

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND  
SEPARATE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED DECEMBER 31, 2013**

## **REPORT OF THE AUDITOR**

To The Shareholders and Board of Directors of  
N.C. Housing Public Company Limited

I have audited the accompanying consolidated financial statements of N.C. Housing Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and the separate financial statements of N.C. Housing Public Company Limited, which comprise the statement of financial position as at December 31, 2013, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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**Opinion**

In my opinion, the consolidated financial statements of N.C. Housing Public Company Limited and its subsidiaries and the separate financial statements of N.C. Housing Public Company Limited referred to above present fairly, in all material respects, the financial position as at December 31, 2013, financial performance and the cash flows for the year then ended in accordance with the Financial Reporting Standards.

**EMPHASIS OF MATTER**

I draw attention to Note 4.1 to the financial statements. In presenting the financial information for the year ended December 31, 2013, the Company and its subsidiaries has adopted new financial reporting standards issued by the Federation of Accounting Professions (FAP) which are effective from the period beginning on or after January 1, 2013. The effect of changing in accounting policy has been described in Note 4.2 to the financial statements. The comparative information presented herewith has been restated on this matter. My opinion to the financial information is not qualified in respect of this matter.

(Miss Wannisa Ngambuathong)  
Certified Public Accountant  
Registration No. 6838

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 21, 2014  
2014/087/0330

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**THE STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2013**

**ASSETS**

		In Baht					
		Consolidated Financial Statements			Separate Financial Statements		
	Note	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012 (Restated)	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012 (Restated)
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	7	30,637,783.36	45,115,272.12	78,532,921.27	26,859,931.53	38,363,227.19	67,805,059.06
Short-term investments	8	669,557.45	655,918.89	18,734,276.53	669,557.45	655,918.89	641,489.98
Trade accounts receivable	9	24,682,940.45	8,325,815.23	264,165.00	-	-	-
Short-term loan to related parties	6	-	-	-	19,300,000.00	-	-
Inventories	10, 20	403,885,932.08	410,743,169.89	317,319,296.91	394,878,228.05	403,032,408.81	316,676,251.91
Property development costs	11.1, 20	2,546,147,143.28	1,224,874,457.27	1,326,263,850.38	2,547,514,945.12	1,226,457,729.59	1,327,131,092.07
Land held for development	11.3, 20	1,211,563,547.73	1,780,965,449.48	1,370,818,977.52	1,211,206,936.73	1,780,608,838.48	1,370,462,366.52
Deposit from purchase land	11.4	1,800,000.00	27,099,900.00	-	1,800,000.00	27,099,900.00	-
Other current assets	12	33,185,745.46	12,499,512.18	12,545,042.00	30,809,473.94	8,553,379.94	8,476,476.28
Total current assets		4,252,572,649.81	3,510,279,495.06	3,124,478,529.61	4,233,039,072.82	3,484,771,402.90	3,091,192,735.82
<b>NON-CURRENT ASSETS</b>							

Deposit pledged as collateral	13	9,011,765.26	1,111,366.71	1,087,389.30	8,785,356.39	889,340.40	869,913.35
Investment in associated company	14	-	-	39,456.27	-	-	400,000.00
Investment in subsidiaries	14	-	-	-	11,864,497.95	11,864,497.95	11,864,497.95
Property, plant and equipment	15	164,470,751.75	166,591,380.36	178,337,537.40	159,882,693.43	164,182,805.47	177,594,868.95
Intangible assets	16	4,073,101.01	4,607,663.89	3,883,513.19	4,073,101.01	4,607,663.89	3,883,513.19
Deferred tax asstes	4.2, 31	10,449,987.93	11,799,907.16	20,183,610.15	10,437,692.53	11,798,664.76	20,110,630.00
Other non-current assets		6,687,495.30	5,385,212.20	2,927,856.27	4,532,515.24	4,546,584.11	2,675,868.68
Total non-current assets		194,693,101.25	189,495,530.32	206,459,362.58	199,575,856.55	197,889,556.58	217,399,292.12
<b>TOTAL ASSETS</b>		<b>4,447,265,751.06</b>	<b>3,699,775,025.38</b>	<b>3,330,937,892.19</b>	<b>4,432,614,929.37</b>	<b>3,682,660,959.48</b>	<b>3,308,592,027.94</b>

Notes to financial statements form an integral part of these statement.

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**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**THE STATEMENTS OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2013**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

In Baht					
Consolidated Financial Statements			Separate Financial Statements		
As at December	As at December	As at January	As at December	As at December	As at January
31, 2013	31, 2012	1, 2012	31, 2013	31, 2012	1, 2012

	Note		(Restated)	(Restated)		(Restated)	(Restated)
<b>CURRENT LIABILITIES</b>							
Bank overdrafts and short - term loans							
from the financial institutions	17	173,801,251.29	215,033,694.88	165,032,510.93	173,801,251.29	215,033,694.88	165,032,510.93
Trade notes payable		50,320,193.94	46,738,547.54	33,142,810.82	50,320,193.94	45,483,896.49	33,142,810.82
Trade accounts payable and other payable	18	103,136,704.27	78,195,432.47	69,545,673.71	100,417,570.39	75,939,535.87	66,431,101.21
Accrued expenses		53,515,610.03	55,199,308.53	28,835,020.73	51,760,192.19	53,930,231.60	28,486,479.05
Corporate income tax payable		5,398,068.51	14,846,609.19	106,254,884.78	5,398,068.51	14,846,609.19	105,469,825.69
Payable to related parties	6	30,762,847.51	37,715,385.22	24,421,320.44	38,609,918.66	45,699,142.05	29,272,818.87
Current portion of liabilities under							
the finance lease agreement	19	592,183.08	462,866.19	880,572.69	592,183.08	462,866.19	880,572.69
Current portion of long-term loan from							
the finance institutions	20	429,571,554.32	173,645,517.81	-	429,571,554.32	173,645,517.81	-
Short - term loan from related parties	6	-	-	-	1,000,000.00	-	-
Short - term loan from the director	6	75,000,000.00	-	-	75,000,000.00	-	-
Advance received from customers		47,690,180.00	22,368,521.00	52,184,335.00	47,690,180.00	22,368,521.00	52,184,335.00
Retention from contractors		74,051,283.71	64,985,330.17	59,281,309.44	73,604,148.55	63,860,475.07	57,735,857.39
Other current liabilities		790,013.59	850,803.09	3,438,704.22	790,013.59	850,803.09	2,367,241.88
Total current liabilities		<u>1,044,629,890.25</u>	<u>710,042,016.09</u>	<u>543,017,142.76</u>	<u>1,048,555,274.52</u>	<u>712,121,293.24</u>	<u>541,003,553.53</u>
<b>NON-CURRENT LIABILITIES</b>							
Liabilities under the finance lease							
agreement	19	1,038,311.04	39,371.13	502,238.30	1,038,311.04	39,371.13	502,238.30
Long-term loans from the financial							
institutions	20	967,671,277.54	597,723,067.07	403,067,647.96	967,671,277.54	597,723,067.07	403,067,647.96
Employee benefit obligations	21	28,860,312.00	23,916,152.00	20,907,539.00	28,166,432.00	23,578,978.00	20,677,463.00
Provision for compensation for housing							
estate juristic persons		18,822,550.67	16,201,424.78	8,942,274.79	18,822,550.67	16,201,424.78	8,942,274.79
Liabilities from purchasing the real							
estate project	22	80,719,350.00	104,449,450.00	115,771,450.00	80,719,350.00	104,449,450.00	115,771,450.00
Deferred tax liabilities	4.2, 31	8,793,819.05	14,443,771.24	13,530,844.96	8,722,496.85	14,372,449.04	13,440,965.45

Total non-current liabilities	1,105,905,620.30	756,773,236.22	562,721,995.01	1,105,140,418.10	756,364,740.02	562,402,039.50
TOTAL LIABILITIES	2,150,535,510.55	1,466,815,252.31	1,105,739,137.77	2,153,695,692.62	1,468,486,033.26	1,103,405,593.03

Notes to financial statements form an integral part of these statement.

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**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**THE STATEMENTS OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2013**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	In Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012
	Note	(Restated)	(Restated)		(Restated)	(Restated)
1,200,000,000 ordinary shares						
of Baht 1.00 each						
Issued and paid-up share capital						
1,185,985,052 ordinary shares capital						
of Baht 1.00 each						
Paid-in capital						
Premium on share capital						
Retained earnings						

Appropriated - legal reserve	24	54,350,000.00	48,850,000.00	43,750,000.00	54,350,000.00	48,850,000.00	43,750,000.00
Unappropriated		478,865,188.51	420,594,721.07	417,933,702.42	461,054,184.75	401,809,874.22	397,921,382.91
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Total equity attributable to company's							
shareholders		2,296,730,240.51	2,232,959,773.07	2,225,198,754.42	2,278,919,236.75	2,214,174,926.22	2,205,186,434.91
Non-controlling interests		-	-	-	-	-	-
Other components of equity		-	-	-	-	-	-
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TOTAL SHAREHOLDER'S EQUITY		2,296,730,240.51	2,232,959,773.07	2,225,198,754.42	2,278,919,236.75	2,214,174,926.22	2,205,186,434.91
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TOTAL LIABILITIES AND SHAREHOLDER'S							
EQUITY		4,447,265,751.06	3,699,775,025.38	3,330,937,892.19	4,432,614,929.37	3,682,660,959.48	3,308,592,027.94
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Notes to financial statements form an integral part of these statement.



**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

1. GENERAL INFORMATION

(a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and converted to be The Public Company Limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17, Soi Amporn Paholyotin Rd. K.M. 26, Tambol Kukod, Aumpur Lumlookka, Patumtanee, 12130, Thailand.

(b) Nature of the Company's business

The Company and subsidiaries operates its principal business as a real estate developer for trade in various areas such as house for sell including the land development, providing construction services, condominium for sell, providing rental space in club house, etc.

(c) Parent company

The parent company is NCH 2555 Holding Company Limited.

2. Basis of consolidated financial statements and operations

2.1 The accompanying consolidated financial statements include the accounts of N.C. Housing Public Company Limited and the following subsidiaries and associated company are owned directly and indirectly by the Company :-

	Percentage of Holding by direct and indirect		Nature of Business
	2013	2012	
<u>Subsidiaries</u>			
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service
<u>Associated company</u>			
Ensure Home Co., Ltd.***			
(Since March 31, 2011, associated company)	12.00	12.00	Real estate brokers
TPKS Real Estate Co., Ltd.***	12.00	12.00	Real estate
(Associated company held by Ensure Home Co., Ltd.)			

\*\*\*In October 2012, the Company is ceased operation. (See note 14)

2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated statements of financial position		Percentage of total revenues included in consolidated statements of comprehensive income for the year	
	2013	2012	2013	2012
<u>Subsidiaries</u>				
N.C. Property Management Co., Ltd.	1.02	1.07	1.02	0.34
Quality Living Management Co., Ltd.	0.03	0.11	0.26	0.51

2.3 The acquisition of subsidiaries are recorded by Purchase Method.

2.4 Significant inter company transactions between the Company and subsidiaries have been eliminated.

2.5 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.

### 3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, 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 such financial statements in Thai language.

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

### 4. ACCOUNTING STANDARDS EFFECTIVE FOR USING IN CURRENT YEAR, EFFECT OF CHANGES IN ACCOUNTING POLICIES THE NEW AND REVISED ACCOUNTING STANDARDS BUT NOT YET EFFECTIVE

4.1 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, and the new issued of accounting standards financial reporting standards, the interpretations and accounting treatment guidance of which they are effective for using in the periods beginning on or after January 1, 2013, as follows.

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers of Financial Assets	

The management of the Company believes that these accounting standards do not have any significant impact on the financial statements for the year when they are initially applied, except for TAS 12 Income Taxes that the Company has used at the effective date and have the effects of changes in the Company's accounting policies as disclosed in note 4.2; Effect of changes in accounting policies.

#### 4.2 Effect of changes in accounting policies due to application of new accounting standards

From January 1, 2013, the Company and its subsidiaries has used of TAS 12 Income Taxes. This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognize the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria.

The Company and its subsidiaries has used this accounting policy in this current year and restated the prior year's financial statements, presented for comparative purposes, as though the Company had initially recognized the tax effects as deferred tax assets or liabilities. The change in accounting policies has been the effects are as follows

	Consolidated Financial Statements		
	Baht		
	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012
<b>Statements of financial position</b>			
Deferred tax assets increase	10,449,987.93	11,799,907.16	20,183,610.15
Deferred tax liabilities increase	8,793,819.05	14,443,771.24	13,530,844.96
Retained earnings increase (decrease)	1,656,168.88	(2,643,864.08)	6,652,765.19
	Separate Financial Statements		
	Baht		
	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012
<b>Statements of financial position</b>			
Deferred tax assets increase	10,437,692.53	11,798,664.76	20,110,630.00
Deferred tax liabilities increase	8,722,496.85	14,372,449.04	13,440,965.45
Retained earnings increase (decrease)	1,715,195.68	(2,573,784.28)	6,669,664.55

	Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Income taxes increase (decrease)	(4,300,032.96)	9,296,629.27	(4,288,979.96)	9,243,448.83
Net profit increase (decrease)	4,300,032.96	(9,296,629.27)	4,288,979.96	(9,243,448.83)
Basic earnings per share increase (decrease)	0.004	(0.008)	0.004	(0.008)

#### 4.3 The new and revised accounting standards but are not yet effective

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2014 are as follows:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics

TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4	Insurance Contracts
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The management of the Company is evaluating the impact of these new and revised accounting standards when they are initially applied.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Recognition of revenues and expenses

Revenue from sales of land, land and houses and sale of condominiums are recognized as income when the significant risk and rewards of ownership have been transferred to the buyer.

The installment payment collected before transferring the significant risks and rewards of ownership to the buyer is recorded as unrealized income.

Cost of sales are based on the estimated cost of real estate project. However, cost of sales will be adjusted to be close to the actual cost in the event that the factors of the actual cost are significantly changed.

In determining the cost of land, land and houses and cost of condominiums, the total development costs are attributed to units sold on the basis of the salable area.

A subsidiary recognizes the revenue from construction on the percentage of completion method. Payment received more than the percentage of work completion is recorded as advance received and the part of undue is recorded as accrued income.

A subsidiary recognizes property manager services income when service are completed according to the duration of the contract.

The Company and subsidiaries are recognized other revenues and expenses on the accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and deposits at financial institutions which are promissory notes with original maturity of 3 months or less and excluded deposits which are pledged as collateral.

5.3 Allowance for doubtful accounts

The Company and subsidiaries provide 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 the historical collection experience coupled with a review of the current status of existing receivables.

5.4 Inventories

Inventories are real estate for sale which are stated at the lower of cost or net realizable value. Cost is included land, land developing, construction, borrowing costs and direct expense.

Construction materials are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

5.5 Property development and land held for development

Property development is stated at cost. Cost is included land, land developing, construction, borrowing costs and direct expense.

Land held for development, the Company intends to hold for future benefit. Cost consists of land cost and related expenses for land acquisition including borrowing costs which incurred during the development of projects period.

Property development and land held for development are stated at the lower of cost or net realizable value.

The Company records the loss on decline in value (if any) of property development in the statement of comprehensive income.

5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of the respective assets. Capitalization ceases when the projects are ready for their intended use or sale, when the physical construction of the projects is complete, or when construction is suspended and until active development resumes. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs include the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, interest costs are calculated by multiplying the capitalization rate to the expenditures on that project. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity during the year other than borrowings made for specific purposes.

## 5.7 Investments

### Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

### Investments in associates company

Associate company is all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognized at cost and are accounted for using the equity method.

Investments in associate company is stated at cost net from allowance on impairment (if any) in the separate financial statements.

### Investments in debt securities and marketable equity securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

### Goodwill

Goodwill represents the excess of the cost of investment over the fair value of investment, which the Company shares in the net identifiable assets of the subsidiary or associate at the date of acquisition. Goodwill on acquisition of a subsidiary is presented as a separate line in the consolidated financial statement. Goodwill on acquisition of an associate is included in investments in associates and is tested for impairment as part of the overall balance.

The goodwill recognized is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment of goodwill is determined by calculating the realizable value based on the value-in-use calculation. Such calculation requires the use of estimates made by management. The allowance for impairment loss on goodwill is not reversed.

As for the cost of acquiring an investment that is lower than the fair value of the share of net assets of the subsidiary, the difference is negative goodwill and will be recognized immediately in the statement of comprehensive income.

#### 5.8 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the Company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Buildings	20 years
Building improvement	20 years
Machineries and equipment	5 years
Sample house and sale office buildings	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.



#### 5.9 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software licenses	5 - 10 years
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#### 5.10 Trade payables and other payables

Trade and other payables (including balances with related parties) are stated at cost.

#### 5.11 Impairment of assets

At each the statements of financial position date, the Company and its subsidiaries will assess the impairment of property, plant, and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an assets is less than the carrying amount. The recoverable amount of an assets is the higher of the fair value less costs to sell and its value in use.

In determining value in use, the Company and its subsidiaries estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, a conservative valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in the statement of comprehensive income. Impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization.

#### 5.12 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

#### 5.13 Provisions for estimated liabilities

A Provision for estimated liabilities is recognized in the statements of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a part event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 5.14 Finance lease

Leases of assets that substantially transfers to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations by the effective rate.

#### 5.15 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the statements of financial position include cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade accounts receivable, trade accounts payable include notes receivable and notes payable, loan. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 5.16 Employee benefits

##### Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund 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 Company's contributions are recognized as expenses when incurred.

##### Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in profit or loss.

The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19.

#### 5.17 Earnings per share

Earnings per share of the Company and its subsidiaries and only the Company is basis earnings per share which is calculated by dividing the net earnings for the period by the weighted average number of ordinary shares held by outside parties in issue and paid-up during the period.

#### 5.18 Income tax

Income tax comprises current income tax and deferred tax.

##### Current tax

The Company and its subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (year 2013 : 20%, year 2012 : 23%) of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

In addition to the Company computed corporate income tax based on the revenue and expense recognition principle in accordance with the Revenue Code and Instruction of the Revenue Department No. Por 61/2539 regarding the calculation of net profit and net income for real estate business, which differs from the accounting principles selected to apply in certain cases, such as recognition of revenue and cost of sales, capturing of interest expense and depreciation of assets under utilities system development for common facilities, as follows.

<u>Accounting Policy</u>	<u>Revenue Department Principle</u>	<u>Accounting Principle</u>
Recognition of revenue from sales and cost of sales	Projects launched before 2007 - Recognizing revenue based on the installment due - Recognizing revenue based on percentage of completion method	Recognizing revenue when the significant risk and rewards of ownership have been transferred to the buyer.
Interest expenses	Capturing interest to cost of project until the project completing for sale only	Capturing interest to cost of project based on each unit of construction (house) until completing of such unit or ceases to capture interest when finishing of building of each unit (house).
Depreciation - public utilities of the project	To be depreciated as period cost, based on straight line, 5 years	Recognizing based on the salable area method.

The one subsidiary records income tax expense, if any, based on the amount currently payable under the Revenue Code. Income tax is calculated at the tax rates from net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. Income tax is calculated at the rates as follows.

Net profit before income tax (Baht)	Tax rate	
	2013	2012
1 - 150,000	0%	0%
150,001 - 300,000	0%	15%
300,001 - 1,000,000	15%	15%
More than 1,000,000	20%	23%

#### Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

## 5.19 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates would affect to the amount relating to incomes, expenses, assets, liabilities and disclosures of data relating to contingent assets and liabilities. The actual results may differ from amounts already estimated. Significant judgments and estimates are as follows:

### 5.19.1 House building contracts

The subsidiary hiring of building house within housing project as an income by reference to the stage of completion of the construction contract activity, base on determining of the project's engineer, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to surveys of works and estimates performed by the project's engineer. The management is required to make judgment and estimates based on past experience and information obtained from the project's engineer.

### 5.19.2 Estimated cost for house construction project

The Company and its subsidiaries estimate costs of house construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the construction service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### 5.19.3 Estimated expenses for house construction projects

In determining estimated expenses for house construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction projects.

#### 5.19.4 Impairment of inventories, property development and land held for development

The Company and its subsidiaries treat inventories, property development and land held for development as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost. The management determines the devaluation of such inventories, property development and land held for development based on net realizable value. The determination of what is “significant” and such devaluation requires the management to exercise judgment.

#### 5.19.5 Compensation for housing estate juristic persons

The Company estimated the compensation for housing estate juristic persons using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation.

#### 5.19.6 Leases

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

#### 5.19.7 Allowance for doubtful accounts

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

#### 5.19.8 Allowance for impairment of investments

The Company will set the allowance for impairment of investments when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment

#### 5.19.9 Property plant and equipment/Depreciation

In determining depreciation of land building and equipment, the management is required to make estimates of the useful life and residual value and to review estimate useful life and residual value when there are any changes incurred to it.

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

#### 5.19.10 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### 5.19.11 The lawsuits

The Company has contingent liabilities from lawsuits. The management has judgments to assessed the case and ensured the such estimates liabilities record on financial statement suitable.

### 6. TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

The Company has certain transactions with its related parties and companies. A portion of the Company's assets, liabilities, revenues, cost and expenses arose from the transactions with the related parties and companies which are related through common shareholdings and/or directors. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying financial statements on the basis determined by the related parties and companies.

Detail of relation between the Company and its related parties and companies are summarized as follow :

Company's name	Country of incorporation	Type of relation
N.C. Property Management Co., Ltd.	Thailand	Subsidiary
Quality Living Management Co., Ltd.	Thailand	Subsidiary
S.C. Construction And Decoration Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Trading Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Homemart (1999) Co., Ltd.	Thailand	Co-shareholder and director
Sap Namchai Pattana Co., Ltd.	Thailand	Co-shareholder and director
Namchai Land Development Co., Ltd.	Thailand	Co-shareholder and director
Namchai Property Development Co., Ltd.	Thailand	Co-shareholder and director
NCH 2555 Holding Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Transport Partnership	Thailand	Co-shareholder and director
Precast station Co., Ltd.	Thailand	Shareholder's relative
Mr. Somchao Tanthathoedtham	Thailand	Director
Mrs. Patcharin Tanthathoedtham	Thailand	Shareholder's relative
Ensure Home Co., Ltd.	Thailand	Co-shareholder and director at 12%
TPKS Real Eatate Co., Ltd.	Thailand	Co-shareholder and director at 12%

The significant transactions between the Company and its related parties and companies for the years ended December 31, 2013 and 2012 are summarized as follows :-

Transaction during the year	Pricing basis	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2013	2012	2013	2012
<u>Subsidiaries</u>					
Interest income					
N.C. Property Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	332,260.27	5,917.81
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	60,000.00	60,000.00
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	16,822.44	16,822.44
Construction cost					
N.C. Property Management Co., Ltd.	At cost plus 7%	-	-	49,307,882.74	29,217,756.94
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 20,000 per project	-	-	2,230,000.00	1,101,000.00
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	2,088.00	3,660.00
Interest expenses					
Quality Living Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	25,224.67	36,575.33
N.C. Property Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	-	43,808.23
Transaction during the year	Pricing basis	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2013	2012	2013	2012
<u>Related parties</u>					
Other income – office rental					
Precast station Co., Ltd.	Baht 10,000 per month	70,000.00	-	70,000.00	-
Construction cost					
Precast station Co., Ltd.	At cost plus 10%	35,053,139.99	-	35,053,139.99	-
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	90,318,231.84	112,557,423.77	62,487,458.45	95,344,650.34
S.C. Construction And Decoration Co., Ltd.	Market price	541,242.91	106,122.20	58,520.44	106,122.20
Land rental expense					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	660,000.00	660,000.00	660,000.00	660,000.00
Interest expenses					
NCH 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	1,387,404.11	678,184.92	1,251,924.66	678,184.92
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	1,339,419.18	-	1,244,110.96	-



The significant outstanding balance as at December 31, 2013 and 2012 are as follow:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
<b>Short-term loan to related parties</b>				
Balance, beginning of year	-	-	-	-
Addition during the year	-	-	33,000,000.00	1,000,000.00
Deduction during the year	-	-	(13,700,000.00)	(1,000,000.00)
Balance, ending of year	-	-	19,300,000.00	-
<b>Accrued interest</b>				
- N.C. Property Management Co., Ltd.	-	-	141,419.18	-
<b>Payable to related parties</b>				
- Quality Living Management Co., Ltd.	-	-	363,800.00	101,650.00
- N.C. Property Management Co., Ltd.	-	-	12,164,627.46	13,086,416.73
- S.C. Construction And Decoration Co., Ltd.	761,109.71	295,489.09	244,596.68	295,489.09
- Sathaporn Wattana Trading Co., Ltd.	25,993,913.54	37,416,396.13	21,829,070.26	32,212,086.23
- Sathaporn Wattana Transport Partnership	3,500.00	3,500.00	3,500.00	3,500.00
- Precast station Co., Ltd.	4,004,324.26	-	4,004,324.26	-
	30,762,847.51	37,715,385.22	38,609,918.66	45,699,142.05
<b>Short-term loan from related parties</b>				
- Quality Living Management Co., Ltd.				
Balance, beginning of year	-	-	-	-
Addition during the year	-	-	4,700,000.00	2,500,000.00
Deduction during the year	-	-	(3,700,000.00)	(2,500,000.00)
Balance, ending of year	-	-	1,000,000.00	-
- N.C. Property Management Co., Ltd.				
Balance, beginning of year	-	-	-	-
Addition during the year	-	-	-	13,600,000.00
Deduction during the year	-	-	-	(13,600,000.00)
Balance, ending of year	-	-	-	-
- NCH 2555 Holding Co., Ltd.				
Balance, beginning of year	-	-	-	-
Addition during the year	71,000,000.00	65,000,000.00	61,000,000.00	65,000,000.00
Deduction during the year	(71,000,000.00)	(65,000,000.00)	(61,000,000.00)	(65,000,000.00)
Balance, ending of year	-	-	-	-
	-	-	1,000,000.00	-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Short-term loan from directors				
- Mr. Somchao Tanthathoedtham				
Balance, beginning of year	-	-	-	-
Addition during the year	143,800,000.00	-	138,800,000.00	-
Deduction during the year	(68,800,000.00)	-	(63,800,000.00)	-
Balance, ending of year	<u>75,000,000.00</u>	<u>-</u>	<u>75,000,000.00</u>	<u>-</u>
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	5,991.79	-
- Mr. Somchao Tanthathoedtham Co., Ltd.	<u>1,109,261.64</u>	<u>-</u>	<u>1,109,261.64</u>	<u>-</u>
	<u>1,109,261.64</u>	<u>-</u>	<u>1,115,253.43</u>	<u>-</u>

The issued short-term loans to the related companies are the promissory notes, which carried interest rate at 3.00% per annum and will be paid on at call.

The issued short-term loans from the related companies are the promissory notes, which carried interest rate at 3.00% per annum in year 2013 and interest rate at 3.00% per annum in year 2012 and will be paid on at call.

Loan from the directors incurred mainly intended to utilize for the Company's working capital and loan repaid.

Loan from the directors are promissory notes, which carried interest rates at 5.75% per annum in year 2013 and will be paid on at call.

#### COLLATERAL WITH RELATED COMPANIES

As at December 31, 2013, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

#### MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management, such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised the managing director, deputy managing directors and senior managers.

Management benefit expenses for the years ended December 31, 2013 and 2012.

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
<u>Management</u>				
Management benefit expenses				
Short-term employee benefits	41,163,399.00	39,958,533.58	41,005,899.00	39,809,853.58
Post-employment benefits	1,184,922.00	1,157,030.00	1,179,416.00	1,133,260.00
Total	<u>42,348,321.00</u>	<u>41,115,563.58</u>	<u>42,185,315.00</u>	<u>40,943,113.58</u>

7. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Cash in hand	682,000.00	712,000.00	682,000.00	662,000.00
Cash at bank - current accounts	10,115,312.17	24,227,718.93	7,425,338.30	21,103,918.17
Cash at bank - savings accounts	19,840,471.19	20,175,553.19	18,752,593.23	16,597,309.02
Total	<u>30,637,783.36</u>	<u>45,115,272.12</u>	<u>26,859,931.53</u>	<u>38,363,227.19</u>

Bank accounts are carried interest at the floating rate, which are set by the bank.

8. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	Consolidated Financial Statement/Separate Financial Statements (In Baht)			
	2013		2012	
	At cost	Fair value	At cost	Fair value
Fixed deposit	119,810.61	119,810.61	117,199.98	117,199.98
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	549,746.84	498,517.00	538,718.91
Total	<u>618,327.61</u>	<u>669,557.45</u>	<u>615,716.98</u>	<u>655,918.89</u>

## 9. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Real Estate				
Receivable from installment	297,402.00	325,560.00	297,402.00	325,560.00
Contractor				
Receivable contractor	24,492,280.45	8,181,900.23	-	-
Property manager services				
Management receivable	190,660.00	143,915.00	-	-
Total	24,980,342.45	8,651,375.23	297,402.00	325,560.00
<u>Less</u> Allowance for doubtful accounts	<u>(297,402.00)</u>	<u>(325,560.00)</u>	<u>(297,402.00)</u>	<u>(325,560.00)</u>
Trade accounts receivable-net	<u>24,682,940.45</u>	<u>8,325,815.23</u>	<u>-</u>	<u>-</u>

Trade accounts receivable were classified by aging as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Not yet due	190,660.00	8,325,815.23	-	-
Over 0 month to 3 months	-	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	24,492,280.45	-	-	-
Over 12 months	297,402.00	325,560.00	297,402.00	325,560.00
Total	<u>24,980,342.45</u>	<u>8,651,375.23</u>	<u>297,402.00</u>	<u>325,560.00</u>

Changes in the allowance for doubtful accounts during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Beginning balance	325,560.00	330,560.00	325,560.00	330,560.00
Increase	-	-	-	-
Decrease	(28,158.00)	(5,000.00)	(28,158.00)	(5,000.00)
Ending balance	<u>297,402.00</u>	<u>325,560.00</u>	<u>297,402.00</u>	<u>325,560.00</u>

During the year 2013 and 2012, the allowance for doubtful accounts decrease due to the return from customers of Baht 28,158 and Baht 5,000, respectively.

## 10. INVENTORIES

Inventories consist of

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Cost of houses for sales	410,363,910.39	418,518,091.15	410,363,910.39	418,518,091.15
Work in construction	9,007,704.03	7,710,761.08	-	-
Total	419,371,614.42	426,228,852.23	410,363,910.39	418,518,091.15
<u>Less allowance for declining value of inventories</u>	<u>(15,485,682.34)</u>	<u>(15,485,682.34)</u>	<u>(15,485,682.34)</u>	<u>(15,485,682.34)</u>
Inventories - net	<u>403,885,932.08</u>	<u>410,743,169.89</u>	<u>394,878,228.05</u>	<u>403,032,408.81</u>

Changes in the allowance for declining value of inventories during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Beginning balance	15,485,682.34	4,464,140.90	15,485,682.34	4,464,140.90
Increase / Transfer in	-	11,021,541.44	-	11,021,541.44
Decrease	-	-	-	-
Ending balance	<u>15,485,682.34</u>	<u>15,485,682.34</u>	<u>15,485,682.34</u>	<u>15,485,682.34</u>

The Company has commitment under the signed purchase and sale contract as follow:-

	Consolidated Financial Statements / Separate Financial Statements			
	2013		2012	
	Unit	In Million Baht	Unit	In Million Baht
House for sales	98	410.36	90	418.52
The selling contracted house	(36)	(79.47)	(14)	(46.53)
House for sale - net	<u>62</u>	<u>330.89</u>	<u>76</u>	<u>371.99</u>

As at December 31, 2013 and 2012, inventories of the Company in the total amount of Baht 359.03 million and Baht 418.52 million, respectively, are mortgaged as collateral for some long-term loans with local financial institutions, as discussed in Note 20.

## 11. PROPERTY DEVELOPMENT COSTS AND LAND HELD FOR DEVELOPMENT

### 11.1 Actual property development costs consist of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Lands and land development costs	3,620,851,820.97	2,297,185,117.15	3,620,851,820.97	2,297,185,117.15
Utilities	808,205,376.26	627,543,233.46	808,205,376.26	627,543,233.46
Construction in progress	4,696,354,316.24	3,862,084,258.40	4,697,722,118.08	3,863,667,530.72
Interest capitalization	374,947,033.29	308,550,120.51	374,947,033.29	308,550,120.51
Total	9,500,358,546.76	7,095,362,729.52	9,501,726,348.60	7,096,946,001.84
<u>Less</u> transfer to inventory	(410,363,910.39)	(418,518,091.15)	(410,363,910.39)	(418,518,091.15)
transfer to cost of sale	(6,543,847,493.09)	(5,451,970,181.10)	(6,543,847,493.09)	(5,451,970,181.10)
Property development costs	2,546,147,143.28	1,224,874,457.27	2,547,514,945.12	1,226,457,729.59
<u>Less</u> allowance for declining value of property development costs	-	-	-	-
Property development costs - net	<u>2,546,147,143.28</u>	<u>1,224,874,457.27</u>	<u>2,547,514,945.12</u>	<u>1,226,457,729.59</u>

Changes in the allowance for declining value of property development costs during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Beginning balance	-	(36,691,541.44)	-	(36,691,541.44)
Increase	-	-	-	-
Decrease (reversal)	-	29,503,971.90	-	29,503,971.90
Transfer out	-	7,187,569.54	-	7,187,569.54
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In 2012, the Company has recorded the reversal of allowance for cost of land development at the amount of Baht 29.50 million. Due to during the year, the project gains the profit from house sales and the estimated sale price by an independent appraiser in 2012 makes the price of the whole project higher than the cost of the entire project.

In year 2012, all of the allowance for transfer out value amount Baht 7.18 million of property development costs decreased due had transferred to inventories.

As at December 31, 2013 and 2012, almost of the Company's land has lands and construction in the projects are mortgaged as collateral against credit facilities for some long-term loans with local financial institutions, as discussed in Note 20.

For the years ended December 31, 2013 and 2012, the Company recorded the related interest expense amounting to approximately Baht 67.44 million and Baht 36.84 million, respectively, as part of property development costs. The capitalization rate for calculate interest is 7.70% and 6.12%, respectively.

## 11.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated Financial Statements / Separate Financial Statements	
	2013	2012
Number of projects on hand, beginning of year	15	16
Number of closing projects	2	2
Number of newly open projects	8	1
Number of projects on hand, ending of year	21	15
Contracted sales value (In million Baht)	9,324.72	8,097.52
As percentage of total current projects value	74.18	71.18

As at December 31, 2013 and 2012, the Company has the obligation and the commitment to complete the public utility development project for projects on hand in the amount of Baht 91.06 million and Baht 73.61 million, respectively.

## 11.3 LAND HELD FOR DEVELOPMENT

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Beginning balance	1,780,965,449.48	1,370,818,977.52	1,780,608,838.48	1,370,462,366.52
Increase	156,856,173.95	476,684,031.63	156,856,173.95	476,684,031.63
Total	1,937,821,623.43	1,847,503,009.15	1,937,465,012.43	1,847,146,398.15
Less transfer to property development costs	(717,858,075.70)	(66,537,559.67)	(717,858,075.70)	(66,537,559.67)
decrease for reversal of liabilities from purchasing the real estate project as discussed in note 22	(8,400,000.00)	-	(8,400,000.00)	-
Land held for development	1,211,563,547.73	1,780,965,449.48	1,211,206,936.73	1,780,608,838.48

As at December 31, 2013 and 2012, some parts of the Company's land held for development as collateral against the credit facilities for long-term loans with a local commercial bank, as discussed in Note 20.

## 11.4 DEPOSIT FROM PURCHASE LAND

As at October 24, 2013, the Company had bought lands under the agreement to buy and sell land with person in the amounting of Baht 18 million, which will be transferred the ownership on February 24, 2014, the Company had paid the advance payment for buying land totalling Baht 1.80 million as stated in the statements of financial position under the deposit from purchase land.

As at November 12, 2012, the Company had bought lands under the agreement to buy and sell land with person in the amounting of Baht 271 million, which will be transferred the ownership on May 13, 2013 and August 13, 2013, the Company had paid the advance payment for buying land totalling Baht 27.10 million as stated in the statements of financial position under the deposit from purchase land.

## 12. OTHER CURRENT ASSETS

Other current assets consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Prepaid expense	3,902,219.74	4,472,931.41	3,869,774.47	4,442,087.61
Receivables - the Revenue Department	797,357.93	918,706.89	797,357.93	802,444.18
Advance expense	2,433,911.13	3,651,116.40	-	-
Account receivable from lawsuit	180,000.00	180,000.00	180,000.00	180,000.00
Short-term loans to employee	213,437.37	1,805,388.35	198,437.37	1,674,292.86
Advance payments on contracts to build condominiums	23,185,549.93	-	23,185,549.93	-
Other current assets	2,786,423.36	1,784,523.13	2,891,508.24	1,767,709.29
Total	33,498,899.46	12,812,666.18	31,122,627.94	8,866,533.94
<u>Less</u> Allowance for doubtful accounts	<u>(313,154.00)</u>	<u>(313,154.00)</u>	<u>(313,154.00)</u>	<u>(313,154.00)</u>
Net	<u>33,185,745.46</u>	<u>12,499,512.18</u>	<u>30,809,473.94</u>	<u>8,553,379.94</u>

Changes in the allowance for doubtful accounts during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Beginning balance	313,154.00	313,154.00	313,154.00	313,154.00
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	<u>313,154.00</u>	<u>313,154.00</u>	<u>313,154.00</u>	<u>313,154.00</u>

## 13. DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2013 and 2012, the Company had fixed deposit amounting to Baht 8,785,356.39 and Baht 889,340.40, respectively, which are pledged as collateral for maintenance to public utilities, customer's loan and gasoline.

As at December 31, 2013 and 2012, the subsidiary had fixed deposit amounting to Baht 226,408.87 and Baht 222,026.31 respectively, which are pledged as collateral for bank over drafts limit.

Bank deposits are carried interest at the floating rate of the bank.



14. INVESTMENTS IN ASSOCIATED COMPANY AND SUBSIDIARIES

	Paid up shares		Ownership		EQUITY METHOD		AT COST	
	(In Baht)		(%)		Dividend (In Baht)		Amount (In Baht)	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>Associated company</u>								
Ensure Home Co., Ltd.	2,000,000.00	2,000,000.00	12	12	30,487.13	30,487.13	240,000.00	240,000.00
<u>Less</u> Allowance for declining value of investment					<u>(30,487.13)</u>	<u>(30,487.13)</u>	<u>(240,000.00)</u>	<u>(240,000.00)</u>
Investments in associated Company-net					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Subsidiaries</u>								
N.C. Property								
Management Co., Ltd.	10,000,000.00	10,000,000.00	100	100	28,967,616.75	27,962,494.87	11,864,497.95	11,864,497.95
Quality Living								
Management Co., Ltd.	1,000,000.00	1,000,000.00	100	100	<u>783,198.85</u>	<u>2,756,929.73</u>	<u>-</u>	<u>-</u>
					29,750,815.60	30,719,424.60	11,864,497.95	11,864,497.95
<u>Less</u> Allowance for declining value of investment					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments in subsidiaries- net					<u>29,750,815.60</u>	<u>30,719,424.60</u>	<u>11,864,497.95</u>	<u>11,864,497.95</u>

On October 2012, Ensure Home Company Limited, a Company's associate and TPKS Real Estate Company Limited, associated company held by Ensure Home Company Limited, has been closed down and was registered liquidation with the Ministry of Commerce on December 26, 2012, which is now in the process of liquidation. In year 2012, The Company received investment of Baht 160,000. The Company's management expect form the liquidation that will not be repaid the investment from this associate. Therefore, they set the allowance for impairment loss on the investment at the total amount of Baht 240,000.

## 15. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the years ended December 31, 2013 and 2012 are summarized as follows.

Consolidated Financial Statement (In Baht)					
	Balance as at	Additions	Deduction	Transfer in	Balance as at
	December 31, 2012			(out)	December 31, 2013
<u>At cost</u>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	72,914,474.64	-	-	-	72,914,474.64
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	6,674,238.59	-	-	-	6,674,238.59
Machinery and equipment	6,186,966.27	3,434,109.58	(114,125.42)	-	9,506,950.43
Office equipment	24,770,171.21	2,349,642.03	(530,679.73)	-	26,589,133.51
Furniture and fixtures	19,215,170.54	5,050,256.53	(41,730.00)	-	24,223,697.07
Vehicles	20,780,595.75	2,818,768.00	(2,048,732.00)	-	21,550,631.75
Vehicle - under finance lease agreement	1,784,841.00	2,400,332.00	-	-	4,185,173.00
Total	<u>331,277,020.26</u>	<u>16,053,108.14</u>	<u>(2,735,267.15)</u>	<u>-</u>	<u>344,594,861.25</u>
<u>Less Accumulated depreciation</u>					
Building - office	(9,264,671.22)	(510,165.11)	-	-	(9,774,836.33)
- clubhouse	(63,253,637.09)	(6,062,131.19)	-	-	(69,315,768.28)
Sample house and sale office building	(43,386,401.53)	(504,566.75)	-	-	(43,890,968.28)
Building improvement	(3,589,585.66)	(333,711.92)	-	-	(3,923,297.58)
Machinery and equipment	(2,574,264.22)	(1,377,381.89)	29,176.85	-	(3,922,469.26)
Office equipment	(16,912,323.18)	(2,246,669.43)	530,672.73	-	(18,628,319.88)
Furniture and fixtures	(12,743,632.98)	(2,322,672.19)	41,729.00	-	(15,024,576.17)
Vehicles	(12,302,677.44)	(2,042,291.63)	2,048,728.00	-	(12,296,241.07)
Vehicle - under finance lease agreement	(658,446.58)	(389,186.07)	-	-	(1,047,632.65)
Total	<u>(164,685,639.90)</u>	<u>(15,788,776.18)</u>	<u>2,650,306.58</u>	<u>-</u>	<u>(177,824,109.50)</u>
<u>Less Allowance for declining value</u>					
-building clubhouse	-	(2,300,000.00)	-	-	(2,300,000.00)
Property, plant and equipment - net	<u>166,591,380.36</u>				<u>164,470,751.75</u>

Consolidated Financial Statement (In Baht)

	Balance as at December 31, 2011	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2012
<u>At cost</u>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	82,259,898.06	-	(9,345,423.42)	-	72,914,474.64
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	6,289,238.59	385,000.00	-	-	6,674,238.59
Machinery and equipment	4,194,048.96	1,992,917.31	-	-	6,186,966.27
Office equipment	26,323,676.83	3,097,146.53	(4,650,652.15)	-	24,770,171.21
Furniture and fixtures	16,049,582.98	3,535,914.56	(370,327.00)	-	19,215,170.54
Vehicles	17,747,066.75	2,361,870.00	(1,840,500.00)	2,512,159.00	20,780,595.75
Vehicle - under finance lease agreement	4,297,000.00	-	-	(2,512,159.00)	1,784,841.00
Total	<u>336,111,074.43</u>	<u>11,372,848.40</u>	<u>(16,206,902.57)</u>	<u>-</u>	<u>331,277,020.26</u>
<u>Less Accumulated depreciation</u>					
Building - office	(8,754,506.11)	(510,165.11)	-	-	(9,264,671.22)
- clubhouse	(57,175,016.94)	(6,078,620.15)	-	-	(63,253,637.09)
Sample house and sale office building	(42,479,737.79)	(906,663.74)	-	-	(43,386,401.53)
Building improvement	(3,275,123.76)	(314,461.90)	-	-	(3,589,585.66)
Machinery and equipment	(1,977,662.77)	(596,601.45)	-	-	(2,574,264.22)
Office equipment	(19,666,320.45)	(1,896,629.88)	4,650,627.15	-	(16,912,323.18)
Furniture and fixtures	(11,543,850.71)	(1,570,108.27)	370,326.00	-	(12,743,632.98)
Vehicles	(11,826,381.95)	(1,167,901.72)	1,840,498.00	(1,148,891.77)	(12,302,677.44)
Vehicle - under finance lease agreement	(1,074,936.55)	(732,401.80)	-	1,148,891.77	(658,446.58)
Total	<u>(157,773,537.03)</u>	<u>(13,773,554.02)</u>	<u>6,861,451.15</u>	<u>-</u>	<u>(164,685,639.90)</u>
Property, plant and equipment - net	<u>178,337,537.40</u>				<u>166,591,380.36</u>

Separate Financial Statement (In Baht)					
	Balance as at	Additions	Deduction	Transfer in	Balance as at
	December 31, 2012			(out)	December 31, 2013
<u>At cost</u>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	72,914,474.64	-	-	-	72,914,474.64
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	6,674,238.59	-	-	-	6,674,238.59
Machinery and equipment	3,373,421.60	245,291.41	-	-	3,618,713.01
Office equipment	22,564,045.24	2,247,182.78	(530,679.73)	-	24,280,548.29
Furniture and fixtures	19,064,670.54	5,035,864.01	(41,730.00)	-	24,058,804.55
Vehicles	19,288,296.83	2,799,768.00	(2,048,732.00)	-	20,039,332.83
Vehicle - under finance lease agreement	1,784,841.00	2,400,332.00	-	-	4,185,173.00
Total	324,614,550.70	12,728,438.20	(2,621,141.73)	-	334,721,847.17
<u>Less Accumulated depreciation</u>					
Building - office	(9,264,671.22)	(510,165.11)	-	-	(9,774,836.33)
- clubhouse	(63,253,637.09)	(6,062,131.19)	-	-	(69,315,768.28)
Sample house and sale office building	(43,386,401.53)	(504,566.75)	-	-	(43,890,968.28)
Building improvement	(3,589,585.66)	(333,711.92)	-	-	(3,923,297.58)
Machinery and equipment	(1,684,447.10)	(469,415.94)	-	-	(2,153,863.04)
Office equipment	(14,931,444.40)	(2,154,646.30)	530,672.73	-	(16,555,417.97)
Furniture and fixtures	(12,589,304.44)	(2,320,747.93)	41,729.00	-	(14,868,323.37)
Vehicles	(11,073,807.21)	(1,983,967.03)	2,048,728.00	-	(11,009,046.24)
Vehicle - under finance lease agreement	(658,446.58)	(389,186.07)	-	-	(1,047,632.65)
Total	(160,431,745.23)	(14,728,538.24)	2,621,129.73	-	(172,539,153.74)
<u>Less Allowance for declining value</u>					
-building clubhouse	-	(2,300,000.00)	-	-	(2,300,000.00)
Property, plant and equipment - net	164,182,805.47				159,882,693.43

Separate Financial Statement (In Baht)					
	Balance as at	Additions	Deduction	Transfer in	Balance as at
	December 31, 2011			(out)	December 31, 2012
<u>At cost</u>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	82,259,898.06	-	(9,345,423.42)	-	72,914,474.64
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	6,289,238.59	385,000.00	-	-	6,674,238.59
Machinery and equipment	3,048,386.49	325,035.11	-	-	3,373,421.60
Office equipment	24,125,828.34	3,088,869.05	(4,650,652.15)	-	22,564,045.24
Furniture and fixtures	15,899,082.98	3,535,914.56	(370,327.00)	-	19,064,670.54
Vehicles	16,524,767.83	2,091,870.00	(1,840,500.00)	2,512,159.00	19,288,296.83
Vehicle - under finance lease agreement	4,297,000.00	-	-	(2,512,159.00)	1,784,841.00
Total	331,394,764.55	9,426,688.72	(16,206,902.57)	-	324,614,550.70
<u>Less Accumulated depreciation</u>					
Building - office	(8,754,506.11)	(510,165.11)	-	-	(9,264,671.22)
- clubhouse	(57,175,016.94)	(6,078,620.15)	-	-	(63,253,637.09)
Sample house and sale office building	(42,479,737.79)	(906,663.74)	-	-	(43,386,401.53)
Building improvement	(3,275,123.76)	(314,461.90)	-	-	(3,589,585.66)
Machinery and equipment	(1,259,480.80)	(424,966.30)	-	-	(1,684,447.10)
Office equipment	(17,771,691.62)	(1,810,379.93)	4,650,627.15	-	(14,931,444.40)
Furniture and fixtures	(11,389,522.17)	(1,570,108.27)	370,326.00	-	(12,589,304.44)
Vehicles	(10,619,879.86)	(1,145,533.58)	1,840,498.00	(1,148,891.77)	(11,073,807.21)
Vehicle - under finance lease agreement	(1,074,936.55)	(732,401.80)	-	1,148,891.77	(658,446.58)
Total	(153,799,895.60)	(13,493,300.78)	6,861,451.15	-	(160,431,745.23)
Property, plant and equipment - net	177,594,868.95				164,182,805.47

As at December 31, 2013, some part of land and clubhouse building in the total amount of Baht 100.52 million (net book value amount of Baht 61.51 million) are mortgaged as collateral against the overdrafts from a commercial bank in the total amount of baht 25 million.

As at December 31, 2012, land, building and sale office's building including land and some of the clubhouse building in the total amount of Baht 111.39 million (net book value amount of Baht 67.11 million) are mortgaged as collateral against the overdrafts and loans from two commercial banks in the total amount of Bath 35 million.

The fixed assets had been fully depreciated but still in use, as follows:

Transaction assets	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Building - clubhouse (tennis court)	2,858,014.06	2,858,014.06	2,858,014.06	2,858,014.06
Sample house and sale office building	40,403,261.14	39,487,448.88	40,403,261.14	39,487,448.88
Machinery and equipment	1,752,798.34	1,064,695.20	1,097,880.85	1,064,695.20
Office equipment	14,590,990.86	11,800,252.43	12,932,487.31	11,800,252.43
Furniture and fixtures	10,157,994.56	9,463,055.21	10,007,494.56	9,463,055.21
Vehicles	6,911,273.82	7,718,606.90	5,701,974.90	7,718,606.90
Total	<u>76,674,332.78</u>	<u>72,392,072.68</u>	<u>73,001,112.82</u>	<u>72,392,072.68</u>

## 16. INTANGIBLE ASSETS

Movements of the intangible assets account for the years ended December 31, 2013 and 2012 are summarized as follows.

	In Baht			
	Consolidated Financial Statement/ Separate Financial Statement			
	Balance as at December 31, 2012	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2013
<u>At cost</u>				
Software licenses	6,434,393.45	316,452.80	-	6,750,846.25
Total	6,434,393.45	316,452.80	-	6,750,846.25
<u>Less Accumulated amortization</u>	<u>(1,826,729.56)</u>	<u>(851,015.68)</u>	<u>-</u>	<u>(2,677,745.24)</u>
Intangible assets - net	<u>4,607,663.89</u>			<u>4,073,101.01</u>

	In Baht			
	Consolidated Financial Statement/ Separate Financial Statement			
	Balance as at December 31, 2011	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2012
<u>At cost</u>				
Software licenses	4,205,290.50	2,229,102.95	-	6,434,393.45
Work in progress - system development	825,000.00	-	(825,000.00)	-
Total	5,030,290.50	2,229,102.95	(825,000.00)	6,434,393.45
<u>Less Accumulated amortization</u>	<u>(1,146,777.31)</u>	<u>(679,952.25)</u>	<u>-</u>	<u>(1,826,729.56)</u>
Intangible assets - net	<u>3,883,513.19</u>			<u>4,607,663.89</u>

## 17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consist of :-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Bank overdrafts from the financial institutions	43,873,751.29	45,406,194.88	43,873,751.29	45,406,194.88
Short-term loans from the financial institutions	129,927,500.00	169,627,500.00	129,927,500.00	169,627,500.00
<b>Total</b>	<b>173,801,251.29</b>	<b>215,033,694.88</b>	<b>173,801,251.29</b>	<b>215,033,694.88</b>

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	2013	2012			
<u>Bank Overdraft</u>					
The parent company					
- Siam Commercial Bank	25.00	25.00	MOR per annum	At called	- By the mortgage of the Company's land and construction on there. - By some directors.
- CIMB Thai	-	10.00	MOR per annum	At called	- By the mortgage of the Company's land and construction on there, as at December 31, 2013, the credit line has been closed and redeem the collateral.
- UOB	20.00	20.00	12 months fix deposit plus 1.15% per annum	At called	- By some directors and the mortgage of the director's negotiable certificate of deposit.
<b>Total Credit line</b>	<b>45.00</b>	<b>55.00</b>			
<u>Short-term loans</u>					
The parent company					
- Bank of Ayudhya	35.00	35.00	MLR less 0.25% per annum	January 20, 2014	- By the mortgage of the director's land and construction on there.
- Siam Commercial Bank	56.93	134.63	MLR less 0.50% per annum	February 7, 2014 And April 9, 2014	- By the mortgage of the project's land and construction on there and construction in the future.
- Bangkok Bank	38.00	-	MLR per annum	June 17, 2014	- By the mortgage of the company's land and construction on there.
<b>Total Credit line</b>	<b>129.93</b>	<b>169.63</b>			
<b>Total Credit line</b>	<b>174.93</b>	<b>224.63</b>			

Under the terms of the agreements, the Company shall strictly comply with the conditions of agreements.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio is not over than 1.5:1, (4) not to pay dividend except the lender assess the payment not affect to ability of repayment loan, (5) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

## 18. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLE

This account consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Trade accounts	95,132,298.83	72,017,656.56	94,334,931.03	70,604,547.33
Other payable	1,871,102.00	1,906,952.74	1,870,432.00	1,906,952.74
Withholding tax	3,969,806.24	2,925,199.55	3,915,022.36	2,681,550.09
Other	2,162,497.20	1,345,623.62	297,185.00	746,485.71
Total	<u>103,135,704.27</u>	<u>78,195,432.47</u>	<u>100,417,570.39</u>	<u>75,939,535.87</u>

## 19. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under finance lease agreements consisted of :

	Consolidated Financial Statements / Separate Financial Statements (In Baht)					
	2013			2012		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	592,183.08	94,808.92	686,992.00	462,866.19	11,085.81	473,952.00
Current portion due after one year not over three years	<u>1,038,311.04</u>	<u>67,827.96</u>	<u>1,106,139.00</u>	<u>39,371.13</u>	<u>124.88</u>	<u>39,496.01</u>
Total	<u>1,630,494.12</u>	<u>162,636.88</u>	<u>1,793,131.00</u>	<u>502,237.32</u>	<u>11,210.69</u>	<u>513,448.01</u>

As at December 31, 2013 and 2012, the Company has three and four hire-purchase agreements, respectively with the local leasing company to purchase vehicles in the amount of Baht 3,087,750 and Baht 4,179,348 (Included VAT), respectively, with a term of repayment of 36 months at Baht 20,535 - 39,496 per month (Included VAT).

Under the term of lease agreement referred to above, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under finance lease agreement is guaranteed by the director of the Company.

Liabilities under finance lease agreement for the portion due within one year are presented under “current liabilities” in the statement of financial position.



## 20. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Long-term loans from local banks				
The first bank	762,783,509.96	349,142,264.31	762,783,509.96	349,142,264.31
The second bank	-	-	-	-
The third bank	634,459,321.90	304,356,942.57	634,459,321.90	304,356,942.57
The fourth bank	-	117,869,378.00	-	117,869,378.00
Total	1,397,242,831.86	771,368,584.88	1,397,242,831.86	771,368,584.88
<u>Less</u> Current portion due within one year	(429,571,554.32)	(173,645,517.81)	(429,571,554.32)	(173,645,517.81)
Long - term loans from the financial institutions - net	<u>967,671,277.54</u>	<u>597,723,067.07</u>	<u>967,671,277.54</u>	<u>597,723,067.07</u>

Movements in the long-term loans account during the year ended December 31, 2013 are summarized below.

	In Baht	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	771,368,584.88	771,368,584.88
Less: Repayment during the year	(734,939,340.02)	(734,939,340.02)
Add: Additional borrowings during the year	<u>1,360,813,587.00</u>	<u>1,360,813,587.00</u>
Balance as at 31 December 2013	<u>1,397,242,831.86</u>	<u>1,397,242,831.86</u>

	Credit line (Million Baht)		Interest rate	Guarantee
	2013	2012		
<u>Long-term loans</u>				
Parent company				
<u>The first bank</u>				
- The first credit line	534.77	578.57	MLR, MLR less 0.50-1.00% per annum	- By the mortgage of some the project's land and construction on there.
- The second credit line	139.47	139.47	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The third credit line	307.20	29.70	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The fourth credit line	296.00	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction.
- The fifth credit line	271.00	-	MLR less 0.50% per annum	- By the mortgage of some the project's land and construction in the future.

	Credit line (Million Baht)		Interest rate	Guarantee
	2013	2012		
- The sixth credit line	267.95	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there.
- The seventh credit line	20.00	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there.
- The eighth credit line	46.10	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there.
- The ninth credit line	37.17	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there.
<u>The second bank</u>				
- The first credit line	-	236.99	MLR less 1.25% per annum	- By the mortgage of some the project's land and construction on there and related company, at 2013, the credit line has been closed, and redeem the collateral.
<u>The third bank</u>				
- The first credit line	-	122.55	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future, at 2013, the credit line has been closed, and redeem the collateral.
- The second credit line	-	180.46	MLR per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The third credit line	456.12	456.12	MLR per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The fourth credit line	65.00	-	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future and shareholder's relative's land.
- The fifth credit line	40.00	-	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The sixth credit line	229.34	-	MLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The seventh credit line	189.12	-	MLR per annum	- By the mortgage of the project's land and construction on there and construction in the future.
<u>The fourth bank</u>				
	-	306.00	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
	<u>2,899.24</u>	<u>2,049.86</u>		

The first credit line

The Company had to repay the full loan amount within 3 years 6 months from the first drawdown date (December 30, 2010 and May 15, 2012), and in year 2013 the Company partially classified such loan under long - term loans from financial institutions with the portion due within 1 year.

The second credit line

The Company had to repay the full loan amount within June 30, 2014, and in year 2013 the Company classified such loan under long - term loans from financial institutions with the portion due within 1 year in the full amount.

The third credit line

The Company had to repay the full loan amount within 5 years 6 months from the first drawdown date (October 30, 2012, January 29, 2013 and March 5, 2013), However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statements of financial position for this loan.

The fourth credit line

The Company had to repay the full loan amount within 3 years 6 months from the first drawdown date (May 7, 2013 and September 13, 2013), However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statements of financial position for this loan.

The fifth credit line

The Company had to repay the full loan amount within 2 years 6 months from the first drawdown date (August 9, 2013 and September 16, 2013), However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statements of financial position for this loan.

The sixth credit line

The Company had to repay the full loan amount within 2 years 6 months from the first drawdown date (October 9, 2013, October 31, 2013 and November 22, 2013), However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statements of financial position for this loan.

The seventh credit line

The Company had to repay the full loan amount within 2 years 6 months from the first drawdown date (October 9, 2013), However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statements of financial position for this loan.

The eighth credit line

The Company had to repay the full loan amount within 1 year from the first drawdown date

(November 12, 2013), and in year 2013 the Company classified such loan under long - term loans from financial institutions with the portion due within 1 year in the full amount.

The ninth credit line

The Company had to repay the full loan amount within 1 year from the first drawdown date (December 13, 2013), and in year 2013 the Company classified such loan under long - term loans from financial institutions with the portion due within 1 year in the full amount.

Compliance with other conditions

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as not to sell, dispose, transfer, rent out, pledge or mortgage the Company's loan collaterals, not to commit any obligation that would result in letting other persons have control or rights in the borrower's assets except given consent by the lender first, to maintain debt-to-equity ratio is not over than 1.5:1 on the credit lines 1,2,4,5,6,7,8 and 9, and maintain leverage ratio at 1.2:1 on the credit line 1,3,4 and 5, not to pay dividend except the lender views that the payment does not affect the loan repayment ability of the borrower, not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

The second local bank

The first credit line

The Company had to repay the full loan amount within 3 years from the date of the land mortgage (on December 29, 2004). On January 4, 2008, the Company submitted a request for repayment extension of the loan to December 29, 2010, In 2010, the credit line was decreased from Baht 777,000,000 to Baht 236,990,000. Later, the Company again submitted a request for repayment extension of the full loan amount to December 29, 2013.

As at December 31,2013, the Company had repaid the loan in the full amount.

The third local bank

The first credit line

The Company has to repay the loan when received the payment from its customers, which normally based on the date of transferring a real estate title deed transfer to the customers. The loan had to be fully settled within 6 years since the signing date of the loan agreement (on August 5, 2010), which due within August 5, 2016

As at December 31,2013, the Company had repaid the loan in the full amount.

The second credit line

The Company had to repay the full loan amount within 18 months from the contract signing date

(December 14, 2012). However, the lender may consider to relaxing or further extending the settlement period as defined above not over three months.

As at December 31,2013, the Company had repaid the loan in the full amount.

The third credit line

The Company had to repay the full loan amount within 72 months from the contract signing date (December 3, 2012) and in year 2013, the Company has classified such liabilities as long-term loans from financial institution with the portion due within one year.

The fourth credit line

The Company had to repay the full loan amount within 72 months starting the first payment within 1 month from the contract signing date (April 9, 2013) and in year 2013, the Company has classified such liabilities as long-term loans from financial institution with the portion due within one year.

The fifth credit line

The Company had to repay the full loan amount within 48 months starting the first payment within 1 month from the contract signing date (May 13, 2013) and in year 2013, the Company had classified such liabilities as long-term loans from financial institution with the portion due within one year.

The sixth credit line

The Company had to repay the full loan amount within 72 months starting the first payment within 1 month from the contract signing date (May 20, 2013) and in year 2013, the Company had classified such liabilities as long-term loans from financial institution with the portion due within one year.

The seventh credit line

The Company had to repay the full loan amount within 72 months from the contract signing date (June 20, 2013) and in year 2013, the Company had classified such liabilities as long-term loans from financial institution with the portion due within one year.

Compliance with other conditions

In addition, the Company had to comply with the terms and conditions as specified in the loan agreement on the significant issues, such as structure insurance on the existing and future guarantee securities. The insurance limit amount is not less than Baht 60 million, to maintain the debt-to-equity ratio not voer 1:0:1 in each quarter and the insurance limit amount is not less than Baht 37 million on the third credit line. In case the structures on the guarantee securities have lower value than the insurance limit amount specified above, it should determine the insurance limit amount to equal the maximum insurance amount that the insurance company can insure or to the maximum insurance amount as appropriate to the lender's discretion.

The fourth local bank

The Company had to repay the loan when the payment is received from its customers, which is

normally based on the real estate title deed to transfer date to the customers. The loan had to be fully settled within 36 months since the first drawdown date (on December 1, 2011), which is due within December 1, 2014.

In addition, the Company has to comply with the term and conditions as specified in the loan agreement, such as to grant beneficiary of the structure insurance on the guarantee securities to the lender, etc.

As at December 31,2013, the Company had repaid the loan in the full amount.

## 21. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the years ended December 31, 2013 and 2012 shown as follow :-

### The statements of financial position

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Defined benefit obligations, beginning of the years	23,916,152.00	20,907,539.00	23,578,978.00	20,677,463.00
Current service costs and interest	4,062,802.00	3,301,413.00	3,868,458.00	3,194,315.00
Employee benefit obligations paid during the year	-	(292,800.00)	-	(292,800.00)
Loss estimation under actuarial principles	881,358.00	-	718,996.00	-
Defined benefit obligations, ending of the years	<u>28,860,312.00</u>	<u>23,916,152.00</u>	<u>28,166,432.00</u>	<u>23,578,978.00</u>

### Expense recognized in the statements of comprehensive income

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Current service costs	3,157,298.00	2,465,111.00	2,982,222.00	2,367,216.00
Interest on obligation	905,504.00	836,302.00	886,236.00	827,099.00
Total	<u>4,062,802.00</u>	<u>3,301,413.00</u>	<u>3,868,458.00</u>	<u>3,194,315.00</u>
Current service costs				
Cost of service	151,674.00	67,340.00	-	-
Selling expenses	910,357.00	711,326.00	910,357.00	711,326.00
Administrative expenses	910,345.00	529,415.00	892,449.00	522,630.00
Management benefit expenses	1,184,922.00	1,157,030.00	1,179,416.00	1,133,260.00
Finance costs	905,504.00	836,302.00	886,236.00	827,099.00
Total	<u>4,062,802.00</u>	<u>3,301,413.00</u>	<u>3,868,458.00</u>	<u>3,194,315.00</u>

The main assumptions in the estimates the financial assumptions for the Group of Company based on actuarial principles.

For the years ended December 31, 2013 and 2012.

	Percentage			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Discount rate	3.6474 - 4.5822	4.00	3.6474	4.00
Salary increase rate	5.00 - 6.00	5.67	6.00	5.67
Employee turnover rate	0 - 43	0 - 39	0 - 23	0 - 22
Mortality rate (based on the table of death B.E. 2551)	100.00	100.00	100.00	100.00
Disability rate	5.00 of the mortality rate	5.00 of the mortality rate	5.00 of the mortality rate	5.00 of the mortality rate

## 22. LIABILITIES FROM PURCHASING THE REAL ESTATE PROJECT

The Company had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated December 16, 2004. The contract to buy and to sell land requires the Company has to pay for the land, including the debt burden owing to the existing customers of the project.

Movements in the liabilities from purchasing the real estate project account during the years ended December 31, 2013 and 2012 are summarized below.

	In Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	2013	2012
Beginning balance	104,449,450.00	115,771,450.00
Increase	-	-
Total	104,449,450.00	115,771,450.00
Less decrease (reversal) during the year	(23,730,100.00)	(11,322,000.00)
Liabilities from purchasing the real estate project	<u>80,719,350.00</u>	<u>104,449,450.00</u>

As at December 31, 2013, liabilities from purchasing the real estate project which is presented as part of property development cost amount 12.10 million and held for development amount of Baht 68.62 million.

## 23. FINANCIAL INSTRUMENTS

### 23.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 5.

### 23.2 Financial risk management for financial instruments

The Company and its subsidiaries manage their financial risk that may arise in the financial

assets and financial liabilities in normal course of business by using generally internal management and control system and the Company and its subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiaries comprise cash and cash equivalents, bank overdrafts and short-term loans from the financial institutions, trade account receivable and payable, include notes receivable and notes payable, loans, liabilities under the finance lease agreement.

### 23.3 Interest Rate Risk

The Company and its subsidiaries have the significant interest rate risks in relation to deposit at the financial institutions, bank overdrafts and short-term loans from the financial institutions, long-term loans from the financial institutions, loan from the director and short-term loan from the related parties and companies. Interest rate risk arises from the interest rate changes, which cause damage to the Company and its subsidiaries in the current period and in the future.

As at December 2013 and 2012, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	In Baht			
	Consolidated Financial Statement			
	As at December 31, 2013			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	30,637,783.36	-	-	30,637,783.36
Short-term investments	-	119,810.61	549,746.84	669,557.45
Trade accounts receivable	-	-	24,682,940.05	24,682,940.05
Deposit pledged as collateral	-	9,011,765.26	-	9,011,765.26
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from the financial institutions	173,801,251.29	-	-	173,801,251.29
Trade notes payable	-	-	50,320,193.94	50,320,193.94
Trade accounts payable and other payable	-	-	103,136,704.27	103,136,704.27
Liabilities under the finance lease agreement	-	1,630,494.12	-	1,630,494.12
Long-term loans from financial institutions	1,397,242,831.86	-	-	1,397,242,831.86
	In Baht			
	Consolidated Financial Statement			



	As at December 31, 2012			
	Floating	Fixed	Interest	Total
	interest rate	interest rate	- free	
<u>Financial assets</u>				
Cash and cash equivalents	45,115,272.12	-	-	45,115,272.12
Short-term investments	-	117,199.98	538,718.91	655,918.89
Trade accounts receivable	-	-	8,325,815.23	8,325,815.23
Deposit pledged as collateral	-	1,111,366.71	-	1,111,366.71
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from the financial institutions	215,033,694.88	-	-	215,033,694.88
Trade notes payable	-	-	46,738,547.54	46,738,547.54
Trade accounts payable and other payable	-	-	78,195,432.47	78,195,432.47
Liabilities under the finance lease agreement	-	502,237.32	-	502,237.32
Long-term loans from financial institutions	771,368,584.88	-	-	771,368,584.88

	In Baht			
	Separate Financial Statement			
	As at December 31, 2013			
Floating	Fixed	Interest	Total	
interest rate	interest rate	- free		
<u>Financial assets</u>				
Cash and cash equivalents	26,859,931.53	-	-	26,859,931.53
Short-term investments	-	119,810.61	549,746.84	669,557.45
Deposit pledged as collateral	-	8,785,356.39	-	8,785,356.39
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from the financial institutions	173,801,251.29	-	-	173,801,251.29
Trade notes payable	-	-	50,320,193.94	50,320,193.94
Trade accounts payable and other payable	-	-	100,417,570.39	100,417,570.39
Liabilities under the finance lease agreement	-	1,630,494.12	-	1,630,494.12
Long-term loans from financial institutions	1,397,242,831.86	-	-	1,397,242,831.86

In Baht  
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Separate Financial Statement  
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	As at December 31, 2012			Total
	Floating interest rate	Fixed interest rate	Interest - free	
<u>Financial assets</u>				
Cash and cash equivalents	38,363,227.19	-	-	38,363,227.19
Short-term investments	-	117,199.98	538,718.91	655,918.89
Deposit pledged as collateral	-	889,340.40	-	889,340.40
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from the finance institutions	215,033,694.88	-	-	215,033,694.88
Trade notes payable	-	-	45,483,896.49	45,483,896.49
Trade accounts payable and other payable	-	-	75,939,535.87	75,939,535.87
Liabilities under the finance lease agreement	-	502,237.32	-	502,237.32
Long-term loans from financial institutions	771,368,584.88	-	-	771,368,584.88

#### 23.4 Foreign currency risk

As at December 31, 2013 and 2012, the Company has no exchange rate risk since it has no trade accounts receivable and accounts payable in foreign currency outstanding on the statement of financial position. The Company did not enter into forward contracts for hedging against exchange rate risk.

#### 23.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

#### 23.6 Fair Value

The fair value of the most of significant financial assets and financial liabilities does not differ from their carrying value, except for the fair value of long-term debts which cannot be properly calculated. Accordingly, no disclosure is made.

### 24. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E.2535, the Company must appropriate the reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

A subsidiary had appropriated its legal reserve as reserve fund until the reserve reaches 10% of the authorized share capital.

According to the resolution on the Board of Directors Meeting No. 1/2014 held on February 21, 2013 the Company had appropriated its legal reserve in the amount of Baht 5.50 million of annual net income in 2013.

According to the resolution on the Board of Directors Meeting No. 2/2013 held on February 22, 2013, the Company had appropriated its legal reserve in the amount of Baht 5.10 million of annual net income in 2012, and approval at the Annual General Meeting of the shareholders on April 25, 2013.

## 25. DIVIDEND

At the Board of Directors Meeting of year 2013 held on April 25, 2013, the Board of Directors approved a dividend payment for profit for the year of 2012 to all shareholders at Baht 0.035 per share amounting to Baht 41.51 million. The Company paid the dividend on May 20, 2013.

At the Board of Directors Meeting of year 2012 held on April 25, 2012, the shareholders approved a dividend payment for profit for the year of 2011 to all shareholders at Baht 0.07 per share amounting to Baht 83.02 million. The Company paid the dividend on May 18, 2012.

## 26. CAPITAL MANAGEMENT

The primary objective of the Company and its subsidiaries' capital management are to ensure that it has an appropriate financial structure and preserve the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2013, the Group's debt-to-equity ratio was 0.94 : 1 (as at December 31, 2012 : 0.65: 1) and the Company's was 0.95 : 1 (as at December 31, 2012 : 0.66 : 1).

## 27. EARNINGS PER SHARE

Basic earning per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares held by outside parties, which issued and paid-up during the years.

		Consolidated Financial Statements		Separate Financial Statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Profit for the year	(Baht)	105,276,794.81	90,779,272.29	106,250,637.90	92,006,744.95
Weighted average number of ordinary shares	(Shares)	1,185,985,052	1,185,985,052	1,185,985,052	1,185,985,052
Basic earning per share	(Baht per share)	0.089	0.077	0.090	0.078

## 28. PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company and its subsidiaries's contribution for the years ended December 31, 2013 and 2012 amounted to Baht 2,906,320.30 and Baht 2,673,954.40, respectively.

The Company's contributions for the years ended December 31, 2013 and 2012 amounted to Baht 2,730,170.80 and Baht 2,536,896.60, respectively.

## 29. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Changes in inventories (increase) decrease	6,857,237.81	(93,423,872.98)	8,154,180.76	(86,356,156.90)
Changes in property development costs				
(increase) decrease	(1,321,272,686.01)	101,389,393.11	(1,321,057,215.53)	100,673,362.48
Changes in land held for development				
(increase) decrease	569,401,901.75	(410,146,471.96)	569,401,901.75	(410,146,471.29)
Interest capitalization	67,444,961.23	36,840,468.48	67,444,961.23	36,840,468.48
Utilities and construction in progress	1,125,068,643.09	936,512,672.29	1,109,945,246.32	921,845,112.35
Purchase of lands	658,000,489.00	449,236,662.00	658,000,489.00	449,236,662.00
Employee benefit expenses	138,783,681.57	110,791,625.32	127,327,719.73	109,159,285.21
Depreciation and amortization expenses	15,788,776.18	13,773,554.02	14,728,538.24	13,493,300.78

### 30. FINANCE COSTS

Finance costs consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Interest paid and payable to				
- Financial institutions	85,600,825.01	45,580,138.80	85,600,825.01	45,580,138.80
- Subsidiaries	-	-	25,224.66	80,383.56
- Related parties	2,726,823.28	678,184.92	2,496,035.62	678,184.92
Employee benefit obligations	905,504.00	836,302.00	886,236.00	827,099.00
Fee for obtaining loans from financial institutions	1,227,971.50	1,164,909.00	1,227,971.50	1,164,909.00
Total	90,461,123.79	48,259,534.72	90,236,292.79	48,330,715.28
Less capitalized as part of property development costs	(67,444,961.23)	(36,840,468.48)	(67,444,961.23)	(36,840,468.48)
Net	23,016,162.56	11,419,066.24	22,791,331.56	11,490,246.80

### 31. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

31.1 Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2013 and 2012 are summarized as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 12	In profit or loss	In other comprehensive income	Dec. 31, 13
Deferred tax assets:				
Trade account receivables	90,490.00	(90,490.00)	-	-
Unbilled receivables	1,487,000.00	(1,487,000.00)	-	-
Investment in associated company	48,000.00	-	-	48,000.00
Advance received from customers	2,217,094.20	(1,685,198.20)	-	531,896.00
Allowance for declining value-clubhouse	-	460,000.00	-	460,000.00
Provisions for employee benefits	4,717,038.00	928,543.80	-	5,645,581.80
Provisions for compensation for housing estate juristic persons	3,240,284.96	524,225.17	-	3,764,510.13
Total	11,799,907.16	(1,349,919.23)	-	10,449,987.93
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(8,040.38)	(2,205.59)	-	(10,245.97)
Property development costs and inventories	(14,435,730.86)	5,652,157.78	-	(8,783,573.08)
Total	(14,443,771.24)	5,649,952.19	-	(8,793,819.05)

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 11	In profit or loss	In other comprehensive income	Dec. 31, 12
Deferred tax assets:				
Trade account receivables	4,377,565.38	(4,287,075.38)	-	90,490.00
Unbilled receivables	759,000.00	728,000.00	-	1,487,000.00
Investment in associated company	72,108.75	(24,108.75)	-	48,000.00
Advance received from customers	8,714,748.00	(6,497,653.80)	-	2,217,094.20
Provisions for employee benefits	4,165,644.00	551,394.00	-	4,717,038.00
Provisions for repairing customer's house	306,089.06	(306,089.06)	-	-
Provisions for compensation for housing estate juristic persons	1,788,454.96	1,451,830.00	-	3,240,284.96
Total	<u>20,183,610.15</u>	<u>(8,383,702.99)</u>	-	<u>11,799,907.16</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(24,246.27)	16,205.89	-	(8,040.38)
Property development costs and inventories	(13,506,598.69)	(929,132.17)	-	(14,435,730.86)
Total	<u>(13,530,844.96)</u>	<u>(912,926.28)</u>	-	<u>(14,443,771.24)</u>
	Baht			
	Separate financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 12	In profit or loss	In other comprehensive income	Dec. 31, 13
Deferred tax assets:				
Trade account receivables	90,490.00	(90,490.00)	-	-
Unbilled receivables	1,487,000.00	(1,487,000.00)	-	-
Investment in associated company	48,000.00	-	-	48,000.00
Advance received from customers	2,217,094.20	(1,685,198.20)	-	531,896.00
Allowance for declining value-clubhouse	-	460,000.00	-	460,000.00
Provisions for employee benefits	4,715,795.60	917,490.80	-	5,633,286.40
Provisions for compensation for housing estate juristic persons	3,240,284.96	524,225.17	-	3,764,510.13
Total	<u>11,798,664.76</u>	<u>(1,360,972.23)</u>	-	<u>10,437,692.53</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(8,040.38)	(2,205.59)	-	(10,245.97)
Property development costs and inventories	(14,364,408.66)	5,652,157.78	-	(8,712,250.88)
Total	<u>(14,372,449.04)</u>	<u>5,649,952.19</u>	-	<u>(8,722,496.85)</u>

	Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	Dec. 31, 11	In profit or loss	In other comprehensive income	Dec. 31, 12
Deferred tax assets:				
Trade account receivables	4,377,565.38	(4,287,075.38)	-	90,490.00
Unbilled receivables	759,000.00	728,000.00	-	1,487,000.00
Investment in associated company	-	48,000.00	-	48,000.00
Advance received from customers	8,714,748.00	(6,497,653.80)	-	2,217,094.20
Provisions for employee benefits	4,164,772.60	551,023.00	-	4,715,795.60
Provisions for repairing customer's house	306,089.06	(306,089.06)	-	-
Provisions for compensation for housing estate juristic persons	1,788,454.96	1,451,830.00	-	3,240,284.96
Total	<u>20,110,630.00</u>	<u>(8,311,965.24)</u>	<u>-</u>	<u>11,798,664.76</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(5,688.96)	(2,351.42)	-	(8,040.38)
Property development costs and inventories	(13,435,276.49)	(929,132.17)	-	(14,364,408.66)
Total	<u>(13,440,965.45)</u>	<u>(931,483.59)</u>	<u>-</u>	<u>(14,372,449.04)</u>

## 31.2 Tax expense (income)

### 31.2.1 Major components of tax expense (income)

For the years ended December 31, 2013 and 2012 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	32,111,491.10	36,443,962.37	31,901,998.24	36,322,546.92
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(4,300,032.96)	2,358,071.31	(4,288,979.96)	2,720,680.83
Revaluation of the deferred tax resulting from changing in tax rates	-	6,938,557.96	-	6,522,768.00
Total	<u>27,811,458.14</u>	<u>45,740,591.64</u>	<u>27,613,018.28</u>	<u>45,565,995.75</u>

31.2.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2013 and 2012 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Accounting profit (loss) for the year	133,088,252.95	136,519,863.93	133,863,656.18	137,572,740.70
The applicable tax rate (%)	20.26%	23%	20%	23%
Tax expense (income) at the applicable tax rate	26,969,302.67	31,399,568.70	26,772,731.24	31,641,730.36
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	842,155.47	7,402,464.98	840,287.04	7,401,497.39
Revaluation of the deferred tax resulting from changing in tax rates	-	6,938,557.96	-	6,522,768.00
Total reconciliation items	842,155.47	14,341,022.94	840,287.04	13,924,265.39
Total tax expense (income)	27,811,458.14	45,740,591.64	27,613,018.28	45,565,995.75

31.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2013 and 2012 are summarized as follows:

	Consolidated financial statements			
	2013		2012	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	133,088,252.95		136,519,863.93	
Tax expense (income) at the applicable tax rate	26,969,302.67	20.26	31,399,568.70	23.00
Reconciliation items	842,155.47	0.64	14,341,022.94	10.50
Tax expense (income) at the average effective tax rate	27,811,458.14	20.90	45,740,591.64	33.50

  

	Separate financial statements			
	2013		2012	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	133,863,656.18		137,572,740.70	
Tax expense (income) at the applicable tax rate	26,772,731.24	20.00	31,641,730.36	23.00
Reconciliation items	840,287.04	0.63	13,924,265.39	10.12
Tax expense (income) at the average effective tax rate	27,613,018.28	20.63	45,565,995.75	33.12



### **32. SEGMENT INFORMATION**

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

The business operation of the Company and its subsidiaries mainly involve real estate, contractor and property management services, which has main geographical operation in Thailand. Segment performance is considered by revenue and profit in each unit, and is also measured based on the group operating profit or loss, on a basis consistent with used to measure operating profit or loss in the financial statement. The Company and its subsidiaries information for the years ended December 31, 2013 and 2012 by segments are as follow.

For the year ended December 31, 2013 (In Baht)

	Real Estate	Contractor	Property manager services	Total	Elimination		Consolidated
					DR.	CR.	
<b>Revenues</b>							
Sales	1,641,306,652.00	-	-	1,641,306,652.00	-	-	1,641,306,652.00
Construction income	-	65,391,228.74	-	65,391,228.74	(49,307,882.74)	-	16,083,346.00
Service income	-	-	6,516,743.04	6,516,743.04	(2,230,000.00)	-	4,286,743.04
Other income	19,026,137.80	986,324.81	58,703.59	20,071,166.20	(436,395.38)	-	19,634,770.82
Total revenues	<u>1,660,332,789.80</u>	<u>66,377,553.55</u>	<u>6,575,446.63</u>	<u>1,733,285,789.98</u>			<u>1,681,311,511.86</u>
<b>Expenses</b>							
Cost of sales	1,091,889,563.53	-	-	1,091,889,563.53	-	(1,533,775.58)	1,090,355,787.95
Cost of construction	-	63,134,336.56	-	63,134,336.56	-	(47,989,577.64)	15,144,758.92
Cost of service	-	-	4,768,055.49	4,768,055.49	-	-	4,768,055.49
Selling expenses	215,796,485.64	-	-	215,796,485.64	-	-	215,796,485.64
Administrative expenses	153,806,437.89	1,696,907.88	3,599,252.02	159,102,597.79	-	(2,308,910.44)	156,793,687.35
Management benefit expenses	42,185,315.00	-	163,006.00	42,348,321.00	-	-	42,348,321.00
Finance costs	22,791,331.56	563,451.94	18,864.00	23,373,647.50	-	(357,484.94)	23,016,162.56
Total expenses	<u>1,526,469,133.62</u>	<u>65,394,696.38</u>	<u>8,549,177.51</u>	<u>1,600,413,007.51</u>			<u>1,548,223,258.91</u>
Share of loss from investment in an associated company	-	-	-	-			-
Income (loss) by segments	133,863,656.18	982,857.17	(1,973,730.88)	132,872,782.47			133,088,252.95
Tax expenses (income)	27,613,018.28	198,439.86	-	27,811,458.14	-	-	27,811,458.14
Profit for the year	<u>106,250,637.90</u>	<u>784,417.31</u>	<u>(1,973,730.88)</u>	<u>105,061,324.33</u>			<u>105,276,794.81</u>
<b>As at December 31, 2013</b>							
Property, plant and equipment - net	<u>159,882,693.43</u>	<u>4,425,212.04</u>	<u>162,846.28</u>	<u>164,470,751.75</u>			<u>164,470,751.75</u>

	For the year ended December 31, 2012 (Restated) (In Baht)						
	Real Estate	Contractor	Property manager services	Total	Elimination		Consolidated
					DR.	CR.	
<b>Revenues</b>							
Sales	1,544,157,799.00	-	-	1,544,157,799.00	-	-	1,544,157,799.00
Construction income	-	37,796,204.60	-	37,796,204.60	(29,217,756.94)	-	8,578,447.66
Service income	-	-	5,650,098.16	5,650,098.16	(1,101,000.00)	-	4,549,098.16
Other income	16,182,515.66	466,749.03	50,021.56	16,699,286.25	(166,783.81)	-	16,532,502.44
Total revenues	<u>1,560,340,314.66</u>	<u>38,262,953.63</u>	<u>5,700,119.72</u>	<u>1,604,303,388.01</u>			<u>1,573,817,847.26</u>
<b>Expenses</b>							
Cost of sales	1,012,092,976.45	-	-	1,012,092,976.45	-	(265,674.78)	1,011,827,301.67
Cost of construction	-	36,817,600.80	-	36,817,600.80	-	(28,236,051.53)	8,581,549.27
Cost of service	-	-	3,205,546.87	3,205,546.87	-	-	3,205,546.87
Selling expenses	210,163,067.70	-	-	210,163,067.70	-	-	210,163,067.70
Administrative expenses	148,078,169.43	1,010,216.15	3,439,528.59	152,527,914.17	-	(1,390,995.31)	151,136,918.86
Management benefit expenses	40,943,113.58	-	172,450.00	41,115,563.58	-	-	41,115,563.58
Finance costs	11,490,246.80	6,091.81	9,029.00	11,505,367.61	-	(86,301.37)	11,419,066.24
Total expenses	<u>1,422,767,573.96</u>	<u>37,833,908.76</u>	<u>6,826,554.46</u>	<u>1,467,428,037.18</u>			<u>1,437,449,014.19</u>
Share of profit from investment in an associated company	-	-	-	151,030.86	-	-	151,030.86
Income (loss) by segments	137,572,740.70	429,044.87	(1,126,434.74)	137,026,381.69			136,519,863.93
Tax expenses (income)	45,565,995.75	174,595.89	-	45,740,591.64	-	-	45,740,591.64
Profit for the year (Restated)	<u>92,006,744.95</u>	<u>254,448.98</u>	<u>(1,126,434.74)</u>	<u>91,285,790.05</u>			<u>90,779,272.29</u>
<b>As at December 31, 2012</b>							
Property, plant and equipment - net	<u>164,182,805.47</u>	<u>2,198,845.66</u>	<u>209,729.23</u>	<u>166,591,380.36</u>			<u>166,591,380.36</u>

33. COMMITMENT AND CONTINGENT LIABILITIES

33.1 The Company has entered into lease for the commercial buildings, sale office building, land and other services.

As at December 31, 2013, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	6.61
2 to 3 years	5.39

33.2 As at December 31, 2013, the Company and its subsidiaries had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, are as follows:

	<u>Million Baht</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
- Guarantee for electricity, water and others	11.17	11.17
- Guarantee fund for maintenance to public utilities	156.19	156.19

33.3 As at December 31, 2013, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.22 million (see note 13).

33.4 As at December 31, 2013, the Company has contingent liabilities arising from lawsuits as follows:

(A) A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 7.5% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.27 million calculated up to December 31, 2013). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2<sup>nd</sup> defendant co-borrower.

As at December 31, 2013, the case has ended and the Court has ordered the principal loan and the guarantor to co-payment at the total amount of Baht 0.60 million with the interest rate 7.5 percent per year of the capital amount of Baht 0.50 million. If the holder fails to pay, the Court will order to seize the land and building to the auction for plaintiff. The management has estimated the damage that expected to be demanded for such case until December 31, 2013 in the amount of Baht 0.18 million, which is recorded under caption of other current liabilities. The management has expected that the damage will not more than the amount expected.

- (b) The Company was sued by a juristic person and the home buyers in the housing project of a company to pay for the damage compensation resulting from the home buyers not being able to use the club house and swimming pool of the project totaling Baht 2.72 million and on November 29, 2013, can mediate the same, the plaintiff to withdraw the case.

34. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors Meeting No. 1/2014 held on February 21, 2014, the Board of Directors approved a dividend payment for net income year of 2013 to all shareholders at Baht 0.034 per share amounting to Baht 40.32 million. The Company will pay the dividend on May 19, 2014.

35. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by Company's directors on February 21, 2014.