

## **Sansiri Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2013**

#### **1. Corporate information**

Sansiri Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company operates in Thailand and is principally engaged in property development.

The Company’s top 5 major shareholders as at 14 January 2014, the latest closing date of the shares register book, are as following:

	Percentage of shareholding (based on paid-up capital)
1. The Viriyah Insurance Co., Ltd.	6.58
2. Thai NVDR Co., Ltd.	5.24
3. Finansia Life Assurance Co., Ltd.	2.60
4. CHASE NOMINEES LIMITED 47	2.32
5. Mr. Wanchak Burannasiri	2.27

The registered office of the Company is at 475, Siripinyo Building, Sri Ayutthaya Road, Phayathai, Rajthevi, Bangkok.

#### **2. Basis of preparation**

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

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

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

## 2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2013</u> Percent	<u>2012</u> Percent
<b><u>Directly owned</u></b>				
Chanachai Ltd.	Property development	Thailand	100	100
Plus Property Co., Ltd.	Property development	Thailand	100	100
Sansiri Venture Co., Ltd.	Property development	Thailand	100	100
S.U.N. Management Co., Ltd.	Property development	Thailand	100	100
Arnawat Ltd.	Property development	Thailand	100	100
Piwattana Ltd.	Property development	Thailand	100	100
Red Lotus Properties Ltd.	Property development	Thailand	100	100
Pacific Challenge Holding Co., Ltd.	Property development	Thailand	85	85
Sansiri Global Investment Pte. Ltd.	Property development	Singapore	100	100
Plus Property Space Co., Ltd.	Property development	Thailand	100	100
Papanan Ltd.	Property development, provision of medical service, aesthetics, health care and medical spa	Thailand	100	100
NED Management Co., Ltd.	Property development and holder of Satit Pattana School's license	Thailand	100	100
Satit Pattana Personnel Center Ltd.	Provision of administrative services to Satit Pattana School	Thailand	100	100
<b><u>Indirectly owned</u></b>				
Plus Property Venture Co., Ltd.	Property development	Thailand	100	100
Sansiri Land Ltd.	Property development	Thailand	100	100
Touch Property Co., Ltd.	Property development	Thailand	100	100
Sansiri Guernsey (2009) Limited	Property development	Guernsey	100	100
Satit Pattana School	Education business	Thailand	100	100

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statement of changes in shareholders' equity.
  - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

### **3. New accounting standards**

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

#### **(a) Accounting standards that became effective in the current accounting year**

Accounting standards:

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

Financial Reporting Standard:

TFRS 8                      Operating Segments

Accounting Standard Interpretations:

TSIC 10                      Government Assistance - No Specific Relation to  
Operating Activities

TSIC 21                      Income Taxes - Recovery of Revalued Non-  
Depreciable Assets

TSIC 25                      Income Taxes - Changes in the Tax Status of an  
Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

## **TAS 12 Income Taxes**

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

### **(b) Accounting standards that will become effective in the future**

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016

		<u>Effective date</u>
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

#### 4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)					
	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial	financial	financial
	statements	statements	statements	statements	statements	statements
<b>Statements of financial position</b>						
Increase in deferred tax assets	621,258	169,688	388,626	179,622	468,673	238,581
Decrease in unappropriated retained earnings	621,258	169,688	388,626	179,622	468,673	238,581

	(Unit: Thousand Baht)			
	For the year ended		For the year ended	
	31 December 2013		31 December 2012	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statements	statements	statements	statements
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Increase (decrease) in income tax expenses		(223,708)	15,838	80,047
Increase (decrease) in profit attributable to equity holders of the Company		223,708	(15,838)	(80,047)
Increase (decrease) in basic earnings per share (Baht)		0.02	(0.01)	-
Increase (decrease) in diluted earnings per share (Baht)		0.02	(0.01)	-

## **5. Significant accounting policies**

### **5.1 Revenue recognition**

a) Revenue from property development for sales

Revenues from sales of land and houses and sales of residential condominium are recognised as income when the significant risks and rewards of ownership have been transferred to the buyer that the Company and the subsidiaries retains neither continuing managerial involvement nor effective control over the land and houses and the condominium sold, directly and indirectly. The recognised amount and cost incurred in respect of the transaction can be measured reliably.

b) Revenue from sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

c) Rental income

Rental income is recognised in the statement of comprehensive income on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.

d) Revenue from hotel business

Room revenues are recognised on an accrual basis over the period of the guests stay. Food and beverage revenues are recognised after the food and beverages have been served. Recognised revenue does not include value added tax and state net of discounts.

e) School fees income

Tuition fees, transportation fees and canteen income are recognised as income of the school term to which they relate. Entrance fees are recognised as income at the time of acceptance of the pupil by the subsidiary.

f) Service income

Service income is recognised when service rendered by reference to the stage of completion.

g) Interest income

Interest income is recognised as interest accrues based on the effective rate method.

h) Dividends

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

## **5.2 Cost of property development for sale and cost of project sold**

Property development for sale are stated at the lower of cost and net realisable value, consisting of the cost of land, design fees, utilities, construction costs, and directly related interest and expenses.

In determining the costs of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses and residential condominium units on the basis of the saleable area.

The Company and its subsidiaries recognise loss on diminution in value of projects (if any) in profit or loss.

## **5.3 Cash and cash equivalents**

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

## **5.4 Trade accounts receivable and allowance for doubtful accounts**

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

## **5.5 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 capitalised as part of the costs of the respective assets. Capitalisation 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 are presented as 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, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

## **5.6 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

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 unit trusts is determined from their net asset value.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## **5.7 Investment properties**

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10-40 years. Depreciation of the investment properties is included in determining income.

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

## **5.8 Land, building and equipment/Depreciation**

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

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

Buildings and improvements	5 - 40 years
Buildings decoration	5 - 8 years
Fixtures and equipment	2 - 20 years
Motor vehicles	5 years
Temporary sales office	1 - 5 years

Depreciation of equipment (machinery operating in precast factory) is calculated by reference to their costs on a unit-of-production basis.

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress.

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

## **5.9 Leasehold rights and amortisation**

Leasehold rights are stated at cost less accumulated amortisation. The Company and its subsidiaries amortise leasehold rights on a straight-line basis over the leasehold period.

The amortisation is included in determining income.

## **5.10 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years
Franchise fee	5 years

The amortisation is included in determining income.

### **5.11 Land held for development**

Land held for development is stated at cost less allowance for loss on diminution in value of projects. It is consisted of cost of land, land fulfill, public utilities cost, project development cost and borrowing cost which occurred during the developed period in the past.

### **5.12 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

### **5.13 Related party transactions**

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

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

### **5.14 Long-term leases**

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

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

### **5.15 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

### **5.16 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the land, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate 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 recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and the subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

### **5.17 Employee benefits**

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

##### Defined contribution plans

The Company, subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees, the Company and the subsidiaries. The

fund's assets are held in a separate trust fund and the Company and subsidiaries' contributions are recognised as expenses when incurred.

#### Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the year 2011.

### **5.18 Provisions**

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

### **5.19 Income tax**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

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

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

## **6. 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 affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

### **Leases**

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

### **Allowance for doubtful accounts**

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

### **Impairment of property development for sale, investment properties and land held for development**

The Company and its subsidiaries treat property development for sale, investment properties and land held for development as impaired when the management judges that there has been a significant decline in the fair value below their cost. The management determines the devaluation of such properties and land held for

development based on net realisable value. The determination of what is “significant” and such devaluation requires the management to exercise judgment.

### **Project development costs estimation**

In calculating cost of land and houses and condominium sold, the Company and its subsidiaries have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

### **Land, building and equipment/Depreciation**

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiaries’ building and equipment and to review estimate useful lives and residual values when there are any changes.

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.

### **Impairment of investment**

The Company treats investment in subsidiaries as impaired when there has been a significant or prolonged decline in their fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Goodwill**

The initial recognition and measurement of goodwill 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.

### **Litigation**

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has exercised judgment to assess of the results of the litigation and recorded certain contingent liabilities as at the end of reporting period.



## Compensation for Housing Estate Juristic Persons

The Company and its subsidiaries estimate 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.

## Provision for home care warrantee

In recording provision for home care warrantee, the management estimates the expenses expected to be incurred as a result of providing such warrantee based on past experiences of actual expenses claimed.

## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 7. Related party transactions

7.1 During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Details of subsidiaries are presented in Note 2.2 a) to the financial statements.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<b><u>Transactions with subsidiary companies</u></b>					
(eliminated from the consolidated financial statements)					
Sales of precast concrete	-	-	430,684	126,941	Cost plus certain margin of 5%
Revenues from business management and project management	-	-	8,578	17,453	Based on agreement (1)
Interest income	-	-	429,490	649,120	Close to fixed deposits interest rate
Commission income	-	-	29,690	22,432	Based on agreement (3)
Project management fee and other expenses	-	-	31,018	30,604	Based on agreement (2)
Commission expenses	-	-	101,804	129,878	Based on agreement (3)
Purchase of land	-	-	-	10,784	Cost plus certain margin
<b><u>Transactions with related persons</u></b>					
Revenues from project sales	12,334	47,717	9,200	33,902	Cost plus certain margin at rates of 23% - 45%

Transactions, pricing policies and related contracts are as follows: -

- (1) Revenue from business service and project management fees is charged based on costs plus certain margin. Those charges are allocated to subsidiaries based on revenue and investment costs, respectively.
- (2) Project management fees are charged monthly, depended upon the size of the project.
- (3) Commission from sales of projects are charged at a rate of 1% of selling price per the contract, with payments divided between the time the customer executes the agreement and when the properties are transferred.

## 7.2 Directors and management's benefits

During the year ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2013	2012
Short-term employee benefits	289,255	438,123
Post-employment benefits	1,297	1,257
Total	290,552	439,380

## 7.3 The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b><u>Accounts receivable</u></b>				
<b>Subsidiaries</b>				
Chanachai Ltd.	-	-	2,804	948
Plus Property Co., Ltd.	-	-	483	3,781
Plus Property Space Co., Ltd.	-	-	25	-
Piwattana Ltd.	-	-	12,437	31,188
Sansiri Land Ltd.	-	-	50	912
Papanan Ltd.	-	-	51,112	14,623

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Anawat Ltd.	-	-	346,226	75,296
NED Management Co., Ltd.	-	-	295	-
S.U.N. Management Co., Ltd.	-	-	15	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>413,447</b>	<b>126,748</b>
<b><u>Prepaid rental expenses</u></b>				
<b>Subsidiary</b>				
Papanan Ltd.	-	-	65,225	88,943
Satit Pattana School	-	-	62	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>65,287</b>	<b>88,943</b>
<b><u>Loans to related parties</u></b>				
<b>Subsidiaries</b>				
Arnawat Ltd.	-	-	5,648,794	3,506,529
Piwattana Ltd.	-	-	1,813,836	481,872
Red Lotus Properties Ltd.	-	-	2,081,689	1,272,967
Pacific Challenge Holding Co., Ltd.	-	-	-	5,000
Sansiri Global Investment Pte. Ltd.	-	-	239,214	282,174
Plus Property Space Co., Ltd.	-	-	726,450	209,800
Papanan Ltd.	-	-	1,802,290	2,285,330
NED Management Co., Ltd.	-	-	3,332,760	1,250,652
Sansiri Venture Co., Ltd.	-	-	5,600	-
<b>Related party</b>				
Regency One Co., Ltd. (held by Chanachai Ltd.)	5,000	5,000	-	-
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>15,650,633</b>	<b>9,294,324</b>
Current portion	-	-	5,080,413	2,171,050
Less: Allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>5,080,413</b>	<b>2,171,050</b>
Long-term portion	5,000	5,000	10,570,220	7,123,274
Less: Allowance for doubtful accounts	(5,000)	(5,000)	(671,300)	(671,300)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>9,898,920</b>	<b>6,451,974</b>

During the year 2012, the Company reversed allowance for doubtful accounts of loans to subsidiaries amounting to Baht 6.24 million (2013: Nil).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b><u>Interest receivables</u></b>				
<b>Subsidiaries</b>				
Arnawat Ltd.	-	-	14,895	293,967
Piwattana Ltd.	-	-	25,406	3,270
Red Lotus Properties Ltd.	-	-	94,518	80,008
Pacific Challenge Holding Co., Ltd.	-	-	-	148
Sansiri Global Investment Pte. Ltd.	-	-	40,096	31,729
Plus Property Space Co., Ltd.	-	-	16,013	2,563
Papanan Ltd.	-	-	98,524	105,546
NED Management Co., Ltd.	-	-	102,931	47,263
Sansiri Venture Co., Ltd.	-	-	100	-
<b>Related party</b>				
Regency One Co., Ltd. (held by Chanachai Ltd.)	333	333	-	-
<b>Total</b>	333	333	392,483	564,494
Less: Allowance for doubtful accounts	(333)	(333)	(4,076)	(4,076)
<b>Net</b>	-	-	388,407	560,418
<b><u>Unearned income</u></b>				
<b>Related parties</b>				
Related persons	12,791	4,512	8,472	3,126
<b>Total</b>	12,791	4,512	8,472	3,126
<b><u>Trade accounts payable</u></b>				
<b>Subsidiaries</b>				
Arnawat Ltd.	-	-	579	-
Plus Property Co., Ltd.	-	-	7,211	46,869
Piwattana Ltd.	-	-	1,954	1,760
Papanan Ltd.	-	-	5,460	456
Sansiri Land Ltd.	-	-	-	8,088
<b>Total</b>	-	-	15,204	57,173
<b><u>Deposits for building rental and others</u></b>				
<b>Subsidiary</b>				
Chanachai Ltd.	-	-	-	18
<b>Total</b>	-	-	-	18

7.4 During the year, movements of loans to related parties were as follow: -

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	1 January 2013	Increase	Decrease	31 December 2013
<b>Related party</b>				
Regency One Co., Ltd.				
(held by Chanachai Ltd.)	5.00	-	-	5.00

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2013	Increase	Decrease	31 December 2013
<b>Subsidiaries</b>				
Plus Property Co., Ltd.	-	350.50	(350.50)	-
Arnawat Ltd.	3,506.53	4,585.75	(2,443.49)	5,648.79
Piwattana Ltd.	481.87	2,308.61	(976.64)	1,813.84
Red Lotus Properties Ltd.	1,272.97	1,482.27	(673.55)	2,081.69
Pacific Challenge Holding Co., Ltd.	5.00	-	(5.00)	-
Sansiri Global Investment Pte. Ltd.	282.17	39.78	(82.74)	239.21
Plus Property Space Co., Ltd.	209.80	530.90	(14.25)	726.45
Papanan Ltd.	2,285.33	1,443.03	(1,926.07)	1,802.29
NED Management Co., Ltd.	1,250.65	2,584.72	(502.61)	3,332.76
Sansiri Venture Co., Ltd.	-	101.60	(96.00)	5.60
Total	9,294.32	13,427.16	(7,070.85)	15,650.63

As at 31 December 2013 and 2012, loans to related parties are clean loans, due for repayment at call, and carried interest at rates of 3.00 - 3.55 percent per annum.

As at 31 December 2013 and 2012, the Company and its subsidiaries have ceased recognition of interest on principal of loans to related parties amounting to Baht 5.00 million and Baht 5.00 million, respectively, because of default on interest payment for three consecutive installments.

## 7.5 Guarantees to related companies

As at 31 December 2013 and 2012, the Company and its subsidiaries have the following obligations in respect of guarantees provided to banks for loans facilities: -

(Unit: Million Baht)

Guarantor	Guarantee	2013	2012
Sansiri Plc.	Arnawat Ltd.	395	395
	Piwattana Ltd.	-	395
<b>Total</b>		<b>395</b>	<b>790</b>

## 8. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	4.52	4.05	1.42	2.36
Bank deposits	2,089.93	3,379.41	973.92	2,410.96
Bills of exchange	25.13	25.00	-	-
<b>Total</b>	<b>2,119.58</b>	<b>3,408.46</b>	<b>975.34</b>	<b>2,413.32</b>

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 1.50 - 3.10 percent per annum (2012: between 1.50 - 3.30 percent per annum).

## 9. Restricted bank deposits

As at 31 December 2013 and 2012, restricted bank deposits of the Company and its subsidiaries have been pledged as collateral for guarantees facilities issued by banks on behalf of the Company and its subsidiaries.

## 10. Trade accounts receivable

Trade accounts receivable as at 31 December 2013 and 2012 presented as follows: -

	(Unit: Million Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	-	-	57.75	80.63
3 - 6 months	-	-	90.92	32.35
6 - 12 months	-	-	216.26	13.77
Over 12 months	-	-	48.52	-
Total trade receivables - related parties	-	-	413.45	126.75
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	16.57	23.23	-	-
Past due				
Up to 3 months	24.11	14.50	2.14	0.62
3 - 6 months	1.42	1.74	0.09	-
6 - 12 months	6.32	3.49	0.24	-
Over 12 months	12.16	14.25	0.42	0.68
Total	60.58	57.21	2.89	1.30
Less: Allowance for doubtful debts	(16.06)	(16.02)	(0.75)	(0.68)
Total trade receivables - unrelated parties, net	44.52	41.19	2.14	0.62
Total trade receivables - net	44.52	41.19	415.59	127.37

## 11. Property development for sale

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Construction materials	38.82	41.09	36.43	38.69
Land	36,023.98	26,936.89	21,164.91	17,084.50
Construction cost and others	36,922.45	21,779.47	21,351.96	13,901.30
Utility costs	11,229.94	6,452.62	6,434.20	4,121.12
Capitalised financial costs	2,779.03	1,878.95	2,308.37	1,664.96
Total	86,994.22	57,089.02	51,295.87	36,810.57
Less: Accumulated transfer to cost of project	(41,341.08)	(22,807.47)	(27,049.48)	(15,272.14)
Allowance for loss on diminution in value of project	(31.75)	(15.02)	-	-
Balance	45,621.39	34,266.53	24,246.39	21,538.43

- 11.1 As at 31 December 2013 and 2012, land and construction thereon of projects of the Company and its subsidiaries amounting Baht 33,289.10 million and Baht 26,194.51 million, respectively (Separate financial statements: Baht 18,134.31 million and Baht 17,529.60 million, respectively) were pledged as collateral for loans obtained from banks.
- 11.2 As at 31 December 2013 and 2012, the estimated expense to the Company and its subsidiaries of development and construction for completion of the opened projects (excluding the costs of land and construction already recorded) is Baht 53,796.32 million and Baht 39,652.92 million, respectively (Separate financial statements: Baht 22,812.75 million and Baht 20,267.77million, respectively).
- 11.3 During the year 2013 and 2012, the Company and its subsidiaries included borrowing costs in the cost of property development amounting to Baht 900.08 million and Baht 934.65 million, respectively (Separate financial statements: Baht 643.41 million and Baht 839.88 million, respectively). Capitalisation rates for the years 2013 and 2012 were 4.74% and 4.99%, respectively (Separate financial statements: 4.71% and 4.99%, respectively).



11.4 Reversal of loss on diminution in value of property development for sale and land held for development for the year 2013 and 2012 are as follow.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Property development for sale (Note 11)	16.73	(20.26)	-	-
Land held for development (Note 14)	(34.38)	(50.00)	-	(50.00)
Total	(17.65)	(70.26)	-	(50.00)

11.5 Additional information of the Company and its subsidiaries' projects are as follow.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Sales with signed agreements	116,185.38	95,673.84	58,622.07	55,916.88
Total estimated project value	171,624.48	148,404.08	82,185.91	92,392.11
The ratio of sales with signed agreements to total estimated project sales	67.70%	64.47%	71.33%	60.52%
Unearned income	3,001.59	2,027.79	1,212.79	1,428.13

## 12. Investments in subsidiaries

Investments in subsidiaries as stated in the separate financial statements as at 31 December 2013 and 20112 are as follows: -

	(Unit: Million Baht)											
	Paid-up capital		Percentage of shareholding		Investment at cost		Allowance for loss on diminution in value of investments		Net investment		Dividend received during the year	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			Percent	Percent								
<b>Subsidiaries - Directly owned</b>												
Chanachai Ltd.	90.00	90.00	100	100	101.52	101.52	-	-	101.52	101.52	225.36	585.54
Plus Property Co., Ltd.	600.00	600.00	100	100	610.52	610.52	-	-	610.52	610.52	384.00	318.00
Sansiri Venture Co., Ltd.	3.00	3.00	100	100	4.52	4.52	-	-	4.52	4.52	-	2.70
S.U.N. Management Co., Ltd.	10.00	10.00	100	100	20.08	20.08	-	-	20.08	20.08	-	-
Amawat Ltd.	2.50	2.50	100	100	2.50	2.50	-	-	2.50	2.50	-	-
Piwattana Ltd.	100.00	100.00	100	100	100.00	100.00	-	-	100.00	100.00	-	-
Red Lotus Properties Ltd.	20.00	20.00	100	100	20.00	20.00	-	-	20.00	20.00	-	-
Plus Propety Space Co., Ltd.	2.50	2.50	100	100	4.07	4.07	-	-	4.07	4.07	-	-
Pacific Challenge Holding Co., Ltd.	2.50	2.50	85	85	2.13	2.13	-	-	2.13	2.13	-	-
Papanan Ltd.	20.00	20.00	100	100	20.00	20.00	(20.00)	(20.00)	-	-	-	-
Satit Pattana Personnel Center Ltd.	1.00	1.00	100	100	1.00	1.00	-	-	1.00	1.00	-	-
NED Management Co., Ltd.	40.00	40.00	100	100	40.00	40.00	-	-	40.00	40.00	-	-
Sansiri Global Investment Pte. Ltd.	1.19	1.19	100	100	1.19	1.19	-	-	1.19	1.19	-	-
<b>Total investment in subsidiaries</b>					<u>927.53</u>	<u>927.53</u>	<u>(20.00)</u>	<u>(20.00)</u>	<u>907.53</u>	<u>907.53</u>	<u>609.36</u>	<u>906.24</u>

Dividend income from Sansiri Venture Co., Ltd. is net of a partial return of capital.

### 13. Investments properties

The net book value of investment properties as at 31 December 2013 and 2012 is presented below.

					(Unit: Million Baht)
	Consolidated financial statements				Separate financial statements
	House for rent	Condominium for rent	Office building for rent	Total	Condominium for rent
As at 31 December 2013					
Cost	119.92	19.53	559.58	699.03	9.12
Less: Accumulated depreciation	(35.84)	(1.26)	(31.88)	(68.98)	(0.39)
Less: Allowance for diminution in value	(32.89)	-	-	(32.89)	-
Net book value	51.19	18.27	527.70	597.16	8.73
As at 31 December 2012					
Cost	119.84	45.22	553.71	718.77	-
Less: Accumulated depreciation	(27.40)	(6.17)	(15.97)	(49.54)	-
Less: Allowance for diminution in value	(32.89)	-	-	(32.89)	-
Net book value	59.55	39.05	537.74	636.34	-

A reconciliation of the net book value of investment properties for the year 2013 and 2012 is presented below.

					(Unit: Million Baht)
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
Net book value at beginning of year	636.34	676.67	-	-	
Acquisition of assets	0.08	10.93	-	-	
Transfer from property development for sale	9.12	-	9.12	-	
Disposals - net book value	(27.94)	(29.42)	-	-	
Depreciation charged	(20.44)	(21.84)	(0.39)	-	
Net book value at end of year	597.16	636.34	8.73	-	

The depreciation of investment properties has been charged to cost of project for rent.

The fair value of the investment properties as at 31 December 2013 and 2012 stated below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements
	2013	2012	2013
House for rent	73.40	77.46	-
Condominium for rent	30.42	53.51	14.71
Office building for rent	1,282.40	647.78	-
Total	<u>1,386.22</u>	<u>778.75</u>	<u>14.71</u>

The fair values of the above investment properties have been determined based on valuations performed by the management of the Company. The fair value of house and office building for rental has been determined based on income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates. The fair value of condominium for rent has been determined based on market price.

The Company and its subsidiaries have pledged investment properties with the net book value amounting to approximately Baht 526.24 million (2012: Baht 537.74 million) as collateral against credit facilities received from financial institutions.

#### 14. Land held for development

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land held for development	2,477.98	1,461.95	1,953.81	1,056.04
Less: Allowance for loss on diminution in value of project	(52.49)	(86.87)	-	-
Net	<u>2,425.49</u>	<u>1,375.08</u>	<u>1,953.81</u>	<u>1,056.04</u>

As at 31 December 2013, land held for development of the Company and its subsidiaries amounting Baht 2,040.95 million were pledged as collateral for loans obtained from banks (Separate financial statements: Baht 1,939.54 million) (2012: None).

## 15. Land, buildings and equipment

(Unit: Million Baht)

Consolidated financial statements								
	Land	Buildings decoration	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
<b>Cost</b>								
Balance as at 1 January 2012	445.44	128.06	987.58	573.57	40.12	259.39	375.98	2,810.14
Purchases	2.34	-	163.48	185.12	4.27	265.47	151.95	772.63
Disposals/Write off	-	-	(25.26)	(52.08)	-	(75.77)	-	(153.11)
Transfer in/Transfer out	12.21	-	291.32	159.71	(0.63)	(33.94)	(421.75)	6.92
Disposal of investment in subsidiary	(6.21)	-	-	(0.82)	-	-	-	(7.03)
Balance as at 31 December 2012	453.78	128.06	1,417.12	865.50	43.76	415.15	106.18	3,429.55
Purchases	62.24	-	79.45	167.56	-	47.40	472.46	829.11
Disposals/Write off	-	(128.06)	(14.64)	(53.76)	-	(36.58)	-	(233.04)
Transfer in/Transfer out	7.85	-	53.92	11.95	0.03	(343.83)	(141.75)	(411.83)
Balance as at 31 December 2013	523.87	-	1,535.85	991.25	43.79	82.14	436.89	3,613.79
<b>Accumulated depreciation</b>								
Balance as at 1 January 2012	-	80.30	168.27	355.37	24.47	202.25	-	830.66
Depreciation for the year	-	4.56	76.56	108.66	5.17	65.41	-	260.36
Disposals/Write off	-	-	(10.25)	(45.88)	-	(67.33)	-	(123.46)
Transfer in/Transfer out	-	-	30.77	(12.95)	(0.04)	(9.76)	-	8.02
Disposal of investment in subsidiary	-	-	-	(0.82)	-	-	-	(0.82)
Balance as at 31 December 2012	-	84.86	265.35	404.38	29.60	190.57	-	974.76
Depreciation for the year	-	1.94	67.64	107.86	5.69	36.02	-	219.15
Disposals/Write off	-	(86.80)	(4.56)	(48.11)	-	(19.53)	-	(159.00)
Transfer in/Transfer out	-	-	(2.94)	(2.05)	0.03	(174.39)	-	(179.35)
Balance as at 31 December 2013	-	-	325.49	462.08	35.32	32.67	-	855.56
<b>Allowance for impairment loss</b>								
Balance as at 1 January 2012 and 31 December 2012 and 2013	1.57	40.00	57.12	-	-	-	-	98.69
Write-off	-	(40.00)	-	-	-	-	-	(40.00)
Balance as at 31 December 2013	1.57	-	57.12	-	-	-	-	58.69
<b>Net book value</b>								
Balance as at 1 January 2012	443.87	7.76	762.19	218.20	15.65	57.14	375.98	1,880.79
Balance as at 31 December 2012	452.21	3.20	1,094.65	461.12	14.16	224.58	106.18	2,356.10
Balance as at 31 December 2013	522.30	-	1,153.24	529.17	8.47	49.47	436.89	2,699.54
<b>Depreciation for the year</b>								
2012 (Baht 75.99 million included in cost of other services, Baht 17.30 million included in manufacturing cost of construction material, other than that included in administrative expenses)								260.36
2013 (Baht 43.61 million included in cost of other services, Baht 36.41 million included in manufacturing cost of construction materials, other than that included in administrative expenses)								219.15

(Unit: Million Baht)

Separate financial statements							
	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
<b>Cost</b>							
Balance as at 1 January 2012	141.11	269.55	252.41	33.05	110.90	381.67	1,188.69
Purchases	2.34	85.51	135.53	4.28	124.67	63.74	416.07
Disposals/Write off	-	(7.31)	(4.84)	-	-	-	(12.15)
Transfer in/Transfer out	11.08	166.58	224.06	(0.60)	21.49	(422.61)	-
Balance as at 31 December 2012	154.53	514.33	607.16	36.73	257.06	22.80	1,592.61
Purchases	3.53	77.53	121.90	-	44.67	83.03	330.66
Disposals/Write off	-	-	(0.36)	-	-	-	(0.36)
Transfer in/Transfer out	(1.32)	70.30	13.55	-	(265.38)	(99.03)	(281.88)
Balance as at 31 December 2013	156.74	662.16	742.25	36.73	36.35	6.80	1,641.03
<b>Accumulated depreciation</b>							
Balance as at 1 January 2012	-	61.87	168.61	22.10	108.56	-	361.14
Depreciation for the year	-	24.09	53.88	4.06	22.84	-	104.87
Disposals/Write off	-	(7.31)	(4.72)	-	-	-	(12.03)
Balance as at 31 December 2012	-	78.65	217.77	26.16	131.40	-	453.98
Depreciation for the year	-	27.30	79.42	4.59	24.89	-	136.20
Disposals/Write off	-	-	(0.17)	-	-	-	(0.17)
Transfer in / Transfer out	-	(0.39)	-	-	(147.13)	-	(147.52)
Balance as at 31 December 2013	-	105.56	297.02	30.75	9.16	-	442.49
<b>Allowance for impairment loss</b>							
Balance as at 1 January 2012,							
31 December 2012 and 31 December							
2013	1.42	-	-	-	-	-	1.42
<b>Net book value</b>							
Balance as at 1 January 2012	139.69	207.68	83.80	10.95	2.34	381.67	826.13
Balance as at 31 December 2012	153.11	435.68	389.39	10.57	125.66	22.80	1,137.21
Balance as at 31 December 2013	155.32	556.60	445.23	5.98	27.19	6.80	1,197.12
<b>Depreciation for the year</b>							
2012 (Baht 4.46 million included in cost of other services, Baht 17.30 million included in manufacturing cost of construction materials, other than that included in administrative expenses)							104.87
2013 (Baht 4.62 million included in cost of other services, Baht 36.41 million included in manufacturing cost of construction materials, other than that included in administrative expenses)							136.20

As at 31 December 2013 and 2012, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 331.64 million and Baht 265.74 million, respectively (Separate financial statement: Baht 181.84 million and Baht 147.32 million, respectively).

During the year 2013, the Company included borrowings costs in the costs of assets amounting to Baht 0.62 million with capitalisation rate of 5%. (2012: None)

As at 31 December 2013 and 2012, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht

5.42 million and Baht 9.81 million, respectively (Separate financial statement: Baht 5.42 million and Baht 9.81 million, respectively).

As at 31 December 2013 and 2012, the Company's land and construction thereon which the net book value amounted Baht 973.71 million and Baht 855.49 million, respectively, were mortgaged to secure loans from banks (Separate financial statements: Baht 732.05 million and Baht 607.97 million, respectively).

## 16. Goodwill

As at 31 December 2013 and 2012, the balance of goodwill is related to goodwill from business combination of NED Management Company Limited (formerly known as "National Education Development Company Limited") in 2009.

## 17. Intangible assets

The net book value of intangible assets as at 31 December 2013 and 2012 is presented below.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Patents and licenses	Computer software	Total	Patents and licenses	Computer software	Total
As at 31 December 2013						
Cost	21.58	195.51	217.09	-	155.86	155.86
Less: Accumulated amortisation	(20.88)	(104.23)	(125.11)	-	(78.03)	(78.03)
Net book value	<u>0.70</u>	<u>91.28</u>	<u>91.98</u>	<u>-</u>	<u>77.83</u>	<u>77.83</u>
As at 31 December 2012						
Cost	20.28	144.71	164.99	-	117.12	117.12
Less: Accumulated amortisation	(19.62)	(91.49)	(111.11)	-	(70.17)	(70.17)
Net book value	<u>0.66</u>	<u>53.22</u>	<u>53.88</u>	<u>-</u>	<u>46.95</u>	<u>46.95</u>

A reconciliation of the net book value of intangible assets for the year 2013 and 2012 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	53.88	39.27	46.95	31.21
Acquisition of computer software	49.59	26.10	38.74	20.34
Transfer in	2.51	-	-	-
Amortisation	(14.00)	(11.41)	(7.86)	(4.60)
Disposal during the year - At net book value	<u>-</u>	<u>(0.08)</u>	<u>-</u>	<u>-</u>

Net book value at end of year	<u>91.98</u>	<u>53.88</u>	<u>77.83</u>	<u>46.95</u>
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As at 31 December 2013 and 2012, certain computer software of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated amortisation) of these assets amounted to approximately Baht 72.14 million and Baht 71.74 million, respectively (Separate financial statements: Baht 58.25 million and Baht 58.05 million, respectively).

## 18. Leasehold rights

(Unit: Million Baht)				
Project	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Habito	41.99	-	41.99	-
Baan Sansiri Condominium	609.98	609.98	-	-
Sun Square Silom	192.76	192.76	-	-
Total	844.73	802.74	41.99	-
Less: Accumulated amortisation	(476.16)	(448.70)	(0.79)	-
Leasehold rights - net	<u>368.57</u>	<u>354.04</u>	<u>41.20</u>	<u>-</u>
Amortisation expenses for the year	<u>27.46</u>	<u>30.67</u>	<u>0.79</u>	<u>-</u>

The amortisation of leasehold rights has been charged to cost of project for rent.

## 19. Short-term loans from banks/Bill of exchange

(Unit: Million Baht)		
	Consolidated / Separate financial statements	
	2013	2012
<u>Short-term loans from banks</u>		
Promissory notes	<u>3,550.00</u>	<u>1,828.00</u>
<u>Bills of exchange</u>		
Face value	2,500.00	2,395.00
Less: Prepaid interest expense	<u>(16.72)</u>	<u>(11.26)</u>
Net	<u>2,483.28</u>	<u>2,383.74</u>

As at 31 December 2013, short-term loans from banks carry interest at rates of 3.60 - 4.05 percent per annum and are secured by land and constructions of projects of the Company and its subsidiaries (2012: 4.25 - 4.90 percent per annum). Bills of exchange carry interest at rates of 3.15 - 3.25 percent per annum (2012: 3.40 - 3.75 percent per annum).

## 20. Trade accounts payable

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - unrelated parties	2,250.62	1,800.05	1,210.46	1,046.08
Trade payables - related parties	-	-	15.20	57.17
Total	<u>2,250.62</u>	<u>1,800.05</u>	<u>1,225.66</u>	<u>1,103.25</u>

## 21. Promissory notes - purchase of land

Promissory notes - purchase of land are notes issued to land sellers. The notes mature 2012, are interest free, and are avaled by a bank. In 2012, the Company has fully paid for all outstanding balances.

## 22. Long-term loans

As at 31 December 2013 and 2012, long-term loans presented below: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Loans from banks	15,685.02	12,824.04	8,418.40	7,828.26
Less: Current portion of long-term loans	<u>(5,820.29)</u>	<u>(6,376.36)</u>	<u>(3,133.37)</u>	<u>(4,068.58)</u>
Net	<u>9,864.73</u>	<u>6,447.68</u>	<u>5,285.03</u>	<u>3,759.68</u>



Movements in the long-term loans account during the years ended 31 December 2013 and 2012 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	10,750.23	8,042.31
Add: Additional borrowings	12,787.67	8,312.89
Less: Repayment	(10,715.45)	(8,526.94)
Add: Translation adjustments	1.59	-
Balance as at 31 December 2012	12,824.04	7,828.26
Add: Additional borrowings	10,941.19	4,983.36
Less: Repayment	(8,080.21)	(4,393.22)
Balance as at 31 December 2013	15,685.02	8,418.40

The details of long-term loans classified by the Company and its subsidiaries are presented below.

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2013	2012	2013	2012	
	Million Baht	Million Baht	Percent per annum	Percent per annum	
Sansiri Plc.	8,418	7,828	MLR - 2.63% to MLR - 1.00%	MLR - 2.62% to MLR - 1.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2022
Chanachai Ltd.	-	19	-	MLR - 1.50% to MLR - 1.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019
Sansiri Land Ltd.	-	151	-	MLR - 2.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2015

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2013	2012	2013	2012	
	Million Baht	Million Baht	Percent per annum	Percent per annum	
Red Lotus Properties Ltd.	653	560	MLR - 2.00%	MLR - 2.00% to MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2016
Arnawat Ltd.	2,675	1,641	MLR - 2.00% to MLR - 1.25%	MLR - 2.00% to MLR - 1.25%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2018
Piwattana Ltd.	807	14	MLR - 2.00% to MLR - 1.25%	MLR - 1.75% to MLR - 1.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019
Sansiri Guernsey (2009) Limited	-	160	-	LIBOR + 3.5%	Full payment is to be made within 2014
Papanan Ltd.	1,129	1,685	MLR - 2.50% to MLR - 1.75%	MLR - 2.00% to MLR - 1.75%	Quarterly installment repayment and payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019
Plus Property Space Co., Ltd.	118	118	MLR - 2.00% to MLR - 1.75%	MLR - 2.00% to MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2018
NED Management Co., Ltd.	1,510	648	MLR - 2.00%	MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017
Touch Property Co., Ltd.	375	-	MLR - 2.00%	-	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2015

Total	<u>15,685</u>	<u>12,824</u>
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As at 31 December 2013 and 2012, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 39,824 million and Baht 22,308 million, respectively (Separate financial statement: Baht 18,313 million and Baht 13,030 million, respectively).

Land and constructions of projects of the Company and its subsidiaries, and investment properties of the subsidiary are mortgaged as collaterals for loans obtained from banks.

Most of loans agreements contain certain covenants and restrictions, such as dividend payment, capital increase and decrease, loans guarantees, change in directors and maintenance of a debt to equity ratio.

### 23. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2013 and 2012, which is compensations on employees' retirement, was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Balance at the beginning of the year	27.41	24.96	18.77	16.78
Current service cost	2.41	2.43	1.37	1.44
Interest cost	0.95	0.95	0.69	0.57
Benefits paid during the year	(5.67)	(0.93)	(3.95)	(0.02)
Actuarial (gain) loss	44.62	-	29.52	-
Balance at the end of the year	<u>69.72</u>	<u>27.41</u>	<u>46.40</u>	<u>18.77</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	2,408	2,431	1,375	1,442
Interest cost	947	951	688	564
<b>Total expenses recognised in profit or loss</b>	<u>3,355</u>	<u>3,382</u>	<u>2,063</u>	<u>2,006</u>
Line items under which such expenses are included in profit or loss				
Cost of sales	956	894	-	-

Selling and administrative expenses	2,399	2,488	2,063	2,006
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The cumulative amount of actuarial gains or losses recognized in other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 December 2013 amounted to Baht 44.62 million (The Company only: Baht 29.52).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.40	4.20	4.40	4.20
Future salary increase rate	5.00 - 12.00	5.00 - 12.00	5.00 - 12.00	5.00 - 12.00
Staff turnover rate (depending on age)	5.00 - 15.00	8.00 - 20.00	5.00 - 15.00	8.00 - 20.00

Amounts of defined benefit obligation for the current and previous four periods are as follows:

	Defined benefit obligation		(Unit: Thousand Baht) Experience adjustments arising on the plan liabilities	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2013	69,717	46,401	19,045	11,866
Year 2012	27,411	18,772	-	-
Year 2011	24,957	16,784	-	-
Year 2010	22,646	15,545	-	-

## 24. Provisions

Provisions for liabilities on law suit, home care warranty and compensation for Housing Estate Juristic Persons for the years ended 31 December 2013 and 2012 had the following movements: -

### Short-term provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Provisions for law suits	Provisions for home care warranty	Total	Provisions for law suits	Provisions for home care warranty	Total
Beginning balance						
as at 1 January 2012	4.28	80.04	84.32	2.95	38.83	41.78
Increase during the year	-	109.10	109.10	-	85.81	85.81
Paid during the year	-	(87.82)	(87.82)	-	(50.92)	(50.92)
Reverse	(0.77)	-	(0.77)	-	-	-
Balance as at						
31 December 2012	3.51	101.32	104.83	2.95	73.72	76.67
Increase during the year	-	95.36	95.36	-	60.34	60.34
Paid during the year	-	(78.17)	(78.17)	-	(58.15)	(58.15)
Reverse	(0.56)	(23.15)	(23.71)	-	(15.57)	(15.57)
Balance as at						
31 December 2013	2.95	95.36	98.31	2.95	60.34	63.29

### Long-term provisions

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
	Compensation for Housing Estate Juristic Persons	Compensation for Housing Estate Juristic Persons
Beginning balance		
as at 1 January 2012	53.04	28.63
Increase during the year	19.70	10.41
Paid during the year	(21.22)	(6.57)
Balance as at		
31 December 2012	51.52	32.47
Increase during the year	122.30	78.58
Paid during the year	(13.36)	(11.55)
Reverse	(0.48)	(0.16)
Balance as at		
31 December 2013	159.98	99.34

## 25. Unsecured debentures

The Company's debentures which are unsecured, issued with a registered certificate and unsubordinated are summarised below:

				(Unit: Million Baht)	
				Consolidated / Separate financial statements	
Debentures	Interest rate	Terms	Due date	2013	2012
Debentures # 1/2010	4.90% p.a.	3 years 7 months 20 days	30 September 2013	-	1,000.00
Debentures # 2/2010	5.60% p.a.	7 years	24 May 2017	2,000.00	2,000.00
Debentures # 1/2011	5.40% p.a. for 1st - 3rd year 6.00% p.a. for 4th - 5th year	5 years	21 July 2016	1,000.00	1,000.00
Debentures # 2/2011	5.40% p.a. for 1st - 3rd year 6.00% p.a. for 4th - 5th year	5 years	3 October 2016	1,000.00	1,000.00
Debentures # 1/2012	4.50% p.a. for 1st year 5.00% p.a. for 2nd year 5.50% p.a. for 3rd year	3 years	31 May 2015	1,000.00	1,000.00
Debentures # 2/2012	4.80% p.a.	3 years	19 October 2015	1,000.00	1,000.00
Debentures # 1/2013	4.99% p.a.	5 years	24 January 2018	3,000.00	-
Debentures # 2/2013	4.75% p.a. for 1st - 2nd year 5.00% p.a. for 3rd - 4th year 5.30% p.a. for 5th year	5 years	30 May 2018	1,000.00	-
Debentures # 3/2013	4.95% p.a.	5 years	23 August 2018	2,000.00	-
Debentures # 4/2013	5.20% p.a.	5 years 6 months	4 April 2019	1,000.00	-
Total debentures, at face value				13,000.00	7,000.00
Less: Unamortised portion of deferred transaction costs				(49.12)	(30.37)
Total debentures				12,950.88	6,969.63
Less: Debentures due within one year				-	(998.36)
Debentures - due over one year				12,950.88	5,971.27

Under rights and responsibilities of debenture issuer, the Company has to comply with certain covenants and restrictions including maintenance of a debt to equity ratio of consolidated financial statements with no excess of 2.5:1 (2012: 2.5:1) along with debentures' periods (debts mean interest bearing loans).

## 26. Share capital

During the years 2013 and 2012, the Company received payment for the exercise of ESOP#5 and ESOP#6 allocated to directors and employees of the Company and its subsidiaries, and of SIRI-W1. The detail is below.

	Ordinary shares			Date that the Stock Exchange of Thailand	
	Quantity of exercised warrants	issued for exercised warrants	Exercise price	Date of registration with the Ministry of Commerce	approved ordinary shares as listed securities
Date of exercise	(Units)	(Shares)	(Baht)		
<b>ESOP#5</b>					
31 January 2012	14,617,359	17,058,452	1.072	1 February 2012	6 February 2012
29 February 2012	19,088,155	22,275,872	1.072	29 February 2012	6 March 2012
30 March 2012	6,530,784	7,621,421	1.072	4 April 2012	11 April 2012
30 April 2012	4,639,689	5,414,516	1.072	2 May 2012	8 May 2012
31 May 2012	577,101	673,476	1.072	31 May 2012	6 June 2012
29 June 2012	2,395,858	2,795,965	1.072	3 July 2012	6 July 2012
27 July 2012	556,985	650,000	1.072	31 July 2012	6 August 2012
31 August 2012	299,915	350,000	1.072	31 August 2012	5 September 2012
28 September 2012	1,028,279	1,200,001	1.072	3 October 2012	8 October 2012
31 October 2012	1,371,039	1,600,001	1.072	31 October 2012	5 November 2012
30 November 2012	728,450	850,101	1.072	30 November 2012	7 December 2012
28 December 2012	1,107,070	1,291,950	1.072	3 January 2013	8 January 2013
<b>Total exercise in 2012</b>	<b>52,940,684</b>	<b>61,781,755</b>			
31 January 2013	2,301,548	2,685,904	1.072	1 February 2013	6 February 2013
28 February 2013	993,793	1,159,755	1.072	1 March 2013	6 March 2013
<b>Total exercise in 2013</b>	<b>3,295,341</b>	<b>3,845,659</b>			
<b>ESOP#6</b>					
31 January 2012	24,521,040	28,616,048	1.114	1 February 2012	6 February 2012
29 February 2012	24,757,684	28,892,214	1.114	29 February 2012	6 March 2012
30 March 2012	12,756,336	14,886,639	1.114	4 April 2012	11 April 2012
30 April 2012	18,851,664	21,999,887	1.114	2 May 2012	8 May 2012
31 May 2012	9,517,000	11,106,336	1.114	31 May 2012	6 June 2012
29 June 2012	16,908,082	19,731,728	1.114	3 July 2012	6 July 2012
27 July 2012	8,818,562	10,291,260	1.114	31 July 2012	6 August 2012
31 August 2012	3,535,065	4,125,420	1.114	31 August 2012	5 September 2012
28 September 2012	13,442,497	15,687,391	1.114	3 October 2012	8 October 2012
31 October 2012	5,559,887	6,488,386	1.114	31 October 2012	5 November 2012



	Ordinary shares			Date that the Stock Exchange of Thailand approved ordinary shares as listed securities	
Date of exercise	Quantity of exercised warrants (Units)	issued for exercised warrants (Shares)	Exercise price (Baht)	Date of registration with the Ministry of Commerce	
30 November 2012	6,708,295	7,828,579	1.114	30 November 2012	7 December 2012
28 December 2012	935,690	1,091,950	1.114	3 January 2013	8 January 2013
<b>Total exercise in 2012</b>	<b>146,311,802</b>	<b>170,745,838</b>			
31 January 2013	11,492,382	13,411,607	1.114	1 February 2013	6 February 2013
28 February 2013	16,132,406	18,826,515	1.114	1 March 2013	6 March 2013
29 March 2013	11,106,899	12,961,751	1.114	2 April 2013	5 April 2013
30 April 2013	1,510,000	1,762,170	1.114	2 May 2013	8 May 2013
31 May 2013	4,628,450	5,401,400	1.114	3 June 2013	6 June 2013
28 June 2013	1,370,000	1,598,790	1.114	1 July 2013	5 July 2013
31 July 2013	200,000	233,400	1.114	31 July 2013	5 August 2013
30 September 2013	171,380	200,000	1.114	2 October 2013	7 October 2013
27 December 2013	630,000	735,210	1.114	3 January 2014	8 January 2014
<b>Total exercise in 2013</b>	<b>47,241,517</b>	<b>55,130,843</b>			
<b><u>SIRI-W1</u></b>					
30 March 2012	9,038,848	10,548,333	1.114	4 April 2012	11 April 2012
29 June 2012	10,207,500	11,912,152	1.114	3 July 2012	6 July 2012
28 September 2012	494,131,340	576,651,269	1.114	3 October 2012	8 October 2012
28 December 2012	397,163,206	463,489,455	1.114	3 January 2013	8 January 2013
<b>Total exercise in 2012</b>	<b>910,540,894</b>	<b>1,062,601,209</b>			
29 March 2013	601,330,208	701,752,333	1.114	2 April 2013	5 April 2013
28 June 2013	362,572,764	423,122,401	1.114	1 July 2013	5 July 2013
30 September 2013	1,768,060	2,063,325	1.114	2 October 2013	7 October 2013
27 December 2013	24,210,000	28,253,070	1.114	3 January 2014	8 January 2014
<b>Total exercise in 2013</b>	<b>989,881,032</b>	<b>1,155,191,129</b>			

The exercise of the warrants above resulting in increasing the registered and paid up share capital of the Company. The details are summarised below.

#### Reconciliation of number of ordinary shares

	Number of shares (Shares)	Par value (Baht)	Paid up capital (Baht)
<u>Registered ordinary shares</u>			
Number of ordinary shares as at 1 January 2012	10,879,990,328	1.07	11,641,589,651
Decrease during the year <sup>(1)</sup>	(19,220)	1.07	(20,565)
Number of ordinary shares as at 31 December 2012	<u>10,879,971,108</u>	1.07	<u>11,641,569,086</u>
Number of ordinary shares as at 31 December 2013	<u>10,879,971,108</u>	1.07	<u>11,641,569,086</u>

	Number of shares	Par value	Paid up capital	Share premium
	(Shares)	(Baht)	(Baht)	(Baht)
<u>Issued and paid-up ordinary shares</u>				
Number of ordinary shares as at 1 January 2012	7,053,228,452	1.07	7,546,954,444	550,246,830
Increase due to exercise of warrants	829,255,447	1.07	887,303,328	33,946,670
Number of ordinary shares as at 31 December 2012	7,882,483,899	1.07	8,434,257,772	584,193,500
Increase due to exercise of warrants	1,651,052,706	1.07	1,766,626,395	72,430,539
Number of ordinary shares as at 31 December 2013	9,533,536,605	1.07	10,200,884,167	656,624,039

<sup>(1)</sup> Decrease registered share capital during the year 2012

On 20 April 2012, the Annual General Meeting of the Company's shareholders approved a decrease of the registered capital of the Company, which was made from the existing registered capital of Baht 11,641,589,650.96 to be the new registered capital of Baht 11,641,569,085.56 by canceling its registered but un-issued share in the number of 19,220 shares as they were left over after the allotment of the stock dividend. The Company registered the changes in the registered share capital with the Ministry of Commerce on 4 May 2012.

Cash receipt amounting to Baht 32,292,944 from the exercise of right to purchase the Company's share on 27 December 2013 was recorded as calls in arrears in shareholders' equity because the Company registered its paid-up capital increase with the Ministry of Commerce on 3 January 2014.

## **27. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## **28. Warrants to purchase ordinary shares of the Company/Earnings per share**

### **28.1 Warrants to purchase ordinary shares of the Company**

The Company's warrants are as follows: -

Type of warrant	Exercise price per share	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2013	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2013
ESOP# 5	1.072	1:1.167	26,324,472	(3,295,341)	23,029,131
ESOP# 6	1.114	1:1.167	106,383,138	(47,241,517)	59,141,621
SIRI-W1	1.114	1:1.167	2,036,627,210	(989,881,032)	1,046,746,178

### **28.2 Earnings per share**

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, plus the weighted average number of ordinary shares which might need to be issued for the conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share.

Consolidated financial statements						
For the year ended 31 December 2013 and 2012						
		Weighted average number of		Earnings per share		
Profit for the year		ordinary shares				
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)		(Restated)		(Restated)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of						
the parent						
1,929,666	2,938,482	9,147,338	7,373,334	0.21	0.40	
<b>Effect of dilutive potential ordinary shares</b>						
ESOP#5	-	18,190	22,867			
ESOP#6	-	51,535	92,371			
SIRI-W1	-	1,057,184	1,665,594			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders						
assuming the conversion of						
warrant to ordinary shares						
<u>1,929,666</u>	<u>2,938,482</u>	<u>10,274,247</u>	<u>9,154,166</u>	0.19	0.32	
Separate financial statements						
For the year ended 31 December 2013 and 2012						
		Weighted average number of		Earnings per share		
Profit for the year		ordinary shares				
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)		(Restated)		(Restated)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of						
the parent						
1,883,834	3,470,618	9,147,338	7,373,334	0.20	0.47	
<b>Effect of dilutive potential ordinary shares</b>						
ESOP#5	-	18,190	22,867			
ESOP#6	-	51,535	92,371			
SIRI-W1	-	1,057,184	1,665,594			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders						
assuming the conversion of						
warrant to ordinary shares						
<u>1,883,834</u>	<u>3,470,618</u>	<u>10,274,247</u>	<u>9,154,166</u>	0.18	0.38	

## 29. Revenues from other services/Cost of other services

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Revenues from other services</u>				
Revenues from medical spa business	48.69	75.19	-	-
Revenues from hotel business	14.28	19.19	14.28	19.19
Revenues from education business	183.52	142.04	-	-
Total	<u>246.49</u>	<u>236.42</u>	<u>14.28</u>	<u>19.19</u>
<u>Cost of other services</u>				
Cost of medical spa business	31.15	44.19	-	-
Cost of hotel business	12.79	12.21	21.30	20.15
Cost of education business	248.64	189.45	-	-
Total	<u>292.58</u>	<u>245.85</u>	<u>21.30</u>	<u>20.15</u>

## 30. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Purchase of land and payments of construction costs	29,905.20	26,877.27	14,485.30	15,396.31
Changes in property development for sale	(18,533.61)	(8,630.23)	(11,777.34)	(2,016.98)
Salary and wages and other employee benefits	1,288.80	1,489.88	1,083.56	1,157.57
Depreciation of investments properties	20.44	21.84	0.39	-
Depreciation of land, buildings and equipment	219.15	260.36	136.20	104.87
Amortisation of intangible assets	14.00	11.41	7.86	4.60
Amortisation of leasehold rights	27.46	30.67	0.79	-
Provision for home care warrantee	95.36	109.10	60.34	85.81
Rental expenses from operating lease agreements	78.70	59.05	73.07	46.22
Expenses relating to flood effects	-	12.52	-	5.92

### 31. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
<b>Current income tax:</b>				
Current income tax charge	607,651	874,290	317,429	593,878
Adjustment in respect of current income tax of previous year				
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(223,708)	69,606	15,838	51,828
Effects of changes in the applicable tax rates	-	10,441	-	7,130
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>383,943</u>	<u>954,337</u>	<u>333,267</u>	<u>652,836</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Deferred tax relating to actuarial loss arising from defined benefit plan of employees	8,923	-	5,903	-
	<u>8,923</u>	<u>-</u>	<u>5,903</u>	<u>-</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Accounting profit before tax	<u>2,313,017</u>	<u>3,893,121</u>	<u>2,217,100</u>	<u>4,123,454</u>
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	462,603	895,418	443,420	948,394
Effects of changes in the applicable tax rates	-	10,441	-	7,130
Effects of:				
Promotional privileges (Note 32)	(2,493)	(20,844)	(2,493)	(14,604)
Tax exempted income	(3,965)	-	(121,876)	(306,302)
Non-deductible expenses	29,455	123,792	14,216	11,166
Additional expense deductions allowed	(101,052)	(54,470)	-	-
Others	(605)	-	-	7,052
Total	<u>(78,660)</u>	<u>48,478</u>	<u>(110,153)</u>	<u>(302,688)</u>
Income tax expenses reported in the statement of comprehensive income	<u>383,943</u>	<u>954,337</u>	<u>333,267</u>	<u>652,836</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)					
	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31	31	1	31	31	1
	December	December	January	December	December	January
	<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>
		(Restated)			(Restated)	
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	3,222	2,887	2,978	216	136	150
Property development for sale	505,117	262,877	318,874	157,357	166,472	232,655
Short-term provisions	19,663	20,967	16,864	12,659	15,335	8,356
Provision for long-term employee benefits	13,943	5,482	4,991	9,280	3,754	3,357
Rental fees received in advance	18,809	18,111	22,928	-	-	-
Unused tax loss	70,328	84,377	107,975	-	-	-
Total	<u>631,082</u>	<u>394,701</u>	<u>474,610</u>	<u>179,512</u>	<u>185,697</u>	<u>244,518</u>

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31	31	1	31	31	1
	December	December	January	December	December	January
	2013	2012	2012	2013	2012	2012
		(Restated)			(Restated)	
<b>Deferred tax liabilities</b>						
Unamortised portion of deferred transaction costs	9,824	6,075	5,937	9,824	6,075	5,937
Total	9,824	6,075	5,937	9,824	6,075	5,937
<b>Deferred tax assets - net</b>	621,258	388,626	468,673	169,688	179,622	238,581

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

### 32. Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Company have been granted privileges by the Board of Investment relating to developing any apartment building project for persons who have low or middle income including 1 residential condominium project and 1 land and housing project. The usable area in each unit of the residential condominium projects shall not be less than 28 square meters and the contracted sale amount is less than Baht 1,000,000 included land price. The usable area in each unit of the land and housing project shall not be less than 70 square meters and the contracted sale amount is less than Baht 1,200,000 included land price.

The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges.

As promoted companies, the Company must comply with certain terms and conditions prescribed in the promotional certificate.



### 33. Provident fund

The Company, subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and their employees contributed to the fund monthly at the rate of 5-12 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013 and 2012, the Company and its subsidiaries contributed Baht 71.91 million and Baht 59.56 million, respectively, to the fund (Separate financial statements: Baht 48.62 million and Baht 38.97 million, respectively).

### 34. Dividend paid

Dividend of the Company which were declared in 2013 and 2012 consist of the following: -

(Unit: Baht)

Dividends	Approved by	Total dividend	Dividend per share	Date of dividends payment
Final dividend from 2012 earnings	The Annual General Meeting of the Shareholders on 30 April 2013	1,425,354,975 <sup>(1)</sup>	0.17	17 May 2013
Final dividend from 2011 earnings	The Annual General Meeting of the Shareholders on 20 April 2012	1,001,009,945 <sup>(2)</sup>	0.14	16 May 2012

<sup>(1)</sup> Actual dividend paid amounted to Baht 1,425,172,513 because some shareholders were not entitled to receive dividend

<sup>(2)</sup> Actual dividend paid amounted to Baht 1,000,986,466 because some shareholders were not entitled to receive dividend

### 35. Commitments and contingent liabilities

#### 35.1 Capital commitments

As at 31 December 2013 and 2012, the Company and its subsidiaries have the following capital commitments: -

- a) The Company and its subsidiaries had commitments of Baht 20,549.71 million and Baht 12,345.34 million, respectively, under project construction agreements, decoration agreements, advisory service agreements and system development agreements (Separate financial statements: Baht 8,825.60 million and Baht 6,094.29 million, respectively).

- b) The Company and its subsidiaries has commitments of Baht 4,509.16 million and Baht 3,376.25 million, respectively, under land and condominium units purchase agreements (Separate financial statements: Baht 1,421.38 million and Baht 1,744.49 million, respectively).

### 35.2 Operating lease and service commitments

- a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 4 years.

As at 31 December 2013 and 2012, future minimum lease payments required under non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Payable:				
In up to 1 year	4.80	17.16	0.63	1.80
In over 1 and up to 5 years	26.50	7.29	22.05	0.42
Total	<u>31.30</u>	<u>24.45</u>	<u>22.68</u>	<u>2.22</u>

- b) As at 31 December 2013 and 2012, the Company and its subsidiaries had commitments of Baht 72.08 million and Baht 70.98 million, respectively in relation to advertising and public relations for the projects (Separate financial statements: Baht 32.04 million and Baht 38.97 million, respectively).
- c) As at 31 December 2013 and 2012, the Company and subsidiaries have servitude over land of approximately 19 rai and 12 rai, respectively, of which the cost is included in the cost of projects.
- d) The significant long-term lease agreements are as follow: -
- Sansiri Public Company Limited entered into a 30-year land rental agreement at Sukhumvit 77 alley for construction of a community mall for the Habito Project, covering the period from 16 August 2014 to 15 August 2043. Total amounts to Baht 42.11 million are to be paid, divided into by 3 installments. In August 2013, the Company made an initial payment of Baht 21.05 million and the remainder is to be paid Baht 10.53 million each over the period of 10 and 20 years of rental agreement.

- Chanachai Limited entered into a 30-year land rental agreement with the Office of The Privy Purse for construction of a condominium for the Baan Sansiri Project, covering the period from 1 November 1993 to 31 October 2023. Total amounts to Baht 117.70 million. On the agreement date, Chanachai Limited made an initial payment of Baht 30 million and the remainder is to be paid over the period of 30 years as stipulated in the agreement.
- S.U.N. Management Company Limited entered into a land rental agreement with the Crown Property Bureau in order to construct buildings and structures on such land. The agreement is for 30 years, from 16 September 2002, and the total rental payable is approximately Baht 88.04 million. The subsidiary paid this rental in full in July 2004.

### **35.3 Bank guarantees**

As at 31 December 2013 and 2012, there were the outstanding bank guarantees for Baht 2,121.91 million and Baht 1,358.11 million, respectively, issued by the banks in respect of requirements of the Company and its subsidiaries arising in the normal course of business. These included letters of guarantee to guarantee contractual performance regarding preparation and maintenance of public utilities, public services and land improvement and to guarantee electricity use (Separate financial statements: Baht 1,356.47 million and Baht 905.29 million, respectively).

### **35.4 Litigations**

As at 31 December 2013 and 2012, the Company and its subsidiaries have various outstanding litigation cases, relating to allegations of breaches of agreements to purchase and to sell and torts. Total damages claimed amount to Baht 280.27 million and Baht 60.96 million, respectively (Separate financial statements: Baht 241.14 million and Baht 31.03 million, respectively). However, the Company and its subsidiaries are defending the lawsuits, and since the Company's lawyers and management believe that the Company and its subsidiaries will not incur any losses from the litigation, no addition entries have been made in respect of these cases beyond provision already recorded (Note 24).

### **35.5 Other commitments**

The Company has commitments regarding contribution to the United Nations International Emergency Children's Fund (UNICEF) at a minimum of USD 1 million per year for the three-year period between 2011 and 2013. This is in accordance with memorandum of understanding between the Company and UNICEF dated 28 December 2010. However, the board of director considered and approved extension for the commitments to 3 years from 2014 to 2016.

### **36. Segment information**

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Property development business segment consists of land and housing projects, residential condominium projects, serviced apartments for rent, and office buildings for rent.
- Building management and real estate brokerage business segment consists of the provision of building management service and real estate brokerage.
- Other business segment consists of hotel, medical spa and education business.

No operating segments have been aggregated to form the above reportable operating segments.

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2013 and 2012, respectively.

(Unit: Million Baht)

Year ended 31 December 2013	Building management and			Total reportable	Adjustments and	Consolidated
	Real estate	real estate brokerage	Other business	segments	eliminations	
Revenue from external customers	27,850.22	500.15	246.49	28,596.86	-	28,596.86
Inter-segment revenue	512.71	353.08	-	865.79	(865.79)	-
Interest revenue	448.16	14.24	6.30	468.70	(447.99)	20.71
Interest expense	(668.19)	(3.37)	(40.37)	(711.93)	95.82	(616.11)
Depreciation and amortization	(127.47)	(14.09)	(0.24)	(141.80)	1.39	(140.41)
Reversal of loss on diminution in value of property development for sale	17.65	-	-	-	-	17.65
<b>Segment profit</b>	6,866.21	510.74	(80.40)	7,296.55	(1,216.57)	6,079.98
Other income						369.17
Common expense						(4,136.14)
Income tax expense						(383.94)
Profit for the year						<u>1,927.07</u>
<b>Segment total assets</b>	58,486.38	194.95	1,358.56	60,039.89	-	60,039.89
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance	1,510.62	15.15	445.42	1,971.19	-	1,971.19

(Unit: Million Baht)

Year ended 31 December 2012	Building management and			Total reportable	Adjustments and	Consolidated
	Real estate	real estate brokerage	Other business	segments	eliminations	
Revenue from external customers	29,111.19	473.19	236.42	29,820.80	-	29,820.80
Inter-segment revenue	219.67	316.04	18.33	554.04	(554.04)	-
Interest revenue	677.84	22.72	5.48	706.04	(674.52)	31.53
Interest expense	(380.35)	(5.48)	(42.29)	(428.12)	100.36	(327.76)
Depreciation and amortization	(136.30)	(14.67)	(0.56)	(151.53)	(14.33)	(165.86)
Reversal of loss on diminution in value of property development for sale	70.26	-	-	-	-	70.26
<b>Segment profit</b>	8,073.40	494.22	(28.47)	8,539.15	(1,142.52)	7,396.63
Other income						234.45
Common expense						(3,737.97)
Income tax expense						(945.34)
Profit for the year						<u>2,938.78</u>
<b>Segment total assets</b>	45,344.65	232.33	917.93	46,494.91	-	46,494.91
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance	1,331.65	5.96	72.43	1,410.04	-	1,410.04

## Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2013	2012
Revenue from external customers		
Thailand	28,225	29,821
Others	372	-
Total	<u>28,597</u>	<u>29,821</u>

Non-current assets (other than financial instruments,  
deferred tax assets)

Thailand

6,183

4,775

Major customers

For the year 2013 and 2012, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

## **37. Financial instruments**

### **37.1 Financial risk management**

The Company and its subsidiaries's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, trade accounts payable and loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

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

#### **Interest rate risk**

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, short-term loans, debentures and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2013 and 2012 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2013								
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call				
								(% p.a.)
<b>Financial Assets</b>								
- Cash equivalents (excluding cash)	-	-	-	-	1,921.48	193.58	2,115.06	1.50 - 3.10
- Current investments	36.14	-	-	-	-	-	36.14	1.60 - 2.85
- Trade accounts receivables	-	-	-	-	-	44.52	44.52	-
- Restricted bank deposits	6.66	-	-	-	-	-	6.66	1.45 - 2.00
	42.80	-	-	-	1,921.48	238.10	2,202.38	
<b>Financial liabilities</b>								
- Short-term loans from banks	3,550.00	-	-	-	-	-	3,550.00	3.60 - 4.05
- Bill of exchange	2,483.28	-	-	-	-	-	2,483.28	3.15 - 3.25
- Trade accounts payable	-	-	-	-	-	2,250.62	2,250.62	-
- Long-term loans	-	-	-	-	15,685.02	-	15,685.02	Note 22
- Unsecured debentures	-	12,950.88	-	-	-	-	12,950.88	Note 25
	6,033.28	12,950.88	-	-	15,685.02	2,250.62	36,919.80	

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2012								
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call				
								(% p.a.)
<b>Financial Assets</b>								
- Cash equivalents (excluding cash)	30.14	-	-	-	2,883.63	490.64	3,404.41	1.50 - 3.30
- Current investments	51.08	-	-	-	-	-	51.08	1.88 - 3.00
- Trade accounts receivables	-	-	-	-	-	41.19	41.19	-
- Restricted bank deposits	8.93	-	-	-	-	-	8.93	1.88 - 3.00
	90.15	-	-	-	2,883.63	531.83	3,505.61	
<b>Financial liabilities</b>								
- Short-term loans from banks	1,828.00	-	-	-	-	-	1,828.00	4.25 - 4.90
- Trade accounts payable	-	-	-	-	-	1,800.05	1,800.05	-
- Bills of exchange	2,383.74	-	-	-	-	-	2,383.74	3.40 - 3.75
- Long-term loans	-	-	-	-	12,824.04	-	12,824.04	Note 22
- Unsecured debentures	998.36	5,971.27	-	-	-	-	6,969.63	Note 25
	5,210.10	5,971.27	-	-	12,824.04	1,800.05	25,805.46	



(Unit: Million Baht)

Separate financial statements							
As at 31 December 2013							
	Fixed interest rate				Floating interest rate	Non- interest bearing	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call			
						Total	(% p.a.)
<b>Financial Assets</b>							
- Cash equivalents (excluding cash)	-	-	-	-	853.34	120.58	1.50 - 3.10
- Trade accounts receivables	-	-	-	-	-	415.59	-
- Short-term loans to related parties	-	-	-	14,979.33	-	-	3.00 - 3.55
	-	-	-	14,979.33	853.34	536.17	
<b>Financial liabilities</b>							
- Short-term loans from banks	3,550.00	-	-	-	-	3,550.00	3.60 - 4.05
- Trade accounts payable	-	-	-	-	-	1,225.66	-
- Bills of exchange	2,483.28	-	-	-	-	2,483.28	3.15 - 3.25
- Long-term loans	-	-	-	-	8,418.40	-	Note 22
- Unsecured debentures	-	12,950.88	-	-	-	12,950.88	Note 25
	6,033.28	12,950.88	-	-	8,418.40	1,225.66	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2012							
	Fixed interest rate				Floating interest rate	Non- interest bearing	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call			
						Total	(% p.a.)
<b>Financial Assets</b>							
- Cash equivalents (excluding cash)	2.03	-	-	-	1,916.71	492.22	1.50 - 3.30
- Current investments	1.86	-	-	-	-	-	1.88 - 3.00
- Trade accounts receivables	-	-	-	-	-	127.37	-
- Restricted bank deposits	0.77	-	-	-	-	-	1.88 - 3.00
- Short-term loans to related parties	-	-	-	8,623.02	-	-	3.00 - 3.55
	4.66	-	-	8,623.02	1,916.71	619.59	
<b>Financial liabilities</b>							
- Short-term loans from banks	1,828.00	-	-	-	-	1,828.00	4.25 - 4.90
- Trade accounts payable	-	-	-	-	-	1,103.25	-
- Bills of exchange	2,383.74	-	-	-	-	2,383.74	3.40 - 3.75
- Long-term loans	-	-	-	-	7,828.26	-	Note 22
- Unsecured debentures	998.36	5,971.27	-	-	-	6,969.63	Note 25
	5,210.10	5,971.27	-	-	7,828.26	1,103.25	

## Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from loans denominated in foreign currencies. Since liabilities denominated in foreign currencies are not significant and due in short period, the Company and its subsidiaries do not use any derivatives to manage such risk.

As at 31 December 2013, the Company and its subsidiaries had no loans from banks denominated in foreign currency (2012: GBP 3.25 million) (Separate financial statements: loans to a subsidiary in GBP 4.47 million and GBP 5.76 million, respectively) (average exchange rate Baht 53.58 per 1 GBP and Baht 49.70 per 1 GBP, respectively).

### 37.2 Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For short-term and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

The fair values of the Company and its subsidiaries' financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	Carrying amount		Fair value	
	2013	2012	2013	2012
<u>Financial liabilities</u>				
Unsecured debentures	12,950.88	6,969.63	11,877.96	6,976.23

### 38. Capital management

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

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in loan agreements with banks and debenture issuance, which requires the Company to maintain a debt-to-equity ratio of not more than 2.5:1 (2012: 2.5:1). Debt means to interest bearing debts.

The Company's capital used to calculate above financial ratio includes ordinary shares, and retained earnings less the net unrealised gains reserve.

As at 31 December 2013, the Group's debt-to-equity ratio was 2.03:1.00 (2012: 1.58:1.00) and the Company's was 1.66:1.00 (2012: 1.29:1.00).

No changes were made in the objectives, policies or processes during the years end 31 December 2013 and 2012.

### **39. Events after the reporting period**

- 39.1 On 27 February 2014 the meeting of the Company's Board of Directors passed a resolution to approve the issuance and offering of not more than Baht 5,000 million of debentures, or the equivalent in other currencies. The debentures to be issued may be of any type and in any form (secured or unsecured debentures), depending on prevailing market conditions at the time the debentures are issued and offered, and they are to have a term of not over 10 years. This resolution will be proposed for approval at the 2014 Annual General Meeting of the Company's shareholders.
- 39.2 On 27 February 2014, the meeting of the Company's Board of Directors passed a resolution to approve to pay annual dividend for the operational results from 1 January 2013 to 31 December 2013 at the rate of Baht 0.10 (Ten Satang) per share.

### **40. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2014.