Ltd. had commitments under the agreements for the cost of construction (Note 13).	66,209	37,177
g) YLP Company Limited had commitments under the agreements for the cost of construction (Note 13).	16,977	-

		In Thousand Baht	
		2015	2014 "Revision"
h)	Pace Interior Services Co., Ltd. had commitments under the agreements for the cost of interior services	16,865	-
i)	the Company had commitments under the agreements and letter of intent for the cost of construction (Notes 11 and 13).	1,876,651	309,669
j)	the Company had commitments under the memorandum to purchase and to sell land for new development project with a related company as discussed in Note 4 and a third party.	-	315,400
k)	Dean and Deluca (Thailand) Co., Ltd had commitments under the agreements for purchase of fixed assets (Note 15)	3,047	-
2)	As at December 31, 2015 and 2014, Dean & DeLuca Inc. had commitments under non cancellation operating lease agreements covering the retail rental agreements, warehouse and office premises for the period from 12 months to 193 months. The totals of future minimum lease payments under non-cancellable operating leases for each period are as follows:		
		In Thousand Baht	
		2015	2014
	Not later than 1 year	285,462	254,051
	Later than 1 year and not later than 5 years	1,029,347	659,244
	Later than 5 years	1,140,081	742,477
	Total	2,454,890	1,655,772
3)	As at December 31, 2015 and 2014, Dean and Deluca (Thailand) Co., Ltd. had various operating lease agreements covering the retail rental agreements and office premises for the period of 3 years. The totals of future minimum lease payments under non-cancellable operating leases for each period are as follows:		
		In Thousand Baht	
		2015	2014 "Revision"
	Not later than 1 year	17,047	23,578
	Later than 1 year and not later than 3 years	41,070	25,621
	Total	58,117	49,199
4)	As at December 31, 2015 and 2014, the Pace Development Corporation Group had obligation and commitment to complete project on hand.		
		2015	2014
	Value of sales already contracted (in Thousand Baht)	14,514,261	7,235,744
	As percentage of total sales of project on hand (%)	65.72	49.53
5)	On January 25, 2012, the Company entered into 3 memorandums of transfer of accrued interest whereby Khun Sorapoj Techakraisri and Fourteen Points Holdings (Assignors) will transfer accrued interest from loans which have not been transferred as indicated in novation agreements to the Company (Assignee) after 60 days when Pace Group (Debtors) are granted construction certificate to build, modify and relocate building (Form Or. 6) issued by a government agency relating to the construction MahaNakhon Project. In this regard, the Company will recognize income according to these 3 memorandums which is after 60 days when the debtors are granted such Form Or. 6.		

- 6) The sponsors which consist of the Company, Pace Real Estate Co., Ltd. and shareholders of Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. entered into the Sponsor Support Agreement dated May 10, 2013 and February 6, 2014 with the financial institutions under a Credit Facilities Agreement as discussed in Note 24. In this regard, the sponsors are committed to provide the necessary financial supports to Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. in any events of cost overrun and cash deficiency.
- 7) As at December 31, 2015 and 2014, current account amounting to USD 0.58 million (equivalent to Baht 20.9 million) and USD 0.23 million (equivalent to Baht 7.6 million) was pledged as collateral on letters of credit per a requirement of leases on the 4 cafes and 3 cafes in New York, respectively.

37. EVENTS AFTER THE REPORTING PERIOD

- 1) At the Board of Directors' meeting of the Company held on January 7, 2016, the Board of Directors approved the Company to:
 - a) establish the new subsidiary, Pace Management Co., Ltd. with the registered capital of Baht 1,000,000 (common share 10,000 shares at Baht 100 par value).
 - b) establish the new joint venture, Dean & DeLuca Café Japan Co., Ltd. (which will be incorporate in Japan) with the registered capital of JPY 10 million.
- 2) The new subsidiary, Dean & Deluca Small Format, LLC was incorporated in USA on February 17, 2016 with the registered capital of USD 1,000.

38. CAPITAL MANAGEMENT

The primary objective of the Pace Development Corporation Group's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern by the projection of cash flows for the projects.

The Company manages its capital position with reference to their debt-to-equity ratio in order to comply with a covenant of the debenture of bondholders. However, the Bondholders' meetings on February 12, 2015 and February 25, 2015 approved to amend the covenant calculation period from December 31, 2014 to June 30, 2015. Subsequently the Bondholders' meetings on February 5, 2016 and February 16, 2016 approved to release the covenant calculation as at December 31, 2015.

Pace Project One Co., Ltd., Pace Project Two Co., Ltd. and Pace Project Three Co., Ltd. (the Pace Group) manage their capital position with reference to their debt-to-equity ratio in order to comply with a condition in a facility agreement with local financial institutions. Debt means, solely for the purpose of calculating the debt-to-equity ratio, the interest bearing debts excluding shareholder loans of the Pace Group. Equity means the aggregate of share capital, legal reserve and shareholder loans of the Pace Group. As at December 31, 2015, debt-to-equity ratio in their financial statements was 0.77 to 1 (As at December 31, 2014: 0.61 to 1).

No changes were made in the Pace Development Corporation Group's objectives, policies or processes during the years ended December 31, 2015 and 2014.

39. FAIR VALUE MEASUREMENT

The Pace Development Corporation Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

As at December 31, 2015, the Pace Development Corporation Group had the following assets that were measured at fair value using different levels of inputs as follows:

	Consolidated / Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Trading investments				
- Open-end fixed income fund	-	68,912	-	68,912

Level 2 investments of marketable securities are fair valued based on net assets value announced by the Asset Management Fund companies at the close of business on the statement of financial position date.

40. NEW/REVISED THAI FINANCIAL REPORTING STANDARDS NOT YET ADOPTED

The Pace Development Corporation Group has not adopted new/revised Thai Financial Reporting Standards (TFRS) that have been issued but are not yet effective at the reporting date as follows:

TFRS	Topic	Effective date
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TAS 1 (revised 2015)	Presentation of financial statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events after the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016

TFRS	Topic	Effective date
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings per Share	2016
TAS 34 (revised 2015)	Interim Financial Reports	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases-Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Service Concession Arrangements Disclosure	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets -Web Site Costs	2016

Management expects to adopt and apply these new and revised TFRSs in accordance with the FAP's announcement and is presently considering the potential impact on the Pace Development Corporation Group's financial statements of these new and revised TFRSs.

41. APPROVAL OF FINANCIAL STATEMENTS

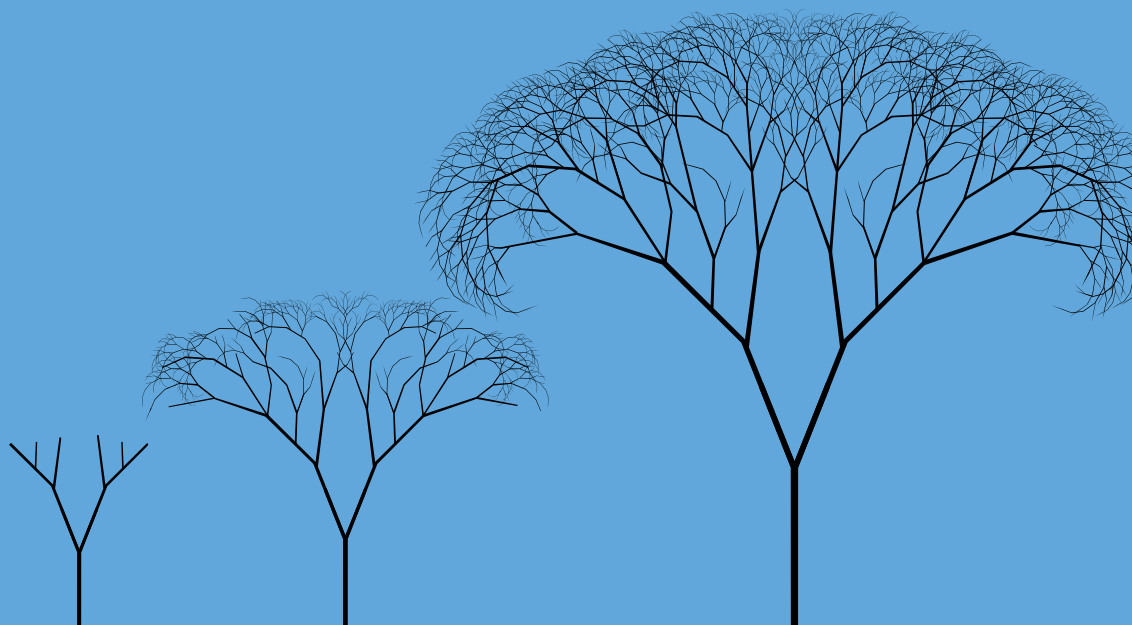
The Company's directors have authorized these financial statements for issue on February 26, 2016.

GENERAL INFORMATION AND IMPORTANT INFORMATION

THAI COMPANY NAME	PACE Development Corporation Public Company Limited (Formerly name : Cinkara Company Limited)
NATURE OF BUSINESS	High-end sector of Thailand's real estate development business and gourmet food and beverage lifestyle retail
HEAD OFFICE LOCATION	87/2 CRC Tower, All Seasons Place, 45 th Floor Unit 3, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Thailand
WEBSITE	http://www.pacedev.com
TELEPHONE	02 654 3344
FAX	02 654 3323



For more information:
www.sec.or.th or www.pacedev.com





**M^HA
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SALADAENG
RESIDENCES



**NIMIT
LANGSUAN**



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