

Annual Report
2013

Thai Property
Public Company Limited



1	2
3	5
4	

1. Hyde Sukhumvit
2. The Westin Grande Sukhumvit Hotel
3. Sheraton Hua Hin Resort and Spa Hotel
4. Sheraton Hua Hin Pranburi Villa
5. One and Two Pacific Place



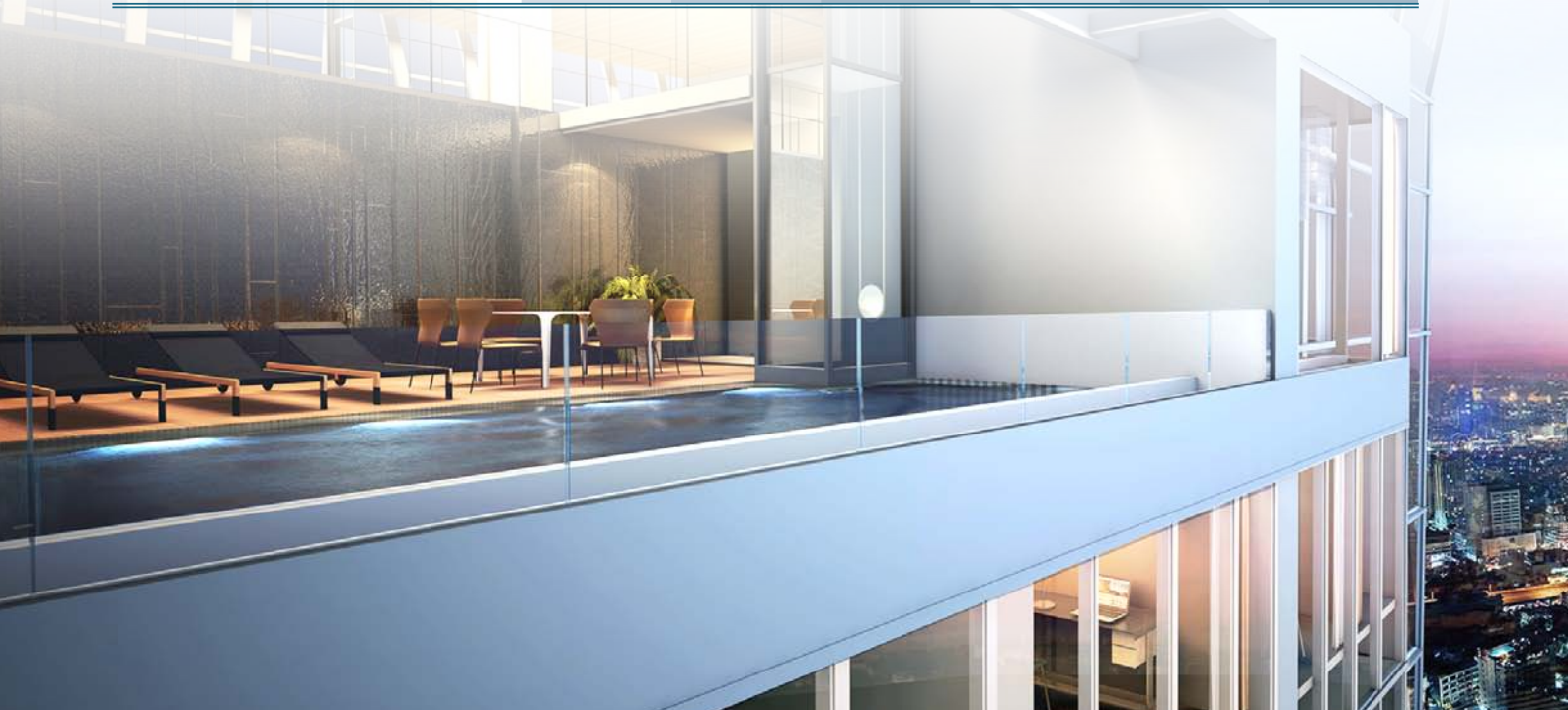
Content

Financial Highlights	2
Message from Chairman of the Board of Directors	3
Organization Chart	4
The Operation of the Company and Subsidiaries	5
• Background	5
• Management Analysis	6
• Business Profile of the Subsidiaries	7
• The Business Operation of Subsidiaries	10
Risk Factors of the Company and Subsidiaries	11
Shareholders and Management Structure	13
• The Board of Directors	14
- Functions and Responsibilities of the Board of Directors	19
• The Audit Committee	20
- Functions and Responsibilities of Audit Committee	20
• The Executive Directors	21
- Functions and Responsibilities of the Executive Directors	21
• Remuneration of Directors	21
Good Corporate Governance	22
Related Transactions	26
Report from the Audit Committee	27
Independent Auditor's Report	28
Financial Statements	30
Notes to consolidated Financial Statements	37
Remuneration of Auditors for the Company and Subsidiaries	82
Activity	83

Financial Highlights

(Unit: Baht in million)


	Thai Property Public Company Limited			Consolidated		
	2013	2012 (Restated)	2011 (Restated)	2013	2012 (Restated)	2011 (Restated)
Revenues	81	88	83	1,537	1,218	1,102
Income attributable to owners of the Company	18	10	3	(96)	(188)	344
Net profit margin	22%	11%	4%	(6%)	(15%)	31%
Total Assets	1,457	1,519	1,557	9,262	8,701	8,319
Total Liabilities	207	287	348	5,855	5,035	4,565
Total Shareholders' Equity	1,250	1,233	1,209	3,407	3,666	3,755
Equity attributable to owners of the company	1,250	1,233	1,209	1,617	1,713	1,885
Number of shares	2,816	2,816	2,816	2,816	2,816	2,816
Book value	0.44	0.44	0.43	0.57	0.61	0.67
Earnings per share	0.006	0.003	0.001	(0.034)	(0.067)	0.145
Debt to Equity ratio	0.17	0.23	0.29	1.72	1.37	1.22



Message from Chairman of the Board of Directors

The operation for the year 2013 was a Company vital step with the mission to bring our securities to resume trading in the Main Board of the Security Exchange of Thailand. Comparing the performance of the year 2012, a better result was shown. However, the Company keeps emphasizing on the improvement of decision making procedures of the Board of Directors, working rules and process and internal auditing to build up a confidence for all related parties that the Board of Directors has had decision making procedures based on ample information and transparency. Meanwhile, the Company working process is complied with rules and regulations and having good control regularly to commit the transparency and justify in accordance with good corporate governance. The Company has confidence that the upcoming business in 2014 will be carried on with stability, efficient and capable to compete in ASEAN Economic Community. The Company maintains our business competency in line with the good corporate governance, sustainable growth and social responsibility.

Lastly, on behalf of Thai Property Public Company Limited, I would like to send thankfulness to our shareholders, customers, financial institutions, and also business partners who have well been supporting the Company. And also thank you to our Management teams and staffs who contribute and drive Thai Property Public Company Limited to be a real estate developer with sustainable growth and success.

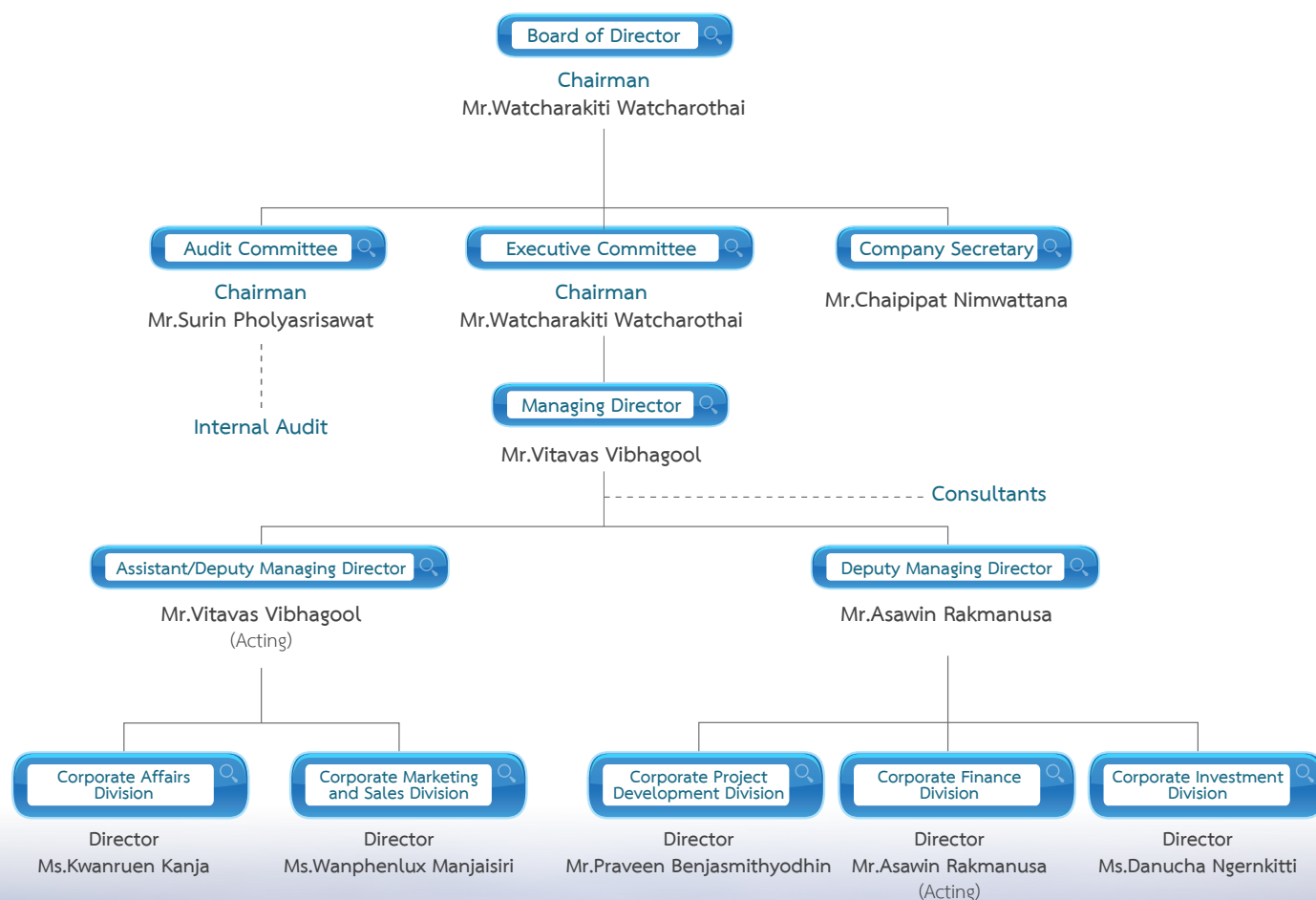


(Mr. Watcharakiti Watcharothai)
Chairman



Organization Chart

Thai Property Public Company Limited



The Operation of the Company and Subsidiaries

Background:

Thai Property Public Company Limited, previously named “Rattana Real Estate Public Company Limited”, was founded in 1985 and listed in the Stock Exchange of Thailand in 1994. Later on, its name had been changed to “Thai Property Public Company Limited” in 2005. The company had developed real estate projects under the name of “Sinthorn Project and Saranrom Project” in different locations. In 1993, the Company had expanded its business to Shopping Mall namely “Pratunam Center Project” which comprised of Shopping Mall and Condominium at Pratunam intersection. In 1997, the Company was hit by the economic crisis resulting in a project halt, so the Company decided to transfer the leasehold right of land and buildings of the Project to a newly established joint venture company in 2002.

Later on, the Company had sold its shares and rights in the joint venture company in order to invest in Pacific Estate Development Company Limited which operates Office building for rent i.e. One and Two Pacific Place Building on Sukhumvit Road. Besides, the Company has also invested in Grande Asset Hotels and Property Public Company Limited which operates as a real estate development and hotel business such as The Westin Grande Sukhumvit Hotel, Sheraton Hua Hin Resort and Spa Hotel, Sheraton Hua Hin Pranburi Villa, Hyde Sukhumvit, a 40-storeyed residential condominium located at Sukhumvit 13. Currently, Grande Asset Hotels and Property Public Company Limited is developing Hyatt Regency Hotel which also located at Sukhumvit 13.

Management Analysis:

1. Revenues :

In 2013, the Company and its subsidiaries earned Revenues from their operation of Baht 1,537.03 million, which comprised of revenues from hotel operations of Baht 996.29 million, revenues from sales of real estate of Baht 209.52 million, rental income and services of Baht 245.42 million and other incomes of Baht 85.80 million. The said total revenues was increased for Baht 319.17 million or 26.21% compared with the revenue of 2012 (restated).

2. Expenses :

For the fiscal year 2013, the Company and its subsidiaries had total costs and expenses of Baht 1,738.76 million, which comprised of Costs and Expenses from hotel operations for the amount of Baht 366.68 million, Cost of sales of real estate for the amount of Baht 188.06 million, Cost of rental and related services for the amount of Baht 88.97 million, selling and administrative expenses for the amount of Baht 817.57 million, depreciation and amortization expenses for the amount of Baht 277.48 million. The total cost and expenses of the year 2013 increased for Baht 221.02 million or 14.56 % when compared with costs and expenses of 2012 (restated). Meanwhile, the finance costs of the Company and its subsidiaries were Baht 133.12 million, decreased for Baht 49.98 million or 27.30 % from that of 2012 (restated).

3. Financial status :

In 2013, the Company and its subsidiaries had total assets of Baht 9,262.02 million, increased for Baht 561.07 million or 6.45 % from that of 2012 (restated), while their total liabilities were Baht 5,854.60 million, increased for Baht 819.85 million or 16.28% from that of 2012 (restated). Whereby the Equity holders of the company of Baht 95.74 million, decreased for Baht 91.92 million or 48.98%, compared with that of 2012 (restated), while Equity attributable to owners of the Company were Baht 1,616.89 million.

Business Profile of the Subsidiaries

1. Bangkok Centerpoint Company Limited	
Core Business	Management of shopping plazas and buildings, providing public utilities therein and providing consulting service on management, marketing and selling spaces thereof for both sale and lease
Established	30 June 2010
Head Office	2922/305-306 Charn Issara Tower II, 29th Floor, New Petchburi Road, Kwang Bangkapi, Khet Huay Kwang, Bangkok 10310
Registered Capital	Baht 5,000,000, divided into 500,000 ordinary shares with par value of Baht 10 each
Paid-up Capital	US\$ 50,000.-
Percentage of Shareholding	499,997 shares (equivalent to 100 percent of its registered and paid-up capital)

2. Scenery Peak Limited	
Core Business	General Investment
Established	12 May 2010 (at British Virgin Islands)
Head Office	Quastisky Building, PO Box 4389, Road Town, Tortola, British Virgin Islands
Registered Capital	US\$ 50,000, divided into 50,000 ordinary shares with par value of US\$1 each
Paid-up Capital	Baht 5,000,000.-
Percentage of Shareholding	50,000 shares (equivalent to 100 percent of its registered and paid-up capital)

3. Pacific Estate Development Limited

Core Business	Office building rental
Established	22 December 1988
Head Office	140 One Pacific Place Building, M Floor, Sukhumvit Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110
Registered Capital	Baht 600,000,000, divided into 60,000,000 ordinary shares with par value of Baht 10 each
Paid-up Capital	Baht 600,000,000.-
Percentage of Shareholding	59,999,998 shares (equivalent to 100 percent of its registered and paid-up capital)

4. Metro Premier Holding Company Limited

Core Business	General Investment
Established	29 November 2010
Head Office	2922/305-306 Charn Issara Tower II, 29th Floor, New Petchburi Road, Kwang Bangkokpi, Khet Huay Kwang, Bangkok 10310
Registered Capital	Baht 5,000,000, divided into 500,000 ordinary shares with par value of Baht 10 each
Paid-up Capital	Baht 5,000,000.-
Percentage of Shareholding	499,998 shares (equivalent to 100 percent of its registered and paid-up capital)

5. Grande Asset Hotels and Property Public Company Limited

Core Business	Hotel business and property development
Established	7 July 2003
Head Office	388 Exchange Tower, Unit No.3203-4, 32nd Floor, Sukhumvit Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110
Registered Capital	Baht 3,001,466,667.-
Paid-up Capital	Baht 2,751,466,667, divided into 2,751,466,667 ordinary shares with par value of Baht 1 each
Percentage of Shareholding	977,674,912 shares (equivalent to 35.53 percent of its paid-up capital)

6. Yaksa Company Limited

Core Business	Real Estate Development
Established	4 January 2010
Head Office	22 Soi Prachanukul 3 Soi 1, Ratchadapisek Road, Kwang Bangsue, Khet Bangsue, Bangkok 10800
Registered Capital	Baht 100,000,000, divided into 10,000,000 ordinary shares with par value of Baht 10 each
Paid-up Capital	Baht 62,500,000.-
Percentage of Shareholding	6,500,000 shares (equivalent to 65 percent of its registered and paid-up capital)

The Business Operation of Subsidiaries

Pacific Estate Development Limited

Office Building Rental Business

as of 31 December, 2013

Description	One Pacific Place	Two Pacific Place
Location	No.140 Sukhumvit Road, Klongtoey, Bangkok 10110	No.142 Sukhumvit Road, Klongtoey, Bangkok 10110
Total Area	32,070 sq.m	43,096 sq.m
Net Rental Area	16,035 sq.m	21,548 sq.m
Occupancy Rate	81.0%	96.0%
No. of storey	19-storeyed	30-storeyed
Building Management	Jones Lang Lasalle Management Limited	Jones Lang Lasalle Management Limited

Grande Asset Hotels and Property Public Company Limited

1. Hotel Business

1.1 Hotels already operated

as of 31 December, 2013

Description	The Westin Grande Sukhumvit Hotel	Sheraton Hua Hin Resort and Spa Hotel	Sheraton Hua Hin Pranburi Villa
Location	Soi Sukhumvit 19, Bangkok Province	Amphur Cha-am, Petchburi Province	Amphur Pranburi, Prachubkirikhan Province
Type	5-star Hotel	5-star Hotel	5-star Hotel
No. of Storey	25-storeyed	2-storeyed	1-storeyed
Guest Rooms	363 rooms	240 rooms	53 pool villas
Occupancy Rate	76.9%	72.9%	20.9%*

* Opened since October 2013

1.2 Hotel under construction

Hyatt Regency Sukhumvit Hotel (4-star Hotel)

Location : Soi Sukhumvit 13 28-storeyed ; 288 rooms

2. Real Estate Development Business

Hyde Sukhumvit (Residential Condominium)

Location : Soi Sukhumvit 13 40-storeyed , 454 Room Sales Progress : Approximately 90 %

Risk factors of the Company and subsidiaries

The Company and subsidiaries have managed the risk factors as below:

1. Marketing and Competition :

Office Building Rental Business

There were several new office buildings opened in Sathorn Road and Ratchadapisek Road. However, One and Two Pacific Place have still maintained their competitive potential due to (1) the buildings are located on Sukhumvit Road closed to the BTS Nana Station where is a CBD with convenience of transportation, (2) their rental rate are cheaper when compared with other buildings in the same area, (3) buildings and equipment are well maintained and (4) buildings are managed by professional i.e. Jones Lang Lasalle Management Company Limited.

Hotel Business

There were several new 5-star hotels opened but the Westin Grande Sukhumvit Hotel, Sheraton Hua Hin Resort and Spa Hotel and Sheraton Hua Hin Pranburi Villa could generate higher income continually due to (1) hotels are located in good location where conveniently accessible, (2) hotels are managed by professional i.e. Starwood Hotel Chains of Management and (3) the number of tourists is continually increasing.

Residential Condominium Business

There were several new condominium projects opened in 2013 but Hyde Sukhumvit Condominium could reach the sale of 90% of its area due to (1) the Project is located in a good location where conveniently accessible, (2) design of the building is modern, (3) the Project's materials, equipment and furniture of both in common area and inside units are of good quality and design and (4) the Project provides full common facilities.

2. Interest Rate :

The Company and subsidiaries have a large amount of borrowing to be used for projects development, expansion of businesses and working capital. Therefore, the increasing of interest rate would affect costs and expenses and profits significantly. Fortunately, the interest rate at present is stable whereby the trend of interest rate in the next 1-2 years would not get much change.

3. Political Unrest :

One and Two Pacific Place and the Westin Grande Sukhumvit Hotel are situated closed to the area where political protestors gathered in the past few years. Therefore, whenever there is political unrest, it would affected the occupancy rate especially for the Westin Grande Sukhumvit Hotel. However, the Hotel had attempted to alleviate such impact by reducing unnecessary expenses and adjusting services as appropriate to guests' demands.

4. Natural Disaster :

In 2011, severe flood was affected several provinces in the upper Northern Region, lower Northern Region, Central Region and Bangkok and vicinity but not directly affected One and Two Pacific Place and the Westin Grande Sukhumvit Hotel. However, the occupancy rate of the Westin Grande Sukhumvit Hotel was drastically decreased. Fortunately, the government is presently created the protection projects to prevent Bangkok and vicinity from natural flood. Hence, the risk which might be occurred from natural flood would be low.

5. Delisting from the Stock Exchange of Thailand

In 2013, the Company will reach the 3rd year of Non Performing Group (NPG). However, from the Company's performance results and its financial statements in 2013, the Company is confident that it could request for extension of its business rehabilitation period in order to improve its performance to be in line with rules and regulations of the Stock Exchange of Thailand for another 1 year since the Company is qualified according to the criteria set by the Stock Exchange of Thailand. Also, the Company has clearly committed the business direction which enables the Company to go beyond such the criteria.

Shareholders and Management Structure

Top ten shareholders of the company as of 27th December 2013 are as follows:

Name	No. of Shares	% Total Shares
1. Securities Depository (Thailand) Co.,Ltd for depositors	632,222,795	22.45
2. Ever Effort Finance Limited	451,000,000	16.01
3. Ms.Sumalee Wangprakobsook	443,250,000	15.74
4. Global Paragon Enterprises Limited	423,000,000	15.02
5. Mr.Pornchai Poomiwat	351,500,000	12.48
6. Thailand Securities Depository Co.,Ltd for depositors	246,650,500	8.76
7. Mr.Chainid Ngowsirimanee	29,362,500	1.04
8. Mrs.Shotima Thaweewong na-ayuthaya	19,628,030	0.70
9. Dr.White Chaipayungpan	16,550,240	0.59
10. Mrs.Somjai Chung-sawat	8,640,000	0.31

Remark: “Securities Depository (Thailand) Co.,Ltd for depositors and Thailand Depository Co.,Ltd for depositors” are agents which holding securities on behalf of investors through Depositors who are member of Securities and Exchange Act B.E.2535

“Number of shares in Scripless Account with Securities Depository”

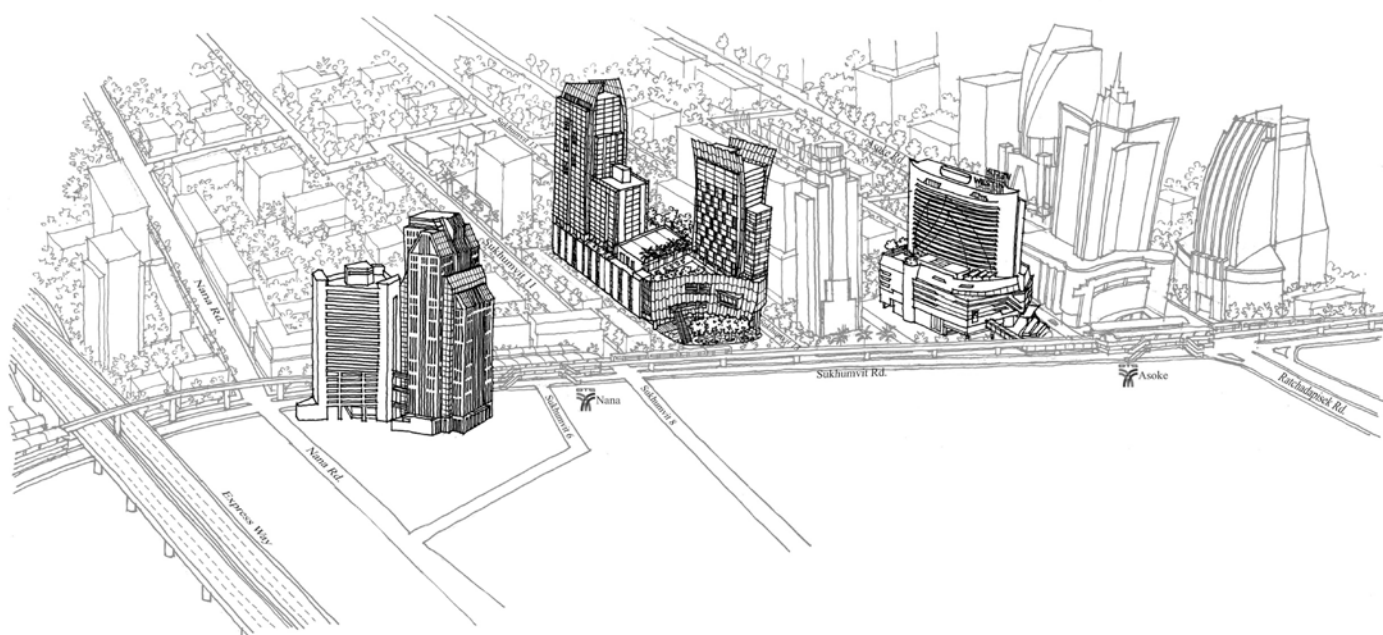
Is deemed as part of the System of No Share Certificates, which the owner of the share had deposited their shares with Securities Depository (Thailand) Co.,Ltd. In compliance with Clause 228 of the Securities and Exchange Act B.E.2535

*** The Company has prescribed the policy on payment of dividend at approximately 50% of net profit for each fiscal year.

The Board of Directors

The Board of Directors of the Company consists of 9 directors as follows:

Name of Director	Title
1. Mr.Watcharakiti Watcharothai	Chairman / Chairman of Executive Committee
2. Assoc. Prof.Dr.Seri Wongmonta	Independent Director
3. Mr.Surin Pholyasrisawat	Independent Director/ Chairman of Audit Committee
4. Mr.Supoj Siripornlertkul	Independent Director/ Audit Committee
5. Mr.Likit Somnuantad	Independent Director/ Audit Committee
6. Mr.Vitavas Vibhagool	Director/ Vice Chairman of Executive Committee
7. Ms.Sumalee Wangprakobsook	Director/ Vice Chairwoman of Executive Committee
8. Mr.Asawin Rakmanusa	Director/ Executive Committee
9. Mrs.Danucha Ngernkitti	Director



1. Mr. Watcharakiti Watcharothai
Chairman / Chairman of Executive Committee
Education Background

- Ph.D. Ramkhamhaeng University (Honorary)
- M.P.A. (Master of Public Administration) Roosevelt University, Illinois, U.S.A.
- B.A. (Political Science), Kasetsart University
- Certificate, National Defense College of Thailand (NDC.4)
- Diploma, Director Certification Program (DCP), Thai Institute of Directors
- Diploma, Executive Management Program, Capital Market Academy (CMA.9) Year 2009

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2010 – Present	Chairman	Thai Property Public Company Limited
2013 – Present	Chairman of Executive Committee	Thai Property Public Company Limited
2010 – Present	Chairman	Grande Asset Hotels and Property Public Company Limited
2007 – Present	Senior Chamberlain	Royal Household
2007 – Present	Perform Official Control and Monitoring	Chakri Bongkot Palace, Pathumthani Province
2001 – 2007	Assistant Lord Chamberlain	Royal Household
1995 – Present	Director of the Red Cross Fair	Thai Red Cross

Meeting Attendance : 6 / 7 Meeting

2. Assoc. Prof.Dr.Seri Wongmonta
Independent Director
Education Background

- Ph.D. (Journalism-Political Communication), Southern Illinois University, U.S.A.
- M.Sc. (Journalism-Advertising), Northwestern University, U.S.A.
- M.A. (English), University of Washington, U.S.A.
- B.A. (Hon.) in English Literature and Foreign Languages, Thammasat University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2005 – Present	Independent Director	Thai Property Public Company Limited
Present	Chairman	Good Communication Ltd., Part.
	Host in several Radio and TV Programs	
1997 – 2000	Chairman	Better Impact Communication

Meeting Attendance : 5 / 7 Meeting

3. Mr. Surin Pholyasrisawat Independent Director / Chairman of the Audit Committee**Education Background**

- M.B.A. (Finance), West Coast University, U.S.A.
- B.A. (Hon.) in Accounting, Thammasat University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2003 – Present	Independent Director / Chairman	Thai Property Public Company Limited
2002 – Present	Managing Director	UBCC Audit Company Limited
1999 – Present	Managing Director	Union Business Consulting Company Limited
1992 – 1997	Managing Director	Thaimex Finance and Securities Company Limited
1987 – 1992	Managing Director	Thanasub Finance and Securities Company Limited

Meeting Attendance : 7 / 7 Meeting

4. Mr. Supoj Siripornlertkul Independent Director / Audit Committee**Education Background**

- B.Arch., Chulalongkorn University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2002 – Present	Independent Director / Audit Committee	Thai Property Public Company Limited
Present	Business Owner	Architect / Import-export of Furniture

Meeting Attendance : 6 / 7 Meeting

5. Mr. Likit Somnuantad Independent Director / Audit Committee**Education Background**

- LL.M (Law and Social Development), Ramkhamhaeng University
- B.A. in Laws, Ramkhamhaeng University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2013 – Present	Independent Director / Audit Committee	Thai Property Public Company Limited
2011 – Present	Independent Lawyer	
2008 – Present	Instructor, Faculty of Public and Administration	Institute of Technology Ayothaya
2003 – 2011	Independent Director / Audit Committee	Thai Property Public Company Limited

Meeting Attendance : 6 / 7 Meeting

6. Mr. Vitavas Vibhagool

Director / Vice Chairman of Executive Committee

Education Background

- M.B.A. Tarleton State University, Texas, U.S.A.
- B.Arch., Chulalongkorn University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
1998 – Present	Managing Director	Thai Property Public Company Limited
2013 – Present	Vice Chairman of Executive Committee	Thai Property Public Company Limited
2010 – Present	Director / Vice Chairman of the Board of Executive Directors	Grande Asset Hotels and Property Public Company Limited
2003 – 2005	Assistant Managing Director	Krungthep Land Public Company Limited
1993 – 1998	Director	Rattana Real Estate Public Company Limited

Meeting Attendance : 7 / 7 Meeting

7. Ms. Sumalee Wangprakobsook

Director / Vice Chairwoman of Executive Committee

Education Background

- Master of Science – Computer Science, Washington State University, U.S.A.
- B.B.A. Statistics, Chulalongkorn University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2012 – Present	Director	Thai Property Public Company Limited
2013 – Present	Vice Chairwoman of Executive Committee	Thai Property Public Company Limited
2012 – Present	Director / Vice Chairwoman of the Board of Executive Directors	Grande Asset Hotels and Property Public Company Limited
2012 – Present	Director	Government Saving Bank
2012 – Present	Executive Director of Resource Management Integration Project	Government Saving Bank
2009 – 2012	Executive Director of Loan Origination and Process System Development Project	Government Saving Bank
2005 – 2007	Executive Director of IT Development Committee Consultant to SEVP	Bangkok Bank Public Company Limited

Meeting Attendance : 7 / 7 Meeting

8. Mr. Asawin Rakmanusa**Director / Executive Committee****Education Background**

- M.B.A. (Finance) Southeastern University, U.S.A.
- M.P.A. The National Institute of Development Administration (NIDA)

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2009 – Present	Director	Thai Property Public Company Limited
2013 – Present	Executive Committee	Thai Property Public Company Limited
2008 – Present	Deputy Managing Director	Thai Property Public Company Limited
2010 – Present	Director / Executive Director	Grande Asset Hotels and Property Public Company Limited
2004 – 2008	Managing Director	Prime Nature Group of Companies
2003 – 2004	Director / Assistant Managing Director	Prinsiri Public Company Limited

Meeting Attendance : 7 / 7 Meeting

9. Mrs. Danucha Ngernkitti**Director****Education Background**

- M.B.A. Southern New Hampshire University, U.S.A.
- B.B.A. Assumption University

Work Experiences

<u>Duration</u>	<u>Title</u>	<u>Company Name</u>
2012 – Present	Director of Corporate Investment Division	Thai Property Public Company Limited
2009 – 2011	Vice President of Distribution Network Execution Support Department	Kasikorn Bank Public Company Limited
2004 – 2009	Assistant General Manager of Business Liaison Division	CP All Public Company Limited

Meeting Attendance : 6 / 7 Meeting

Authorized Directors:

Mr.Watcharakiti Watcharothai or Mr.Asawin Rakmanusa signs their names together with Mr.Vitavas Vibhagool and affix the Company's seal will be bound the Company.

Functions and Responsibilities of the Board of Directors:

1. To carry out activities prudently to be in compliance with related governing laws, objectives of the Company and the Articles of Association, in order to protect the Company's interest and for the benefit of shareholders;
2. To consider the policy, vision, work plan and key strategies and ethical standards of business operations and to supervise and monitor the management of the Company to ensure the efficiency and compliance with the Company's policies;
3. To monitor the operational results of the Company;
4. To ensure that the financial reports are complete, accurate, reliable and timely and are prepared in compliance with the Company's policies;
5. To monitor the implementation of internal control and audit systems complying with all regulations and related governing laws and to ensure appropriate risk management;
6. To ensure that the Company perform in compliance with good corporate governance and fair treatment to all related parties and discloses all relevant information that might affect the interest of related parties and the public; and
7. To monitor and to prevent conflicts of interest of related parties to in compliance with related rules and regulations.

Selection of Directors:

The Company will select appropriate persons to propose to the Shareholders Meeting for election as Directors of the Company. The selection takes into their background, knowledge, ability, and experience in related fields of business; as well as their profiles ethical behavior and other appropriated qualifications deemed beneficial to the Company. The Shareholders Meeting will consider and elect the Directors of the Company in accordance with the Article of Association of the Company and related governing laws.

The Audit Committee:

Presently, the Audit Committee of the Company consists of 3 directors as follows:

Name of Audit Committee	Title
1. Mr. Surin Pholyasrisawat	Independent Director / Chairman of the Audit Committee
2. Mr. Supoj Siripornlertkul	Independent Director / Audit Committee
3. Mr. Likit Somnuantad	Independent Director / Audit Committee

Function and Responsibilities of the Audit Committee:

1. To control and monitor the Company's financial reports in order to ensure they are completed, adequate and reliable;
2. To monitor the auditing process and internal control systems of the Company in order to ensure they are appropriate and efficient;
3. To select and propose the appointment of the statutory auditor of the Company;
4. To supervise and ensure that the Company acts in compliance with the regulations and related governing laws;
5. To consider the disclosure of information regarding connected transaction or transaction that might have conflicts of interest to be accurate and complete;
6. To prepare the Audit Committee Report relating to corporate governance as disclosed in the Company's Annual Report. The Audit Committee Report is to be signed by the Chairman of the Audit Committee;
7. To perform any other tasks that are stipulated in the Articles of Association of the Company; and
8. To perform any other tasks that might be delegated by the Board of Directors.

The Executive Committee:

Presently, the Executive Committee consists of 4 directors as follows:

Name of Audit Committee	Title
1. Mr. Watcharakiti Watcharothai	Chairman of the Executive Committee
2. Mr. Vitavas Vibhagool	Vice Chairman of the Executive Committee
3. Ms. Sumalee Wangprakobsook	Vice Chairwoman of the Executive Committee
4. Mr. Asawin Rakmanusa	Executive Committee

Function and Responsibilities of the Executive Committee:

1. To control and monitor the Company's operation in order to comply with policy, business plan and budget as approved by the Board of Directors.
2. To consider and consent the Annual Budget and Business Plan in order to propose for approval from the Board of Directors
3. To consider and approve the Company operational expenses within the authority set by the Board of Directors
4. To perform any other tasks that might be delegated by the Board of Directors.

Remuneration of Directors:

1. Remuneration in Monetary Term:

For the fiscal year 2013, the Shareholders Meeting had approved the Company to pay remuneration to the Board of Directors in term of attendance fees and salary in total amount not exceeding Baht 3.0 million whereas the actual remuneration which the Company paid to the Board of Directors was Bath 2.39 million. The details of remuneration for the last 3 years are as followings:

	2013	2012	2011
No. of Directors	9	9	7
Remuneration (Baht/person/meeting)			
Attendance fee (Director)	30,000	30,000	30,000
Attendance fee (Audit Committee)	20,000	20,000	20,000
Monthly fee (Chairman of the Board)	100,000	100,000	100,000
Total actual paid for the remuneration	2,390,000	2,260,000	2,200,000

2. Other Remuneration:

- None

Good Corporate Governance

The Board of Directors has realized the responsibilities to manage the business by establishing an organizational structure to balance the roles among the Board of Directors, the Management and the Shareholders to encourage compatibility of the Company for sustainable growth and trustworthiness under the principle of good corporate governance. The Company has pursued the 5 good corporate governance principles set by the Stock Exchange of Thailand. Details are as follows:

1. Shareholders' Rights

The Company shall hold the Shareholders Meeting at a place where having convenient transportation for easily accessible by Shareholders and serve invitation letters containing agendas to Shareholders at least 14 days in advance before the Meeting date. Each agenda shall be accompanied by the opinions of the Board of Directors to provide ample time and sufficient information to Shareholders for consideration and making decision for casting vote in the meeting.

The Company shall fully facilitate Shareholders in attending the Meeting and voting, refrains from doing any acts that might limit opportunity of Shareholders in attending the meeting, and provide opportunity for Shareholders to raise questions and express opinions in the Meeting independently.

After the Meeting date, the Company will prepare minutes of the Meeting in order for Shareholders to examine later and notify the Meeting's resolution to SET via internet system on the following day as the latest. Information will contain name of Directors who attend the Meeting, resolutions, voting result on each agenda, and record issues raised by Shareholders and summary of the Company's clarification.

2. Equitable Treatment to Shareholders

All Shareholders are eligible to attend the Meeting and vote equally under the Company's provisions. The Company has provided an alternative to Shareholders by preparing proxy forms to authorize other people or independent directors to attend the Meeting on behalf of Shareholders who could not attend. Moreover, the Company has the policy to hold Meeting transparency and provide equal opportunity and adequate time to Shareholders to express opinions and raise questions in the Meeting. The Company's Board of Directors and related executives are required to attend the Shareholders Meeting to answer questions in the Meeting. In addition, the Company records the important questions and suggestions in the minutes of the Meeting to allow Shareholders to examine later.

Shareholders who also serve as executive are not able to raise any additional agenda, particularly in important ones that Shareholders may need time to study before making any decision, without being informed in advance.

Moreover, the Company sets the policies and procedures in approval of transactions which might have conflict of interests or connected transactions to be compliance with SET's announcement. Also, the Audit Committee has duty to report the Board of Directors to acknowledge connected and conflict of interest transactions, which are considered prudently as appropriate, and comply with SET's principles.

3. Stakeholders' Role

The Company realizes the rights of internal and external stakeholders.

3.1 Shareholders:

The Company realizes the importance of Shareholders' rights. Hence, the Company provides transparency in information disclosure to all Shareholders accurately, completely and timely through many channels including SET's media.

3.2 Board of Directors:

The Board of Directors is fully aware of the rights of all groups of stakeholders and takes measures to ensure that their rights are protected, and the stakeholders will be treated equally and fairly.

3.3 Customers:

The Company has determined to not only quality of products but also code of conducts by taking care and responsible for customers, offering quality and standard services, and solving customers' complaints or providing advices as the earliest.

3.4 The Company's Staffs:

The Company realizes that good human resources are vital for success. Hence, the Company has considered proper remunerations to all staffs and provided development through basic and advance training.

3.5 Creditors:

The Company has complied with the terms and conditions of obligations made between the Company and creditors.

3.6 Society and Environment:

The Company is aware of quality of life and living in society, culture and environment as substantial matters for the Company's business operation.

4. Information Disclosure and Transparency

The Company has paid attention to disclosure of information which might affect investors' and stakeholders' decision making about accuracy, transparency, reliability, timely and thoroughly. Such information includes financial data, annual report, Form56-1, filing and general and important information.

The Board of Directors has considered avoiding conflict of interests with integrity, reasonably, and independently for the sake of the Company's interests. Also, the Company has pursued SET's rules and regulations governing connected transactions and prohibited all staffs and related persons from using inside information for their own interests.

5. Board of Directors Responsibilities

The Company has required at least 3 independent Directors in the Board of Directors. At present, the Company's Board of Directors consists of 9 experienced, knowledgeable and competent members as follows:

Authorized Signatory Directors	3 persons
Independent Directors	4 persons
Directors	2 persons

Each Director is freely to express opinions in the meeting. The Company has regarded an importance of Independent Directors' opinions. In case that they have suggestions or disagree with any matter, such the issue must be reviewed to find out the clear and transparent conclusion. The selection of Independent Directors is compliance with the minimum requirements set by SEC and SET.

5.1 Board of Directors meeting

The Board of Directors has scheduled to hold meeting on quarterly basis or as required by Chairman to consider quarterly operating performance and monitor progress of the operation. Each Director is independent to propose any agendas in the meeting.

5.2 Board of Directors self-assessment

Authorized Signatory Directors must conduct a quarterly evaluation to assess performance in part of their responsibility and the performance evaluation is presented to the Board of Directors to compare with performance in the past.

Related Transaction

The Company has related transaction disclosed in a consolidated financial statement for a period of January 1 to December 31, 2013 which included related transaction between the Company and/or subsidiaries and/or associated companies. The related transaction is normal business transaction and is disclosed in notes of financial statements ended December 31, 2013 which is audited by auditor.

Person/Juristic Person who may have conflict of interests	% of Ownership interest	Type of transaction	Year 2013 Amount (Unit:Bath1,000)	Major details/ Conditions
Mr. Weerawong Chittmittrapap	A director and shareholder of Yaksa Company Limited	Advance Payment	24,571	For working capital without interest and unsecured

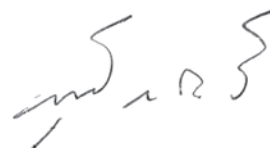
Report From The Audit Committee

The Audit Committee of Thai Property Public Company Limited, having been appointed by the Shareholders Meeting, comprises of 3 independent directors.

In 2013, the Audit Committee had held meetings to perform its duties in compliance with the requirements of the Stock Exchange of Thailand and as assigned by the Company's Board of Directors. It had held meetings with top management, an internal audit manager, an accounting manager and other managers related to agendas of consideration, and also the auditor. The minutes of the meetings were regularly reported to the Board of Directors, of which the important matters are as follows:

1. Reviewed the reliability of the Company's Financial Statements quarterly and yearly with opinions whether those financial statements were corrected, promptly disclosed adequate significant matters and timely according to accounting standards and all related regulations.
2. Reviewed and continuously followed up the Company's internal control and audit systems to ensure adequately control and/or mitigate management risks. In addition, the Audit Committee had considered and proposed an internal auditor from outside independent firm as the Internal Audit of the Company and approved the 2014 Internal Audit plan.
3. Regularly reviewed the transactions of the Company in terms of connectivity or conflict of interest in order to promote accurate, conclusive and accountable disclosures in which the interests of all stakeholders had been taken into consideration.
4. Considered, selected and proposed to appoint the auditors for the fiscal year 2014 and also fixed the remuneration thereof in order to propose to the Company's Board of Directors. In the past year, the Audit Committee had been satisfied with the performance of Independent Auditor, who possessed knowledge and profession competency, also gave advice on the internal control system and risks that might happen with independently performed.
5. Continuously emphasized on good corporate governance in order to set working standard to be better than normal practice. The Audit Committee also provided advices to the Company to focus on sustainable development by conducting its business with corporate social responsibility.

The Audit Committee has performed its duties comprehensively in compliance with Code of Conduct of Audit Committee and as assigned by Company's Board of Directors with knowledge and utmost efficiencies.



(Mr. Surin Pholyasrisawat)
Chairman of Audit Committee

Independent Auditor's Report

To the Shareholders of Thai Property Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of matters

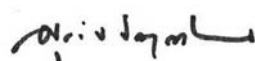
I draw attention to the following notes to the financial statements.

Note 28.5 a) The lawsuit between a subsidiary and the owners of the land on which a hotel of the subsidiary is located

Note 3 The change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes, which the Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change, and the Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes

Note 12 The process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, which has not yet completed

My opinion is not qualified in respect of the above matters.



Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 24 February 2014

Financial Statements

Thai Property Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)			(Restated)	
Assets							
Current assets							
Cash and cash equivalents		246,942,071	115,741,556	189,939,153	5,781,052	1,318,844	50,154,995
Trade and other receivables	7	190,781,730	117,105,555	90,149,228	104,945,874	81,875,951	49,583,387
Receivable from the Revenue Department		63,156,323	58,595,335	57,561,482	461,735	716,239	734,944
Short-term loans to subsidiaries and interest receivable	6	-	-	-	837,964,959	845,095,890	836,687,548
Current portion of long-term loan to a subsidiary and interest receivable	6	-	-	-	107,683,217	105,948,438	95,776,449
Inventories	8	14,248,461	7,651,403	8,485,593	-	-	-
Real estate development projects	9	3,019,494,089	1,864,062,606	1,568,880,532	10,427,243	10,427,243	10,427,243
Others current assets		126,145,211	214,613,477	84,417,574	1,930,486	1,912,775	2,575,040
		3,660,767,885	2,377,769,932	1,999,433,562	1,069,194,566	1,047,295,380	1,045,939,606
Non-current assets held for sale	12	178,298,393	-	-	-	-	-
Total current assets		3,839,066,278	2,377,769,932	1,999,433,562	1,069,194,566	1,047,295,380	1,045,939,606
Non-current assets							
Pledged and restricted withdrawal bank deposits	10	432,833,054	436,897,245	430,917,602	1,164,676	618,010	984,928
Deposits for acquisition of shares and assets in other companies	11	299,463,000	160,300,000	89,000,000	199,463,000	160,300,000	89,000,000
Investments in subsidiaries	12	-	-	-	59,144,405	59,144,405	59,144,405
Long-term loan to a subsidiary and interest receivable - net of current portion	6	-	-	-	111,965,496	231,965,496	351,965,496
Investment properties	13	385,784,146	449,348,545	517,382,667	-	-	-
Property, plant and equipment	14	3,439,546,666	4,697,811,705	4,755,568,205	6,981,371	8,487,326	8,247,348
Intangible assets - computer software	15	29,997,944	19,356,931	27,105,589	97,489	273,158	426,427
Compensation guarantee	16	53,000,000	68,000,000	83,000,000	-	-	-
Withholding tax deducted at source		46,115,884	29,553,582	25,972,902	1,315,811	742,727	114,384
Leasehold rights	17	569,171,955	346,476,069	385,368,258	-	-	-
Deferred tax assets	24	156,733,982	102,396,730	71,059,543	7,738,017	10,553,472	13,535,562
Other non-current assets		10,305,443	13,038,080	5,690,591	50,850	63,600	1,695,600
Total non-current assets		5,422,952,074	6,323,178,887	6,391,065,357	387,921,115	472,148,194	525,114,150
Total assets		9,262,018,352	8,700,948,819	8,390,498,919	1,457,115,681	1,519,443,574	1,571,053,756

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

Thai Property Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)			(Restated)	
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	18	544,034,135	568,672,979	329,908,157	20,202,464	19,837,775	16,004,450
Short-term loan from an unrelated party	19	500,000,000	500,000,000	500,000,000	-	-	
Current portion of long-term loans from financial institutions	20	167,000,000	1,865,280,000	169,920,000	117,600,000	109,200,000	138,000,000
Deposits received		1,284,252,362	786,584,981	498,809,335	33,985,322	5,592,347	5,935,347
Estimated amount by which interest in the net asset value of a subsidiary exceeds purchase cost	12	70,824,964	-	-	-	-	-
Other current liabilities		195,229,939	141,123,744	112,027,523	6,133,494	6,106,019	6,534,694
Total current liabilities		2,761,341,400	3,861,661,704	1,610,665,015	177,921,280	140,736,141	166,474,491
Non-current liabilities							
Long-term loans from financial institutions - net of current portion	20	2,806,980,161	861,090,693	2,629,281,085	24,400,000	142,170,693	177,281,085
Unearned lease right		75,176,768	82,577,550	94,127,618	-	-	-
Provision for long-term employee benefits	21	46,269,952	36,766,112	29,992,056	4,595,163	3,672,438	2,812,202
Deferred tax liabilities	24	156,116,941	184,312,142	194,206,287	-	-	-
Other non-current liabilities		8,713,908	8,338,014	6,431,532	-	304,169	1,561,214
Total non-current liabilities		3,093,257,730	1,173,084,511	2,954,038,578	28,995,163	146,147,300	181,654,501
Total liabilities		5,854,599,130	5,034,746,215	4,564,703,593	206,916,443	286,883,441	348,128,992
Shareholders' equity							
Share capital							
Registered							
3,353,702,060 ordinary shares of Baht 1 each		3,353,702,060	3,353,702,060	3,353,702,060	3,353,702,060	3,353,702,060	3,353,702,060
Issued and fully paid-up							
2,816,465,918 ordinary shares of Baht 1 each		2,816,465,918	2,816,465,918	2,816,465,918	2,816,465,918	2,816,465,918	2,816,465,918
Share discount		(692,753,856)	(692,753,856)	(692,753,856)	(692,753,856)	(692,753,856)	(692,753,856)
Retained earnings							
Appropriated - statutory reserve	22	5,934,075	5,934,075	5,934,075	5,934,075	5,934,075	5,934,075
Unappropriated (deficit)		(512,756,644)	(417,017,180)	(205,021,662)	(879,446,899)	(897,086,004)	(906,721,373)
Equity attributable to owners of the Company		1,616,889,493	1,712,628,957	1,924,624,475	1,250,199,238	1,232,560,133	1,222,924,764
Non-controlling interests of the subsidiaries		1,790,529,729	1,953,573,647	1,901,170,851	-	-	-
Total shareholders' equity		3,407,419,222	3,666,202,604	3,825,795,326	1,250,199,238	1,232,560,133	1,222,924,764
Total liabilities and shareholders' equity		9,262,018,352	8,700,948,819	8,390,498,919	1,457,115,681	1,519,443,574	1,571,053,756
		-	-	-	-	-	-

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

Thai Property Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)				
Note	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Profit or loss:				
Revenues				
Revenues from hotel operations	996,294,181	908,898,263	-	-
Revenues from sales of real estate	209,520,700	29,308,800	-	-
Rental and related service income	245,417,016	233,367,521	-	4,900,000
Interest income	3,383,340	6,856,741	39,479,682	49,244,091
Other income	82,418,473	39,431,741	41,781,082	33,682,665
Total revenues	1,537,033,710	1,217,863,066	81,260,764	87,826,756
Expenses				
Cost of hotel operations	366,675,124	325,210,284	-	-
Cost of sales of real estate	188,062,797	35,909,479	-	-
Cost of rental and related services	88,965,201	88,929,837	-	2,653,201
Selling expenses	155,268,264	224,429,559	-	-
Administrative expenses	662,307,061	552,244,758	44,183,405	47,978,426
Depreciation and amortisation	277,483,412	291,013,412	1,728,462	1,607,634
Total expenses	1,738,761,859	1,517,737,329	45,911,867	52,239,261
Profit (loss) before finance cost and income tax	(201,728,149)	(299,874,263)	35,348,897	35,587,495
Finance cost	(133,121,549)	(183,100,473)	(14,894,337)	(22,970,036)
Profit (loss) before income tax	(334,849,698)	(482,974,736)	20,454,560	12,617,459
Income tax	76,066,316	38,407,248	(2,815,455)	(2,982,090)
Profit (loss) for the year	(258,783,382)	(444,567,488)	17,639,105	9,635,369
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	(258,783,382)	(444,567,488)	17,639,105	9,635,369
Total comprehensive income attributable to:				
Equity holders of the Company	(95,739,464)	(187,657,459)	17,639,105	9,635,369
Non-controlling interests of the subsidiaries	(163,043,918)	(256,910,029)	-	-
	(258,783,382)	(444,567,488)		
Earnings per share				
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	(0.034)	(0.067)	0.006	0.003

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

Thai Property Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements					
	Equity attributable to owners of the Company			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Share discount	Retained earnings			
			Appropriated	Unappropriated (deficit)		
Balance as at 31 December 2011 - as previously reported	2,816,465,918	(692,753,856)	5,934,075	(244,277,151)	1,885,368,986	3,754,735,783
Cumulative effect of changes in accounting policies due to the adoption of new accounting standard (Note 3)	-	-	-	39,255,489	39,255,489	71,059,543
Balance as at 31 December 2011 - restated	2,816,465,918	(692,753,856)	5,934,075	(205,021,662)	1,924,624,475	3,825,795,326
Total comprehensive income for the year (restated)	-	-	-	(187,657,459)	(187,657,459)	(444,567,488)
Increase in share capital of non-controlling interests of the subsidiary (restated)	-	-	-	(24,338,059)	(24,338,059)	284,974,766
Balance as at 31 December 2012 - restated	2,816,465,918	(692,753,856)	5,934,075	(417,017,180)	1,712,628,957	3,666,202,604
Balance as at 31 December 2012 - as previously reported	2,816,465,918	(692,753,856)	5,934,075	(460,496,008)	1,669,150,129	3,563,805,875
Cumulative effect of changes in accounting policies due to the adoption of new accounting standard (Note 3)	-	-	-	43,478,828	43,478,828	102,396,729
Balance as at 31 December 2012 - restated	2,816,465,918	(692,753,856)	5,934,075	(417,017,180)	1,712,628,957	3,666,202,604
Total comprehensive income for the year	-	-	-	(95,739,464)	(95,739,464)	(258,783,382)
Balance as at 31 December 2013	2,816,465,918	(692,753,856)	5,934,075	(512,756,644)	1,616,889,493	3,407,419,222

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

Thai Property Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share discount	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated (deficit)	
Balance as at 31 December 2011 - as previously reported	2,816,465,918	(692,753,856)	5,934,075	(920,256,935)	1,209,389,202
Cumulative effect of changes in accounting policies due to the adoption of new accounting standard (Note 3)	-	-	-	13,535,562	13,535,562
Balance as at 31 December 2011 - restated	2,816,465,918	(692,753,856)	5,934,075	(906,721,373)	1,222,924,764
Total comprehensive income for the year (restated)	-	-	-	9,635,369	9,635,369
Balance as at 31 December 2012 - restated	2,816,465,918	(692,753,856)	5,934,075	(897,086,004)	1,232,560,133
Balance as at 31 December 2012 - as previously reported	2,816,465,918	(692,753,856)	5,934,075	(907,639,476)	1,222,006,661
Cumulative effect of changes in accounting policies due to the adoption of new accounting standard (Note 3)	-	-	-	10,553,472	10,553,472
Balance as at 31 December 2012 - restated	2,816,465,918	(692,753,856)	5,934,075	(897,086,004)	1,232,560,133
Total comprehensive income for the year	-	-	-	17,639,105	17,639,105
Balance as at 31 December 2013	2,816,465,918	(692,753,856)	5,934,075	(879,446,899)	1,250,199,238
	-	-	-	-	-

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

Thai Property Public Company Limited and its subsidiaries
Cash flow Statement
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities				
Profit (loss) before tax	(334,849,698)	(482,974,736)	20,454,560	12,617,459
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	277,483,412	291,013,412	1,728,462	1,607,634
Allowance for doubtful accounts (reversal)	(194,935)	18,089,856	-	-
Withholding tax deducted at source and receivable from the Revenue Department written-off	6,224,911	7,335,043	-	188
Amortisation of unearned lease right	(16,802,625)	(15,460,629)	-	-
(Gain) loss on disposals of property, plant and equipment	(26,308,011)	(174,317)	40	1,264,520
Loss on disposals of intangible assets	-	7,553,816	-	-
Allowance for impairment loss on assets	3,748,285	3,548,945	-	-
Long-term employee benefit expenses	11,072,139	8,503,697	922,725	860,236
Gain from lawsuit settlement	(10,444,726)	(9,273,195)	-	-
Interest income	(3,380,552)	(6,856,741)	(39,479,682)	(49,244,091)
Interest expenses	121,968,940	143,846,365	14,694,337	22,260,031
Profit (loss) from operating activities before changes in operating assets and liabilities	28,517,140	(34,848,484)	(1,679,558)	(10,634,023)
Operating assets (increase) decrease				
Trade and other receivables	(4,830,386)	(45,046,183)	(23,069,923)	(32,292,564)
Receivable from the Revenue Department	(4,560,988)	68,420	254,504	18,705
Inventories	189,069	834,190	-	-
Real estate development projects	(1,029,907,256)	(238,990,841)	-	-
Compensation guarantee	15,000,000	15,000,000	-	-
Other current assets	47,548,220	(134,338,904)	(17,712)	662,265
Other non-current assets	6,846,782	(7,347,489)	12,750	1,632,000
Operating liabilities increase (decrease)				
Trade and other payables	(95,245,366)	299,433,619	426,398	3,769,284
Deposits received	461,725,052	287,775,646	-	(343,000)
Provision for long-term employee benefits	(1,568,299)	(1,729,641)	-	-
Other current liabilities	80,051,190	46,522,336	27,475	(294,259)
Other non-current liabilities	-	(1,100,000)	-	(1,100,000)
Cash flows from (used in) operating activities	(496,234,842)	186,232,669	(24,046,066)	(38,581,592)
Cash paid for corporate income tax	(31,960,190)	(14,117,232)	(573,084)	(628,531)
Net cash flows from (used in) operating activities	(528,195,032)	172,115,437	(24,619,150)	(39,210,123)

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

Thai Property Public Company Limited and its subsidiaries

Cash flow Statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from investing activities				
(Increase) decrease in pledged and restricted withdrawal bank deposits	5,334,191	(5,979,643)	(546,666)	366,918
Increase in deposits for acquisition of shares and assets in other companies	(139,163,000)	(71,300,000)	(39,163,000)	(71,300,000)
Deposits received	28,392,975	-	28,392,975	-
Decrease in short-term loans to subsidiaries	-	-	12,200,000	-
Decrease in long-term loan to a subsidiary	-	-	118,218,446	109,883,767
Acquisition of investment properties	(3,293,876)	(2,194,933)	-	-
Acquisition of building and equipment	(294,796,439)	(115,246,808)	(46,880)	(2,914,863)
Acquisition of intangible assets	(14,071,259)	(3,306,665)	-	(44,000)
Cash paid for investment in a subsidiary	(282,231,334)	-	-	-
Proceeds from sales of property, plant and equipment	1,363,809,256	1,514,589	-	-
Interest income	3,380,552	6,856,741	34,457,390	40,779,993
Net cash flows from (used in) investing activities	667,361,066	(189,656,719)	153,512,265	76,771,815
Cash flows from financing activities				
Cash receipt from short-term loans from related parties	-	9,800,000	-	9,800,000
Repayment of short-term loans from related parties	-	(9,800,000)	-	(9,800,000)
Cash receipt from long-term loans from financial institutions	3,660,437,144	143,000,000	-	120,000,000
Repayment of long-term loans from financial institutions	(3,412,827,676)	(215,830,392)	(109,370,693)	(183,910,392)
Repayment of liabilities under finance lease agreements	(4,585,196)	(3,678,679)	(317,988)	(317,988)
Proceeds from increase in share capital of a subsidiary	-	284,974,766	-	-
Interest expenses	(250,989,791)	(265,122,010)	(14,742,226)	(22,169,463)
Net cash flows used in financing activities	(7,965,519)	(56,656,315)	(124,430,907)	(86,397,843)
Net increase (decrease) in cash and cash equivalents	131,200,515	(74,197,597)	4,462,208	(48,836,151)
Cash and cash equivalents at beginning of year	115,741,556	189,939,153	1,318,844	50,154,995
Cash and cash equivalents at end of year	246,942,071	115,741,556	5,781,052	1,318,844
	-	-	-	-
Supplemental disclosure of cash flow information				
Non-cash transactions				
Purchases of equipment for which no cash has been paid	4,542,892	6,880,347	-	-

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

Thai Property Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2013

1. General information

- 1.1 Thai Property Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the real estate development. The registered office of the Company is at 2922/305-306, 29th Floor, Charnisara Tower 2, New Phetchaburi Road, Bangkok, Huay-kwang, Bangkok.
- 1.2 Because the Company had faced liquidity problems, had suffered operating losses for over 3 consecutive years, and had a significant capital deficit, the Stock Exchange of Thailand (“SET”) announced the classification of the stock of the Company as a security which may be delisted from the SET, approved the trading of the Company’s security under the “REHABCO” section, and ordered the Company to submit a rehabilitation plan in accordance with the SET rehabilitation criteria, to enable it to avoid delisting. Later, the SET has delisted the Company’s stock from the trading board and classified it under the listed company, Non-Performing Group, effective from 3 July 2006 since the Company has been unable to take the steps required to avoid being delisted. However, the Company’s status is still that of a listed company and it therefore has to comply with all SET regulations, prepare reports on the progress of its rehabilitation plan, and submit these together with its financial statements within the deadline for listed companies to submit their financial statements, until it eliminates the reasons for delisting.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Hereinafter referred as	Nature of business	Country of incorporation	2013 Percent	2012 Percent
Held by the Company					
Bangkok Centerpoint Company Limited	“Bangkok Centerpoint”	Management of space for sale and/or lease	Thailand	100	100
Pacific Estate Development Limited	“Pacific Estate”	Office building rental and provision for related services	Thailand	100	100
Scenery Peak Limited	“Scenery Peak”	Investment in other companies	British Virgin Islands	100	100
Metro Premier Holding Company Limited	“Metro Premier”	Investment in other companies	Thailand	100	100
Yaksa Company Limited	“Yaksa”	Serviced apartment	Thailand	65	65
Held by the subsidiaries of the Company					
<u>Subsidiary held by Metro Premier Holding Company Limited</u>					
Grande Asset Hotels and Property Public Company Limited	“Grande Asset”	Hotel business, rental of shopping plaza and property development	Thailand	36	36
<u>Subsidiaries held by Grande Asset Hotels and Property Public Company Limited</u>					
Honor Business Company Limited	“Honor Business”	Hotel	Thailand	36	36
Grande Equity Development Company Limited	“Grande Equity”	Hotel and property development	Thailand	36	36
<u>Subsidiary held by Honor Business Company Limited</u>					
Owendelle Company Limited	“Owendelle”	Hotel	Thailand	36	-

- 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 statements 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.
 - g) The Company has consolidated the financial statements of Grande Asset, Honor Business and Grande Equity, in which its shareholdings are less than 50 percent, because the Company has control over the financial and operation policies of these subsidiaries.
- 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 TAS 12 Income Taxes as detailed below.

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 year 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 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 comprehensive income for the years ended 31 December 2013 and 2012 are summarised below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Increase (decrease) in income tax	(54,337)	(31,337)	2,815	2,982
Increase (decrease) in profit attributable to equity holders of the Company	17,201	6,536	(2,815)	(2,982)
Increase in profit attributable to non-controlling interests of the subsidiaries	37,136	24,801	-	-
Increase (decrease) in earnings per share (Baht/share)	0.006	0.002	(0.001)	(0.001)

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
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

		<u>Effective date</u>
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 Financial Reporting in Hyperinflationary Economies	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 management of the Company and its subsidiaries believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Revenues from hotel and restaurant operations

Revenues from hotel and restaurant operations mainly comprise of room sales, food and beverage sales and revenues from auxiliary activities, and represent the invoiced value, excluding value added tax, of goods delivered and services rendered after deducting discounts and service charges.

Revenues from sales of land and houses and units in condominiums

Revenues from sales of land and houses and units in condominiums are recognised as revenues when the ownership has been transferred to the buyer.

Rental and related service income

Rental income is monthly recognised as revenue at the amount as fixed under the related lease agreements and service income is recognised when services have been rendered.

Unearned lease right is recognised as revenue equally over the period of lease.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Accounts receivable

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.

4.4 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value.

4.5 Real estate development projects

Real estate development projects, which comprise of costs of land, materials, labor, subcontractor charges, design, utilities, interest and other related expenses, are presented at the lower of cost and net realisable value.

4.6 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

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

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

4.7 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 life of 30 years. Depreciation of the investment properties is included in profit or loss.

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

4.8 Property, plant 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 buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement, buildings and	
building improvement	10 years, 20 years, 30 years and remaining period of lease
Mock-up	5 years
Furniture, fixtures and office equipment	3-10 years
Operating equipment	5 years
Motor vehicles	5 years

Depreciation is included in profit or loss.

No depreciation is provided on 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 profit or loss when the asset is derecognised.

4.9 Leasehold rights

Land leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Amortisation is calculated by reference to their costs, on the straight-line basis over the period of the lease and is included in profit or loss.

4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. 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.

4.11 Intangible assets - computer software

Computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Computer software is amortised on a systematic basis over the estimated useful lives of 3-10 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.12 Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree over cost of the business combination at the acquisition date are recognised in profit or loss immediately.

4.13 Related party transactions

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

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

4.14 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 or 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.

4.15 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 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 profit or loss.

4.16 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they 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.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.18 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.

4.19 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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 risk 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 investments

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

Property plant and equipment / Depreciation

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

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

Deferred tax assets

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

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.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management of the Company and its subsidiaries has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

Investments in subsidiaries

In determining the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries on the acquisition date, the Company's management exercised a degree of judgment in establishing fair values of the identifiable assets, liabilities and contingent liabilities, using valuation techniques and models which involves certain data, assumptions and estimates. However, actual results could differ from the estimates.

6. Related party transactions

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

					(Unit: Million Baht)
	Consolidated financial statements		Separate financial statements		Transfer pricing policies
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Interest income	-	-	39	49	2.5%-12% per annum and THBFIX (12 months) per annum
Management income	-	-	35	33	Contract rate

As at 31 December 2013 and 2012, the balances of the accounts between the Company, its subsidiaries and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade and other receivables - related parties (Note 7)</u>				
Subsidiaries	-	-	104,871	78,455
Related company (being under common shareholder)	26	50	-	-
Directors and executive officers	19	3,800	-	3,100
Total trade and other receivables - related parties	45	3,850	104,871	81,555
<u>Trade and other payables - related parties (Note 18)</u>				
Subsidiaries	-	-	5,036	31
Directors	24,571	13,615	-	136
Total trade and other payables - related parties	24,571	13,615	5,036	167

Short-term loans to subsidiaries and interest receivable

As at 31 December 2013 and 2012, the balance of short-term loans and interest receivable between the Company and those subsidiaries in the separate financial statements and the movement are as follows:

	(Unit: Thousand Baht)			
	Balance as at 31 December	During the year		Balance as at 31 December
	2012	Increase	Decrease	2013
Metro Premier ¹⁾	664,441	15,724	-	680,165
Grande Asset ²⁾	180,655	16,601	(39,456)	157,800
Total	845,096	32,325	(39,456)	837,965

1) Clean loan, carrying interest at a rate of twelve-month fixed deposit and will be due on 1 December 2014

2) Clean loan, carrying interest at a rate of 10 percent per annum and will be due on 1 April 2014

Long-term loan to a subsidiary and interest receivable

As at 31 December 2013 and 2012, the balance of long-term loan and interest receivable between the Company and a subsidiary in the separate financial statements and the movement are as follows:

(Unit: Thousand Baht)

	Balance as at			Balance as at
	31 December	During the year		31 December
	2012	Increase	Decrease	2013
Scenery Peak ³⁾	337,914	7,007	(125,272)	219,649

3) Clean loan, carrying interest at a rate of 3 percent per annum or agreed upon among the Company and the subsidiary and payable on a monthly basis, from January 2011

Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	48	50	11	13
Post-employment benefits	4	-	-	-
Total	52	50	11	13

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	13	21	-	-
Past due up to 3 months	19	29	-	-
Total trade receivables - related parties	32	50	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	52,091	52,162	-	-
Past due				
Up to 3 months	13,493	16,410	-	-
3 - 6 months	2,439	7,816	-	-
6 - 12 months	1,403	10,639	-	-
Over 12 months	74,262	62,893	-	-
Total	143,688	149,920	-	-
Less: Allowance for doubtful debts	(46,970)	(46,823)	-	-
Total trade receivables - unrelated parties - net	96,718	103,097	-	-
Total trade receivables - net	96,750	103,147	-	-
<u>Other receivables</u>				
Other receivables - related parties	13	3,800	104,871	81,555
Other receivables - unrelated parties	94,019	10,159	75	321
Total other receivables	94,032	13,959	104,946	81,876
Total trade and other receivables - net	190,782	117,106	104,946	81,876

As at 31 December 2013, a subsidiary had trade accounts receivable - rental and services amounting to Baht 88 million (2012: Baht 90 million). These include Baht 74 million (2012: Baht 63 million) that has been outstanding for more than 1 year for which the subsidiary has set aside an allowance for doubtful debts of Baht 45 million (2012: Baht 45 million). The management of the subsidiary believes that the remaining balance, for which allowance is not provided, will be fully collectible.

8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Food and beverage	11,084	6,416	-	-
Other goods and supplies	3,164	1,235	-	-
Total	14,248	7,651	-	-

9. Real estate development projects

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	10,427	10,427	10,427	10,427
Land and construction developed	3,009,067	191,110	-	-
Land and construction under development	-	1,662,526	-	-
Total	3,019,494	1,864,063	10,427	10,427

During the years, a subsidiary included borrowing costs in real estate development projects. These were determined by applying capitalisation rates which are the weighted average of the financial charges on total borrowings during the years as follows:

	Consolidated financial statements	
	<u>2013</u>	<u>2012</u>
Borrowing costs included in real estate development projects (million Baht)	126	58
Capitalisation rate (percent)	8.375-10.00	9.25-10.00

A subsidiary has mortgaged the following project land with structures thereon as collateral for the subsidiary's long-term loans from bank and financial institutions.

	Consolidated financial statements	
	<u>2013</u>	<u>2012</u>
Net book values (million Baht)	2,992	1,838

The balance of the real estate development projects included the cost of the unit in a subsidiary's project that was seized by the executing officer, which had a net book value of approximately Baht 16 million as at 31 December 2013 (2012: Baht 16 million).

10. Pledged and restricted withdrawal bank deposits

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Purpose				
- To secure credit facilities and letters of guarantee issued by banks	14,176	14,624	1,165	618
- To pay for interest and construction of projects	418,657	422,273	-	-
Total	432,833	436,897	1,165	618

11. Deposits for acquisition of shares and assets in other companies

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposit for acquisition of shares	89,000	89,000	89,000	89,000
Deposits for acquisition of assets	210,463	71,300	110,463	71,300
Total	299,463	160,300	199,463	160,300

12. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost	
	2013	2012	2013	2012
Bangkok Centerpoint	5,000	5,000	5,000	5,000
Scenery Peak	1,603	1,603	1,603	1,603
	(USD 50,000)	(USD 50,000)		
Metro Premier	5,000	5,000	5,000	5,000
Pacific Estate	600,000	600,000	6,916	6,916
Yaksa	62,500	62,500	40,625	40,625
Total			59,144	59,144

The subsidiaries did not declare any dividend during the year.

The Company has pledged all ordinary shares in Pacific Estate with a local bank to secure the Company's long-term loans from the bank.

Owendelle

On 14 June 2013, a subsidiary's Board of Directors Meeting No. 4/2013 passed a resolution to approve the purchase of ordinary shares in Owendelle. The subsidiary purchased 57,999,997 ordinary shares of Owendelle, with the purchase price of Baht 5.22 each and the total purchase price of Baht 302,650,819, representing 100% of the registered share capital of Owendelle. The subsidiary paid a deposit of Baht 21,200,000 on the date of signing the Share Sell and Purchase Agreement and paid the remaining amount after the transfer of shares on 28 June 2013.

As a result, the subsidiary has control over Owendelle from 28 June 2013 (the acquisition date) onwards. However, the Company's management estimated that the assets and liabilities of Owendelle as at 28 June 2013 and 30 June 2013 were not materially different. In addition, the share of income/loss attributable to the subsidiary's interest in Owendelle as from 28 June 2013 to 30 June 2013 was not material to the consolidated financial statements. The Company has therefore assumed that the date of the share acquisition was 30 June 2013 and has recognised share of income/loss in Owendelle as well as has included Owendelle's financial statements in the consolidated statements as from 1 July 2013.

In addition, the subsidiary and an unrelated company entered into an agreement to sell and to purchase a hotel with assets used in operation of such hotel belonging to Owendelle. The management of the subsidiary expects the sale of the hotel with assets to be completed within 1 year as from the agreement date. Therefore, as at 31 December 2013, these assets were classified as non-current assets held for sale.

Under TFRS No. 3 (revised 2009), the subsidiary must consider the net fair value of the identifiable assets, liabilities and contingent liabilities of Owendelle on the acquisition date. The subsidiary made preliminary assessment the difference between purchase cost of the investment and net fair value of assets was approximately Baht 71 million. However, the subsidiary is in the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of Owendelle as of the acquisition date, and this process is currently not completed. Such discrepancy of Baht 71 million is therefore recorded as current liabilities under "Estimated amount by which interest in the net asset value of a subsidiary exceeds purchase cost" in the consolidated statement of financial position.

Details of the acquisition are as follows:

(Unit: Thousand Baht)

Purchase price	
Cash paid for acquisition	302,651
Estimated carrying amounts of net assets acquired	(373,476)
Estimated amount by which interest in the net asset value exceeds purchase cost	(70,825)
Cash paid for acquisition	302,651
Less: Cash and cash equivalents of acquiree	(20,420)
Net cash paid for the acquisition - net from cash and cash equivalents received	282,231

The carrying amounts of assets and liabilities acquired from the acquisition of Owendelle as at 30 June 2013 are as follows:

(Unit: Thousand Baht)

Carrying value of acquiree's
as at 30 June 2013

Cash and cash equivalents	20,420
Trade and other receivables	6,902
Inventories	6,786
Other current assets	6,154
Non-current assets held for sale	176,788
Restricted bank deposits	1,270
Plant and equipment	2,504
Leasehold rights	270,784
Intangible assets	372
Other non-current assets	1,872
Trade and other payables	(105,069)
Deposits received	(7,549)
Other current liabilities	(7,758)
Net assets	373,476

Yaksa

Further to the Company's Board of Directors passed a resolution relating to the sale of the investment in Yaksa on 26 February 2013, on 31 January 2014, the Company received full settlement of Baht 41 million and had transferred Yaksa's shares to the buyer.

13. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Building space for rent	Office building for rent	Total	Building space for rent	Office building for rent	Total
Cost:						
1 January 2012	197,819	1,491,937	1,689,756	-	-	-
Acquisition of assets	-	2,195	2,195	-	-	-
Transfers	-	494	494	-	-	-
31 December 2012	197,819	1,494,626	1,692,445	-	-	-
Acquisition of assets	-	3,294	3,294	-	-	-
Transfers	-	4,573	4,573	-	-	-
31 December 2013	197,819	1,502,493	1,700,312	-	-	-
Accumulated depreciation:						
1 January 2012	134,994	1,035,379	1,170,373	-	-	-
Depreciation charged	6,121	64,602	70,723	-	-	-
31 December 2012	141,115	1,099,981	1,241,096	-	-	-
Depreciation charged	6,106	65,326	71,432	-	-	-
31 December 2013	147,221	1,165,307	1,312,528	-	-	-
Allowance for impairment loss:						
1 January 2012	-	2,000	2,000	-	-	-
31 December 2012	-	2,000	2,000	-	-	-
31 December 2013	-	2,000	2,000	-	-	-
Net book value:						
31 December 2012	56,704	392,645	449,349	-	-	-
31 December 2013	50,598	335,186	385,784	-	-	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Building space for rent	79,715	92,940	-	-
Office building for rent	414,537	460,932	-	-

Investment properties in the consolidated financial statements consist of a building of Grande Asset which was leased to a department store for the period of 30 years. They also comprise land improvement, building and building improvement, and fixtures of Pacific Estate which are the component parts of the land and are to be transferred to the lessor at the end of the land lease period, unless otherwise notified by the lessor.

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the building space for rent and the office building for rent has been determined using the 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.

Investment properties of Grande Asset are located on leasehold land which is currently in the litigation as discussed in Note 28.5 a) to the financial statements.

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements											
		Land improvement		Buildings	Building improvement	Mock-up	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Construction in progress	Total
Cost:	1 January 2012	1,137,690	9,313	2,205,577	18,868	12,411	638,436	293,783	34,852	2,112,532	6,463,462
	Additions	-	858	-	4,662	5,190	17,196	8,329	5,314	80,578	122,127
	Disposals	-	-	-	-	-	(2,859)	(3,604)	(4,460)	(1,265)	(12,188)
	Transfers	-	-	-	50,155	35,861	19,406	9,775	-	(115,691)	(494)
31 December 2012	1,137,690	10,171	2,205,577	73,685	53,462	672,179	308,283	35,706	2,076,154	6,572,907	
Additions	-	3,948	-	4,769	-	21,033	22,456	4,871	241,718	298,795	
Disposals	(341,319)	-	-	-	-	(32,299)	(2,430)	(6,135)	(730)	(1,036,461)	(1,419,374)
Transfers	-	11,921	-	70,145	-	-	27,487	30,168	-	(144,294)	(4,573)
Acquisition of a subsidiary during the year	-	1,578	-	1,886	-	-	37,776	11,435	28	-	52,703
31 December 2013	796,371	27,618	2,205,577	150,485	21,163	756,045	366,207	39,875	1,137,117	5,500,458	

(Unit: Thousand Baht)

Consolidated financial statements

[illegible]

(Unit: Thousand Baht)

Separate financial statements

Cost:

	Building	Building improvement	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Construction in progress	Total
1 January 2012	3,816	11,413	15,136	10,735	1,869	2,514	45,483
Additions	-	-	1,500	1	-	1,414	2,915
Disposals	-	-	-	-	-	(1,265)	(1,265)
Transfers	-	2,663	-	-	-	(2,663)	-
31 December 2012	3,816	14,076	16,636	10,736	1,869	-	47,133
Additions	-	-	47	-	-	-	47
Disposals	-	-	(542)	-	-	-	(542)
31 December 2013	3,816	14,076	16,141	10,736	1,869	-	46,638

Accumulated depreciation:

1 January 2012	1,102	10,250	14,465	10,735	684	-	37,236
Depreciation for the year	191	337	548	-	334	-	1,410
31 December 2012	1,293	10,587	15,013	10,735	1,018	-	38,646
Depreciation for the year	191	560	469	-	333	-	1,553
Depreciation on disposals	-	-	(542)	-	-	-	(542)
31 December 2013	1,484	11,147	14,940	10,735	1,351	-	39,657

Net book value:

31 December 2012	2,523	3,489	1,623	1	851	-	8,487
31 December 2013	2,332	2,929	1,201	1	518	-	6,981

Depreciation for the year

2012	1,410
2013	1,553

As at 31 December 2013, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 12 million (2012: Baht 11 million) (The Company only: Baht 1 million (2012: Baht 1 million)).

As at 31 December 2013, certain buildings and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 939 million (2012: Baht 843 million) (The Company only: Baht 34 million (2012: Baht 34 million)).

The subsidiaries have mortgaged the following land with structures thereon as collateral for Grande Asset's long-term loans from bank.

	Consolidated financial statements	
	2013	2012
Net book values (million Baht)	2,722	4,100

A hotel building of Grande Asset is located on leasehold land which is currently in the litigation as discussed in Note 28.5 a) to the financial statements.

In May 2013, a subsidiary sold and transferred its under-construction hotel with land to an investor at a total price of Baht 1,500 million. The subsidiary recorded gain on sale of these assets of Baht 46 million as other income in the statements of comprehensive income.

15. Intangible assets - computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost:		
1 January 2012	45,166	582
Acquisition	3,307	44
Disposals	(7,707)	-
31 December 2012	40,766	626
Acquisition	14,068	-
Increase from acquisition of a subsidiary	6,154	-
31 December 2013	60,988	626
Accumulated amortisation:		
1 January 2012	18,060	156
Amortisation for the year	3,349	197
31 December 2012	21,409	353
Amortisation for the year	3,798	176
Increase from acquisition of a subsidiary	5,783	-
31 December 2013	30,990	529
Net book value:		
31 December 2012	19,357	273
31 December 2013	29,998	97

16. Compensation guarantee

In October 2004, Grande Asset entered into an agreement guaranteeing compensation of up to Baht 170 million for any damage to the hotel buildings of an unrelated party as a result of the construction of Grande Asset's project and has already paid this compensation guarantee to such company. As at 31 December 2013, Grande Asset received part of this compensation guarantee amounting to Baht 117 million back from such company (2012: Baht 102 million).

17. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost:		
1 January 2012	541,506	-
31 December 2012	541,506	-
Acquisition	277	-
Increase from acquisition of a subsidiary	401,742	-
31 December 2013	943,525	-
Accumulated amortisation:		
1 January 2012	156,138	-
Amortisation for the year	38,892	-
31 December 2012	195,030	-
Amortisation for the year	46,387	-
Increase from acquisition of a subsidiary	130,958	-
31 December 2013	372,375	-
Allowance for impairment loss:		
1 January 2012	-	-
31 December 2012	-	-
Increase during the year	1,978	-
31 December 2013	1,978	-
Net book value:		
31 December 2012	346,476	-
31 December 2013	569,172	-

Leasehold rights represent the rights to the leasehold land of Pacific Estate, Grande Asset and Yaksa. Three lease agreements are for the period of 30 and 33 years and the starting dates of their amortisation were 1 February 1989, 17 April 1992 and 3 August 2010, respectively. In addition, the leasehold rights also include the right to the leasehold land, building and equipment of Owendelle. This lease agreement is for the period of 27 years and the starting date of its amortisation was 1 July 2005.

Leasehold rights of Grande Asset are the rights to the leasehold land which is currently in the litigation as discussed in Note 28.5 a) to the financial statements.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties	-	13,479	-	-
Trade payables - unrelated parties	58,245	60,279	-	-
Construction payable	142,010	191,475	-	5,331
Accrued expenses	259,476	271,006	15,166	13,380
Other payables - related parties	24,571	136	5,036	167
Other payables - unrelated parties	59,732	32,298	-	960
Total trade and other payables	544,034	568,673	20,202	19,838

19. Short-term loan from an unrelated party

The balance represents clean short-term loan which is subject to interest rate of 3 percent per annum and will be due at call.

20. Long-term loans from financial institutions

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
Loan	Repayment schedule	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>Long-term loans from banks</u>				
1.1	January 2011 to February 2015 *	92,400	168,000	92,400	168,000
1.2	June 2012 to March 2015 *	49,600	83,371	49,600	83,371
2.1	Within June 2013 **	-	700,000	-	-
2.2	Within December 2013 **	-	800,000	-	-
2.3	Within June 2013 **	-	200,000	-	-
2.4	January 2011 to December 2020 *	-	752,000	-	-
2.5	Within August 2015 ***	2,115,281	-	-	-
2.6	March 2013 to December 2024 *	478,000	-	-	-
2.7	January 2014 to June 2021 *	208,699	-	-	-

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
Loan	Repayment schedule	2013	2012	2013	2012
<u>Long-term loans from a financial institution</u>					
3.1	September 2013 to September 2014 *	-	23,000	-	-
3.2	February 2014 to December 2015 *	30,000	-	-	-
Total		2,973,980	2,726,371	142,000	251,371
Less: Current portion		(167,000)	(1,865,280)	(117,600)	(109,200)
Long-term loans - net of current portion		2,806,980	861,091	24,400	142,171

* Monthly installments

** Each time a condominium unit is redeemed from mortgage, at 65 percent of selling price and in any case not less than the amount stipulated by the bank

** Each time a condominium unit is redeemed from mortgage, at 60 - 75 percent of selling price and in any case not less than the amount stipulated by the bank

Long-term loans from banks

- The loan carries interest at a rate with reference to the minimum loan rate (MLR). The loan is secured by two subsidiaries and the directors of the Company, transfer in right of claim in receiving rental and service income from lessee of a subsidiary, transfer in the subsidiary's right of claim in debt and interest from promissory note of a subsidiary, the pledge of all of the subsidiary shares and the Company and the subsidiary's savings accounts. According to this loan agreement, the Company must comply with certain financial conditions as stipulated in the covenants, such as the requirement to maintain certain debt to equity ratios, etc.
- On 27 February 2013, a subsidiary entered into a credit facility agreement with a local bank providing credit lines totaling Baht 3,448 million, of which Baht 2,448 million is to refinance the existing long-term loans and Baht 1,000 million is to fund construction of the subsidiary's projects. Subsequently, the subsidiary entered into credit facility agreements with the bank providing additional credit lines of Baht 360 million and Baht 210 million, on 27 June 2013 and 28 November 2013, respectively. These loans carry interest at a rate with reference to the minimum loan rate (MLR).

These subsidiary's loans are secured by two subsidiaries, most of the subsidiary's land and structures thereon, all of the subsidiaries' leasehold rights, land and structures thereon, and the pledge of the subsidiary shares held by Metro Premier, all of three subsidiaries' shares and the subsidiary's savings accounts.

The loan agreements contain covenants as specified in the agreements that, among other things, require the subsidiary to maintain certain debt to equity and the stated conditions etc.

As at 31 December 2013, the long-term credit facilities of the subsidiary which have not yet been drawn down amounted to Baht 383 million (2012: Baht 1,900 million).

On 11 February 2014, the subsidiary entered into a credit facility agreement with a local bank providing credit lines totaling Baht 1,534 million to fund construction of the subsidiary's project. The loan carries interest at a rate based on the minimum loan rate (MLR). The loan is secured by the subsidiary's director, land and structures thereon of the subsidiary's project. The loan agreement contains covenants as specified in the agreement that, among other things, require the subsidiary to maintain certain debt to equity and the stated conditions etc.

Long-term loans from a financial institution

3. On 6 August 2013, a subsidiary entered into a credit facility agreement with the financial institution providing the credit line of Baht 30 million, carrying interest at a rate with reference to the minimum loan rate (MLR). The subsidiary's loan is secured by units in the subsidiary's project.

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, is as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
Balance at beginning of year	36,766	29,992	3,672	2,812
Current service cost	9,166	5,967	832	813
Interest cost	1,992	1,253	177	146
Benefits paid during the year	(1,568)	(1,730)	-	-
Actuarial (gain) loss	(86)	1,284	(86)	(99)
Balance at end of year	46,270	36,766	4,595	3,672

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current service cost	9,166	5,967	832	813
Interest cost	1,992	1,253	177	146
Actuarial (gain) loss recognised during the year	(86)	1,284	(86)	(99)
Total expenses recognised in profit or loss	11,072	8,504	923	860
Line items under which such expenses are included in profit or loss				
Cost of sales	2,735	3,552	-	-
Selling and administrative expenses	8,337	4,952	923	860

Principal actuarial assumptions at the valuation date are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.17 - 3.75	3.17 - 3.75	3.17	3.17
Future salary increase rate	5.00 - 13.00	5.00 - 13.00	13.00	13.00

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

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2013	46,270	4,595
Year 2012	36,766	3,672
Year 2011	29,992	2,812
Year 2010	24,613	1,883
Year 2009	19,618	1,450

22. Statutory reserve

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

23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	368,575	338,876	24,577	23,695
Depreciation and amortisation	277,483	291,013	1,728	1,608
Impairment loss	3,748	-	-	-
Compensation expenses (reversal)	(4,182)	114,712	-	-
Rental expenses	11,239	11,017	-	-
Changes in inventories	(6,597)	834	-	-

24. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax:				
Current income tax charge	(6,466)	(2,824)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	82,532	41,231	(2,815)	(2,982)
Income tax reported in the statements of comprehensive income	76,066	38,407	(2,815)	(2,982)

Reconciliation between income tax and the product of accounting profit (loss) multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u>2013</u>	<u>2012</u> (Restated)
Accounting profit (loss) before tax	(334,850)	(482,975)
Applicable tax rate	20	23
Accounting profit (loss) before tax multiplied by applicable tax rate	(66,970)	(111,084)
Effects of:		
Non-deductible expenses	22,303	44,091
Additional expense deductions allowed	(48,922)	(26)
Difference in tax rates of a subsidiary in an overseas country	(2,291)	(652)
Tax losses for the year of subsidiaries which deferred tax assets have not been recognised	21,282	26,463
Others	(1,468)	2,801
Total	(9,096)	72,677
Income tax expenses (income) reported in the statement of comprehensive income	(76,066)	(38,407)

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		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)			(Restated)	
Deferred tax assets						
Unearned revenues	86,205	72,710	43,230	-	-	-
Allowance for asset impairment	819	1,219	1,219	819	819	819
Provisions	6,386	19,419	4,489	919	734	563
Unused tax loss	63,324	9,049	22,122	6,000	9,000	12,154
Total	156,734	102,397	71,060	7,738	10,553	13,536
Deferred tax liabilities						
Revalued assets from business combination	156,117	184,312	194,206	-	-	-
Total	156,117	184,312	194,206	-	-	-

In order to comply with the decreases in tax rates which were enacted through a royal decree in December 2011, the Company has reflected the changes in the income tax rates from 30 percent to 23 percent in 2012, and then to 20 percent from 2013 in its deferred tax calculation, as presented above.

As at 31 December 2013, the Company's subsidiaries have deductible temporary differences and unused tax losses totaling Baht 603 million (2012: Baht 614 million), on which deferred tax assets have not been recognised as the subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

25. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

26. Segment information

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

The Company and its subsidiaries' business operations involve 4 principal segments: (1) hotel (2) rental of office building space and shopping plaza (3) property development and (4) other segments. These operations are mainly carried on in Thailand.

The following table presents revenue and profit information regarding the operating segments of the Company and its subsidiaries for the years ended 31 December 2013 and 2012.

(Unit: Million Baht)

	Hotel operation			Rental of office building space and shopping plaza operation			Property development operation			Other segments		Total	
	2013	2012		2013	2012		2013	2012		2013	2012	2013	2012
Revenues	996	909		238	222		210	29		-	-	1,444	1,160
Segment profit (loss)	66	64		49	23		(50)	(151)		(20)	(18)	45	(82)
Unallocated income and expenses:													
Other income												50	13
Administrative expenses												(327)	(242)
Finance cost												(103)	(172)
Income tax												76	38
Loss for the period												(259)	(445)

The following table presents total asset information regarding the operating segments of the Company and its subsidiaries as at 31 December 2013 and 2012.

(Unit: Million Baht)

	Hotel operation		Rental of office building space and shopping plaza operation		Property development		Other segments		Total Segments		Unallocated assets		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Property, plant and equipment	3,426	4,682	6	6	-	9	8	1	3,440	4,698	-	-	3,440	4,698
Investment properties	-	-	386	449	-	-	-	-	386	449	-	-	386	449
Real estate development projects	-	-	-	-	3,019	1,864	-	-	3,019	1,864	-	-	3,019	1,864
Unallocated assets	-	-	-	-	-	-	-	-	-	-	2,417	1,690	2,417	1,690
Total assets	3,426	4,682	392	455	3,019	1,873	8	1	6,845	7,011	2,417	1,690	9,262	8,701

27. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and the subsidiaries contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited and Krung Thai Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company and the subsidiaries contributed Baht 10 million (2012: Baht 8 million) (The Company only: Baht 1 million (2012: Baht 1 million)) to the fund.

28. Commitments and contingent liabilities

28.1 Capital commitments and commitments for real estate development

As at 31 December 2013, the Company and its subsidiaries had capital commitments and commitments for real estate development of approximately Baht 1,471 million (2012: Baht 1,342 million), and for the Company only, Baht 460 million (2012: Baht 79 million), relating to the construction and hotel buildings and condominiums, the office building improvement and the purchases of a plot of land, condominium units and equipment.

28.2 Operating lease commitments

A subsidiary entered into an agreement to lease land for a period of 30 years for the purpose of constructing a hotel and business plaza, renewable for a further 20 years under certain conditions as specified in the agreement. However, as discussed in Note 28.5 a) to the financial statements, the land lease agreement is currently in the litigation.

In addition, the subsidiary entered into an agreement to lease office space for a period of 3 years as from March 2011. Subsequently, the Company renewed the agreement for an additional period of 3 years, from March 2014.

A Subsidiary entered into an agreement to lease land, buildings and equipment for a period of 27 years. The lessor will not renew the lease agreement beyond the end of the lease period.

As at 31 December 2013 and 2012, future minimum lease payments required under operating lease contracts (including the subsidiaries' lease agreements) were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Payable within:		
1 year	15	11
2 to 5 years	48	21
More than 5 years	98	24

As at 31 December 2013 and 2012, future minimum sublease payments expected to be received under non-cancellable subleases were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Receivable within:		
1 year	180	176
2 to 3 years	137	201

28.3 Long-term service commitments

	Type of agreement	Contract parties	Fee rate	Start	End
1.	Hotel management agreement	A subsidiary and an overseas company	a)	2004	2018
2.	Technical services agreement	A subsidiary and an overseas company	b)	2012	2016
3.	Hotel management agreement	A subsidiary and an overseas company	a)	Formal opening date of the hotel	20 years from the formal opening date
4.	Hotel management agreement	A subsidiary and an overseas company	a)	2007	2017
5.	Petroleum product purchase agreement	A subsidiary and a local company	b)	2006	2016

- a) Certain percentage based on gross revenues and gross revenues deducted with certain expenses from hotel operations
- b) The rates stipulated in the agreements

In addition, the subsidiaries have entered into several service agreements in respect of elevator maintenance, consultancy services and other services with other unrelated companies.

As at 31 December 2013 and 2012, future minimum service payments required under long-term service contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2013	2012
Payable within:		
1 year	18	48
2 to 5 years	8	1

28.4 Guarantees

- a) The Company has guarantee commitments to a number of its property development project customers and has been sued as the guarantor of certain customers, with claims totaling Baht 3 million. The Court ordered the Company and the customers to pay Baht 3 million, but the Company has not set aside any provision for these cases since it believes no material loss will result.
- b) As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 13 million (2012: Baht 14 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business (The Company only: Nil (2012: Baht 1 million)).

28.5 Contingent liability

- a) In October 2008, one of the landlords filed a complaint against a subsidiary, claiming that the subsidiary had breached the land lease agreement made with the plaintiff, resulting in damage to the plaintiff. Under this lawsuit, the plaintiff petitioned for termination of the land lease agreement and sued for total compensation of Baht 79 million. On 6 August 2010, the Phrakhanong Provincial Court announced its judgment on the lawsuit, holding that the subsidiary had breached the terms of the land lease agreement, thereby entitling the plaintiff to legally terminate the land lease agreement, with the hotel building to become the property of the plaintiff pursuant to the agreement. However, the Court found that the subsidiary

was not obliged to pay compensation of Baht 79 million to the plaintiff. Furthermore, the subsidiary was ordered to deregister the land lease under the agreement and to release the hotel building from mortgage with a local bank. Subsequently, on 2 September 2010, the subsidiary submitted to the Court of Appeal an appeal against the said judgment of the Court of First Instance and a petition for stay of execution requesting a stay of execution in accordance with the said judgment until a final judgment of the Court of Appeal or the Supreme Court shall have been reached. Subsequently, the plaintiff filed an answer to the appeal on 26 October 2010. In addition, on 1 October 2010, the plaintiff also filed an appeal against the judgment of the Court of First Instance in relation to damages by asking the Court of Appeal to award damages to the plaintiff at the rate of Baht 500,000 per day commencing from the date following the date of judgment of the Court of First Instance until the date of the subsidiary delivers the hotel building to the plaintiff. Subsequently, the subsidiary filed an answer to the appeal on 15 December 2010. As for the petition for stay of execution, on 21 October 2011, the Court ordered that the petition be granted and that the subsidiary be prohibited from entering into any transaction in relation to the hotel building in dispute during the appeal. Subsequently, on 30 July 2013, the Phrakhanong Provincial Court announced the judgment of the Court of Appeal dismissing the plaintiff's claim, and as a result the land lease agreement remains effective and the subsidiary is not responsible for any damages to the plaintiff. Subsequently, the plaintiff submitted to the Supreme Court a petition against the said judgment of the Court of Appeal on 28 August 2013. On 27 November 2013, the subsidiary filed an answer to the petition. The petition is currently pending the consideration of the Supreme Court. The subsidiary's management believes that the subsidiary has no material, if any, obligations to compensate the plaintiff. Therefore, no provision for liability has been set aside in the accounts.

- b) One lawsuit has been filed against a subsidiary, with the plaintiff claiming damages totaling Baht 47 million. The case is currently being heard by the courts. The subsidiary's management believes that the subsidiary has no material, if any, obligations to compensate the plaintiff. Therefore, no provision for liability has been set aside in the accounts.

29. Financial instruments

29.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, and short-term and long-term 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, loans and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

Interest rate risk

Exposure of the Company and its subsidiaries to interest rate risk relates primarily to its cash at banks, loans, and short-term and long-term borrowings. Most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the tables 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 rates			Floating Interest rate	Non-interest Bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	245	2	247	0.125 - 2.35
Trade and other receivables	-	-	-	-	191	191	-
Pledged and restricted withdrawal bank deposits	7	-	-	426	-	433	0.5 - 2.25
	<u>7</u>	<u>-</u>	<u>-</u>	<u>671</u>	<u>193</u>	<u>871</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	544	544	-
Short-term loan from an unrelated party	500	-	-	-	-	500	Note 19
Long-term loans from financial institutions	-	-	-	2,974	-	2,974	Note 20
	<u>500</u>	<u>-</u>	<u>-</u>	<u>2,974</u>	<u>544</u>	<u>4,018</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2012

	Fixed interest rates					Total	Effective Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating Interest rate	Non-interest Bearing		
Financial assets							
Cash and cash equivalents	-	-	-	112	4	116	0.125 - 2.25
Trade and other receivables	-	-	-	-	117	117	-
Pledged and restricted withdrawal bank deposits	8	-	-	429	-	437	0.5 - 2.25
	<u>8</u>	<u>-</u>	<u>-</u>	<u>541</u>	<u>121</u>	<u>670</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	569	569	-
Short-term loan from an unrelated party	500	-	-	-	-	500	Note 19
Long-term loans from financial institutions	-	-	-	2,726	-	2,726	Note 20
	<u>500</u>	<u>-</u>	<u>-</u>	<u>2,726</u>	<u>569</u>	<u>3,795</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2013

	Fixed interest rates					Total	Effective Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	Floating Interest rate	Non-interest Bearing		
Financial assets							
Cash and cash equivalents	-	-	-	6	-	6	0.625 - 2.35
Trade and other receivables	-	-	-	-	105	105	-
Short-term loans to subsidiaries and interest receivable	158	-	-	634	46	838	Note 6
Long-term loan to a subsidiary and interest receivable	-	220	-	-	-	220	Note 6
Pledged and restricted withdrawal bank deposits	-	-	-	1	-	1	0.625
	<u>158</u>	<u>220</u>	<u>-</u>	<u>641</u>	<u>151</u>	<u>1,170</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	20	20	-
Long-term loans from financial institutions	-	-	-	142	-	142	Note 20
	<u>-</u>	<u>-</u>	<u>-</u>	<u>142</u>	<u>20</u>	<u>162</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	Fixed interest rates			Floating Interest rate	Non-interest Bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1	-	1	0.125 - 2.25
Trade and other receivables	-	-	-	-	82	82	-
Short-term loans to subsidiaries and interest receivable	170	-	-	634	41	845	Note 6
Long-term loan to a subsidiary and interest receivable	-	338	-	-	-	338	Note 6
Pledged and restricted withdrawal bank deposits	-	-	-	1	-	1	0.5 - 2.5
	<u>170</u>	<u>338</u>	<u>-</u>	<u>636</u>	<u>123</u>	<u>1,267</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	20	20	-
Long-term loans from financial institutions	-	-	-	251	-	251	Note 20
	<u>-</u>	<u>-</u>	<u>-</u>	<u>251</u>	<u>20</u>	<u>271</u>	

Foreign currency risk

The Company and its subsidiaries do not have any significant exposure to foreign currency risk.

29.2 Fair values of financial instruments

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

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

30. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 1.7:1 (2012: 1.4:1) and the Company's was 0.2:1 (2012: 0.2:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2014.

Remuneration of Auditors for the Company and Subsidiaries

(Baht in million)

Company's Name	2013	2012	2011
Thai Property Public Company Limited	1.29	1.29	1.29
Pacific Estate Development Limited	0.83	0.83	0.83
Metro Premier Holding Company Limited	0.08	0.08	0.08
Bangkok Centerpoint Company Limited	0.05	0.05	0.05
Total	2.25	2.25	2.25



ACTIVITY



CSR

(Corporate Social Responsibility)

Thai Property Public Company Limited has pursued good corporate governance principles and business ethics, while the Board of Directors, the management and staffs have had operating process under reliability system with good governance, accuracy, investigable and disclosed the information to stakeholders for acknowledgement.

Any business that has a vision and operates with good practices shall be considered as a value contribution to the society as well as its shareholders. The Company activities such as holding any positions brought to an employment, tax payment led to public services support and generally business operation drives momentum to economy. But the value built up with the society is the business model running a step ahead to what previously mentioned. The Company has a clear vision and focusing on whatever,

- Obviously bring advantage to society and shareholders, that means each party gains benefit, and
- Be able to create ultimate value to both sectors.





Mangrove forest planting

The Company had a nature conservation activity as mangrove forest planting at Laem Phak-bia, Amphur Ban Laem, Petchburi Province on 14 September 2013

TEAM BUILDING

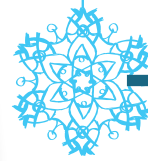




CSR

Wat Phrabatnampu
30 August 2013





TPROP PARTY



Company Profile ►►►

Name	Thai Property Public Company Limited
No.	0107537001480
Business Type	Real Estate Developer
Initials	TPROP
Head Office	2922/305-306, 29th Floor Charn Issara Tower II Petchburi Road, Kwang Bangkapi, Khet Huay Kwang, Bangkok 10310
Telephone	+66 (0) 2308-2708-10, +66 (0) 2308-2049
Fax	+66 (0) 2308-2719
Fiscal Year	1 January - 31 December
Registered Capital	Baht 3,353,702,060
Paid-up Capital	Baht 2,816,465,918
Par Value	Baht 1 each

Reference ►►►

Share Registrar	Thailand Securities Depository Co., Ltd. 4th,6th and 7th Floor, The Stock Exchange of Thailand Tower 62 Ratchadapisek Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110 Telephone +66 (0) 2229-2800 Fax +66 (0) 2654-5427
Auditor	Mr.Supachai Panyawattano Certified Public Accountant (Thailand) No. 3930 Ernst & Young Office Limited 33rd Floor, Lake Rachada Office Complex 193/136-137 Ratchadapisek Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110 Telephone +66 (0) 2264-0777, 0-2661-9190 Fax +66 (0) 2264-0789-90
Legal Advisor	Bunchong and Vidhya Law Office Company Limited 9th Floor, Wall Street Tower Building 33/35, 33/39-40 Surawongse Road, Kwang Suriyawongse, Khet Bangrak, Bangkok 10500 Telephone +66 (0) 2236-2334 (7 Lines) Fax +66 (0) 2236-3916

