

Amata VN Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2015

Independent Auditor's Report

To the Shareholders of Amata VN Public Company Limited

I have audited the accompanying consolidated financial statements of Amata VN Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Amata VN Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 16 February 2016

Amata VN Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets					
Current assets					
Cash and cash equivalents	7	1,678,775,736	372,788,579	1,161,491,636	43,044,707
Current investments - deposit with financial institutions	8	241,849,600	975,900,770	-	-
Trade and other receivables	9	63,717,262	107,838,450	763,552	-
Real estate development costs	10	414,644,480	400,642,900	-	-
Other current assets		71,720,649	87,021,759	19,061	6,523,015
Total current assets		<u>2,470,707,727</u>	<u>1,944,192,458</u>	<u>1,162,274,249</u>	<u>49,567,722</u>
Non-current assets					
Investments in subsidiaries	11	-	-	1,456,772,818	384,300,000
Investment in related company	12	71,758,862	91,758,862	-	-
Investment properties	13	513,691,528	502,823,337	-	-
Buildings and equipment	14	158,325,424	171,044,799	42,019	59,130
Real estate development costs, net of current portion	10	1,695,077,915	-	-	-
Other non-current assets		5,623,303	3,509,811	5,323,877	2,978,961
Total non-current assets		<u>2,444,477,032</u>	<u>769,136,809</u>	<u>1,462,138,714</u>	<u>387,338,091</u>
Total assets		<u>4,915,184,759</u>	<u>2,713,329,267</u>	<u>2,624,412,963</u>	<u>436,905,813</u>

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

Amata VN Public Company Limited and its subsidiary
Statement of financial position (continued)
As at 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		711,753,575	-	711,753,575	-
Trade and other payables	15	103,814,886	79,450,233	17,607,377	3,359,302
Current portion of long-term loan	16	60,000,000	-	60,000,000	-
Current portion of revenue received in advance		23,076,038	16,949,119	-	-
Income tax payable		7,298,879	9,073,494	-	-
Current portion of land rental payables	17	5,894,260	5,009,181	-	-
Total current liabilities		<u>911,837,638</u>	<u>110,482,027</u>	<u>789,360,952</u>	<u>3,359,302</u>
Non-current liabilities					
Long-term loan, net of current portion	16	250,000,000	-	250,000,000	-
Rental deposits and advance received					
from customer		113,169,497	82,474,670	-	-
Revenue received in advance		36,468,297	35,811,644	-	-
Deferred tax liabilities	21	220,017,774	195,730,158	-	-
Land rental payables	17	87,180,774	84,274,132	-	-
Other non-current liabilities		6,447,000	8,146,105	3,261,455	2,502,250
Total non-current liabilities		<u>713,283,342</u>	<u>406,436,709</u>	<u>253,261,455</u>	<u>2,502,250</u>
Total liabilities		<u>1,625,120,980</u>	<u>516,918,736</u>	<u>1,042,622,407</u>	<u>5,861,552</u>

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

Amata VN Public Company Limited and its subsidiary
Statement of financial position (continued)
As at 31 December 2015

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Shareholders' equity					
Share capital					
Registered					
935,000,000 ordinary shares of Baht 0.50 each		<u>467,500,000</u>	<u>467,500,000</u>	<u>467,500,000</u>	<u>467,500,000</u>
Issued and fully paid-up					
935,000,000 ordinary shares of Baht 0.50 each					
(2014: 768,630,000 ordinary shares of Baht 0.50 each)	18	467,500,000	384,315,000	467,500,000	384,315,000
Share premium	18	1,117,734,742	-	1,117,734,742	-
Retained earnings					
Appropriated-statutory reserve	19	5,516,985	5,516,985	5,516,985	5,516,985
Unappropriated (deficit)		371,324,885	249,955,274	(8,961,171)	41,212,276
Other components of shareholders' equity		<u>1,084,541,703</u>	<u>917,500,412</u>	-	-
Equity attributable to owners of the Company		<u>3,046,618,315</u>	<u>1,557,287,671</u>	<u>1,581,790,556</u>	<u>431,044,261</u>
Non-controlling interests of the subsidiary		<u>243,445,464</u>	<u>639,122,860</u>	-	-
Total shareholders' equity		<u>3,290,063,779</u>	<u>2,196,410,531</u>	<u>1,581,790,556</u>	<u>431,044,261</u>
Total liabilities and shareholders' equity		<u>4,915,184,759</u>	<u>2,713,329,267</u>	<u>2,624,412,963</u>	<u>436,905,813</u>
		-	-	-	-

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

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Directors

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Amata VN Public Company Limited and its subsidiary

Income statement

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Revenue from real estate sales		320,154,111	180,914,803	-	-
Revenue from rental and utility services		407,718,072	367,967,562	-	-
Dividend income		-	-	-	103,102,155
Interest income		40,719,386	80,978,881	1,319,456	121,462
Other income		41,061,428	25,864,721	912	22,552
Total revenues		809,652,997	655,725,967	1,320,368	103,246,169
Expenses					
Cost of real estate sales		139,675,361	83,071,467	-	-
Cost of rental and utility services		249,307,751	239,411,042	-	-
Selling expenses		10,419,787	4,787,503	-	-
Administrative expenses		91,191,923	83,334,349	27,953,722	20,479,435
Allowance for doubtful accounts	9	15,774,063	-	-	-
Loss from provision for impairment in investment in related company	12	20,000,000	-	-	-
Other expenses		11,482,858	8,872,665	-	-
Total expenses		537,851,743	419,477,026	27,953,722	20,479,435
Profit (loss) before finance cost and income tax expenses		271,801,254	236,248,941	(26,633,354)	82,766,734
Finance cost		(23,540,093)	(278,527)	(23,540,093)	(278,527)
Profit (loss) before income tax expenses		248,261,161	235,970,414	(50,173,447)	82,488,207
Income tax expenses	21	(67,623,208)	(49,407,249)	-	-
Profit (loss) for the year		180,637,953	186,563,165	(50,173,447)	82,488,207
Profit (loss) attributable to:					
Equity holders of the Company		121,369,611	124,410,031	(50,173,447)	82,488,207
Non-controlling interests of the subsidiary		59,268,342	62,153,134		
		<u>180,637,953</u>	<u>186,563,165</u>		
Earnings per share					
22					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		0.16	0.16	(0.06)	0.11

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

Amata VN Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit (loss) for the year	<u>180,637,953</u>	<u>186,563,165</u>	<u>(50,173,447)</u>	<u>82,488,207</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>72,814,796</u>	<u>(3,133,785)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>72,814,796</u>	<u>(3,133,785)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>253,452,749</u>	<u>183,429,380</u>	<u>(50,173,447)</u>	<u>82,488,207</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>185,865,870</u>	<u>122,216,382</u>	<u>(50,173,447)</u>	<u>82,488,207</u>
Non-controlling interests of the subsidiary	<u>67,586,879</u>	<u>61,212,998</u>		
	<u>253,452,749</u>	<u>183,429,380</u>		

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

Amata VN Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit (loss) before income tax expenses	248,261,161	235,970,414	(50,173,447)	82,488,207
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	91,103,377	81,002,162	17,110	16,911
Allowance for doubtful accounts	16,239,250	-	-	-
Gain on sales of investment properties	(32,084,943)	(21,016,565)	-	-
Allowance for impairment loss on investments in related company	20,000,000	-	-	-
Dividend income from investments in subsidiary	-	-	-	(103,102,155)
Provision for long-term employee benefits	759,205	(545,313)	759,205	(545,313)
Interest income	(40,719,386)	(80,978,881)	(1,319,456)	(121,462)
Interest expenses	<u>23,540,093</u>	<u>278,527</u>	<u>23,540,093</u>	<u>278,527</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	327,098,757	214,710,344	(27,176,495)	(20,985,285)
Operating assets (increase) decrease				
Trade and other receivables	27,881,939	18,416,636	(763,194)	361,026
Real estate development costs	(23,332,953)	(57,055,870)	-	-
Other current assets	15,301,110	(5,104,099)	6,503,598	68,660
Other assets	(2,113,491)	(1,711,679)	(2,344,916)	(2,955,466)
Operating liabilities increase (decrease)				
Trade and other payables	<u>61,295,777</u>	<u>(11,223,860)</u>	<u>12,367,389</u>	<u>1,232,233</u>
Cash flows from (used in) operating activities	406,131,139	158,031,472	(11,413,618)	(22,278,832)
Cash paid for corporate income tax	<u>(45,110,207)</u>	<u>(46,125,339)</u>	<u>-</u>	<u>-</u>
Net cash flows from (used in) operating activities	<u>361,020,932</u>	<u>111,906,133</u>	<u>(11,413,618)</u>	<u>(22,278,832)</u>

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

Amata VN Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Interest income	40,719,386	80,978,881	1,319,456	121,462
Decrease (increase) in current investment - deposits with financial institutions	734,051,170	(152,901,362)	-	-
Cash paid for investments in subsidiary	-	-	(711,753,575)	-
Dividend income from investments in subsidiary	-	-	-	103,102,155
Acquisitions of investment properties	(80,319,868)	(68,174,084)	-	-
Acquisitions of equipment	(1,499,126)	(50,562,485)	-	(21,400)
Proceeds from sales of investment properties	49,711,210	44,246,090	-	-
Cash paid for real estate development costs	(1,689,070,235)	-	-	-
Net cash flows from (used in) investing activities	<u>(946,407,463)</u>	<u>(146,412,960)</u>	<u>(710,434,119)</u>	<u>103,202,217</u>
Cash flows from financing activities				
Increase in short-term loans from financial institutions	711,753,575	-	711,753,575	-
Interest expenses	(21,659,408)	(370,247)	(21,659,408)	(370,247)
Cash receipt from short-term loans from related parties	56,000,000	10,000,000	56,000,000	10,000,000
Repayment of short-term loans from related parties	(56,000,000)	(18,000,000)	(56,000,000)	(18,000,000)
Cash receipt from long-term loans	350,000,000	-	350,000,000	-
Repayment of long-term loans	(40,000,000)	-	(40,000,000)	-
Cash paid for investments in subsidiary (Note 11)	(360,719,243)	-	(360,719,243)	-
Cash receipt from share capital increased (Note 18)	1,200,919,742	-	1,200,919,742	-
Dividend paid to the Company's shareholder	-	(30,745,200)	-	(30,745,200)
Dividend paid for non-controlling interest of the subsidiary	-	(41,767,843)	-	-
Net cash flows from (used in) financing activities	<u>1,840,294,666</u>	<u>(80,883,290)</u>	<u>1,840,294,666</u>	<u>(39,115,447)</u>
Increase (decrease) in translation adjustments	<u>51,079,022</u>	<u>(3,133,785)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>1,305,987,157</u>	<u>(118,523,902)</u>	<u>1,118,446,929</u>	<u>41,807,938</u>
Cash and cash equivalents at beginning of year	<u>372,788,579</u>	<u>491,312,481</u>	<u>43,044,707</u>	<u>1,236,769</u>
Cash and cash equivalents at end of year	<u><u>1,678,775,736</u></u>	<u><u>372,788,579</u></u>	<u><u>1,161,491,636</u></u>	<u><u>43,044,707</u></u>
	-	-	-	-

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

Amata VN Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Other component of equity												
Other comprehensive income												
Exchange differences												
Issued and	Retained earnings				on translation of	Reserve for	Business	Surplus on changes	Total other	Total equity	Equity attributable	Total
fully paid-up	Share premium	Appropriated	Unappropriated	in foreign currency	financial statements	share-based	combination under	in shareholding	component of	attributable to	to non-controlling	shareholders'
share capital						payment	common control	of subsidiary	shareholders'	the Company	the subsidiary	equity
Balance as at 1 January 2014	384,315,000	-	1,392,575	160,414,853	50,921,060	22,442,281	846,330,720	-	919,694,061	1,465,816,489	619,677,705	2,085,494,194
Profit for the year	-	-	-	124,410,031	-	-	-	-	-	124,410,031	62,153,134	186,563,165
Other comprehensive income for the year	-	-	-	-	(2,193,649)	-	-	-	(2,193,649)	(2,193,649)	(940,136)	(3,133,785)
Total comprehensive income for the year	-	-	-	124,410,031	(2,193,649)	-	-	-	(2,193,649)	122,216,382	61,212,998	183,429,380
Dividend paid to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	(41,767,843)	(41,767,843)
Dividend paid to the Company's shareholders (Note 25)	-	-	-	(30,745,200)	-	-	-	-	-	(30,745,200)	-	(30,745,200)
Unappropriated retained earnings transferred to statutory reserve	-	-	4,124,410	(4,124,410)	-	-	-	-	-	-	-	-
Balance as at 31 December 2014	384,315,000	-	5,516,985	249,955,274	48,727,411	22,442,281	846,330,720	-	917,500,412	1,557,287,671	639,122,860	2,196,410,531
Balance as at 1 January 2015	384,315,000	-	5,516,985	249,955,274	48,727,411	22,442,281	846,330,720	-	917,500,412	1,557,287,671	639,122,860	2,196,410,531
Profit for the year	-	-	-	121,369,611	-	-	-	-	-	121,369,611	59,268,342	180,637,953
Other comprehensive income for the year	-	-	-	-	64,496,259	-	-	-	64,496,259	64,496,259	8,318,537	72,814,796
Total comprehensive income for the year	-	-	-	121,369,611	64,496,259	-	-	-	64,496,259	185,865,870	67,586,879	253,452,749
Increase share capital (Note 18)	83,185,000	1,117,734,742	-	-	-	-	-	-	-	1,200,919,742	-	1,200,919,742
Surplus on investments in subsidiary arising as a result of purchase the investment in subsidiary at a price less than the net book value at the purchase date (Note 11)	-	-	-	-	-	-	-	102,545,032	102,545,032	102,545,032	(463,264,275)	(360,719,243)
Balance as at 31 December 2015	467,500,000	1,117,734,742	5,516,985	371,324,885	113,223,670	22,442,281	846,330,720	102,545,032	1,084,541,703	3,046,618,315	243,445,464	3,290,063,779

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

Amata VN Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated (deficit)	
Balance as at 1 January 2014	384,315,000	-	1,392,575	(6,406,321)	379,301,254
Total comprehensive income for the year	-	-	-	82,488,207	82,488,207
Dividend paid to the Company's shareholders (Note 25)	-	-	-	(30,745,200)	(30,745,200)
Unappropriated retained earnings					
transferred to statutory reserve	-	-	4,124,410	(4,124,410)	-
Balance as at 31 December 2014	<u>384,315,000</u>	<u>-</u>	<u>5,516,985</u>	<u>41,212,276</u>	<u>431,044,261</u>
Balance as at 1 January 2015	384,315,000	-	5,516,985	41,212,276	431,044,261
Total comprehensive income for the year	-	-	-	(50,173,447)	(50,173,447)
Increase share capital (Note 18)	83,185,000	1,117,734,742	-	-	1,200,919,742
Balance as at 31 December 2015	<u>467,500,000</u>	<u>1,117,734,742</u>	<u>5,516,985</u>	<u>(8,961,171)</u>	<u>1,581,790,556</u>

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

Amata VN Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2015

1. General information

Amata VN Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Amata Corporation Public Company Limited, which was incorporated in Thailand. The Company is a holding company with an investment focus in the industrial estate development companies and other related business in Vietnam. The registered office of the Company is at 2126, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok.

The Company listed its ordinary shares on the Stock Exchange of Thailand on 16 December 2015.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Amata VN Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			Percent	Percent
Amata (Vietnam) Joint Stock Company (AVN)	Industrial estate development	Vietnam	90.0	70.0
Amata City Long Thanh Joint Stock Company (ACLT)	Industrial estate development	Vietnam	93.5	-
(35% held by the Company and 65% held by AVN)				

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and in shareholder's equity of the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary companies under the cost method.

3. New financial reporting standards

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

(a) Financial reporting standard that became effective in the current year

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

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of *TAS 27 Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries financial statements.

TFRS 11 Joint Arrangements

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

This standard does not have any impact on the Company's and its subsidiaries financial statements.

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the Company's and its subsidiaries financial statements.

(b) Financial reporting standard that will become effective in the future

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

4. Significant accounting policies

4.1 Revenue recognition

Revenue from real estate sales

Revenue from sales of property interests under operating lease with infrastructure system are recognised as revenue in full when the significant risks and rewards of ownership are transferred to the buyer.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rental income

Rental income under operating lease agreement is recognised as an income on a straight-line basis over the lease term.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Real estate development costs

Property interests under operating lease with infrastructure systems are valued at the lower of specific cost or net realisable value. Cost included expenses directly related to real estate development and infrastructure systems (presented under to caption of “real estate development costs” in the consolidated financial statements).

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss.
- b) Investments in subsidiaries are presented in the separate financial statements using the cost method.

The weighted average method is used for computation the cost of investments.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 35-44 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Buildings and equipment / Depreciation

Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs or on the straight-line basis over the following estimated useful lives:

Buildings and installations	-	3 - 40	years
Machinery and equipment	-	2 - 7	years
Office equipment	-	3 - 5	years
Others	-	3 - 15	years

Depreciation is included in determining income.

No depreciation is provided on assets under construction.

An item of buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include individuals which directly or indirectly own a voting right in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.9 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset and the lease period.

Leases of property, plant or equipment which was not transferred substantially all the risks and rewards of ownership are classified as operating lease. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using that the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the assets of the Company and its subsidiaries whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the contributions of the Company is recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the statement of other comprehensive income.

4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at time requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual result could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risks and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company and its subsidiaries treat investments as impaired where other objective evidence of impairment exists by using discounted expected future cash flow received from investments with the appropriate discount rate and related risks.

Buildings and equipment, investment properties and depreciation

In determining depreciation of buildings and equipment, and investment properties, the management is required to make estimates of the useful lives and residual values of buildings and equipment, and investment properties and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review buildings and equipment, and investment properties for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

	Consolidated financial statements		Transfer Pricing Policy
	<u>2015</u>	<u>2014</u>	
	(Unit: Thousand Baht)		
<u>Transactions with parent company</u>			
Interest expenses	-	67	5.25% per annum
Other expenses	168	-	agreed upon
<u>Transactions with related companies</u>			
Rental and utility income	1,731	1,331	Contract price or as agreed upon
Interest expenses	462	212	4.00% and 4.50% per annum (2014: 3.50% - 5.25% per annum)
Electricity expenses	5,224	6,012	Market price

	Separate financial statements		Transfer Pricing Policy
	<u>2015</u>	<u>2014</u>	
	(Unit: Thousand Baht)		
<u>Transactions with parent company</u>			
Interest expenses	-	67	5.25% per annum
Other expenses	168	-	agreed upon
<u>Transactions with related companies</u>			
Interest expenses	462	212	4.00% and 4.50% per annum (2014: 3.50% - 5.25% per annum)

As at 31 December 2015 and 2014, the balances of the accounts between the Company and its subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Account receivables - related party (Note 9)</u>				
<u>Related Company</u>				
Amata Power (Bien Hoa) Limited	21	19	-	-
Total	<u>21</u>	<u>19</u>	<u>-</u>	<u>-</u>

Account payables - related parties (Note 15)

<u>Parent company</u>				
Amata Corporation Public Co., Ltd.	95	1,995	95	1,995
<u>Related Company</u>				
Amata Power (Bien Hoa) Limited	453	609	-	-
Total	<u>548</u>	<u>2,604</u>	<u>95</u>	<u>1,995</u>

Short-term loans from related companies

As at 31 December 2015 and 2014, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			Balance as at 31 December 2015
	Balance as at 31 December 2014	During the year		
		Increase	Decrease	
<u>Short-term loans from related parties</u>				
Amata Facility Services Co., Ltd.	-	45,000	(45,000)	-
Amata Water Co., Ltd.	-	6,000	(6,000)	-
Amata City Co., Ltd.	-	5,000	(5,000)	-
Total	<u>-</u>	<u>56,000</u>	<u>(56,000)</u>	<u>-</u>

Directors and management's benefits

During the year ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	30,377	25,718	13,730	11,579
Post-employment benefits	1,456	675	1,456	675
Total	<u>31,833</u>	<u>26,393</u>	<u>15,186</u>	<u>12,254</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	1,254	347	15	28
Bank deposits	1,677,522	372,442	1,161,477	43,017
Total	<u>1,678,776</u>	<u>372,789</u>	<u>1,161,492</u>	<u>43,045</u>

As at 31 December 2015, bank deposits carried interests between 0.5 and 5.0 percent per annum (2014: between 0.4 and 5.0 percent per annum) (the Company only: between 0.5 and 1.3 percent per annum and 2014: between 0.4 and 0.5 percent per annum).

8. Current investments - deposit with financial institutions

The balance represents the amount of short-term deposit at banks in Vietnam of the subsidiaries with term of 3 months to 1 year and earns interest at the interest rate between 4.3 and 6.5 percent per annum for VND deposit (2014: between 5.1 and 8.0 percent per annum) and between 1.8 and 2.3 percent per annum for USD deposit (2014: between 1.8 and 2.3 percent per annum).

9. Trade and other receivables

The outstanding balances of trade and other receivables as at 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade receivables - related party	21	19	-	-
Trade receivables - unrelated parties	53,779	75,284	-	-
Other receivables - unrelated parties	26,156	32,535	764	-
Total	79,956	107,838	764	-
Less: Allowance for doubtful debts	(16,239)	-	-	-
Total trade and other receivables - net	63,717	107,838	764	-

The balances of trade receivables as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Related party</u>				
Not yet due	21	19	-	-
Total trade receivables - related party	21	19	-	-
<u>Unrelated parties</u>				
Not yet due	33,098	71,872	-	-
Past due				
Up to 3 months	4,442	3,412	-	-
Longer than 3 - 9 months	16,239	-	-	-
Total	53,779	75,284	-	-
Less: Allowance for doubtful debts	(16,239)	-	-	-
Total trade receivables - unrelated parties - net	37,540	75,284	-	-
Total trade receivables - net	37,561	75,303	-	-

10. Real estate development costs

The balance represents the cost of real estate to the latter for development of the industrial estate, and other development cost such as land improvement cost and construction cost. The outstanding balances of real estate development costs as at 31 December 2015 and 31 December 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Real estate development costs	2,109,722	400,643	-	-
Real estate development costs - current portion	<u>(414,644)</u>	<u>(400,643)</u>	<u>-</u>	<u>-</u>
Real estate development costs - net of current portion	<u>1,695,078</u>	<u>-</u>	<u>-</u>	<u>-</u>

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding		Cost		Dividend received during	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million VND)		(%)	(%)			the year*	
Amata (Vietnam)								
Joint Stock Company	365,996	365,996	90.0	70.0	745,019	384,300	-	103,102
Amata City Long Thanh								
Joint Stock Company	424,657	-	35.0	-	711,754	-	-	-
					<u>1,456,773</u>	<u>384,300</u>	<u>-</u>	<u>103,102</u>

* The subsidiaries pay dividend from profit reported in the official statutory financial statements under the law of Vietnam.

11.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(%)	(%)						
Amata (Vietnam) Joint Stock Company	10.0	30.0	245	639	70	61	-	42

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position as at 31 December 2015 and 2014

(Unit: Thousand Baht)

	Amata (Vietnam)	
	Joint Stock Company	
	<u>2015</u>	<u>2014</u>
Current assets	2,292,929	1,892,166
Non-current assets	744,033	766,099
Current liabilities	122,451	107,123
Non-current liabilities	456,836	398,291

Summarised information about comprehensive income for the year ended 31 December 2015 and 2014.

(Unit: Million Baht)

	Amata (Vietnam)	
	Joint Stock Company	
	<u>2015</u>	<u>2014</u>
Revenue	807,913	655,582
Profit for the year	320,936	207,177
Other comprehensive income	73,887	(3,134)
Total comprehensive income	304,823	204,043

Summarised information about cash flow for the year ended 31 December 2015 and 2014

(Unit: Thousand Baht)

	Amata (Vietnam) Joint Stock Company	
	<u>2015</u>	<u>2014</u>
Cash flow from operating activities	386,057	179,817
Cash flow used in investing activities	(388,617)	(192,342)
Cash flow used in financing activities	-	(143,928)
Increase (decrease) in translation adjustments	10,462	(3,879)
Net increase (decrease) in cash and cash equivalents	7,902	(160,332)

11.4 In the third quarter of the current year, the Company invested VND 424,657 million (equivalent to Baht 712 million) in the ordinary shares of Amata City Long Thanh Joint Stock Company, a company established in Vietnam, and engaged in the industrial estate development (representing 35% of its call-up share capital). The remaining shares of Amata City Long Thanh Joint Stock Company were held by Amata (Vietnam) Joint Stock Company (representing 65% of its call-up share capital). Therefore, the consolidated financial statements included the financial statements of Amata City Long Thanh Joint Stock Company from the third quarter of current year.

11.5 On 11 November 2014, a meeting of the Company's Board of Directors passed a resolution to approve the Company entering a bid at auction to purchase 7,319,928 ordinary shares of Amata (Vietnam) Joint Stock Company from an unrelated party in Vietnam, at a price of VND 32,500 per share, or for a total of VND 237,898 million (equivalent to Baht 361 million). The processes followed in order to make the purchase were completed in the second quarter of 2015, and as a result, the Company's shareholding in the Amata (Vietnam) Joint Stock Company increased from 70% to 90% of all issued shares of Amata (Vietnam) Joint Stock Company.

The Company's shareholding in Amata (Vietnam) Joint Stock Company has increased since the acquisition date. However, the management believed that the assets and liabilities of Amata (Vietnam) Joint Stock Company as at the acquisition date and 30 June 2015 were not significantly different. The Company therefore recorded the difference between the net book value of the investment as at 30 June 2015 and the selling price, amounting to Baht 103 million, under the caption of "Surplus from change in shareholding of subsidiary" in other components of equity.

12. Investments in related company

The balance represents the amount of investment in Amata Power (Bien Hoa) Limited which engaged in the power plant in the industrial estate of Amata (Vietnam) Joint Stock Company, which holds 10% of the registered share capital of that company. Details of these investments are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Investments in related company	91,759	91,759
Less: provision for impairment	(20,000)	-
Investments in related company - net	<u>71,759</u>	<u>91,759</u>

13. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Industrial zone	5,398	4,415
Ready built factories for lease	459,176	445,079
Construction in progress	49,117	53,329
Total	<u>513,691</u>	<u>502,823</u>

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

13.1 Industrial zone

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	4,415	3,039
Transfer from real estate development cost	1,211	1,704
Depreciation for the year	(371)	(328)
Translation adjustments	143	-
Net book value at end of year	<u>5,398</u>	<u>4,415</u>

13.2 Ready built factories for lease

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	445,079	451,718
Acquisitions of assets	3,587	2,664
Transfer from construction in progress	68,125	30,598
Transfer from real estate development cost	5,421	26,101
Transfer to plant and equipment - net book value	-	(119)
Disposals - net book value	(9,095)	(30)
Depreciation for the year	(68,298)	(65,853)
Translation adjustments	14,357	-
Net book value at end of year	<u>459,176</u>	<u>445,079</u>

13.3 Construction in progress

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	53,329	41,616
Acquisitions of assets	76,733	65,510
Transfer to real estate development cost	(6,008)	-
Transfer to ready built factories for lease	(68,125)	(30,598)
Disposals - net book value	(8,531)	(23,199)
Translation adjustments	1,719	-
Net book value at end of year	<u>49,117</u>	<u>53,329</u>

The fair value of the investment properties as at 31 December 2015 and 2014 stated below:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2015</u>	<u>2014</u>
Industrial zone and ready built factories for lease	1,615	1,197

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of property is not determined on the basis of market price due to the particular nature of the property and a lack of comparative information. The independent appraisers therefore used standard models to estimate the value of investment properties, such as the direct comparison method, discounted cash flow approach and the direct return estimation method, etc., which is the fair value measurement level 3 based on the fair value hierarchy. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rate.

14. Buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Buildings and installations	Machinery and equipment	Office equipment	Others	Asset under construction	
Cost:						
1 January 2014	173,540	30,571	6,027	12,253	385	222,776
Additions	672	984	128	-	48,778	50,562
Transfers	49,898	(46)	(230)	(18)	(49,163)	(559)
Transfers from real estate						
development cost	1,582	-	-	-	-	1,582
Transfers from investment properties	119	-	-	-	-	119
31 December 2014	224,811	31,509	5,925	12,235	-	274,480
Additions	-	488	1,011	-	-	1,499
Transfers from real estate						
development cost	2,700	-	-	-	-	2,700
Translation adjustments	7,236	1,001	137	388	-	8,762
31 December 2015	234,747	32,998	7,073	12,623	-	287,441
Accumulated depreciation:						
1 January 2014	65,988	9,589	4,132	8,905	-	88,614
Depreciation for the year	10,120	3,323	529	849	-	14,821
31 December 2014	76,108	12,912	4,661	9,754	-	103,435
Depreciation for the year	17,369	3,518	712	835	-	22,434
Translation adjustments	2,439	401	99	308	-	3,247
31 December 2015	95,916	16,831	5,472	10,897	-	129,116
Net book value:						
31 December 2014	148,703	18,597	1,264	2,481	-	171,045
31 December 2015	138,831	16,167	1,601	1,726	-	158,325
Depreciation for the year						
2014 (Baht 10 million included in cost of rental and utility service, and the balance in selling and administrative expenses)						14,821
2015 (Baht 17 million included in cost of rental and utility service, and the balance in selling and administrative expenses)						22,434

(Unit: Thousand Baht)

	Separate financial statements	
	Office equipment	Total
Cost:		
1 January 2014	64	64
Additions	21	21
31 December 2014	85	85
Additions	-	-
31 December 2015	85	85
Accumulated depreciation:		
1 January 2014	9	9
Depreciation for the year	17	17
31 December 2014	26	26
Depreciation for the year	17	17
31 December 2015	43	43
Net book value:		
31 December 2014	59	59
31 December 2015	42	42
Depreciation for the year		
2014 (included in administrative expenses)		17
2015 (included in administrative expenses)		17

As at 31 December 2015, certain building and equipment items of the subsidiary were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 39 million (2014: Baht 34 million).

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Trade payables - related parties	453	609	-	-
Trade payables - unrelated parties	41,631	35,036	-	-
Other payables - related parties	95	1,995	95	1,995
Other payables - unrelated parties	59,756	41,810	15,632	1,364
Accrued interest expenses	1,880	-	1,880	-
Total	103,815	79,450	17,607	3,359

16. Long-term loans

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	<u>2015</u>	<u>2014</u>
Long-term loans	310,000	-
<u>Less:</u> Current portion	(60,000)	-
Long-term loans - net of current portion	<u>250,000</u>	<u>-</u>

Movements in the long-term loans account during the year ended 31 December 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate
	financial statements
Balance as at 1 January 2015	-
<u>Add</u> Additional borrowings	350,000
<u>Less</u> Repayments	(40,000)
Balance as at 31 December 2015	<u>310,000</u>

A Baht 350 million loan facility has been obtained by the Company from a local bank for use in the purchase ordinary shares of its subsidiary from non-controlling interest of the subsidiary. The loan carries interest at MLR minus certain rate per annum, payable every month-end. The loan principal is to be repaid in 10 semi-annually installments, with the last installment due in March 2020.

This loan agreement contains several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement, and the Company agreed not to mortgage or otherwise encumbers the Company's property and shares of the subsidiary held by the Company with any other parties throughout the loan periods.

17. Land rental payable

Land rental payable represents the future land rental fee payable to government for sold lands.

18. Share capital

On 16 December 2015, the Company made an initial public offering of 166 million shares with a par value of Baht 0.50 each, at a price of Baht 7.50 per share, for total proceeds of Baht 1,248 million. The Company incurred expenses relating to the share offering totaling Baht 47 million, and these were presented as a deduction from the premium on ordinary shares. The Company registered the increase of its paid-up share capital to Baht 468 million (935 million ordinary shares of Baht 0.50 each) with the Ministry of Commerce on 9 December 2015.

On 2 December 2014, the Extraordinary General Meeting of the Company's shareholders passed a resolution approving the followings.

- a) Approve to decrease the registered share capital by cancelling 151,370,000 unissued shares with the par value of Baht 0.50 per share or Baht 75,685,000, resulting in a capital decrease from the existing registered capital of Baht 460,000,000 to Baht 384,315,000. The Company registered the decrease in registered capital with the Ministry of Commerce on 9 December 2014, and
- b) Approve to increase the registered share capital by Baht 83,185,000 or 166,370,000 newly issued shares with the par value of Baht 0.50 per share, from the existing registered capital of Baht 384,315,000 to Baht 467,500,000 in order to accommodate the initial public offering. The Company registered the increase in registered capital with the Ministry of Commerce on 11 December 2014.

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital.

20. Selling and administrative expenses

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	45,168	38,759	17,507	12,832
Utility expenses	3,366	3,105	-	-
Rental expenses	17,957	18,623	1,073	1,697
Depreciation and amortization	5,369	5,952	17	17
Others	29,752	21,683	9,357	5,933

21. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	43,335	38,447	-	-
Deferred tax:				
Related to origination and reversal of temporary differences	24,288	10,960	-	-
Income tax expenses reported in the income statement	<u>67,623</u>	<u>49,407</u>	<u>-</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	248,261	235,970	(50,173)	82,488
Applicable tax rate	20%, 22%	20%, 22%	20%	20%
Accounting profit before tax multiplied by income tax rate	60,022	52,326	(10,035)	16,498
Effects of employee welfare expenses	6,144	-	-	-
Effects of non-deductible expenses	5,016	6,484	214	570
Effects of unrealized taxable profit from sale of real estate development costs	(25,495)	(13,951)	-	-
Effects of promotion privileges	(13,579)	(8,817)	-	-
Effect of additional expense deductions allowed	(8,080)	-	(8,080)	(20,620)
Effects from temporary differences	24,288	10,960	148	-
Others	19,307	2,405	17,753	3,552
Income tax expenses reported in the income statement	<u>67,623</u>	<u>49,407</u>	<u>-</u>	<u>-</u>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax assets (liabilities)				
Accrual for interest income	(480)	(5,711)	-	-
Advances received	(272,966)	(236,502)	-	-
Real estate development costs	2,199	1,862	-	-
Land rental payables	25,086	25,220	-	-
Allowance for doubtful debts	3,573	-	-	-
Others	22,570	19,401	-	-
Total deferred tax liabilities	<u>(220,018)</u>	<u>(195,730)</u>	<u>-</u>	<u>-</u>

As at 31 December 2015, the Company has unused tax losses totaling Baht 134 million (2014: Baht 45 million). No deferred tax assets have been recognised on these amounts as the Company believes future taxable profits may not be sufficient to allow utilisation of unused tax losses, which gradually expire by 2020.

22. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	For the year ended 31 December			
	Consolidated		Separate	
	Financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit(loss) attributable to equity holders of the parent for the year (Thousand Baht)	121,370	124,410	(50,173)	82,488
Weighted average number of ordinary shares (Thousand shares)	782,760	768,630	782,760	768,630
Basic earnings (loss) per share (Baht per share)	0.16	0.16	(0.06)	0.11

23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2015 and 2014, respectively.

(Unit: Thousand Baht)

	Industrial estate							
	development segment		Rental segment		Utility services segment		Consolidation	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues	320,154	180,915	192,040	181,923	215,678	186,044	727,872	548,882
Segment income	180,479	97,843	115,792	99,590	42,618	28,967	338,889	226,400
Unallocated income and expense:								
Interest income							40,719	80,979
Other income							41,062	25,865
Selling expenses							(10,420)	(4,788)
Administrative expenses							(91,192)	(83,334)
Allowance for doubtful accounts							(15,774)	-
Loss from provision for impairment in investment in related company							(20,000)	-
Other expenses							(11,483)	(8,873)
Finance cost							(23,540)	(279)
Income tax expenses							(67,623)	(49,407)
Profit for the year							180,638	186,563

(Unit: Thousand Baht)

	Industrial estate							
	development segment		Rental segment		Utility services segment		Consolidation	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Real estate development costs	2,109,722	400,643	-	-	-	-	2,109,722	400,643
Investment properties	-	-	513,691	502,823	-	-	513,691	502,823
Plant and equipment	138,831	148,703	-	-	19,453	22,283	158,284	170,986
Unallocated assets							2,133,488	1,638,877
Total assets							4,915,185	2,713,329

The Company and its subsidiaries operated business in Vietnam only. As a result, all of the revenues and assets as reflected in these financial statements exclusively pertain to this geographical segment.

24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent to 15 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Co., Ltd., will be paid to employees upon termination with the fund rules. The contributions for the year 2015 amounting to approximately Baht 1 million (2014: Baht 1 million) were recognized as expenses.

25. Dividends

Dividends declared for the years ended 31 December 2014 consisted of the following:

(Unit: Thousand Baht)			
Dividends	Approved by	Total dividends	Dividend per share
			(Baht)
Interim dividends for 2014	Board of Director's meeting of the Company on 12 May 2014	30,745	0.04
Total dividends for 2014		30,745	0.04

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2015, the subsidiary company had capital commitments of approximately Baht 62 million (2014: Baht 147 million), relating to the construction of ready built factories and drainage system.

26.2 Long-term commitments

The subsidiary company had outstanding commitments to pay remuneration to the Vietnamese government agency pursuant to the agreement as follows.

- To lease land area of 241.04 hectare at the rate of USD 1,000 per hectare per annum and will increase 15 percent every 5 years commencing on 1 January 2006.
- To lease land area of 0.47 hectare at the rate of VND 58 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease land area of 140.75 hectare at the rate of VND 145 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.

- To lease land area of 67.97 hectare at the rate of VND 20.995 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease land area of 17.10 hectare at the rate of VND 36.225 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.
- To lease commercial land area of 15.39 hectare at the rate of VND 750 million per hectare per annum for the first five years, after that it will be adjusted in accordance with approval of the Vietnamese government.

27. Operating lease for which the subsidiary company acts as a lessor

The subsidiary company has entered into several operating lease agreements in respect of the lease of land, ready built factory and office building. As at 31 December 2015 and 2014, future minimum rental income to be generated under these operating leases were as follows.

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Less than 1 year	193,110	93,611
1 to 5 years	349,362	172,464
More than 5 years	69,314	178,539

28. Financial instruments

28.1 Financial risk management

The financial instruments of the Company and its subsidiary, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, current investments, trade and other payables, and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary exposure to interest rate risk relates primarily to their cash at bank and loans. However, since most of financial assets and liabilities of the Company and its subsidiary bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

Foreign currency risk

The subsidiary companies exposure to foreign currency risk arises mainly from bank deposits in foreign currency. As at 31 December 2015, the subsidiary company had deposit balance in US Dollar amounting USD 8 million (2014: USD 3 million).

28.2 Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.49:1 (2014: 0.24:1) and the Company's was 0.66:1 (2014: 0.01:1)

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2016.