



**LIVING LAND**

บริษัท ลีฟวิ่ง แลนด์ แคปปิตอล จำกัด (มหาชน)

Annual report

Living Land Capital Public Company Limited

2011



## Contents

Company Profile	3
Message from Board of Directors	4
Report of Audit Committee	5
Board of Directors and Executive Directors	8
Summary of Financial Information	9
Shareholdings Structure	10
Management Structure and Good Corporate Governance	11
Organization Chart	
Board for Directors and Scope of Authorities and Responsibilities	
Good Corporate Governance	
General Information	30
Income Structure	31
Summary of Situation	33
Risk Factors	38
Explanation and Analysis of Financial Status and Performance	41
Related Parties Transactions	42
Report of Board of Directors' Responsibilities on Financial Disclosure	46
Audited Report	48
Financial Statements	49



# LIVING LAND

บริษัท ลีฟวิ่งแลนด์ แคปิตอล จำกัด (มหาชน)

## Company Profile

### Name

Living Land Capital Public Company Limited

Registration No 0107536000684

### Head Office

No.64/40 Moo 6 Ratpattana Road

Kwang Sapansoong, Kheat Saphansoong, Bangkok 10240

Telephone : 0-2917-0380

Facsimile : 0-2917-0385

[www.livinglandcapital.co.th](http://www.livinglandcapital.co.th)

### Main Business

Real estate development business for residential types of

Detached house, Townhouse, Shophouse, Condominium and Resort

### Accounting Period

January 1 – December 31

### Auditor

Office of D.I.A. International Auditing

### Registrar

Thailand Securities Depository Company Limited

### Registered Capital

3,340,000,000 baht (3,340,000,000 ordinary shares, par value of 1 baht)

Paid Up Capital : 1,560,000,000 baht (as of February 6th 2012)

### Listing date

August 16, 2008

**Message for Board of Directors**

The event of gigantic flood during the past year-end of 2011 induced severe affects for the overview of Thai economy, both in government and private sectors, especially in the areas run into flood, not excepted for real estate sector. Many entrepreneurs had been directly affected from this event, some were severe up to revising of all business plan. The Company's project taken the affect from flood was Living Nara-Rangsit. The Company did not ignore the problem during the periods. The Company closely followed up the event and gave supports and aids to the inhabitants by distributing aid packages, facilitating for transportation and others that satisfied the inhabitants to some levels. When flood event was ease up, the Company planed with substantial protections by fixed assets to serve with the happiness of those inhabitants.

Living Land Capital Public Company Limited realized in the necessity to operate the business with the satisfactory of the kindness clients. However, the business operation also expects for profit. The Company realized well in this problem and has managed cautiously. The Company got the approval from the resolution of the shareholders' Extra General Meeting No.1/2011 on 21 September 2011 for the increasing of registered capital from 780 million shares to be 3,340 million shares. The Right offering to existing shareholders at 0.25 baht per share amounting of 780 million shares has been processed already, and the next procedures will be processed respectively according to the approval. The Company has revised for the flexible business plan to encounter with any problems promptly. The Company has a plan to invest in smaller projects and will start many projects simultaneously for the flexible and better cash flow management. At the same time, the Company will seek for the investment opportunities of land development for commercially sell or rent, and also business alliances that compatible with the capital increasing plan, in order to expand for business growth with profitable and returns to shareholders in terms of dividend in the near future. Meanwhile, the Company has processed the current projects continuously and resolved problems back to normal status. The Company has a plan to emphasize on risk management, with prudent and cautious operation.

The company would like to thank for all clients, financial institutions and any trading partners for all supporting and perceiving to the company. Thanks for every employees for their patient in coping with any obstacles and problems together up till passing the crisis. Especially thanks for every honorable investors for the trustworthiness given over times. The management would like to insist the intention to bring the company for further sustainable growth.

Mr. Apichart Chirabandhu  
Chairman of Board of Directors

Mr. Wanchai Subhaphayak  
Managing Director



## Report of Audit Committee

To shareholders of Living Land Capital Public Company Limited



Audit Committee of Living Land Capital Public Company Limited comprises 3 independent directors. All of the independent directors are not the executives or employees of the company. Audit Committee of the company comprises;

- 1.Mr.Pravit Khaohnoo Chairman of Audit Committee
- 2.Mr.Threekwan Bunnag Audit Director
- 3.Mr.Sripop Sarasas Audit Director

During the year 2011, in the meeting of Board of Directors no.6/2511 on 16 September 2011 had a resolution to appoint Mr Pun Kasemsap to be in a position of Audit Director instead of Mr Treekwan Boonnak who resigned on 11 August 2011. Audit Committee performed duties as assigned by the Board of Directors upon audit committee charter according to the requirement of the Stock Exchange of Thailand. There are totally 4 Audit Committee meetings during the year 2011. The meetings of Audit Committee were provided with the external auditor, the internal auditor, the executive of accounting office in order to consider for the opinion of Audit Committee. One of those meetings

was provided with the external auditor, without the management team. The performance of the Audit Committee can be concluded as following

### Review and audit of financial statement

Audit Committee has considered the presentation of external auditors on the interim, quarterly, annual financial statement, including direct advises. In this regard, Audit Committee invited the executives of the accounting office to clarify and explain the issues to Audit Committee. Such action ensured that the company's financial reports were made properly, completely and reliable according to the general accepted accounting standard, with sufficient level of information disclosure. Audit Committee has an opinion in compliance with the external auditor that the company's financial reports were made properly and completely as it should be in principle, and they were reliable according to the general accepted accounting standard.

### Inspect controlling system and internal audit

Audit Committee has assigned the internal audit office to evaluate for internal control, financial accounting and operation. The audits were operated by considering missions, scope of work, obligations, responsibilities and independence. Audit Committee received the audited report directly from the internal auditor and the recommendations were given to ensure that the company has an appropriate of internal control, follow-up process and evaluation, as part of good corporate governance procedure.

Audit Committee has an opinion that internal control of company as a whole is appropriate when considering organization and environment, operational control of management, information system, and good communication as well as the independent of internal audit system.

**Review of operation in accordance with law and corporate governance principle**

Audit Committee has focused on the company's compliance according to securities law, terms of securities exchange commission and law relating to business of the company.

Audit Committee has an opinion that there was no significant issue that the company did not follow the laws and regulations.

**Review of related transactions or possible conflict of interest items**

Audit Committee has considered the related transactions or possible conflict of interest items and let the external auditor provide quarterly report to Audit Committee to aware that such related transactions including possible conflict of interest are in normal business processes.

Audit Committee has an opinion that related transactions or items of possible conflict of interest are necessary for business operation and they are reasonable and beneficially to the company.

**Selection and appointment of auditors**

Audit Committee has considered the independent, the performance and the experience of auditors including the appropriateness of remuneration to ensure that the duties of auditors are satisfactory performed.

Audit Committee recommended Board of Directors to propose for approval from the Annual General Meeting of shareholders to appoint Mrs Wiliarat Rojnakaran, the auditor registered number 3104 or Miss Somchintana Polhiranrat, registered number 5599 or Mr Visuth Petchpanichkul, auditor registered number 7309 from DIA International Co.,Ltd. to be the auditors of the company for the year 2012.

For the year 2011, the Audit Committee has performed the duties and responsibilities as assigned independently. The opinions and recommendations were given to the Board of Directors for making decision as well.

On behalf of Audit Committee

Mr.Pravit Khaohnoo  
Chairman of Audit Committee



## Board of Directors Executive Committee

1. Mr. Apichart Chirapandhu  
Chairman of Board of Directors and Independence Director
2. Mr. Wanchai Subhaphayak  
Managing Director, Executive Director and Director
3. Mr. Manop Khaewchaoom  
Executive Director and Director
4. Mr. Kamol Chirapattama  
Executive Director and Director
5. Mr. Pann Kasemsap  
Audit Director and Independent Director
6. Ms. Ing-orn Sangsingkaew  
Audit Director and Independent Director

7. Ms.Chuanpis Chaiymuanwong  
Director
8. Mr. Pope Petchsuwan  
Director
9. Mr. Pravit Khaonoo  
Chairman of Audit Committee and Independent Director
10. Mr. Sripop Sarasas  
Audit Director and Independent Director
11. Mr. Ar-kom Siroratanarungsi  
Deputy Managing Director of Business Operation Group  
Deputy Managing Director of Business Development Group



**Summary of Financial Information**

Consolidated Financial Statement	2011	2010
Performances		
Revenue from sale	423.72	1,605.41
Cost of goods sold	355.29	1,285.00
Other income	47.25	21.56
Selling expenses	34.72	42.37
Administrative expenses	79.08	93.78
Other expenses	1.75	38.93
Interest expenses	48.12	67.37
Gross Profit	68.45	320.20
Profit (Loss) Before Interest & Tax	0.15	166.68
Profit (Loss) Before Tax	( 47.97)	99.31
Net Profit (Loss) Before Extra Ordinary Item	-	-
Profit (Loss) on Debt Restructuring	-	-
Net Profit (Loss)	( 47.97)	99.31

Financial Status	2011	2010
Assets		
Current Assets	379.50	447.25
Non- Current Assets	362.50	569.94
Liabilities		
Current Liabilities	387.18	637.75
Non- Current Liabilities	174.60	151.25
Shareholders' Equity	180.22	228.19

Financial Ratios		2011	2010
Gross Profit Margin		16.3	19.2
Operating Profit Margin	%	0.04	10.37
Net Profit Margin	%	(11.31)	6.18
Return on Equity	%	(26.62)	43.52
Return on Assets	%	(6.47)	9.76
Return on Non- Current Assets	%	(559.45)	1,117.75
Asset Turnover	(Times)	0.57	1.58
Current Ratio	(Times)	0.98	0.70
Debt to Equity Ratio	(Times)	3.12	3.46

Note : Source from Consolidated financial Statements



## Shareholdings structure

### Ordinary shares

As of February 6, 2012, the Company has total registered capital of 3,340,000,000 baht, divided into 3,340,000,000 ordinary shares at par value of 1 baht. Total paid-up capital is 1,560,000,000 baht.

### Shareholders

Top 10 major shareholders as of February 15, 2012

RANK	NAME OF SHAREHOLDER	No. of share (unit)	Shareholding ratio (%)
1	Falcon 9 Co., Ltd.	135,000,000	8.65%
2	Mrs Sumalee Ongcharit	74,000,000	4.74%
3	Mr Somchai Oun-on	73,500,000	4.71%
4	Mr Issarapong Imjai	72,000,000	4.61%
5	Miss Ratree Wanchit	59,856,837	3.84%
6	Global Realty Co.,Ltd.	59,100,000	3.79%
7	Mrs Kamploy Kemnimitr	52,000,000	3.33%
8	Mr Chaib Boonak	48,000,000	3.08%
9	Mr Thanin Rattanasirivilai	36,106,500	2.32%
10	Mr.Kamol Chirapattama	32,200,000	2.06%
	Others	641,763,337	41.13%
	Total shareholding	1,560,000,000	100.00%

Remark :

- Each of other shareholders holds shares not more than 5%

### Limitation of foreign shareholdings

Foreign shareholders are allowed to hold shares in the company at not more than 49% of the paid-up registered.

### Dividend policy

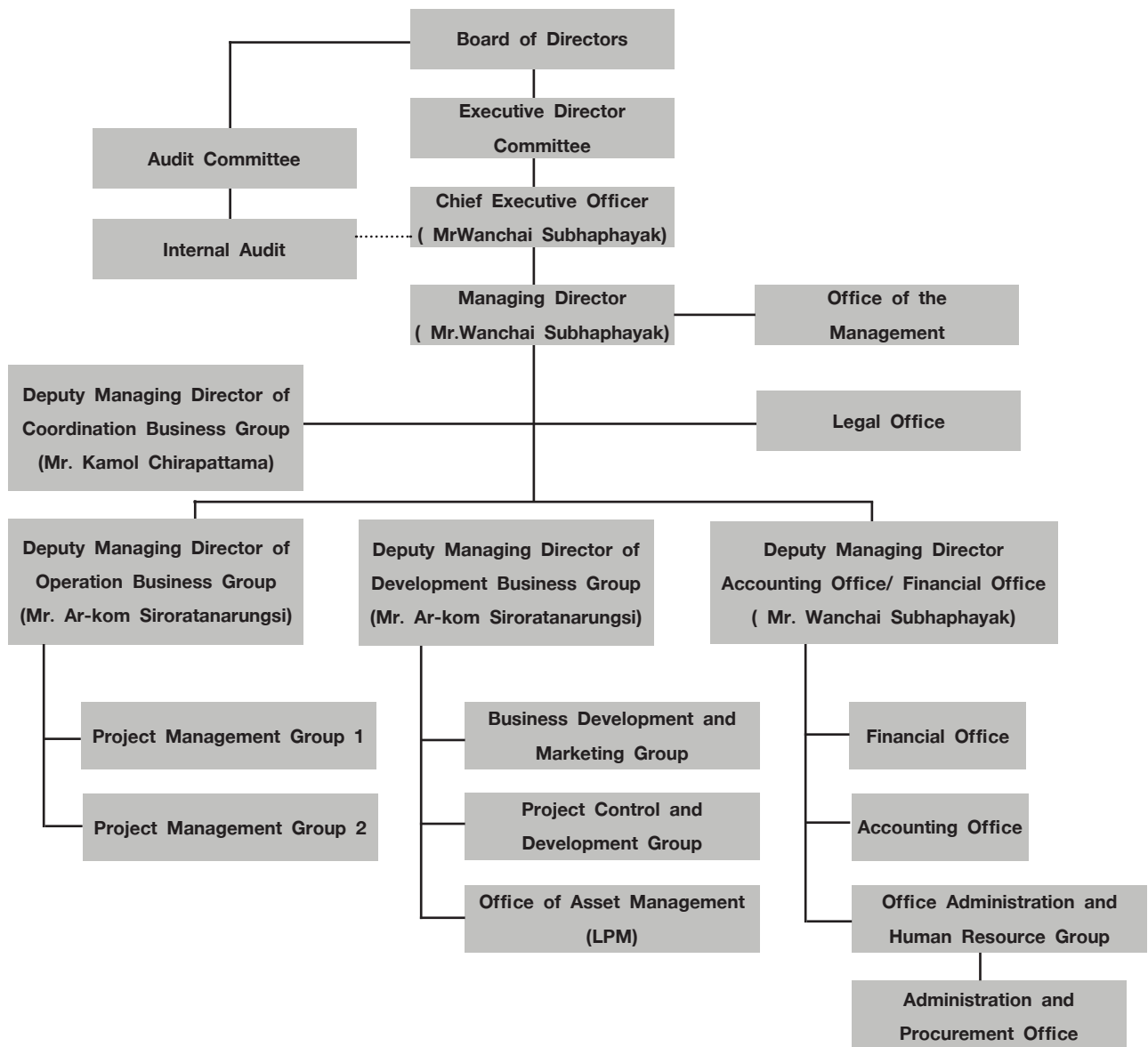
The company's Board of Directors has a policy to pay the annual dividend to shareholders at not less than 40% of net profit after all provisions. However, dividend payment may be changed, depending on the investment plan and other necessities for the future according to the opinions of Board of Directors.

For the dividend policy in subsidiary companies, dividend shall be paid from net profit of such subsidiary companies by considering many factors such as financial position, operating result, liquidity status, business expansion and any related factors for the management of those companies



## MANAGEMENT STRUCTURE AND CORPORATE GOVERNANCE

### ORGANIZATION CHART



#### Board of Directors :

- |                               |  |
|-------------------------------|--|
| 1. Mr. Apichart Chirapandhu   | Chairman of Board of Directors and Independence Director |
| 2. Mr. Wanchai Subhaphayak    | Managing Director, Executive Director and Director       |
| 3. Mr. Manop Khaewchaoom      | Executive Director and Director                          |
| 4. Mr. Kamol Chirapattama     | Executive Director and Director                          |
| 5. Mr. Pope Petchsuwan*       | Director   |
| 6. Ms. Ing-orn Sangsingkaew   | Director   |
| 7. Ms. Chuanpis Chaimeuanwong | Director   |
| 8. Mr. Peepat Rungkupan       | Director (Resigned on 13 January 2012)                   |
| 9. Mr. Pravith Khaonoo        | Chairman of Audit Committee and Independent Director     |
| 10. Mr. Sripop Sarasas        | Audit Director and Independent Director                  |
| 11. Mr. Pann Kasemsap         | Audit Director and Independent Director                  |
| 12. Mr. Samkhan Bhuvanit*     | Secretary  |



## Independent Director

- |                             |                      |
|-----------------------------|----------------------|
| 1. Mr. Apichart Chirabandhu | Independent Director |
| 2. Mr. Pravit Khaonoo       | Independent Director |
| 3. Mr. Sripop Sarasas       | Independent Director |
| 4. Mr. Pann Kasemsap        | Independent Director |

## Audit Committee

- |                             |                             |
|-----------------------------|-----------------------------|
| 1. Mr. Apichart Chirabandhu | Chairman of Audit Committee |
| 2. Mr. Sripop Sarasas       | Audit Director              |
| 3. Mr. Pann Kasemsap        | Audit Director              |

## Executive Committee

- |                                |   |
|--------------------------------|---|
| 1. Mr. Wanchai Subhaphayak     | Managing Director and Executive Director                        |
| 2. Mr. Manop Khaewchaoom       | Executive Director  |
| 3. Mr. Kamol Chirapattama      | Deputy Managing Director of Business Coordinate Group           |
| 4. Mr. Ar-kom Siroratanarungsi | Deputy Managing Director of Business Operation Group            |
|                                | Deputy Managing Director of Business Development Group          |
| 5. Mr. Pinit Kajonpadungkitti  | Assistant Managing Director, Project Management Group           |
| 6. Mr. Pongsukasem Herantecha  | Assistant Managing Director, Business Development and Marketing |
| 7. Ms. Parichat Jitpirom       | Director of Accounting Office                                   |

Remark: Mr. Pope Petchsuwan and Mr.Samkhan Bhuvanit held the positions on 19 January 2012, by the resolution of Board of Directors' meeting no.1/2012 on 19 January 2012.

## Scope of responsibilities of Company's Director

1. Perform the duties with careful judgment and honesty, in accordance with existing laws and objectives and regulation stipulated by the company and Board of Directors' resolution as well as shareholders' meeting resolution with practices that general business operators will follow under the same circumstances.
  - o Make decision with honesty and rational reasons for the company's utmost benefits
  - o Make decision on credible information
  - o Make decision without personal gains, directly or indirectly
  - o Make decision to achieve honest and appropriate goals
  - o Refrain from actions that create deliberate conflict of interest with the company
2. Consider and approve business policies, goals, plans, strategies and annual budget.
3. Consider and approve appointments of qualified individuals without contradicting to the Public Company Act 1992 and the Stock Exchange of Thailand regulations, announcements or orders pertaining to replacing the vacancy of directors other than regular end of term.



5. Consider appointing independent directors by referring to the qualifications stipulated by the law required by the Securities and Exchange Commission and the Stock Exchange of Thailand, and making proposal for approval from the shareholders.
6. Consider appointing members of Audit Committee by referring to the qualifications stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand.
7. Consider determining and making amendments of the names of directors binding in the company.
8. Appoint other persons to operate the Company under its supervision or empower other persons to the duties within a certain period of time when seen appropriate and shall have power to make amendments to such authorization.
9. Consider and approve transactions pertaining to buying and selling of assets unless such transaction requires approval from shareholders. The approval will be made in accordance with the rules and regulation of the Stock Exchange of Thailand.
10. Consider and approve related-party transactions unless such transaction requires approval from shareholders. The approval will be made in accordance with the rules and regulation of the Stock Exchange of Thailand.
11. Consider and approve the payment of dividend to shareholders when the Company has adequate profit and report such dividend payment scheme to the shareholders during following shareholders' meeting. Board of Directors will select 1 director to be the Chairman and if necessary, a number of directors can perform the duty of vice chairman. Board of Directors must hold meeting at least once every 3 months or 4 times a year

## **Executive Committee**

### **Scope and responsibilities of Executive Committee**

1. Perform the duties with careful judgment and honesty, in accordance with existing laws and objectives and regulation stipulated by the Company and Board of Directors' resolution as well as shareholders' meeting resolution with practices that general business operators will follow under the same circumstances.
  - o Make decision with honesty and rational reasons for the Company's utmost benefits
  - o Make decision on credible information
  - o Make decision without personal gains, directly or indirectly
  - o Make decision to achieve honest and appropriate goals
  - o Refrain from actions that create deliberate conflict of interest with the Company
2. Prepare business policies, goals, plans, strategies and annual budget for approval from Board of Directors.
3. Determine business plan, budget and management authority to seek approval from Board of Directors.
4. Control and monitor the Company's operation in line with the approved business policies, goals, plan and budget by the Board of Directors for utmost efficiency.
5. Authority to consider and approve of
  - 5.1 Disbursement of investment and/or any of normal business transactions with the limit line of Baht 50 million or equivalent per project.
  - 5.2 Borrowing or receiving loan from financial institutions with objectives to conduct business transactions. The Company normally has a limit of 50 million baht or equivalent



6. Determine effective organizational and management structures, which also include selecting, training, hiring and firing of personnel, who are members of the management or high level executives. Executive Committee empowers the managing director to represent the Company in the employment contract.

7. Control and approve matters related to the operation of the Company. Appoint person or persons to represent Executive Committee when necessary and appropriate. Executive Committee has the authority to revoke or change such power given to other persons.

8. Perform other duties as assigned by Board of Directors.

### **The qualifications of independent directors**

#### **Criteria for appointment of independent directors**

The criteria which have been approved by the 2/2010 shareholders' meeting dated March 18, 2010 indicate that the terms independent director shall be equivalent to the minimum requirement by the Securities and Exchange Commission or the Stock Exchange of Thailand with the following qualifications:

1. Hold not more than 1% of the total shares with voting rights in the Company, subsidiary, affiliate or juristic entity that may be a conflict of interest. This also includes the shareholding by person related to independent director.
2. Never or used to be but not currently director with management involvement, employee, advisor with salary or someone with controlling power over a company, parent company, subsidiary, affiliated company or related juristic entity that may be of conflict of interest unless relinquishing such status for at least 2 years prior to the appointment date.
3. Not being someone who is blood related or legal related such as being father, mother, spouse, sibling and child or spouse of children of member of the management, majority shareholder someone with authority or person about to be appointed as members of the management or someone with controlling authority in the Company or subsidiary.
4. Never or used to have business relationship with company, parent company, subsidiary, affiliate or juristic entity that may be of conflict of interest in the way that might obstruct the independent judgment. He or she must not be a majority shareholder, director who is not independent director or member of the management of a company, parent company, subsidiary, affiliate or juristic entity that may be of conflict of interest to the Company unless relinquishing the status for at least 2 years prior to the appointment date.

Business relationship according to this section includes normal business transaction pertaining to rental or leasing of property, services and assets, or receiving financial assistance or loan, credit guarantee or presenting asset as collateral or other actions of the same sort, which results in debt obligation of at least 3% of the net tangible assets or 20 million baht. Such calculation will follow method of classifying the related-party transaction as indicated by the Stock Exchange of Thailand, which involves information disclosure and practices required on listed company with regard to related-part transactions. The inclusion of the debt obligation covers that occurred 1 year before the start of the relationship.

5. Never or used to be financial auditor of a company, parent company, subsidiary, affiliate or juristic entity that may be of conflict of interest, and must not be a majority shareholder, non-independent director, member of the management or partner of an audit house that provides services to a company, parent company, subsidiary, affiliate or juristic entity that may be of conflict of interest to the Company unless relinquishing the status for at least 2 years prior to the appointment date.



6. Never or used to be professional service provider or financial or legal advisor or asset appraiser receiving a fee of more than 2 million baht a year from a company, parent company, subsidiary, affiliate, or juristic entity that may be of conflict of interest. In case services are provide through a juristic entity, this requirement includes being a majority shareholder, non-independent director, member of the management or business partner unless relinquishing the status for at least 2 years prior to the appointment date.
7. Not a director that is appointed to represent the company's director, majority shareholder or shareholder related to majority shareholder of the company.
8. Offer independent opinions on the Company's operation.
9. Independent director with qualifications from 1 to 8 may be appointed by the company's Board of Directors to make decisions pertaining to the operation of a company, parent company, subsidiary, affiliate or juristic entity that may be of conflict of interest by using collective decision making process.

The Company's Board of Directors also appoints subcommittee to perform the following duties:

#### **Audit Committee**

The committee comprises at least 3 directors and at least 1 director with finance and accounting knowledge. The Audit Committee holds meeting 4 times with the following directors:

Name	Position
Mr. Pravut Kaohnoo	Chairman of Audit Committee
Mr. Sripop Sarasas	Audit Director
Mr. Pann Kasemsap	Audit Director

During the year 2011, Board of Directors' meeting no.6/2011 on 16 September 2011 has a resolution to appoint Mr. Pann Kasemsap to be Audit Director, instead of Mr. Treekwan Boonnak who resigned on 11 August 2011.

#### **Scope of responsibilities**

- (1) Reviewing the Company's official financial statements to ensure accuracy and adequacy.
- (2) Reviewing the Company's Internal Control and Internal Audit system for appropriateness and efficiency with consideration to allow independence for Internal Audit body, while having authority in appointing and transferring or dismissing Internal Audit personnel or other departments relating to internal audit procedures.
- (3) Reviewing the Company's operation to ensure compliance to existing laws stipulated by the Stock Exchange of Thailand and those involving the business operation of the Company.
- (4) Considering, selecting and proposing independent person as financial auditor, while determining the remuneration for such person and attending a meeting with the auditor without the pressure from the management at least once a year.
- (5) Considering related-party transactions or transactions seen as conflict of interest by complying with the laws and regulations required by the Stock Exchange of Thailand to ensure utmost rational and benefit on the part of the Company.



- (6) Preparing reports by Audit Committee for disclosure in the Company's annual report, which must be endorsed by chairman of the audit committee and contain at least the following information:
- (A) Opinions on the accuracy, completeness and credibility of the Company's financial reports.
  - (B) Opinions on the adequacy of the Company's Internal Audit system.
  - (C) Opinions on the compliance with the laws and regulation stipulated by the Stock Exchange of Thailand or those governing the Company's business operation.
  - (D) Opinions on the suitability of the auditor.
  - (E) Opinions on transactions that may be consider conflict of interest.
  - (F) Opinions on the meeting of Audit Committee and attendance of each member.
  - (G) Opinions or notion Audit Committee receives by following the Charter.
  - (H) Other matters under jurisdiction that Audit Committee believes should inform the shareholders or general investors, with authorization from Board of Directors.
- (7) Other matters that the Company's Board of Directors assigns to Audit Committee to perform under section 1 with direct responsibility on the part of Board of Directors in terms of information disclosure to the public in case there are changes to the duties, names and scope of responsibility to Audit Committee, which is required by the Stock Exchange of Thailand. The Company will submit the report to the Stock Exchange of Thailand within 3 days after changes occurred, following the electronic media reporting method.
- (8) In case of finding items or transactions that may affect the Company's financial status or performance, Audit Committee must report to Board of Directors to improve or rectify within the time Audit Committee sees as appropriate.
- (A) Transactions creating conflict of interest
  - (B) Dishonesty or irregularity or deficiency in the Internal Audit system
  - (C) Legal violation regarding the laws and regulations required by the Stock Exchange of Thailand or those related to the Company's business operation

If Board of Directors or the management does not proceed with rectification under section 1 within the appropriate time, a member of the Audit Committee may report the matter to Securities and Exchange Commission or the Stock Exchange of Thailand.





## Corporate Governance

The Company has realized the importance of good corporate governance, which is a major factor in promoting the Company's overall efficiency through excellent business ethics in order to create a control mechanism that enhances transparency, justice and confidence on the part of the stakeholders. The Company has strictly followed the rules and regulations stipulated by the Stock Exchange of Thailand in 2006, which involve the 5 following aspects:

### Section 1 Shareholder's rights

The Board of Directors has determined a policy regarding good corporate governance, which has become very essential to long-term business operation. The Board of Directors is sincere in determining policy and well as direction that enhances good practices with effective system of monitoring and internal control for the long-term benefits of shareholders within the scope of the laws and recognized business ethics.

The Board of Directors has a policy to hold an annual shareholders' meeting within 4 months after the end of the fiscal year with other shareholders' meeting if necessary. During the shareholders' meeting, the Board of Directors will send invitation letter along with necessary information and its opinions to the shareholders with regard to issues included in the agenda, method and regulation used during the meeting for voting around 7-14 days before the meeting or according to the existing law. The Board of Directors also determines and makes public the venue, date and time of the shareholders' meeting 30 days before the actual meeting via Company's website to allow shareholders to have enough time to study. The Board of Directors also has a clear policy to refrain from limiting the opportunity or the shareholders in attending and voting with uncomplicated registration method and voting procedures. Chairman of the shareholders' meeting will allow ample time for shareholders to ask questions and express opinions equally. The meeting will also record important issues in the meeting report. The shareholders' meeting is attended by members of the Board of Directors, members of the Audit Committee and top executives, who will be willing to answer questions related to the issues.

### Section 2 Equal treatment for all shareholders

The Company realizes that treating all shareholders, majority, minority and institutional shareholder, equally when it comes to voting rights using the number of shares in possession to determine the number of vote at the ratio of 1 share to 1 vote. This method has been informed to all shareholders with correct and adequate information about the company and enough time for them to prepare for the shareholders' meeting including details of agendas to help make decision. Therefore, at each shareholder' meeting, the Company sends out meeting invitation along with documents containing complete details that are adequate for the meeting way before its time according to the laws stipulate. The information is also publicized in the Company's website even before the documents are sent out so that shareholders will have enough time to study them thoroughly.

In case the shareholders cannot attend the meeting by themselves, a proxy can be made to represent them in the shareholders' meeting, representing them in the voting. In addition, the Company also proposes an independent director or a person as a proxy using the proxy form as allowed by the Ministry of Commerce, which clearly indicates the details because at every shareholder' meeting the Board of Directors realizes the equality of all shareholders. Shareholders are allowed to register for the meeting before the scheduled time. Chairman of the meeting will explain how the voting is conducted and will follow the topic according to the set agenda without adding to it with uninformed issues. The form used in voting and method of voting are clear in order to avoid conflict of interest because all the directors are considered people standing to gain and lose. In any case of director gaining or losing, they must disclose such information to the meeting and forfeit the right to vote on such issue for utmost transparency and sincere inspection.



In case of voting for directors, the Company proposes to conduct the vote of each director individually. Those with the names approved by the Board of Directors will refrain from voting on his or her particular agenda. The chairman will allow the shareholders to ask questions and express their opinions equally. Important details of the meeting will be recorded systematically for convenient inspection and publicized on the Company's website at <http://www.livinglandcapital.co.th> 14 days after the shareholders' meeting.

### **Section 3 Roles of stakeholders**

The Company realizes the rights of all groups of stakeholders or people who stand to gain and lose, from internal persons such as employee and executive in the Company and subsidiaries to outsiders like customer, business partner, community and other organizations in the society. The Company also realizes the importance of support from all types of people who stand to gain and lose, which helps strengthen competitiveness and profitability as well as long term achievement. With all that, the Company operates under the existing laws and regulations, given into strong consideration responsibilities to society and consumers. The Company will consider the rights of these stakeholders fairly and listen to their opinions and suggestions before deciding any actions that may affect them.

### **Section 4 Information disclosure and transparency**

The Company realizes the importance of accurate, proper, adequate, transparent, consistent, trustworthy and punctual information disclosure according to the requirement from the Stock Exchange of Thailand and the Securities and Exchange Commissions because information pertaining to financial statements and general things, or even other important information affecting the share price is influential to the decision of investors and related parties, who are informed of such information through media under the care of the Stock Exchange of Thailand. The Company also sets up special unit to handle information dissemination to shareholders, analysts and various related institutions. Investors can inquire for more information by calling 0-2917-0380 or e-mail to [IR@ll.co.th](mailto:IR@ll.co.th). The Company also adds a new channel for access to the information via website at <http://www.livinglandcapital.co.th>. Information available at the website includes.

Company's background, Board of Directors structure, shareholding structure, financial statements, annual reports (56-2) and (56-1), news reported to the stock market, share price, etc.

The Company has a policy to have the Board of Director responsible for individual and consolidated financial statements by assigning the Audit Committee to make reviews and assessments of the internal control system to build up confidence on the part of all stakeholders or parties standing to gain and lose. The Board of Directors also reports its responsibility to financial reports and financial information appeared on the Company's annual report. The financial statements are prepared according to the general accounting standards recognized in Thailand using appropriate method and careful judgment as well as assessment to disclose adequate information for the benefits of the shareholders and general investors, who will utilize the information to know the financial position and operating performance truthfully and adequately. The quality of financial reports will appear in the report of responsibility the Board of Directors has toward the Company's annual financial statements.



## **Section 5 Responsibilities of Board of Directors**

### **1. Structure of Board of Directors and subcommittee**

#### Structure of Board of Directors

The Company has determined the qualifications of persons capable of becoming members of the Board of Directors in order to comply with existing laws. The Company also considers the professional experience and expertise, along with knowledge and skills of the persons to help enhance effective corporate governance. The appointment of members of the Board of Directors and Executive Committee follows a set of regulations and procedures to select appropriate persons with transparency and credibility through the screening of the Board of Directors or persons empowered by the shareholders. The Company has a clear scope of responsibility of the directors and subcommittee members including their term in the Company's management structure.

The Board of Directors comprises 10 members with the following details:

- Executive directors                      4 persons
- Non-executive directors                6 persons

Directors with legal authority include Mr. Wanchai Suppayak, Mr. Manop Kiewcha-oom, Mr. Kamol Jirapattama and Mr. Pope Petchsuwan. Two out of five of these directors can co-sign and stamp Company's seal to represent the Company.

In addition, the structure of the Board of Directors requires a chairman who is not the same person with Chief Executive Officer to separate the duties clearly on policy determination and routine management. The Board of Directors' members have a portion of more than a quarter of total of the Company's directors' members, with 4 independent directors to create appropriate balance and fairness. Information regarding the structure of management is disclosed under the topic of structure of management.

### **2. Subcommittee**

The Board of Directors appoints an Audit Committee to help monitor auditing issue of the Company with authority to inspect as indicated in the structure of management.

#### **• The Audit Committee :**

The Board of Directors has reached a resolution to appoint an Audit Committee, which comprises 3 independent directors. Chairman of the Audit Committee must be a person with knowledge and qualification in finance and accounting according to the requirement from the Stock Exchange of Thailand. Members of the Audit Committee meet regularly. In 2010, they met 4 times and reported the result to the Company's Board of Directors. Their scope of responsibility is as described in the topic of scope and responsibility of the Audit Committee.

### **3. Role, function and responsibilities of directors**

The Board of directors has a duty to determine the business direction, business plan, investment plan and find source of funding including control and monitor the operation of the Company to follow the plan accordingly. The Company has a clear policy to conduct business and pays attention to effective internal control at both the executive and operation levels with the Internal Audit unit to ensure appropriateness in the operation and financial related activities. This also includes inspecting for compliance to the laws and business ethics. The Company also has a policy to prepare documents on business and moral ethics for the directors and employees to understand the standard of treatment they are required for the Company, all groups of persons standing to gain and loss, general public and entire society.



## 4. Meetings of directors

The Company has specified that there shall be a meeting for the members of the Board of Directors at least once per 3 months or 4 times a year with extraordinary meetings if necessary. The meeting must have clear agenda before hand and consider monitoring the Company's performance on regular basis. 7 days prior to the meeting, there must be proper invitation along with agenda and document sent to the members so that they will have ample time to study the information. During the meeting Chairman of the Board of Directors will set aside enough time for the directors to have time to express their opinions freely. A director who stands to gain and lose in a certain issue will not take part in the decision making and the meeting will have a systematic report for convenient inspection and submission to the stock exchange within the given deadline.

### Meeting of Board of directors in 2011

- For the year 2011, the Board of Directors had 11 meetings and Audit Committee had 4 meetings

Name	Term	Meeting (Times)		Remark
		Attendance in Board of Directors meeting	Attendance in Audit Committee meeting	
1. Mr. Apichart Chirapandhu	4 yr 3 mon	6/11	-	
2. Mr. Wanchai Subhaphayak	5 yr 5 mon	11/11	-	
3. Mr. Kamol Chirapattama	5 yr 5 mon	11/11	-	
4. Mr. Manop Khaewchaoom	4 yr 11 mon	10/11	-	
5. Mr. Nopadol Thongprasert	4 yr 9 mon	4/11	-	Resigned on 8 Aug 11 by BOD's resolution no 5/ 2011
6. Mr. Pathralap Davivongsa	3 yr 9 mon	4/11	-	Resigned on 10 Aug 11 by BOD's resolution no 5/ 2011
7. Ms Nartrudee Jitrudeeampai	2 yr 5 mon	1/11	-	Resigned on 8 Apr 11
8. Mr. Peepat Rungupan	4 yr 11 mon	7/11	-	Resigned on 13 Jan 12
9. Ms. Ing-Orn Sangsingkaew	- yr 8 mon	-/11	-	Be appointed on 15 Aug 11 by BOD's resolution no 5/ 2011
10.Ms.Chuanpis Chaiyamaunwong	- yr 8 mon	2/11	-	Be appointed on 15 Aug 11 by BOD's resolution no 5/ 2011
11.Mr. Pravith Khaohnoo	4 yr 2 mon	7/11	4/4	
12.Mr.Sripop Sarasas	4 yr 3 mon	7/11	4/4	
13.Mr.Treekwon Boonnag	3 yr 6 mon	4/11	2/4	Resigned on 11 Aug 11 by BOD's resolution no 5/ 2011
14.Mr. Pann Kasemsap	- yr 7 mon	2/11	1/4	Be appointed on 16 Sep 11 by BOD's resolution no 6/ 2011

**5. Evaluation of directors**

The Company has a policy to evaluate the performance of the Board of Directors once a year with objective to have the directors to evaluate the performance and obstacles that happen in the past year in order to improve efficiency.

**6. Remuneration of directors and executives**

The Company has made clear and transparent of a policy regarding remuneration of directors and executive citing that it must be at the same level with the industrial standards and appropriate to the duty and responsibility. It must also be attractive enough for persons with the right qualifications and adequate in maintaining existing directors. It must also be approved by the shareholders' meeting, while remuneration of executives must follow the policy specified by the Board of Directors, whose package is related to the performance of the company and individual performance of each executive.

**Remuneration of directors and executives**

Number of directors and their remuneration in 2011 has following details:

- Remuneration of members of the Board of Directors in 2011 for 10 persons had a total number of 380,000 baht.
- Remuneration of the executives in 2011 for 11 persons (salary and others) has a total number of 16,948,375 baht.

**Details of remuneration in 2011**

Position	No. of director (person)	Annual remuneration in 2011
Chairman of the Board and Independent Director	1	80,250
Chairman of the Audit Committee and Independent Director	1	40,000
Audit Committee director and Independent Director	2	52,500
Director	2	75,000
Director and Executive Director	5	876,133
<b>Total</b>	<b>11</b>	<b>1,684,833</b>

* Meeting Fee	Chairman of the Board	13,375 Baht/time
	Directors	7,500 Baht/time
* Meeting Fee	Chairman of the Board	10,000 Baht/time
	Directors	7,500 Baht/time



## 7. Development of directors and executives

The Company supports members of the Board of Directors and high-level executives to take part in seminar programs beneficial to their duties. It can be seminar course set up by the government or private sector. For directors, they are encouraged to attend programs related to directorship, which is held by Thai Institute of Directors (IOD) to be able to use their knowledge and experience to develop the company further. The company also discloses information pertaining to the attendance of directors in IOD conducted programs and seminar under the topic of directors attending seminars at IOD.

### Company's secretary

According to the Securities and Exchange Act (No. 4) B.E.2551 Article 89/15, the directors must assign the company secretary to assume responsibility on behalf of the Company or directors. The meeting of the Board of Directors no.1/2012 on January 19, 2012 appointed Mr. Samkhan Bhuvanit as Company's secretary, effective January 19, 2012. (Mrs Mantana Wongsupaluk resigned on December 31, 2011)

As of December 31, 2011, the company had total employees of 74 persons classified by department as follows:

Level / Department	Number (persons)
Executives	4
Executive office	2
Business Development and Marketing Group	3
Project Management Group	23
Project Control and Development Group	4
Management Office	14
Audit Office	1
Legal Office	3
Accounting Office	5
Financial Management Office	10
Procurement and Operation Office	3
Property Management Office	2
<b>Total</b>	<b>74</b>

In the year 2011, the Company paid remuneration to employees and managers it the amount of 38,028,963 baht comprised salary, commission and other personnel related expenses.

## Board of Directors and Managements

## Details of Directors and Managements of the Company

Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
1. Mr.Apichart Chirabandhu - Chairman of the Board of Directors - Independent Director	54	Bachelor of law Ramkamhaeng University	-	-	Jan 12-Present June 08-Present  June 08-Present  June 08-Present July 91-Present  Oct 06-Mar 08  1984-1990	Consultant of laborer sub committee Chairman of the Board of Director and Independent Director Consultant of Committee on Human Rights, The Rights and Liberties and Consumer Protection The Consultants Executive Partner  Member of the National Legislative Assembly Lawyer	The senate Living Land Capital PCL.  The senate  Hattip PCL. The Nation Law Office Siampremier The National Legislative Assembly Baker & Mckenzie Bangkok Co.,Ltd.
2. Mr.Wanchai Subhaphayak - Director - Executive Director - Chief Executive Officer - Managing Director	57	- B.A. in Marketing, Thammasart University - Thai Institute of Directors Certificate DCP 85/2007	1.32%	-	Mar 10-Present Nov 06-Present 1993-Sep 07 1995 – 2007  1989-1993  1983-1989 1977-1982	Managing Director Chief Executive Officer Managing Director Executive Director  Assistant Managing Director  Loans & Marketing Manager Chief loans officer	Living Land Capital PCL. Living Land Capital PCL. Top Line Living Co., Ltd. Professional Food and Beverage Co., Ltd Sriwara Land & House Co., Ltd. Finance One PLC. Siam Commercial Bank, Bangkapi branch

## Board of Directors and Managements

## Details of Directors and Managements of the Company

Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
3. Mr. Manop Keawcha - oom - Director - Executive Director	55	- Faculty of Science, Chulalongkorn University - Thai Institute of Directors Certificate DCP 90/2007	0.36%		2004-Present  May 07-Present 1989-present 1979-1986	Executive Director  Executive Director Executive Director Director	Housing Business Association and Thai Condominium Association Living Land Capital Plc. Top Line Living Co., Ltd. Prasertpanich Co., Ltd.
4. Mr. Kamol Chirapattama - Director - Executive Director - Deputy Managing Director	53	- B.A. in Finance and International Business, Thammasart University - Thai Institute of Directors Certificate DCP 86/2007	2.06%		Mar10-Present  Nov 06-Present 2000-2007 1988-1999 1983-1987	Deputy Managing Director of Coordination Business Group Executive Direct Executive Direct Senior Lending Officer Loans Officer	Living Land Capital Plc.  Living Land Capital Plc. Top Line Living Co., Ltd. CMIC Finance Plc. Bangkok Investment Co., Ltd.
5. Mr. Pob Petchsuwan - Director	48	- Bachelor of Architecture, Chulalongkorn University - MBA Chulalongkorn University			2012-Present 2011-Jan 2012 2003-2007 2000-2002  1997-1999  1993-1996 1991-1992 1988-1990  1987	Director Managing Director General Manager Marketing Manager  Deputy Managing Director and Marketing Director Management Director Project Manager Project Architect  Architect	Living Land Capital Plc. Villa Nakarin Co.,Ltd. Song land Co.,Ltd. NCC Management and Development Superblock Co.,Ltd.  Somprasong Land Plc. Thanayong Plc. Sumigo Development ( a subsidiary of Sumitomo Construction) Panya Land and House Co.,Ltd.



## Board of Directors and Managements

## Details of Directors and Managements of the Company

Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
6. Mrs. Ing-orn Sangsingkaew - Director	67	- Bachelor Degree, Ortanez University, Quezon City, Philippines			2007 - Present	Director Consultant Consultant  Consultant  Consultant	Sport City Co.,Ltd. Symphony Communication Plc. Consulate general of Republic of Nauru, Thailand Country Group Development Plc. Digital Research and Consulting Co.,Ltd.
7. Mrs.Chuanpis Chaiymuanwong - Director	64	- Bachelor Degree in Economics, Thammasat University - Master Degree in Economics, Thammasat University - Bachelor of law, Ramkamhaeng University - National Defence College - Director Accreditation Program (DAP 53/2006) - College of Politics and Governance, King Prajadhipok's Institute			2012 – Present 2010 - Present 2005 - Present 2006 - Present 2006 - 2008  2002 – 2006	Director Managing Director Director Director The National Legislative Assembly Director	Living Land Capital Plc. P Plus P Plc. Nawanakorn Plc. Star Sanitariware Plc. The senate  National Housing Authority
8. Mr.Pravit Khaohnoo - Chairman of Audit Committee - Independent Director	54	- Bachelor of Law Ramkamhaeng University - Thai Institute of Directors Certificate UFS 12/2007, ACP 20/2007, FND 38/2007, DCP 97/2007			Nov 07- Present  1986 - Present 1983 - 1986	Director and Chairman of Audit Committee Chief of Law firm Lawyer	Living Land Capital Plc.  Pravit Lawer Office People Lawyer Office

## Board of Directors and Managements

## Details of Directors and Managements of the Company

Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
9. Mr.Sripop Sarasas - Independent Director - Audit Director	55	- MBA (Finance) University of Southern California, USA. - Thai Institute of Directors Certificate ACP 1/2004 , DCP 22/2002			Present Present Present Present Present 2003 - 2007	Director and Chairman of Audit Committee Director and Audit Director Director and Audit Director Director and Audit Director Director and Audit Director Director and Audit Director	Suthakarn Co.,Ltd.  Kiattana Transport Plc. Bangkok Dusit Medical Services Plc. Living Land Capital Plc. The Royal Ceramic Industry Plc. Advanced Information Technology Plc.
10. Mr.Pann Kasemsap - Independent Director - Audit Director	44	- Bachelor of Law Thammasat University - International law, Southern Metodis, U.S.A. - Master of Law Thammasat University - Thai Institute of Directors Certificate DCP - Certificate of Audit Committee Program (ACP 37/2011), Monitoring Fraud Risk Management Programe (MFM 6/2011), Monitoring the Internal Audit Function Programe (MIA 11/2011), Monitoring the Quality of financial Reporting Programme (MFR 14/2012),			Present  2011 - Present  2011 - Present  1996 - 2002	Independent Director and Audit Director Independent Director and Audit Director Lawyer (Partner) and Deputy Managing Director Lawyer (Senior Associate)	Living Land Capital Plc.  Copper Wire Plc.  HNP Consultant Co.,Ltd,  Baker & McKency, Bangkok

## Board of Directors and Managements

## Details of Directors and Managements of the Company

Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
		Monitoring the System of Internal Control and Risk Management Programme (MIR 12/2012) - Certificate of Director Certification Program (DCP 140/2010), Financial Statements for Directors Programme (FSD 10/2010)					
11. Mr. Ar-kom Siroratanarungsi - Deputy Managing Director	58	- B.A. in Marketing, Thammasart University - MBA.School of Public Administration, NIDA			Mar 10-Present  Oct 08 - Feb10 2007 - Sep08  2007  July 03-Dec 06  May 02-Jun03  Jan01-Apr02	Deputy Managing Director of Operation Group and Business Development Group Chief Financial Officer Business Channel Development Manager ATM Channel Management Manager Branch Network Development and Coordination Manager Project Manager Project Manager-Branch Network Realignment Project (Change Program) Branch District Administration Office Manager area 27	Living Land Capital Plc.  Living Land Capital Plc. Siam Commercial Bank  Siam Commercial Bank  Siam Commercial Bank Siam Commercial Bank Siam Commercial Bank Siam Commercial Bank

## Board of Directors and Managements

## Details of Directors and Managements of the Company

Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
12. Mr.Samkhan Bhuvanit - Company's secretary	56	- Bachelor of Economics, Major in Finance, Ramkhamhang University  - FPCS Programe for Company's Secretary from Thai Listed Company Association	0.33%		Sep 05-Present	Purchasing & Admin Director / Company's Secretary	Living Land Capital Plc.
					Jun 03-Aug 05	Deputy Managing Director	Yontrakit's affiliate company
					Feb 02-May 03	Deputy Dean	Conservatory of Music, Rangsit University
					Feb 99-Jan 02	Chief of Finance	Faculty of Music, Silapakorn University
13. Mr.Pinit Kajonpadungkitti - Assistant Managing Director (Project Management Group)	43	- B.SC.Biology from Srinakharinwirot Bangsaen University  - MBA. (Marketing) from Ramkamhaeng University			Apr 85-Jan 98	Deputy Vice President-Provincial Credit	Asia Credit Plc,
					Mar10-Present	Assistant Managing Director (Project Management Group)	Living Land Capital Plc.
					2007 -Present	Assistant Managing Director (Business Development Group)	Living Land Capital Plc.
					2003 - 2007	Executive Vice President	Top Line Living Co., Ltd.
					2000 - 2003	Business Development Manager	Top Line Living Co., Ltd.
					1996 - 2000	Marketing Manager Senior Manager	Living Land Development Co.,Ltd.
					1994 - 1996	Assistant to Correspondence	Ban Chang Group
					1991 - 1994	Project Manager	Business Intelligence
					1990 - 1991	Education Center	Technological Promotion Association
							(Thai-Japan)

## Board of Directors and Managements

## Details of Directors and Managements of the Company

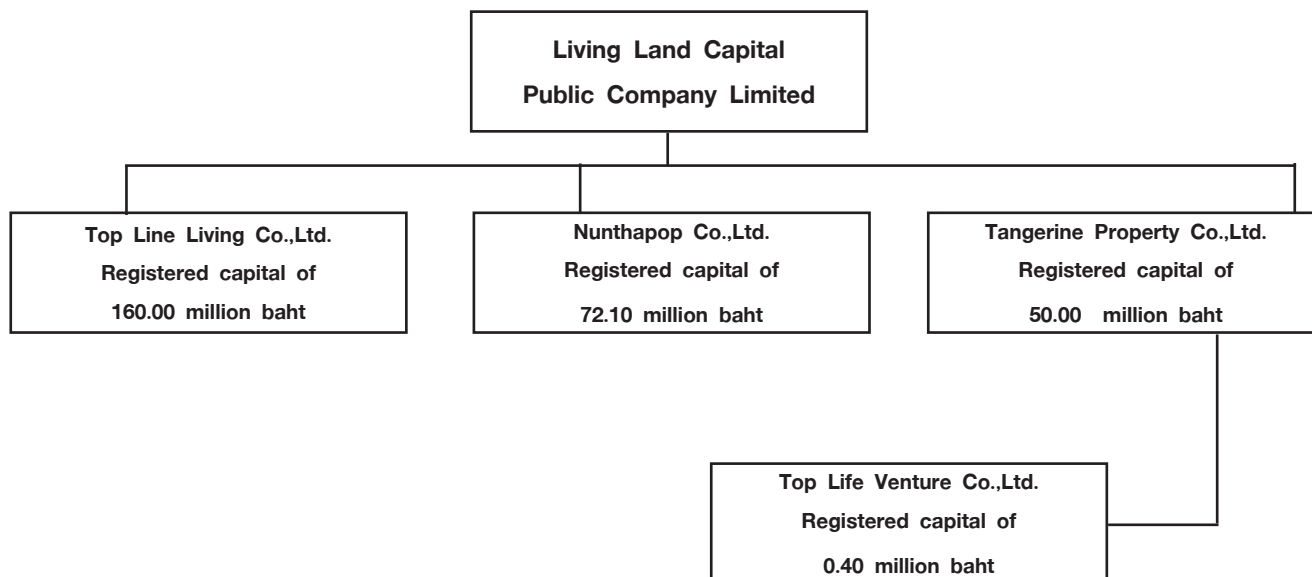
Name/ Position	Ages (year)	Education	% of holding	Relationship with other managements	Experiences for the past 5 years		
					Period	Position	Company
14. Mr. Pongsukasem Herantecha - Assistant Managing Director (Business Development and Marketing Group)	41	- BS (Econ) Kasetsart University - MBA (Finance) University of New Orleans, USA			Mar10 - Present	Assistant Managing Director (Business Development and Marketing Group)	Living Land Capital Plc.
					2007 - Present	Assistant Managing Director (Marketing and Sales Group)	Living Land Capital Plc.
					2004 - 2007	Marketing and Sales Group Director	Living Land Capital Plc.
					2003 - 2004	Retail Support System Manager	Chevron (Thailand) Co., Ltd. (Caltex Oil)
					2002 - 2003	Category Manager	Ek-Chai Distribution Co., Ltd. (Tesco Lotus)
					1993 - 2002	Marketing Section Manager	Concrete Products and Aggregate Supply Co., Ltd. (CPAC)
15. Ms. Parichat Jitpirom - Director of Accounting and Finance Office	41	- Bachelor degree in Accounting, Ramkhamhaeng University			Oct08 - Present	Director of Accounting Office	Living Land Capital Plc.
					2007 - Sep 08	Director of Accounting Department	Living Land Capital Plc.
					2003 - 2006	Accounting Manager	The Mandarin Hotel Plc.
					1995 - 2002	Supervisor	Office of DIA international auditing



## General Information

Investment in subsidiary, affiliates other companies.

Structure of Group Companies:



Company Name and Address	Capital	Percentage of Investment	Business
Top Line Living Co.,Ltd. No. 64/40 Moo 6 Ratpattana Rd., Sapansoong, Bangkok Thailand 10240 Tel. 0-2917-0380 Fax. 0-2917-0385	Registered Capital 160.00 Million Baht Ordinary Shares 1,600,000 Shares Par Value 100 Baht Paid-up Capital 160.00 Million Baht	99.99%	Real estate development business.
Nantapop Co.,Ltd. No. 64/34-35 Moo 6 Ratpattana Rd., Sapansoong, Bangkok Thailand 10240 Tel. 0-2917-0380 Fax. 0-2917-0385	Registered Capital 72.10 Million Baht Ordinary Shares 721,000 Shares Par Value 100 Baht Paid-up Capital 72.10 Million Baht	99.99%	Real estate development business.
Tangerine Property Co.,Ltd. No. 64/40 Moo 6 Ratpattana Rd., Sapansoong, Bangkok Thailand 10240 Tel. 0-2917-0380 Fax. 0-2917-0385	Registered Capital 50.00 Million Baht Ordinary Shares 500,000 Shares Par Value 100 Baht Paid-up Capital 50.00 Million Baht	99.99%	Real estate development business.
Top Live Venture C.,Ltd. No.64/40 Moo 6 Ratpattana Rd., Sapansoong, Bangkok Thailand 10240 Tel. 0-2917-0380 Fax. 0-2917-0385	Registered Capital 0.40 Million Baht Ordinary Shares 4,000 Shares Par Value 100 Baht Paid-up Capital 0.40 Million Baht	49.99%	Real estate development business.

\* Living Land Asset Management Co., Ltd. is in the closing process

**Income Structure****Details of income structure**

unit : million baht

Type of income	31 December 2011		31 December 2010		Change	
	Amount	%	Amount	%	Amount	%
Selling and service income						
Detached house and land	371.73	78.82	26.34	1.62	345.39	1,311.28
Town house and shop house	0.90	0.19	10.58	0.65	(9.68)	(91.49)
Condominium	51.09	10.83	1,568.49	96.30	(1,517.40)	(96.74)
Resort	0.63	0.13	0.82	0.05	(0.19)	(23.17)
Other income	47.26	10.02	22.51	1.38	24.74	109.91
<b>Total income</b>	<b>471.61</b>	<b>100.00</b>	<b>1,628.74</b>	<b>100.00</b>	<b>(1,157.14)</b>	<b>(71.04)</b>

Remark : Other income in year 2010 comprised income from assets transfer for debt settlement 15.45 million baht Electricity and water meter installation service 1.98 million baht, accounting adjustment on rental 2.49 million baht, and others 2.59 million baht.

: Other income in year 2011 comprised income from assets transfer for debt settlement 0.7 million baht Profit from a cancellation of the investment in a subsidiary (Living Land Asset Management Co.,Ltd.) 0.79 million baht Profit from a reverse of provision of land deposit of 2 subsidiaries amount of 30 million baht and others 15.7 million baht.

**Present projects**

The company develops the projects that categorize into low-rise projects which are detached house, townhouse, and high-rise projects which is condominium:-

Low-rise project types (detached house, townhouse, shop house, home office)

The company and its subsidiaries focus on medium to high end customers. The detached house units are pricing around 3-6 million baht, while townhouse units are pricing around 1.5 – 3.0 million baht, shop house units and home office units are pricing around 2.5-15.0 million baht. The target group of customers needs their quality of life and good environment, including full facilities. They require the products that will fulfill their needs and worthwhile to their value of money, especially when comparing in term of type, size, usable function with other products in the same area.

High-rise project types (Condominium)

Customer target of condominium units of the company comprised 2 groups, which are

1. The group that seek for residential in downtown and require modern facilities in transportation and accommodation.
2. The group of employees that seek for their own modern residential when they are moved to work in big cities in provincials.



As of December 31,2011, there were projects that under developing both in low-rise and high-rise totally of 306 units in total project value of 852 million baht as following:

project	Type of project	Operation company	Location	Number of unit	Value (Million baht)	Project starting date
Living Nara Rang-sit Phase 2	Single detached House	Topline Living	Tanyaburi Pathumthani	64	204	September 2006
Living Nara Rang-sit Phase 3	Single detached House	Topline Living	Tanyaburi Pathumthani	83	343	September 2009
The Clover Phuket	Condominium	Topline Living	Muang Phuket	85	208	November 2007
Poonsin Privacy Plus	Commercial building	Topline Living	Ratattana Rd, Bangkok	9	25	March 2012
G 28	Apartment for rent	Living Land Capital	Changwat-tana 28, Bangkok	65	72	June 2012
			<b>Total</b>	<b>306</b>	<b>852</b>	

Remark : Poonsin Privacy Plus Project and G28 Project postponed the plan to begin the projects from October 2011 and November 2011 respectively as many provincial areas of Thailand got affects from the gigantic flood event, therefore real estate market condition is not good.





## **Summary of Economic Situation and Real estate Business for Year 2011 and Trend for Year 2012**

IMF forecasted that the world economy for year 2012 will expand by 4%. The economy of many countries have encountered with many problems. USA has just recovered from financial crisis, but the country has to cope with the problem of high level of public debt. Public debt crisis in European Unions that has expanded to Italy which is the country that ranked as the third economy size in Europe. It induced an affect to the slowdown economy in china, India, Russia, Brazil and Asian. Moreover, Japan got affect from the earthquake and Tsunami disaster. Also, the gigantic flood in Thailand has effect to the industry sectors of many countries such as Japan, USA especially in auto and electronic sector. It's because Thailand is an important manufacturing base in those industries.

Oil price situation has an uptrend from the beginning of the year. Price of crude oil (Dubai) in averaged 11 months was 105.76 US dollar per barrel and it has uptrend because the colder weather which is more severe in Europe, so that the demand of oil in winter is higher but the amount of oil supply at the year-end reduced and so the oil price will remain in high level. The situation of riots in Egypt worried the market, if the situation is prolong, it will affect to the lower supply from the countries in the Middle- East. Energy Administration Information(EAI) forecasted that oil demand for year 2012 will expand at rate 1.25 million barrel per day because the slowdown of the world's economy which caused lower demand, Currently, NYMEX oil price is at 101.28 US dollars per barrel. The oil price adjusted a little higher from the previous month.

For Thai economic for year 2011, Gross Domestic Products or GDP in quarter 3 of the year 2011 expanded 3.5% from the year 2010 which expanded 6.6%. Main factor for the expansion is the increasing of foreign demand whereas domestic demand shrank. The consumption expenditure for household and investment had a slowdown expansion, while the expenditure of government consumption had expanded for some higher rate. While the export also expanded in higher rate.

Office of National Economic and Social Development Board forecasted that Thai economic will expand 1.5% compared to year 2010 that had an expansion of 7.8%. For the projection of Thai economic trend for year 2012, it is expected that the expansion rate will be 4.4-4.5% improved from the expansion of 1.5% for year 2010 by the stimulation of both demand in domestic and foreign.

For the overview of manufacturing industry, in the period of January to October 2010, the index of industrial output and rate of manufacturing capacity reduced from the value of same period of the year 2010, by having hard disk drive and auto industry as the main industry that shrank the index. Meanwhile, the consumption and the investment of individual sector have been adjusted to be higher from the same period of the year 2010.

For the situation of foreign trading for year 2011 during January to October 2011, the value of Thai trading is totally 389,266.9 million U.S. dollars, increased from the same period of the previous year by 25.9%. It's composed of export value of 196,768.7 million USD and import value of 192,498.1 USD. The value of export compared with the same period in the previous year increased by 22.8% and the value of import increased 29.1%. So, there was trade surplus of 4,270.6 USD. The value of export has continuously expanded since January until October. Since then, the value of export was dramatically reduced because the affect from gigantic flood event in many provinces. Ministry of Commerce forecasted that the total export for the year 2011 will expand 15% compared to the year 2010, which had total export value of over 220,000 USD.



The investment requested for the investment promotion from BOI during the first 9 months (from January to September) of the year 2011 has total value of 274,000 million baht. It is forecasted that there would be total request for investment promotion of 500,000 million baht, increased a few from year 2010 which has investment value of 491,100 million baht because of additional of big project activities. Taking into account of investment, it is found that for the first 9 months of year 2011, the major investment activities that had been promoted is in service and infrastructure sectors which had the investment of 61,300 million, the second one was In metal product sector, machinery and transportation equipments which had investment of 58,100 million baht, chemical paper and plastic had investment of 51,000 million baht. Agricultural and agricultural products had an investment of 43,900 million baht. Electronics and electric appliances had an investment of 30,000 million baht. Mine ceramics and metal had an investment of 18,800 million baht and light industry had an investment of 10,400 million baht.

The overview of Thai industry over the gigantic flood disaster affected to Thai economy in wide areas, both in domestic expenditure and manufacturing sectors, throughout the important parts of industrial. The domestic expenditure for individuals has a deteriorated trend as the consumption of the people in flood area had been halted. Also, the decrease of revenue of employees in the area of flood including loss of revenue of agriculturists as the agriculture products has been damaged in wide area. All of these factors affect the deteriorated in individual consumption, the slowdown in manufacturing industry, especially in the industrious estate of Ayutthaya and Pathumthani, as mainly engaged in auto parts, electronics, applicants industry which have direct affect to the production halt. It is forecasted that Manufacturing Production Index in quarter 4 of the year 2011 shrank by 27.9% when compared to the same period of the previous year which will affect to the shrinking of manufacturing production for the whole year by 7-8% and from this direction, will result to the GDP of the industry sector (valued at fixed price) for the whole year 2011 shrank by 0.5% or expanded not more than 1.0%

For economy and industry trend for the year 2012, Thai economy will encounter with many challenging such as (1) Thai economic drive (2) The high uncertainty of the world economy that affects Thai economy. The first topic, Thai economy for year 2012 has been driven by the accelerate of production in many industry fields that related to the restoration of road, buildings and houses included the machinery order, equipments, parts of the factories in industrial estate in order to replace the machinery and equipment that has been damaged.

The second topic, the high uncertainty of the economic situation in USA and Europe, as a result that the major economic countries such as USA and Europe zone has been weaken in the recent period. That will brought to the more than expected deterioration of the world economy. In case of US economy, it has structural problem, so it is forecasted that the economic will expanded in slow rate for a long time. The accelerate channels with more limited fiscal policy is somehow a result from the compulsory to reduce the government expenditure by the committed plan.

From the above topics, it is forecasted that the production industry for the year 2012 will expanded around 6.0-7.0%, while GDP of the industry (valued at fixed price) for year 2012 will expand around 5.0-6.0%.



For real estate sector of the year 2011, at the beginning on 1 January, it started with new criteria of Loan to Value Ratio or LTV Ratio for the residential type of condominium pricing lower than 10 million baht. By the previous criteria, the Monetary Policy Committee, Bank of Thailand permitted the financial institutions to grant for loan in full value, it has changed to be 90% of the full value. If the financial institutions grant the credit facility over the criteria of LTV or above 90%, it has to provide supporting fund by risk weighted at a level of 75% instead of 35%, so that the financial institution could grant less for other loans (LTV criteria for condominium units pricing above 10 million baht still using the LTV of 80% and LTV for low rise project is not compulsory)

With the above criteria in addition with the hot condominium market for year 2010, from the beginning of year 2011, condominium project that has been opened in smaller number of units. However, by the gigantic flood event is the Bangkok area and outskirt which has an effect to many of low rise projects, both allotment projects and non allotment projects. By this event, condominium units turned to be interested by consumers as psychology affect.

Policy Interest rate of Bank of Thailand had been adjusted to increase since July 2010 to be ended up at 2.0% for year-end of 2010. Then, the interest for year 2011 had been adjusted by 6 times at 25 basis points for each time upon first 6 meetings of the Monetary Policy Committee. The interest has been stable by the 7th meeting in October and then adjusted to be lower for the first time for the past two and a half years in the end of November 2011, so the interest policy rate at the end of year 2011 was stayed at 3.25% since Thai economic was forecasted to be decelerated by the events of gigantic flood and the worry about public debt problem in many countries in Europe and also high public debt level in USA.

The movement of policy interest rate made the averaged interest rate of housing loan which calculated from floating rate of MLR of 6 major banks moved up from the level of 6.65% in the beginning of the year to be 7.54% in the last quarter of year 2011, whereas the averaged MRR of 6 major banks also moved up from 7.00% to be 7.98% in the same period.

Housing interest rate did not adjusted significantly when compared with the adjustment of the policy interest rate, so it was not a significant negative factor for residential market for year 2011. Also, government financial institutions launched the project of the first new home with zero interest rate for 2 years. So, the residential market still be grown especially in the second and the third quarter.

New loan facilities for residential has surged from the middle of the year before the event of gigantic flood. For the first quarter, new loan facilities were 82,300 million baht, increased to be 99,300 in the second quarter, and increased again to be 111,300 million baht in the third quarter. When the amount of the three quarters were aggregated, new loan facilities had totally value of 292,900 million baht, increased by 4% from the total value of the 3 quarters of the previous year. It was resulted from the competition of some major commercial banks which set up high loan target and granted the persuaded interest rate in order to compete with the special rate of government banks.

In the first quarter of year 2011, Real Estate Information Center had surveyed the confidence of the real estate entrepreneurs and found that the index of the confidence of real estate entrepreneurs in current situation was 51.2 which decreased from the index of the fourth quarter of year 2010 which was 55.0 that reflexes to the overview of real estate market that has been slowdown from year 2010. In addition, the additional demand has been absorbed pretty much for the period of year 2010.



Later, in the second quarter, the confident index of the entrepreneurs has been turned up to be 54.3 as the entrepreneurs expected that after the general election the political circumstance would be better. In addition, the political policies are focused on real estate market, which has a good affect to real estate sector. The confidence was also even better in the third quarter when the index was increased again to 56.2 before the event of gigantic flood in the last quarter, which made the confidence index turn back in significant shrink in the last quarter.

The event of gigantic flood has significant affects as the events had expanded very fast to wide area covering the of middle-bottom areas of central region included Bangkok area and surrounding provinces during the last quarter of year 2011, so both consumers and entrepreneurs got the damages and affected the real estate market and also the confidence of consumers and entrepreneurs, then there put a break on real estate market. Entrepreneur had slowdown the new projects and the construction, while consumers postponed the decision to purchase and transfer.

The event induced the damages to assets and housing of many people. The preliminary forecasted in October 2011 stated that there were housing units in low rise projects in the area of Bangkok and outskirts included Ayutthaya that would get the effect around 50,000 units, and the increased to be 65,000 units, 100,000 units, 140,000 units respectively. Finally, there were allotment housing units of at least of 170,000 units flooded in middle to serious level. If included the non allotted housing units in low rise project, there were damaged of around 1,000,000 units.

In the period of gigantic flood event, entrepreneur has faced with the problems of slowdown construction as the construction material manufacturer got the damages and stop producing the material. The transportation is not convenient or some of construction materials were rare and expensive, the personal and wages were also insufficient as they could not come to work as usual. In addition, mass transportation construction project in flooded area also halted.

The survey for confidence index of real estate entrepreneur in the last quarter of year 2011 founded that the current index (comparing to the previous quarter) has reduced dramatically to be 37.2 which is the least, the most reduction for the past three years since Thailand got an affect from Hamburger crisis that happened in the middle of year 2008.

However, the next 6 months point of view to the middle of year 2012, most of the entrepreneurs have better expectation comparing to the current situation by the index of 60.8.

The demand for year 2012 in new residential projects in Bangkok and outskirt area (Nonthaburi, Payhumthani, Samuthprakarn, Samuthsakorn, and Nakornpratom) will be around 340 projects totally 84,000 units. Out of this amount, there are condominium units around 110 projects totally 44,000 units, low rise projects around 230 projects totally 40,000 units divided into townhouse around 19,000 units, single detached house around 16,000 units and the remaining are twin house or commercial building units.

The transferring of housing units either new sales or second hand units in Bangkok area and outskirts for the whole year 2011 was forecasted to decreased to be around 135,000-140,999 units or reduced by 20-25% compared to 178,000 units for year 2010. At the same time, the value of transferring units either new sales or second hand units may be decreases to be around 300,000 million baht compared to almost 400,000 million baht for year 2010 or decreased by 26%.



The real estate business trend for year 2011 has both supporting and risk factors, in addition with the change of consumer behavior that got affects from flood. High-rise project or condominium will be a new choice of consumers who sensitive to flood event. Condominium along BTS in outskirts area, not so far from urban that got slight affect from flood in adjacent of large infrastructure such as convenient store, hospital, main road etc, may be more popular when compared to low rise project in the same area. Consumers will be careful to choose the project and take long times to make a decision to buy new residential in the future. The special consideration factors are the location of residential project, the level of project area, the level of transportation to main road or the joint route to BTS for the more convenient.

In addition, when some consumers would like to buy for residential but cannot afford for single house unit as a limited budget and the reduction of revenue, they may consider buying condominium instead of townhouse if they are sensitive to flood. However, some consumers who don't have enough income may have to choose to restore their houses.

The entrepreneur who has accumulated land bank may diversify risk by launching more proportion of high rise project instead of low rise project, or may choose to operate in other scattered areas or in provincial area. Meanwhile, entrepreneur who doesn't have land bank or land in flooded area will has low opportunity to open the project in flooded area because second hand units would increase there. The other entrepreneur having projects in the area of flooded would consider to improve the potential of land such as making high level of land-filled, land strength supporting, preparing for drain system both inner and surrounding project, before the decision to develop that piece of land.

The halt situation of residential market will be continued through the last quarter of year 2011 to the first quarter of year 2012, but it should be better in the second quarter for year 2012. If all can be passed to the middle of the year without any risk of flood, economic and political, the residential market will be better continuously through the half year end of 2012.

Source : Real estate information center, Government Housing Bank



## Risk Factors

### Risk of liquidity

The Company used its own fund and received credit support from financial institutions to manage current projects. However, The Company faced with liquidity problem and unable to manage funds as appropriated. In addition, financial institutions have many restrictions to support the additional loans. In order to solve the problem in long term, the Company had a policy to expand its equity during year 2011 by increasing the paid-up ordinary shares by 780 million baht (amount of 780 million shares at offering price of 0.25 baht) to be allotted and sold to existing shareholders of the Company. The result was that there were many interested existing shareholders. So, the Company had successfully raised fund and the financial status was more stable with lower cost of fund. Raised fund from additional issuing shares will be used as working capital to support the liquidity and used for investment in the Company's projects to expand the business in the future for the better operation performance of the Company.\*\* In addition, the Company also had a policy to sell out pieces of land that did not included in business plan for development in year 2012, in order to bring cash back to support for liquidity in the other way.

### Risk of providing source of fund to invest in new projects

By the liquidity problem, the company cannot avoid the following problem which is debt repayment problem with creditors and financial institutions. Although the Company is able to solve the problem within short period, but its affect to new credit requested for new projects from financial institutions is still limited. The credit granted for real estate business is more strictly considered, so the supported credit line is not available to operate the project of the Company. Therefore, the new big projects in the future that require huge amount of investment still had a limitation for investment expansion. The new business plan is therefore emphasized on the medium to small projects that did not require high investment. The Company expected more comfortable in providing source of credit facilities from financial institutions to support for new projects.

### Risk of competition

Competitive conditions in the industry are even more severe. Big entrepreneurs still have a major market shares in the market as they has available fund, so they can develop every types of residential products by building specific brands to support for the demand of the buyers in all levels. However, by the competition conditions of entrepreneurs in real estate market that everyone will try to occupy the more market shares, there are many products launched in the market. The buyers have an opportunity to choose and decide the suitable products. So it can be said that current residential market is obviously the market of buyers. So the Company foresees channels to add more competence in this competition by emphasizing on the choice of project's location price strategy with the right and worthwhile price for buyers. The market strategy will focus on target customer and developing the products that focus on good quality, modern types of residential units and with more usable areas.

---

\*\*The Annual General Meeting No.1/2011 on 21 September 2011 passed a resolution to issue and offer the increased share capital of the Company to the existing shareholders by the allotment according to the holding proportion (Right offering) at a ratio of 1 existing ordinary share to 1 new ordinary share, subscription in excess of rights is allowed, at an offering price of 0.25 Baht per share, and a resolution to issue and allot 780 million units of warrants to the existing shareholders who exercise their right to subscribe to buy new ordinary share at a ratio of 1 share to 1 unit of warrant for free. The share subscription period was determined during January 16 – 25, 2012. On February 6, 2012, the Company processed to register the paid-up increased capital in the amount of 780 million baht with the Ministry of Commerce from the exercise of subscription rights of 780 million baht, so that the registered paid-up capital of the company increased to 1,560 million from total registered capital of 3,340 million baht.

**Risk of management cost**

Before the Company would decide to invest for land cost to develop project, it has to study for the feasibility study of the projects in preliminary. By the process of the Company, the working team would forecast cost of construction according to standard construction cost. The problem was that actual construction costs were above the expectation as construction material and wages were adjusted by oil price which had up-high trend. In addition, when development and construction period is prolonged, cost of constructions would be higher and therefore the profit in each project decreased from the previous study. However, the Company has improved the efficiency of construction management by adjusting the construction management plan in order to reduce the development and construction period to be in competitive level. In addition, the Company also had a plan to purchase the projects under development and construction that were pending from other entrepreneurs, in order to add in the development and construction for sale. This method would reduce the period of development and construction including some level of project cost.

**Risk of natural disaster**

The affects of natural disaster especially to the gigantic flood during the past year 2011 was severely recognized to real estate business included the business of the Company. The Company has already prepared the contingency plan to reduce risk of flood that may happen again in the future. For current projects, the company has prepared prevention plan to help the habitants of the company's projects such as ; building sand border for water prevention at 1.5 meters height, installation of 2 units of water pump in each project, preparation of big trucks for the transportation of habitants, including migration consumption products. For the case that the habitants would like to stay home or don't want to evacuate, the company has prepared foods and aid packages to service at the station of every project. The company will focus for flood prevention as the first priority by taking into consideration of environment of the project location before investment. The selective area would be inside the dam wall, increasing the land-filled level including the design of infrastructure inside the project to commensurate with the prevention policy of the government in order to build the trustworthiness to the clients.

**Affects from natural disaster**

It is known in general about the gigantic flood event in Thailand during October 2011 to November 2011 is the most severe natural disaster for the past 50 years, which includes water quantity and number of effected people. The disaster from this circumstance affects vastly to Thai economic. Flood area covers totally 26 provinces including Bangkok and surrounded area (Nonthaburi, Pathumthani, Samuthprakarn, Samuthsakorn). There are people in trouble of around 700 thousand households or 2.1 million people, including 7 industrial estates, agricultural area ruins 11 million rais, domestic animals 13.3 million, with totally loss around 1,900 million baht.

The project of the Company that got an affect from the gigantic flood event was Living Nara Rangsit which is located at Tumbol Bounyeetoh Amphur Thanyaburee Pathunthani Province, details as follow:



**Flood prevention plan**

The Company has closely followed up the news of flood event and forecast to cope with the incident day by day, especially for the Living Nara Rangsit Project, by the reason that this project is located in risk area to be flooded immediately. The physical plans are: building ground border with tiny stones and line down sand bags at the entrance gate height 1.5 meters and those at the rear of the backside of the project height 2 meters, glazing with concrete on the fence, plugging the drain with sand bags, pumping the water out all 24 hours with 3 pumps, all with the budget of 0.3 million baht. However, the flood prevention plan was not successful as huge amount of water flowed to the route of Rangsit Prayoonsak canal and flooded all area of the project since 30 October 2011. The water level averaged height was 1 meter and the water was totally dried on 15 December 2011, all together period of 45 days, bringing ruins to the habitants of 118 households. Assets of the habitants were lost around 7.5 million baht. The project got the damage to the infrastructure, sample houses and the houses completed before sale, totally around 5 million baht.

**Helping measure for the habitants during flooded**

During the period that the habitants had faced with flood problem, especially the project members who don't want to evacuate as worried of their assets. The company realized the troubles of the habitants and tried to help by distributing water and necessary consumed products (survival bags) to every habitant in the project at every 3 day until the circumstance is relief to normal with total budget of around 1.0 million baht.

**Aids for project members and project recovery**

After the water is dried, the project members has appraised the damage happened to their own house. The Company sent some officers to cooperate with government to help cleaning every house that got the affect and providing the construction contractors to repair the damaged houses. If both the habitant and the construction contractor can accept for pricing, the Company would be the coordinator. In addition, the Company also gave aids by paying the expenses of fence painting, improving the public garden, repairing of draining system, swimming pool, entrance of the project, camera including repairing of 4 units of sample houses, 7 units of completed and ready for sale house, with the budget of 4.5 million baht, which is processing.

**Future plan for flood prevention in the future**

At present, although the government has prepared flood plan to prevent the damage, but the Company also has planned to cope with flood that may be happened again in the future. The plans are included building ground border attached with the project' fence at Krungkawee side length 1,500 meters, building ground border at the back side height 2 meters, installing the open-close water door in front of the project, building water door to every Soi in the project and installing 3 units of pump, with total budget of 3.0 million baht.





**The explanation and analysis of financial status and operating performance  
for the year 2010 (January-December 2010)**

**Past operating performance**

The company and its affiliates had revenue from sale and service of Baht 424.35 million and had other income of Baht 47.25 million. Major income derived from sale of land pieces in the Maple-Ramkhamhaeng amount of Baht 250 million, Living Neo project amount of Baht 102 million, The Clover Thonglor amount of Baht 39.73 million, The Clover Phuket amount of Baht 11.36 million and Living Nara- Single detached house project amount of Baht 19.73 million. Cost of sale and service was Baht 355.91 million or equivalent to 83.73% of revenue.

The company and its affiliates had total expenses for year-end as of 31 December 2011 amount of Baht 115.55 million, comprised main items as follow;

- Selling expenses of Baht	34.72	million
- Administrative expenses of Baht	62.33	million
- Management compensation of	16.75	million

The Company and its affiliates had net loss for year-end as of 31 December 2011 of Baht 47.95 million or equivalent to net loss of Baht 0.06 per share.

The Company had total assets for year-end as of 31 December 2011 of Baht 742 million, decreased from total asset amount last year of Baht 1,017.19 million or decreased by 27.05%. The company sold 2 pieces of land. In addition, the company's inventories reduced from last year by Baht 354 million because the transferring of sale units in The Clover Thonglor condominium project, The Clover Phuket and Living Nara-Rangsit single detached house project.

The Company had land for development of Baht 74.84 million, decreased by Baht 380.13 million from last year which had land for development amount of Baht 454.97 million, which comprised land piece in area of 19 rai on Sukhapiban 3 Road valued Baht 193.67 million, land piece in area of 28 rai located at Amphur Samkoke Pathumthani province valued Baht 171.05 million, bare land at Rayong province valued Baht 89.21 million and other items of Baht 1.04 million. The reduction is a result from the selling of land area 19 rai which has cost of Baht 193.67 million and the re-classify of a piece of land in Ruam Chaopraya project valued Baht 171.05 million as the collateral assets by the buy-back contract, and the transferring of a piece of land in Rayong province valued around Baht 16 million from asset of the affiliated company to be recorded as debt repayment to the parent company.

Total debt as of 31 December 2011 was Baht 561.78 million, decreased from last year which had total debt of Baht 789 million or decreased by 28.80%. The Company received money from sale of land pieces amount of Baht 352 million and used partial of it to pay for debt which caused total debt decreased.

Debt-to-Equity Ratio in this quarter was equivalent to 3.12 to 1, reduced from last year (3.46 to 1).

**Related-party transactions**

The company may conduct related-party transactions when considered appropriate. The transactions have to be compliant to the laws of securities and Stock Exchange of Thailand, rules, announcements, orders or regulations of the Stock Exchange of Thailand, including the accounting standard regarding information disclosure requirements set by The Institute of Certified Accountants and Auditors of Thailand.

In case that the transaction is required in normal business and will continue in the future, the company will determine scope of the transaction according to section 89/2 of the Public Act.: regular commercial transactions, by referring to appropriate fair price and condition that reasonable and defensible, so that the management can process further transaction according to the scope.

However, the company will request for opinions from the audit committee on related-party transactions. In case that the audit committee has inadequate expertise of that related-party transaction, the company will assign the expert who has knowledge and special skill to give an opinion of the transaction to support the decision making of the Board of Directors or the shareholders of the company case by case. This is to ensure that such transaction will not be result in transferring of benefits between any certain companies or shareholders but the transaction is made by taking into consideration of utmost benefits of all shareholders.

## Related Transactions or Conflict of Interest Transactions

Types of Related Transactions	Individual/ Juristic Person who has relevant benefit/ relationship	Transactions	Value of Related Transactions (Thousand Baht)			The necessities and the reasons of the related transactions
			31 Dec 2010	Increase (Decrease)	31 Dec 2011	
1. Loan	- Mr Wanchai Subhaphayak is a director and a shareholder of the company and its affiliates.	- As a creditor of the Company	5,959.37	(2,400.00)	3,559.37	The company had loan from Mr. Wanchai Subhaphayak for the purpose of working capital with the condition to repay principle at call and there is no interest charged in this transaction. During the year, the company repaid partial of this loan. The Audit Committee had already considered that the transaction is reasonable and for processed for mazimizing the company's benefit.
	- Mr. Suchat Subhaphayak is a director's related person as being a brother of Mr. Wanchai Suppayak who is a director and a shareholder of the company and its affiliates.	- As a creditor of the Company	-1,400.00	(1,400.00)	0.00	The Company had loan from Mr. Suchat Subhaphayak since December 29, 2010 for the purpose of working capital with the condition to repay principle at call with interest charged at 12% per annum, as the company had lack of working capital and unable to borrow money from financial institution. There is no collateral for this borrowing. The Company has paid up for this loan on 18 January 2011. The Audit Committee had already considered that the transaction is reasonable and processed for mazimizing the company's benefit.

## Related Transactions or Conflict of Interest Transactions

Types of Related Transactions	Individual/ Juristic Person who has relevant benefit/ relationship	Transactions	Value of Related Transactions (Thousand Baht)			The necessities and the reasons of the related transactions
			31 Dec 2010	Increase (Decrease)	31 Dec 2011	
2. Loan Gaurantee	- Mr Wanchai Subhaphayak is a director and a shareholder of the company and its affiliates.	-As loan guarantor for the company and its subsidiaries.	523.04 Million Baht	(19.50) Million Baht	503.54 Million Baht	Mr. Wanchai Subhaphayak is the loan guarantor of the company, Topline Living Co.,Ltd., Nantapob Co.,Ltd., Tangeriene Properties Co.,Ltd. with 3 financial institutions without any charges in guarantee condition. During the year, the guarantee for the company and Topline Living Co.,Ltd. with a financial institution was released as the loan was paid-up.  The Audit Committee had already considered that the transaction is reasonable and processed for maximizing the company's benefit.
	-Mr. Manop Keawcha-oom is a shareholder and a director of the company and subsidiaries.	-As loan guarantor for the company and its subsidiaries.	523.04 Million Baht	(19.50) Million Baht	503.54 Million Baht	Mr. Manop Keawcha-oom is the loan guarantor of the company, Topline Living Co.,Ltd., Nantapob Co.,Ltd. with 3 financial institutions in total guarantee amount of 503.54 million baht without any charges for guarantee condition. During the year, the guarantee of the company and Topline Living Co.,Ltd. with a financial institution was released as the loan was paid-up.

## Related Transactions or Conflict of Interest Transactions

Types of Related Transactions	Individual/ Juristic Person who has relevant benefit/ relationship	Transactions	Value of Related Transactions (Thousand Baht)			The necessities and the reasons of the related transactions
			31 Dec 2010	Increase (Decrease)	31 Dec 2011	
3. Compensation	-Mr. Peepat Rungkupan is a shareholder and a director of the company and its subsidiaries	-As a loan guarantor for a subsidiary company	207.30 Million Baht	(6.00) Million Baht	201.30 Million Baht	<p>Mr. Peepat Rungkupan is a loan guarantor for Topline Living Co.,Ltd.and Nantapob Co.,Ltd.with 2 financial institutions without any charges for guarantee condition. During the year, the guarantee of Topline Living Co.,Ltd. with a financial institution was released as the loan was paid-up.</p> <p>The Audit Committee had already considered that the transaction is reasonable and processed for maximizing the company's benefit.</p> <p>Falcon 9 Company Limited has pledged the stock holding as a guarantee for the company with Krungthep Thanatorm Plc. for loan amount of 45.0 million Baht, by using the stock of 45 million shares as collaterals for the company and the company will pay annual interest rate of 3 percent to Falcon 9 Company Limited as a compensation.</p> <p>In case that the guarantee right is compulsory to the financial institution, the company has to pay fee charge at average rate of 1.50 – 2.00 percent per annum, in addition with the collateral. For the year 2011, many of company's projects had overdue from the plans, so it has inability to pay for the debt of the financial institution. So the conditions to pledge the company's stocks as collateral is remain until the loan will be pay off.</p> <p>The Audit Committee had already considered that the transaction is reasonable and processed for maximizing the company's benefit.</p>
	- Falcon9 Company Limited has 17.31% shareholding in the company as of December 31, 2011. It has mutual directors and shareholders	- Compensation to bring securities holding to be loan guarantee for the company with a financial institution in guarantee amount of 45.00 Million Baht	1,612.50	(262.50)	1,350.00	

**Report of Board of Directors' Responsibilities on Financial Disclosure**

Board of Directors is responsible for the company's consolidated financial statements and its subsidiaries as shown in the annual report. Such financial statements are prepared in accordance with the generally – accepted accounting principles by selecting the appropriate accounting policy that has been generally practiced and using careful consideration with the best estimation. Important financial disclosure has been adequately provided in the notes to the financial report.

Audit Committee which consists of non executive directors has been assigned to comment on the quality of financial reports and effectiveness of the internal control system in audit Committee's report, which is also included in the Company's annual report.

The Board of Directors considered that the internal control process of the company in general is satisfactory. The trustworthiness on the consolidated financial statements of the company and its subsidiaries as of December 31, 2010 is reasonable.

Mr. Apichart Chirabandhu  
Chairman of Board of Directors

Mr. Wanchai Subhaphayak  
Managing Director



**LIVING LAND**

บริษัท ลีฟแลนด์ แคมปิตอล จำกัด (มหาชน)

**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2011 AND 2010**

**AUDITOR'S REPORT****TO THE SHAREHOLDERS OF  
LIVING LAND CAPITAL PUBLIC COMPANY LIMITED**

(1) I HAVE AUDITED THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND THE SEPARATE STATEMENTS OF FINANCIAL POSITION OF LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AS AT DECEMBER 31, 2011 AND 2010, AND THE RELATED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME, CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AND SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY, AND CONSOLIDATED STATEMENTS OF CASH FLOWS AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEARS THEN ENDED. THESE FINANCIAL STATEMENTS ARE THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT AS TO THEIR CORRECTNESS AND COMPLETENESS OF THE PRESENTATION. MY RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON MY AUDITS.

(2) I CONDUCTED MY AUDITS IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS. THOSE STANDARDS REQUIRE THAT I PLAN AND PERFORM THE AUDIT TO OBTAIN REASONABLE ASSURANCE AS TO WHETHER THE FINANCIAL STATEMENTS ARE FREE OF MATERIAL MISSTATEMENT. AN AUDIT INCLUDES EXAMINING, ON A TEST BASIS, EVIDENCE SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS. AN AUDIT ALSO INCLUDES ASSESSING THE ACCOUNTING PRINCIPLES USED AND SIGNIFICANT ESTIMATES MADE BY MANAGEMENT, AS WELL AS EVALUATING THE OVERALL FINANCIAL STATEMENTS PRESENTATION. I BELIEVE THAT MY AUDIT PROVIDES A REASONABLE BASIS FOR MY OPINION.

(3) IN MY OPINION, THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS REFERRED TO THE ABOVE PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE CONSOLIDATED FINANCIAL POSITION OF LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND THE SEPARATE FINANCIAL POSITION OF LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AS AT DECEMBER 31, 2011 AND 2010 THE RESULTS OF CONSOLIDATED AND SEPARATE OPERATIONS AND CASH FLOWS FOR THE YEARS THEN ENDED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(4) AS STATED IN NOTE 2 AND 3 TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011, THE COMPANY ADOPTED THE REVISED FINANCIAL REPORTING STANDARDS ISSUED BY THE FEDERATION OF ACCOUNTING PROFESSIONS AND IN ACCORDANCE WITH THE NOTIFICATION OF THE DEPARTMENT OF BUSINESS DEVELOPMENT REGARDING THE CONDENSED FORM SHOULD BE INCLUDED IN THE FINANCIAL STATEMENTS B.E. 2554, THAT THE ADOPTION IS EFFECTIVE FOR THE FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIODS BEGINNING ON OR AFTER JANUARY 1, 2011 ONWARDS FOR PREPARATION AND PRESENTATION THESE FINANCIAL STATEMENTS. ACCORDINGLY THE COMPARATIVE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010 HAVE BEEN PRESENTED IN NEW FORMAT FOR CORRESPONDING WITH THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011.

D I A INTERNATIONAL AUDIT CO., LTD.

(MRS. SUVIMOL KRITTAYAKIERN)  
C.P.A. (THAILAND)

REGISTRATION NO. 2982

FEBRUARY 28, 2012



**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES****STATEMENTS OF FINANCIAL POSITION****AS AT DECEMBER 31, 2011 AND 2010**

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Current assets		(Restated)		(Restated)	
Cash and cash equivalents	5	25,161,256.56	15,673,483.61	1,390,156.94	15,206,426.05
Trade and other receivables	6	4,172,471.80	1,892,962.54	52,397,087.85	53,012,510.02
Inventories	3.2, 7	349,786,929.87	429,236,191.85	94,628,373.09	179,095,795.29
Deposit for land cost	8	0.00	0.00	0.00	0.00
Other current assets		374,622.02	448,133.55	348,059.02	412,262.80
Total current assets		379,495,280.25	447,250,771.55	148,763,676.90	247,726,994.16
Non-current assets					
Investment in subsidiaries	9	0.00	0.00	129,999,400.00	129,999,400.00
Assets transfer to be collateral under repurchase agreement	10	171,050,000.00	0.00	0.00	0.00
Investment properties	11	74,482,175.01	74,855,666.82	0.00	0.00
Property, plant and equipment	12	8,575,372.18	8,884,825.44	1,209,552.35	1,496,038.72
Land held for development	13	74,840,000.00	454,971,641.66	0.00	0.00
Loans to related persons and parties	14.1.2	0.00	0.00	239,033,097.13	322,893,704.34
Loans to other parties	15	0.00	0.00	0.00	0.00
Pledged bank deposits	16	3,362,786.84	4,463,520.63	527,452.84	1,523,000.00
Prepaid leasehold right and land rental	17	0.00	0.00	0.00	0.00
Non-operating assets foreclosed	18	0.00	0.00	0.00	0.00
Intangible assets	19	3,249,758.67	3,826,791.39	2,472,991.03	2,847,173.17
Other deposits and guarantees		1,420,856.00	1,337,366.00	42,300.00	27,300.00
Prepaid corporate income tax	20	25,523,531.42	21,601,970.58	20,300,997.19	19,296,398.15
Total non-current assets		362,504,480.12	569,941,782.52	393,585,790.54	478,083,014.38
Total assets		741,999,760.37	1,017,192,554.07	542,349,467.44	725,810,008.54



## LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2011 AND 2010

Liabilities and shareholders 'equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Current liabilities			(Restated)		(Restated)
Bank overdrafts and short - term loans from financial institution	21	45,000,000.00	64,000,000.00	45,000,000.00	56,500,000.00
Trade and other payables	22	80,440,962.80	161,869,781.50	95,948,816.45	120,497,555.85
Advance received from customers	3.2	10,556,958.01	50,054,171.51	5,346,318.01	41,361,231.51
Current portion of long-term liabilities	26, 27, 28	97,687,184.98	108,465,727.15	0.00	0.00
Land payables	23	12,419,581.52	53,677,824.21	12,419,581.52	30,677,824.21
Loans from related persons and parties	14.1.3	3,773,867.44	7,359,367.44	3,559,367.44	7,359,367.44
Loans from other persons	24	50,690,752.81	82,306,075.95	45,530,752.81	27,306,075.95
Payable under cancellation of agreement to buy and to sell of condominium units	7.1, 25	34,695,970.97	74,036,281.31	31,398,962.00	74,036,281.31
Other current liabilities					
Accrued withholding tax		51,915,234.59	35,983,797.74	36,784,783.36	28,684,030.93
<b>Total current liabilities</b>		<b>387,180,513.12</b>	<b>637,753,026.81</b>	<b>275,988,581.59</b>	<b>386,422,367.20</b>
Non-current liabilities					
Hire purchase payables	26	0.00	0.00	0.00	0.00
Long - term loans	27	23,638,067.81	12,281,437.75	0.00	0.00
Liabilities under debt restructuring agreement	28	142,302,072.45	131,217,325.55	0.00	0.00
Employee benefit obligations	3.3, 29.2	1,194,610.00	0.00	948,881.59	0.00
Other payables		7,466,446.41	7,747,859.67	0.00	0.00
<b>Total non-current liabilities</b>		<b>174,601,196.67</b>	<b>151,246,622.97</b>	<b>948,881.59</b>	<b>0.00</b>
<b>Total liabilities</b>		<b>561,781,709.79</b>	<b>788,999,649.78</b>	<b>276,937,463.18</b>	<b>386,422,367.20</b>



**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (Cont.)**

**AS AT DECEMBER 31, 2011 AND 2010**

Liabilities and shareholders' equity (Cont.)	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Shareholders' equity			(Restated)		(Restated)
Share capital	30				
Authorized share capital					
3,340,000,000 ordinary shares of Baht 1.00 each		3,340,000,000.00		3,340,000,000.00	
1,015,000,000 ordinary shares of Baht 1.00 each			1,015,000,000.00		1,015,000,000.00
Issued and fully paid-up share capital					
780,000,000 ordinary shares of Baht 1.00 each		780,000,000.00	780,000,000.00	780,000,000.00	780,000,000.00
Premium on share capital		143,470,000.00	143,470,000.00	143,470,000.00	143,470,000.00
Retained earnings ( Deficit )					
Appropriated - legal reserve		11,350,000.00	11,350,000.00	11,350,000.00	11,350,000.00
Unappropriated		(751,697,201.74)	(703,722,321.86)	(669,407,995.74)	(595,432,358.66)
Different from business combination					
under common control	2.7	(2,904,863.35)	(2,904,863.35)	0.00	0.00
Total owners of the Company		180,217,934.91	228,192,814.79	265,412,004.26	339,387,641.34
Non-controlling interests		115.67	89.50	0.00	0.00
<b>Total shareholders' equity</b>		<b>180,218,050.58</b>	<b>228,192,904.29</b>	<b>265,412,004.26</b>	<b>339,387,641.34</b>
<b>Total liabilities and shareholders' equity</b>		<b>741,999,760.37</b>	<b>1,017,192,554.07</b>	<b>542,349,467.44</b>	<b>725,810,008.54</b>

**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**



**LIVING LAND**

บริษัท ลีฟวิ่งแลนด์ แคมปิตอล จำกัด (มหาชน)

	<i>Note</i>	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010 (Restated)	2011	2010 (Restated)
Revenues from sales		423,723,270.08	1,605,412,399.56	141,730,411.20	1,568,492,399.56
Revenues from services		628,390.00	1,766,320.00	0.00	0.00
Cost of sales		(355,287,508.30)	(1,285,002,097.01)	(135,388,012.48)	(1,257,720,371.55)
Cost of services		(615,642.64)	(1,980,368.95)	0.00	0.00
Gross profit		68,448,509.14	320,196,253.60	6,342,398.72	310,772,028.01
Other income					
Project management income	14.2.3	0.00	0.00	0.00	6,000,000.00
Interest income		56574.42	9,060.02	6,191.94	6,875,679.00
Gain on transfer of assets to settle debt	13.1, 37.2.4	700,200.00	15,453,161.32	0.00	15,453,161.32
Gain on dissolution of subsidiary	9.2	793,205.68	0.00	0.00	0.00
Gain on reversed provision for devaluation of deposits for land	8.2	30,000,000.00	0.00	0.00	0.00
Others		15,704,339.84	6,101,981.74	13,328,749.67	2,780,632.54
Total other income		47,254,319.94	21,564,203.08	13,334,941.61	31,109,472.86
Profit before expenses		115,702,829.08	341,760,456.68	19,677,340.33	341,881,500.87
Selling expenses		(34,719,025.01)	(42,373,544.39)	(6,908,857.54)	(39,159,946.97)
Administrative expenses		(79,083,181.48)	(93,777,458.56)	(42,025,836.69)	(51,073,189.14)
Other expenses					
Loss on impairment of investment		0.00	0.00	0.00	(31,494,719.38)
Doubtful accounts on inter-company loans and interest receivable	14.1.2	0.00	0.00	(21,693,555.57)	(32,875,131.22)
Loss on devaluation of inventories		0.00	(16,922,279.20)	0.00	(16,922,279.20)
Fines from delay of condominium assignment	7.1, 36	(1,751,015.95)	(21,452,626.37)	(1,585,040.95)	(21,452,626.37)
Loss on impairment of other assets		0.00	(556,650.89)	0.00	0.00
Total other expenses		(1,751,015.95)	(38,931,556.46)	(23,278,596.52)	(102,744,756.17)
Total expenses		(115,553,222.44)	(175,082,559.41)	(72,213,290.75)	(192,977,892.28)
Profit (Loss) before finance costs		149,606.64	166,677,897.27	(52,535,950.42)	148,903,608.59
Finance costs		(48,124,460.35)	(67,368,125.37)	(21,439,686.66)	(30,493,037.82)
<b>Profit (Loss) for the year</b>		(47,974,853.71)	99,309,771.90	(73,975,637.08)	118,410,570.77
Other comprehensive income		0.00	0.00	0.00	0.00
Total comprehensive income (expense) for the year		(47,974,853.71)	99,309,771.90	(73,975,637.08)	118,410,570.77

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



**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (Cont.)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<i>Note</i>	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Attributable to :			(Restated)		(Restated)
Owners of the Company		(47,974,879.88)	99,310,011.34	(73,975,637.08)	118,410,570.77
Non-controlling interests		26.17	(239.44)	0.00	0.00
		<u>(47,974,853.71)</u>	<u>99,309,771.90</u>	<u>(73,975,637.08)</u>	<u>118,410,570.77</u>
Earnings (loss) per share - Owners of the Company		(0.06)	0.13	(0.09)	0.15
Basic earnings (loss) per share					
Weighted average number of share (share)		780,000,000	780,000,000	780,000,000	780,000,000



**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Separate financial statements (Baht)

	<i>Note</i>	Issued and paid-up share capital	Premium on share capital	Retained earnings (Deficit)		Total
				Appropriated - legal reserve	Unappropriated	
Balance as at January 1, 2010		780,000,000.00	143,470,000.00	11,350,000.00	(461,611,409.40)	473,208,590.60
Cumulative effects from changes in accounting policy for sales of real estate	3.2	0.00	0.00	0.00	(252,231,520.03)	(252,231,520.03)
Balance as at January 1, 2010 (after restated)		780,000,000.00	143,470,000.00	11,350,000.00	(713,842,929.43)	220,977,070.57
Total comprehensive income for the year (restated)	3.2	0.00	0.00	0.00	118,410,570.77	118,410,570.77
Balance as at December 31, 2010 (after restated)		780,000,000.00	143,470,000.00	11,350,000.00	(595,432,358.66)	339,387,641.34
Balance as at January 1, 2011 (as previously reported)		780,000,000.00	143,470,000.00	11,350,000.00	(590,599,164.05)	344,220,835.95
Cumulative effects from changes in accounting policy for sales of real estate	3.2	0.00	0.00	0.00	(4,833,194.61)	(4,833,194.61)
Balance as at January 1, 2011 (after restated)		780,000,000.00	143,470,000.00	11,350,000.00	(595,432,358.66)	339,387,641.34
Total comprehensive income for the year		0.00	0.00	0.00	(73,975,637.08)	(73,975,637.08)
Balance as at December 31, 2011		780,000,000.00	143,470,000.00	11,350,000.00	(669,407,995.74)	265,412,004.26



## LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Consolidated financial statements (Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings (Deficit)			Non-con- trolling interests	Total
				Appropriated - legal reserve	Unappropriated	Different from business combination under the common control		
Balance as at January 1, 2010		780,000,000.00	143,470,000.00	11,350,000.00	(550,800,813.17)	(2,904,863.35)	328.94	381,114,652.42
Cumulative effects from changes in accounting policy for sales of real estate	3.2	0.00	0.00	0.00	(252,231,520.03)	0.00	0.00	(252,231,520.03)
Balance as at January 1, 2010 (after restated)		780,000,000.00	143,470,000.00	11,350,000.00	(803,032,333.20)	(2,904,863.35)	328.94	128,883,132.39
Total comprehensive income for the year (restated)	3.2	0.00	0.00	0.00	99,310,011.34	0.00	0.00	99,310,011.34
Non-controlling interests	3.2	0.00	0.00	0.00	0.00	0.00	(239.44)	(239.44)
Balance as at December 31, 2010 (after restated)		780,000,000.00	143,470,000.00	11,350,000.00	(703,722,321.86)	(2,904,863.35)	89.50	228,192,904.29
Balance as at January 1, 2011 (as previously reported)		780,000,000.00	143,470,000.00	11,350,000.00	(698,889,127.25)	(2,904,863.35)	89.50	233,026,098.90
Cumulative effects from changes in accounting policy for sales of real estate	3.2	0.00	0.00	0.00	(4,833,194.61)	0.00	0.00	(4,833,194.61)
Balance as at January 1, 2011 (after restated)		780,000,000.00	143,470,000.00	11,350,000.00	(703,722,321.86)	(2,904,863.35)	89.50	228,192,904.29
Total comprehensive income for the year		0.00	0.00	0.00	(47,974,879.88)	0.00	0.00	(47,974,879.88)
Non-controlling interests		0.00	0.00	0.00	0.00	0.00	26.17	26.17
Balance as at December 31, 2011		780,000,000.00	143,470,000.00	11,350,000.00	(751,697,201.74)	(2,904,863.35)	115.67	180,218,050.58

**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**



**LIVING LAND**

บริษัท ลีฟวิ่งแลนด์ แคปปิตอล จำกัด (มหาชน)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010 (Restated)	2011	2010 (Restated)
<b>Cash flows from operating activities</b>				
Profit (Loss) before income tax	(47,974,853.71)	99,309,771.90	(73,975,637.08)	118,410,570.77
Adjustment to reconcile net profit (loss) to net cash receipt (disbursement) from operation				
Depreciation	1,401,835.07	1,944,179.12	307,351.37	341,953.96
Amortized intangible assets	577,032.72	574,556.75	374,182.14	371,706.17
Loss on devaluation of inventories	0.00	16,922,279.20	0.00	16,922,279.20
Loss on impairment of investments in subsidiaries	0.00	0.00	0.00	31,494,719.38
Loss on impairment of other assets	0.00	556,650.89	0.00	0.00
Doubtful accounts on inter - company loans	0.00	0.00	21,693,555.57	32,875,131.22
(Gain) on dissolution of subsidiary	(793,205.68)	0.00	0.00	0.00
(Gain) on sales of assets	0.00	(159.56)	0.00	0.00
(Gain) loss on reversed provision for devaluation of deposits	(30,000,000.00)	0.00	0.00	0.00
(Gain) loss on debt settlement	(700,200.00)	(15,453,161.32)	0.00	(15,453,161.32)
Employee benefits provisions	1,194,610.00	0.00	948,881.59	0.00
Interest expenses	45,110,428.14	62,573,292.25	19,998,207.21	28,855,537.82
Other expenses	8,521,649.85	4,167,791.03	5,593,928.86	3,520,390.36
Other income	(944,452.78)	0.00	(158,966.96)	0.00
Changes in parts of operating assets,(increase) decrease				
Trade and other receivables	(2,475,321.66)	2,150,562.68	303,371.17	(10,956,316.11)
Inventories	110,756,747.66	1,221,019,478.13	113,467,422.20	1,223,359,940.52
Deposits for land	1,000,000.00	0.00	0.00	0.00
Other current assets	(25,359.22)	(45,723.23)	1,203.78	52,125.52
Land held for development	193,672,641.66	0.00	0.00	0.00
Deposits-construction costs	0.00	5,809,446.53	0.00	5,809,446.53
Other deposits and guarantees	(83,490.00)	(438,601.10)	(15,000.00)	23,316.00
Changes in parts of operating liabilities, increase (decrease)				
Trade and other payables	(70,976,242.48)	(39,575,533.83)	(20,306,036.08)	(39,076,123.86)
Advance received	(39,497,213.50)	(293,766,647.28)	(36,014,913.50)	(291,969,847.28)

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



**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (Cont.)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**



**LIVING LAND**  
บริษัท ลีฟวิ่งแลนด์ แคมปิตอล จำกัด (มหาชน)

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010 (Restated)	2011	2010 (Restated)
<b>Land payable</b>	(68,282,680.53)	0.00	(45,282,680.53)	0.00
Payable from cancel of agreement to buy and to sell of condominium units	(6,729,499.08)	(15,680,531.78)	(10,076,615.71)	(15,680,531.78)
Other current liabilities	14,367,741.79	17,380,569.75	3,336,504.35	16,145,476.22
Cash generated (paid) from operation	108,120,168.25	1,067,448,220.13	(19,805,241.62)	1,105,046,613.32
Interest paid	(52,537,630.50)	(98,121,977.16)	(14,492,005.65)	(75,690,990.63)
Income tax paid	(4,407,766.82)	(16,940,710.35)	(1,490,804.85)	(16,570,251.45)
Net cash provided by (used in) operating activities	51,174,770.93	952,385,532.62	(35,788,052.12)	1,012,785,371.24
Cash flows from investing activities				
(Increase) Decrease in loans to related companies	0.00	0.00	24,557,851.64	(89,401,375.40)
(Increase) Decrease in pledged bank deposits	738,952.68	(1,744,999.80)	995,547.16	(895,767.08)
Payments for purchase of office equipment	(28,890.00)	(175,361.38)	(20,865.00)	(134,051.00)
Proceeds from sale of assets	0.00	1,977.00	0.00	0.00
Net payment for dissolution of subsidiary	(1,088.33)	0.00	0.00	0.00
(Increase) Decrease in intangible assets	0.00	(55,105.00)	0.00	(55,105.00)
Net cash provided by (used in) investing activities	708,974.35	(1,973,489.18)	25,532,533.80	(90,486,298.48)
Cash flows from financing activities				
(Increase) Decrease in bank overdrafts and short - term loans	(2,890,800.00)	(500,000.00)	(2,890,800.00)	0.00
Increase (Decrease) in short - term loans from related persons	(3,585,500.00)	(8,564,848.56)	(3,800,000.00)	(4,564,848.56)
Increase (Decrease) in loans from other persons	(46,709,950.79)	30,491,633.08	3,130,049.21	24,721,085.13
Payments for liabilities under hire - purchase agreement	(407,174.19)	(539,189.42)	0.00	0.00
Increase (Decrease) in long - term loans	11,197,452.65	(957,274,558.80)	0.00	(928,286,738.13)
Net cash provided by (used in) financial activities	(42,395,972.33)	(936,386,963.70)	(3,560,750.79)	(908,130,501.56)
Net increase (decrease) in cash and cash equivalents	9,487,772.95	14,025,079.74	(13,816,269.11)	14,168,571.20
Cash and cash equivalents as at January 1	15,673,483.61	1,648,403.87	15,206,426.05	1,037,854.85
Cash and cash equivalents as at December 31	25,161,256.56	15,673,483.61	1,390,156.94	15,206,426.05

Supplemental disclosure of cash flows information as stated in note 37

**LIVING LAND CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2011 AND 2010****1. GENERAL INFORMATION**

- 1.1 The Company is a listed company in the Stock Exchange of Thailand under the Thai law on July 13, 1993 with registration no. 0107536000684. The Company is located at 64/40 Moo 6 Ratpattana Road, Sapansoong, Bangkok.
- 1.2 The Company and subsidiaries engaged in business of property development for sales.
- 1.3 In 2008, the Company has to change the plan of completed condominium construction project and transferring is matured in the fourth quarter of 2008, thus, the transferring ownership of such condominium unit is delayed. However, in the fourth quarter of 2009, the Company has improved such construction work to be completed and gradually transferred ownership of condominium units to some customers up to present. From delay of transferring, including, loss on condominium unit returned and fines from delay of condominium assignment as at December 31, 2011 and 2010 financial statements would be increased as described in note 7.1 and 36.

**2. PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS BASIS****2.1 Financial statements preparation**

The financial statements have been prepared in conformity with generally accepted accounting principles enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The Company's financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

**2.2 Financial statements presentation**

The Company has applied TAS 1 (Revised 2009) "Presentation of Financial Statements". Under the revised TAS, a set of financial statements comprises:

- Statement of financial position
- Statement of comprehensive income
- Statement of changes in shareholders' equity
- Statement of cash flows
- Notes to the financial statements

**2.3 Issued and revised financial reporting standards**

During the year 2010 and 2011, the Federation of Accounting Professions issued and revised the various financial reporting standards which certain standards are relevant to the Company and subsidiaries' operations and effective for the accounting period beginning on or after January 1, 2011.

The Company applied those standards as below:

<b>Accounting standards/ Financial reporting standards</b>	<b>Contents</b>
TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statements of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events After the Reporting Period
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRIC 15	Agreements for the Construction of Real Estate

The adoption of newly issued and revised financial reporting standards in these financial statements resulted to the changes in the Company and subsidiaries' accounting policy. The effects have been disclosed in notes to financial statements no 3.

In addition the above newly issued and revised financial reporting standards, the other standards are effective for the financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these financial statements as following:



**Accounting standards/**

**Financial reporting standards**

**Contents**

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 Rate
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 Enterprises or its Shareholders

At present, the Company and subsidiaries are being evaluated the effects of those standards on the financial statements in the year in which they are initially applied.

- 2.4 The consolidated financial statements consist of the financial statements of Living Land Capital Public Company Limited, parent company, and its subsidiaries' financial statements in which Living Land Capital Public Company Limited has shareholding and significantly control in those subsidiaries as follows

<u>Company's name</u>	<u>Type of business</u>	<u>Percentage of</u>		<u>Relationship</u>
		<u>shareholding</u>		
		<u>2011</u>	<u>2010</u>	
Top Line Living Co., Ltd.	Property development	99.99	99.99	Subsidiary
Nantapop Co., Ltd.	Property development	99.99	99.99	Subsidiary
Living Land Assets Management Co., Ltd.	Management and advisory for property development business	0.00	99.40	Subsidiary
Tangerine Properties Co., Ltd.	Residence services	99.99	99.99	Subsidiary
Top Life Venture Co., Ltd.	Hotel and sport center	49.90	49.90	Subsidiary held by Tangerine Properties Co., Ltd.

- 2.5 These financial statements have been consolidated by including the financial statements of subsidiaries in which Living Land Capital Public Company Limited has a power to control such companies under the equity method when the balances and inter-company transactions have been eliminated from the consolidated financial statements.

- 2.6 The consolidated financial statements have been presented the consolidated financial position and results of operations of Living Land Capital Public Company Limited and its subsidiaries companies. The usefulness of transaction of consolidated financial statements for other purposes may be limited due to the difference business of those consolidated companies.



- 2.7 As at December 31, 2011 and 2010, the Company has different from business combination in the amount of Baht 2.90 million caused by the Company taken the financial statements of 4 subsidiaries to prepare the consolidated financial statements since September 30, 2007, the controllable date. Living Land Capital Public Company Limited has purchased ordinary shares of those subsidiaries which are controlled by the same group of management and shareholders of Living Land Capital Public Company Limited. The Company purchased such investment in par value of ordinary shares of each subsidiary. The objective of this purchasing is to restructure the investment of the group of companies. The Company has the objective to restructure the group of company's investment to avoid the contingency problem caused by the benefit contradiction, thus the assets and liabilities of subsidiaries in the consolidated financial statements are presented at the book value of such assets and liabilities as at the controllable date. The different of purchasing price and book value of net assets of 4 subsidiaries are presented under shareholders' equity in the consolidated financial statements as "Different from business combination under common control".
- 2.8 On November 15, 2010, the meeting of Board of directors, the Company passed the resolution to cease the business of Living Land Assets Management Co., Ltd. and registered to dissolve its operation on August 3, 2011 as stated in note 9.2. Therefore, the consolidated statements of financial position as at December 31, 2011 do not include assets and liabilities of Living Land Assets Management Co., Ltd. and the results of profit (loss) of Living Land Assets Management Co., Ltd. from January 1, 2011 to August 3, 2011 since at that moment, there is no material results of operation and profit (loss).

### 3. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND INITIAL ADOPTION THE FINANCIAL REPORTING STANDARDS

From January 1, 2011, the Company has initially adopted the financial reporting standards which effected to the statements of financial position as at December 31, 2010 and the statements of comprehensive income for the year ended December 31, 2010 are follows:

- 3.1 The effects from adopted TAS 40 "Investment Property", the Company has chosen to measure by cost method as stated in note 11 resulted to the reclassification in the 2010 financial statements are as follows:

	Consolidated financial statements (Baht)		
	Before reclassify	Reclassify	After reclassify
Statements of financial position			
Property, plant and equipment	83,740,492.26	(74,855,666.82)	8,884,825.44
Investment properties	0.00	74,855,666.82	74,855,666.82



## 3.2 Changes in accounting policy for sales of real estate

On January 1, 2010, the Company and subsidiaries have changed the accounting policy for accounting for sales of real estate from recognize income based on the percentage of completion work to recognize income when the significant risk and rewards of ownership have been transferred to the buyer, the Company and subsidiaries have adjust the beginning retained earnings of year 2011 and retroactively adjustment the restated 2010 financial statements by using cumulative effects of changes in such accounting policy. From this change, the consolidated and separate financial statements for the year ended December 31, 2011 represented the decrease in retained earnings and net assets by the same amount of Baht 4.83 million. The consolidated and separate financial statements for the year 2010 had been changed as below:

### Consolidated statements of financial position (Baht)

#### As at December 31, 2010

	Before restated	Restated	After restated
Unappropriated retained earnings (deficit), beginning	(550,800,813.17)	(803,032,333.20)	(252,231,520.03)
Unbilled completion work	17,918,967.29	0.00	(17,918,967.29)
Inventories	396,360,089.26	429,236,191.85	32,876,102.59
Amount due in advance	28,692,940.00	50,054,171.51	21,361,231.51
Unappropriated retained earnings (deficit), ending	(698,889,127.25)	(703,722,321.86)	(4,833,194.61)

### Separate statements of financial position (Baht)

#### As at December 31, 2010

	Before restated	Restated	After restated
Unappropriated retained earnings (deficit), beginning	(461,611,409.40)	(713,842,929.43)	(252,231,520.03)
Unbilled completion work	11,118,356.50	0.00	11,118,356.50
Inventories	153,020,303.49	179,095,795.29	26,075,491.80
Amount due in advance	20,000,000.00	41,361,231.51	21,361,231.51
Unappropriated retained earnings (deficit), ending	(590,599,164.05)	(595,432,358.66)	(4,833,194.61)

### Consolidated statements of comprehensive income (Baht)

#### For the year ended December 31, 2010

	Before restated	Restated	After restated
Revenue from sales	388,575,986.56	1,605,412,399.56	1,216,836,413.00
Cost of sales	(290,941,401.11)	(1,285,002,097.01)	(994,060,695.90)
Selling expenses	(42,338,179.73)	(42,373,544.39)	(35,364.66)
Administrative expenses	(72,357,588.57)	(72,341,625.56)	15,963.01
Other expenses-loss on room returned	(24,642,009.97)	0.00	24,642,009.97
Total comprehensive income (expense)	(148,088,553.52)	99,309,771.90	247,398,325.42
Earnings (Loss) per share	(0.19)	0.13	0.32

**Separate statements of comprehensive income (Baht)****For the year ended December 31, 2010**

	Before restated	Restated	After restated
Revenue from sales	351,655,986.56	1,568,492,399.56	1,216,836,413.00
Cost of sales	(263,659,675.65)	(1,257,720,371.55)	(994,060,695.90)
Selling expenses	(39,124,582.31)	(39,159,946.97)	(35,364.66)
Administrative expenses	(29,653,319.15)	(29,637,356.14)	15,963.01
Other expenses-loss on room returned	(24,642,009.97)	0.00	24,642,009.97
Total comprehensive income (expense)	(128,987,754.65)	118,410,570.77	247,398,325.42
Earnings (Loss) per share	(0.17)	0.15	0.32

**3.3 Accounting for employee benefits**

Since January 1, 2011, the Company and subsidiaries adopted TAS 19 (Revised 2009) "Employee Benefits", under the new accounting policy, the Company and subsidiaries' obligation in respect of post-employment benefits, retirement benefits and other long-term benefits were calculated by using the projected unit credit method based on the actuarial method. Previously, the Company recorded obligation as expenses when the payments were made.

The Company and subsidiaries' liabilities for retirement benefits and other long-term benefits before 2011, the Company and subsidiaries then chosen to recorded liabilities as an expense on a straight line basis over 5 years in accordance with the transitional provisions of TAS 19. The effects to the 2011 financial statements are as follow:

	<b>Consolidated financial statements (Baht)</b>	<b>Separate financial statements (Baht)</b>
Statements of financial position as at December 31, 2011		
Employee benefit obligations, increase	1,194,610.00	948,881.59
Statements of comprehensive income (expense) for the year ended December 31, 2011		
Increase in employee benefit expenses resulted to :		
Increase in administrative expenses	1,194,610.00	948,881.59
Profit (loss), decrease	1,194,610.00	948,881.59
Earnings (loss) per share, decrease	0.0015	0.0012
Basic earnings per share (Baht)	0.0015	0.0012



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Income and Expenses Recognition

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

4.1.2 Revenues from the sales of land are recognized whenever the land, the significant risks and rewards have been transferred to the buyer.

4.1.3 Rental and services income relating to land, building and equipment are recognized on an accrual basis.

4.1.4 Revenues from service are recognized as income whenever the services are rendered.

4.1.5 Revenues and expenditures are recognized on an accrual basis.

4.1.6 Costs of land and houses, condominiums and properties sold are recognized as cost of sales based on proportion of land and houses, and condominium sold.

##### 4.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand, cash at banks and finance institutions of which are due within three months and restriction on withdrawal (excluding pledged deposits with banks and financial institutions).

##### 4.3 Inventories Valuation

The Company and subsidiaries' inventories-properties foreclosed are valued at the lower of cost or net realizable value. Costs of inventories-properties foreclosed of each project consist of land cost, land acquisition cost, land development, related expenses of project and interest on borrowing relating to land acquisition and construction are capitalized as cost of goods and stopped to capitalize when the construction is completed which will be amortized as cost of sales in accordance with the size of land transferred.

##### 4.4 Investment properties

Since January 1, 2011, the Company and subsidiaries adopted the Accounting Standards, TAS 40 (Revised 2009) "Investment Properties", therefore, the Company has reclassified assets for rent to be investment properties which are properties held to earn rental or for capital appreciation or both, is measured at cost less accumulated depreciation and provision for impairment (if any). The depreciation is computed on straight-line method as follows:

	Number of years
Building	20
Office furniture and fixture	10



**4.5 Property, plant and equipment**

Land is stated at cost, machinery and equipment are stated at cost less accumulated depreciation and provision for impairment loss of assets (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows

	<b>Number of years</b>
Building	20
Machinery, equipment and tools	5-20
Furniture and fixtures	5-10
Vehicles	5
Steel bobbins	10-20

TAS 16 (Revised 2009) required the entity to include cost of assets dismantlement, removal and restoration as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with a cost that is significant in relation to the total cost of assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year end. Nevertheless, this revised Accounting Standard had no material impact on the Company's property, plant and equipment.

**4.6 Land held for development**

Land held for development means land which the Company and subsidiaries intended to hold for the expected benefits and recorded as non-current assets, are stated at cost which may be adjusted by provision for impairment of assets. Cost is consisted of land cost and other expenses related to the acquisition of land including cost of borrowing incurred during the development of such land. The Company will stop to capitalize cost of borrowing during the development activity of land is ceased or completed.

**4.7 Leasehold right and prepaid for land cost**

Leasehold right and prepaid for land cost are recognized as expenses on a straight-line basis over period of the lease for 30 years.

**4.8 Intangible assets**

Intangible assets - computer software system is amortized on a straight - line method over the estimated useful lives for approximately 10 years

**4.9 Impairment of assets**

The Company has assessed the impairment of assets on property, plant and equipment and properties foreclosed and other assets whenever events or changes indicate that the recoverable value of the asset is lower than the carrying value. Loss on impairment of asset shall be recognized in the statements of comprehensive income and shall be reversed whenever there is an indication that there is no longer impairment or reduction in impairment.

Recoverable value means net selling price of the asset or its utilization value whichever is higher. The Company will consider the impairment for each asset item or each asset unit generating cash flow, whichever is practical.



4.10 Hire purchase agreement

The Company records assets under hire purchase agreement as assets and liabilities in an amount equal to the fair value of hire purchase assets at the inception of the agreement. Interest expenses are recorded to each period over the term of the agreements based on the outstanding balance of the liabilities of the hire purchase agreement during each period.

4.11 Corporate income tax

The Company and subsidiaries record corporate income taxes as expenses in the occurring period and calculated income tax as prescribed in the Revenue Code by calculating from realized income under installment due method for the project sold before 2007 and recognized is income on the percentage of completion basis for the project opened in 2007 onwards.

4.12 Basic earnings per share

Earnings (Loss) per share as presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the weighted average number of ordinary shares issued during the year.

4.13 Accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The company and subsidiaries make estimates and assumptions concerning the future factors. The results of accounting estimates may be differed from the related actual results. The estimates and assumptions that may have a risk of causing an adjustment to the assets in the next financial year related to allowance for doubtful accounts, provision for impairment of assets and cost of property development project at the statements of financial position date. Other estimates are described in the corresponding disclosures.

4.14 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

## 5. CASH AND CASH EQUIVALENTS

	Consolidated financial state- ments (Baht)		Separate financial state- ments (Baht)	
	2011	2010	2011	2010
Cash	221,007.50	252,294.50	14,100.00	10,476.00
Current accounts	21,590,662.77	15,092,639.66	1,213,511.10	15,034,581.46
Savings deposit	3,349,586.29	328,549.45	162,545.84	161,368.59
Total	25,161,256.56	15,673,483.61	1,390,156.94	15,206,426.05

**6. TRADE AND OTHER RECEIVABLES**

	Note	Consolidated financial state- ments (Baht)		Separate financial state- ments (Baht)	
		2011	2010	2011	2010
6.1 Other receivables					
Advance payment		509,559.08	719,013.68	370,066.58	710,580.68
Accrued income	14.1.4	0.00	0.00	19,500,000.00	19,500,000.00
Interest receivable	14.1.5	23,749.99	1,729.66	17,991,596.47	17,991,596.47
Accrued dividend received	14.1.6	0.00	0.00	13,882,436.40	13,882,436.40
Prepaid expenses		2,844,249.10	571,803.04	496,488.40	456,069.47
Others		794,913.63	600,416.16	156,500.00	471,827.00
Total		4,172,471.80	1,892,962.54	52,397,087.85	52,012,510.02

**7. INVENTORIES**

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2554	2553	2554	2553
Land and development cost	732,263,981.54	802,716,566.97	593,257,828.61	655,504,934.04
Construction expenses	962,717,115.19	930,949,811.92	747,666,806.52	746,826,556.75
Other expenses in project	158,229,362.38	153,986,139.31	107,564,163.27	108,098,026.19
Interest expenses	217,392,871.06	221,138,742.23	191,003,569.14	197,056,925.99
Total	2,070,603,330.17	2,108,791,260.43	1,639,492,367.54	1,707,486,442.97
Less Provision for devaluation of inventories	0.00	(16,922,279.20)	0.00	(16,922,279.20)
Cost of sales - accumulated	(1,720,816,400.30)	(1,662,632,789.38)	(1,544,863,994.45)	(1,511,468,368.48)
Balance	349,786,929.87	429,236,191.85	94,628,373.09	179,095,795.29

7.1 In the fourth quarter of 2011, a subsidiary has the completed of 1 development project and in 2009 there is 1 completed project, totally 2 project. The construction of such project was delayed, as a result, some customers have exercised right to cancel agreement to buy and to sell and demand for down-payment including fines. As at December 31, 2011 and 2010, the remaining amount to be paid to customers equal to Baht 34.69 million and Baht 74.04 million (separate : Baht 31.40 million and Baht 74.04 million) respectively by presenting as payable under cancellation of agreement to buy and to sell condominium units under other current liabilities as stated in note 25.1 and fines from delay of condominium units assignment for the years ended December 31, 2011 and 2010 amount of Baht 1.75 million and Baht 21.45 million (separate : Baht 1.59 million and Baht 21.45 million) respectively as stated in note 36.

7.2 As at December 31, 2011 and 2010, the Company and a subsidiary used land with its construction of each project which had net carrying value in the amount of Baht 264.25 million and Baht 242.22 million respectively (as at December 31, 2011, separate: Baht 12.02 million) to mortgage as collateral with bank against long-term loans as stated in note 27 and loans from other persons as stated in note 24.



- 7.3 As at December 31, 2011 and 2010, a subsidiary capitalized interest expenses as cost of project in the amount of Baht 2.31 million and Baht 4.45 million respectively.
- 7.4 In the first quarter of 2011, the Company entered to sell of one land project at net carrying value amount of Baht 118.92 million, resulted loss on sales of such project amount of Baht 16.92 million which allowance for devaluation of inventories was provided in full in 2010.
- 7.5 Cost of sales-accumulation incurred from accounted for cost of sales when the significant risk and rewards of ownership have been transferred to the buyer and will be transfer out when the construction and selling project is closed. As at December 31, 2011 and 2010, a subsidiary closed 1 selling projects respectively, which had accumulated cost amount of Baht 8.24 and Bath 688.93 million respectively was transferred out from inventories in full amount.
- 7.6 As at December 31, 2010, a subsidiary reclassified land and 1 project at net book value amount of Baht 171.05 million to be land and project held for development since the project was ceased and could not operate as planed, as stated in note 13.2.
- 7.7 As at December 31, 2011, inventories in form of condominium units for 5 units at carrying value amount of Baht 10.58 million are under the seize by the Official Receiver for settle debt in accordance with the judgment of the Court as stated in not 39.3.

## 8. DEPOSIT FOR LAND COST

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Deposit for land cost	69,987,530.00	98,987,530.00	64,987,530.00	64,987,530.00
Less Allowance for devaluation	(69,987,530.00)	(98,987,530.00)	(64,987,530.00)	(64,987,530.00)
Balance – net	0.00	0.00	0.00	0.00

- 8.1 As at December 31, 2011 and 2010, the Company and subsidiary have paid deposit for land under several agreements to buy and to sell in which the ownership transferring is matured. Although the Company requested for extension of ownership transferring period, the Company could not transfer the ownership on due. The Company then estimated the allowance for devaluation in whole amounts. The Company had disclosed the obligation to be paid for land under agreement to buy and to sell as stated in note 38.2.
- 8.2 Two subsidiaries have reversed the provision for impairment of deposits for land amount of Baht 30.00 million since as at December 31, 2011, a subsidiary has transferred the right on deposits amount of Baht 29.00 million to the Company and the Company has made payment for such land under the agreement and received the ownership of land already. And another subsidiary has received the return of deposits in the amount of Baht 1.00 million



## 9. INVESTMENT IN SUBSIDIARIES

Company	Separate financial statements (Baht)		
	Percentage of shareholding	2011 Cost method	2010 Cost method
Top Line Living Co., Ltd.	99.99	159,999,400.00	159,999,400.00
Nantapop Co., Ltd.	99.99	72,099,400.00	72,099,400.00
Tangerine Property Co., Ltd.	99.99	49,999,400.00	49,999,400.00
(Indirect shareholding in subsidiary of Top Line Venture Co., Ltd. at 49.99%)			
Living Land Assets Management Co., Ltd.	99.40	0.00	994,000.00
Total		282,098,200.00	283,092,200.00
Less Provision for impairment of investment in subsidiaries			
Top Line Living Co., Ltd.		(30,000,000.00)	(30,000,000.00)
Nantapop Co., Ltd.		(72,099,400.00)	(72,099,400.00)
Tangerine Property Co., Ltd.		(49,999,400.00)	(49,999,400.00)
Living Land Assets Management Co., Ltd.		0.00	(994,000.00)
Total		(152,098,800.00)	(153,092,800.00)
Net balance		129,999,400.00	129,999,400.00

- 9.1 As at December 31, 2011 and 2010, group of subsidiaries are unable to operate the project in accordance with the working plan since they are under the consideration to change the business plan. However the provision for impairment of investment was already recorded in the financial statements by estimating from expected benefits of net assets value of subsidiaries, remains at the end of fiscal period. The most assets value is closed to the appraisal value of the independent appraiser.
- 9.2 As stated in notes 2.8 to financial statements, on August 3, 2011, a subsidiary (Living Land Assets Management Co., Ltd.) with the capital deficiency operating has registered to dissolve its operation with the Department of Business Development. As a result, the Company has gain on dissolution of subsidiary in the consolidated financial statements as follow:

	(Baht)
Assets as at dissolution date	21,901.98
Less Liabilities at book value as at dissolution date	(2,984,082.80)
Net liabilities of subsidiary at the dissolution date	(2,962,180.82)
Add Cut off receivable and accrued interest received in subsidiary as expenses in the consolidated financial statements	2,858,975.14
Less Gain on sale of inter-company land for which subsidiary sold to the parent company	(690,000.00)
Gain on dissolution of subsidiary in the consolidated financial statements	(793,205.68)



## 10. ASSETS TRANSFER TO BE COLLATERAL UNDER RESALE AGREEMENT

	Consolidated financial statements (Baht)	
	2011	2010
Land and development project - net	171,050,000.00	0.00
	171,050,000.00	0.00

On December 21, 2011, a subsidiary has negotiated additional from covenants in the existing debt restructuring agreement to transfer assets to settle debts under debt restructuring agreement in the amount of Baht 90.01 million. But the creditor allowed the subsidiary to repurchase such assets within 2 years at the amount of settlement including interest rate of MLR-0.5% per annum and during 2 years such subsidiary has to oversee such assets to be good condition as stated in note 28.1.2. Thus, such assets were reclassified from land and project held for development to assets transfer to be collateral under repurchase agreement.

In February 2012, the Company has led the independent appraiser to reappraise such land and project development by using market value amount of Baht 171.00 million.

## 11. INVESTMENT PROPERTIES

	(Unit : Baht)			
	December 31, 2010	Increase/others	Decrease/ others	December 31, 2011
Cost :-				
Land and development cost	68,082,953.16	0.00	0.00	68,082,953.16
Building	7,159,000.00	0.00	0.00	7,159,000.00
Office equipment and furniture	78,613.00	0.00	0.00	78,613.00
Total	75,320,566.16	0.00	0.00	75,320,566.16
Accumulated depreciation :-				
Building	(488,173.00)	(357,950.02)	0.00	(806,123.02)
Office equipment and furniture	(16,726.34)	(15,541.79)	0.00	(32,268.13)
Total	(464,899.34)	(373,491.81)	0.00	(838,391.15)
Net	74,855,666.82		0.00	74,482,175.01
Depreciation for the year	373,178.96			373,491.81

Investment properties had fair value total amount of Baht 93.91 million

**12. ที่ดิน อาคารและอุปกรณ์ ประกอบด้วย****Consolidated financial statements (Baht)**

	December 31, 2010	Increase	Decrease	Others	December 31, 2011
Cost :-					
Land	3,930,664.00	0.00	0.00	690,000.00	4,620,664.00
Leased land improvement	928,000.00	0.00	0.00	0.00	928,000.00
Building	3,722,100.00	0.00	0.00	0.00	3,722,100.00
Office equipment and furniture	6,099,333.28	28,890.00	0.00	0.00	6,128,223.28
Vehicles	5,675,178.00	0.00	0.00	0.00	5,675,178.00
Work in progress and installation	819,737.03	0.00	0.00	0.00	819,737.03
Total cost	21,175,012.31	28,890.00	0.00	690,000.00	21,893,902.31
Accumulated depreciation :					
Building	(560,354.54)	(186,105.01)	0.00	0.00	(746,459.55)
Office equipment and furniture	(5,182,468.82)	(399,402.11)	0.00	0.00	(5,581,870.93)
Vehicles	(4,799,626.48)	(442,836.14)	0.00	0.00	(5,242,462.62)
Total accumulated depreciation	(10,542,449.84)	(1,028,343.26)	0.00	0.00	(11,570,793.10)
Less Provision for impairment of assets	(1,747,737.03)				(1,747,737.03)
Property, plant and equipment - net	8,884,825.44				8,575,372.18
Depreciation for the year	1,571,000.16				1,028,343.26

**Separate financial statements (Baht)**

	December 31, 2010	Increase	Decrease	December 31, 2011
Cost :-				
Land	690,000.00	0.00	0.00	690,000.00
Office equipment and furniture	1,826,365.54	20,865.00	0.00	1,847,230.54
Total cost	2,516,365.54	20,865.00	0.00	2,537,230.54
Accumulated depreciation :				
Office equipment and furniture	(1,020,326.82)	(307,351.37)	0.00	(1,327,678.19)
Total accumulated depreciation	(1,020,326.82)	(307,351.37)	0.00	(1,327,678.19)
Property, plant and equipment – net	1,496,038.72			1,209,552.35
Depreciation for the year	341,953.96			307,351.37



### 13. LAND AND PROJECT HELD FOR DEVELOPMENT

Consolidated financial statements (Baht)					
Decrease during the year					
	December 31, 2010	Sales	Transfer to be collateral debt under restructuring agreement	Assets trans- fer to settle debt	December 31, 2011
Land and project held for development	462,285,429.90	(193,672,641.66)	(174,292,538.26)	(16,122,269.00)	78,197,980.98
Less Provision for impairment	(7,313,788.24)	0.00	3,242,538.26	713,269.00	(3,357,980.98)
Net	454,971,641.66	(193,672,641.66)	(171,050,000.00)	(15,409,000.00)	74,840,000.00

- 13.1 On December 30, 2011, a subsidiary had transferred part of land to mortgage as collateral to short-term creditors of parent company and a related company at net carrying value amount of Baht 15.41 million in the value to settle debt amount of Baht 16.11 million, resulted gain on assets transfer to settle debt amount of Baht 0.70 million.
- 13.2 As at December 31, 2010, a subsidiary reclassified land and 1 project at carrying value amount of Baht 171.05 million to be land and project for development as stated in note 7.6. Later on December 21, 2011, such subsidiary has transferred the ownership of land project under development in whole amount to be assets as collateral under debt restructuring as stated in note 10 and 28.1.2.1.
- 13.3 On October 13, 2011, a subsidiary had sold its land in the amount of Bhat 250 million which had carrying value amount of Baht 193.67 million, recorded as revenue from sales and costs of sales in the statements in comprehensive income.
- 13.4 As at December 31, 2010, two subsidiaries' land and project held for development amount of Baht 381.88 million were mortgaged as collateral to guarantee short - term loans from financial institutions of a subsidiary and a related company as stated in note 21.2 and 27.2 and loans from other persons as stated in note 24.2. Later in 2011, Such assets were sold, transfer to settle debt and to be collateral under debt restructuring agreement as stated in note 13.1, 13.2 and 13.3.
- 13.5 As at December 31, 2010, a subsidiary has taken land under servitude which provision for impairment of land was provided in full amount to guarantee for land payable as stated in note 23.2. In 2011, such land was redeemed and the payment to payable had been made in whole amount.

### 14. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has significant transactions with related parties. These companies are related through common shareholders and/or directorship. A part of assets, liabilities, revenues and expenses arose from transaction with persons, subsidiaries and related companies. These financial statements reflected the results of such transaction by using the pricing policy as following:





No	Persons and parties	Relationship		Transactions	Pricing policy
		2011	2010		
1	Top Line Living Co., Ltd.	A	A	- Loan to  - Project management services	Stop to charge interest since the third aquarterat interest rate of MLR per annum quarter of 2010 onwards at interest rate of MLR per annum As agreed, terminated in the second quarter of 2010
2	Nantapop Co., Ltd.	A	A	- Loan to	At interest rate of MLR per annum,
	Tangerine Properties Co., Ltd.	A	A	- Loan to	stop to charge interest since the third quarter of 2010 onwards
	Living Land Assets Management Co., Ltd. (registered to dissolve its operation in the 3rd quarter of 2011)	-	A	- Loan to - Purchase land and office equipment	Net carrying value
3	Falcon 9 Co., Ltd.	C, D	C, D	- Benefit from share pledging quaranteed loan of the Company	At the rate of 3% per annum of loan facility
4	Mr. Wanchai Subhaphayak	E	E	- Loans to the Company and subsidiary	Non-interest bearing
5	Mr. Suchat Subhaphayak	-	F	- Loans to the Company	At interest rate of 12% per annum
6	Mr. PatralapTaweewong N. Ayudhaya	-	E	- Purchase the Company's condominium	At normal purchasing price
	Ms. Nuchjarintr Subhaphayak	-	F		
7	Mr. Manop Kheawchaoom	E	E	- Guarantee loan facility of the company and subsidiary	No remuneration
	Mr. Peepat Runguphan	E	E		
	Mr. Pathrlap Davivongsa	-	E		
	Mr. Wanchai Subhaphayak	-	E		
	Mr. Nobphdol Thongpasert	E	E		
8	Mr. Thaworn Suwanlaong	-	H,C	- Guarantee loan facility of subsidiary - Deposit for land from subsidiary	No remuneration As indicated in agreement.

Note : Relationship

A – The Company's subsidiary

C – Major shareholder

D – Common directors and shareholders

E – The Company and subsidiary's shareholder and director

F – Intimate of directors

G – Subsidiary's shareholder

H – Subsidiary's employe



14.1 Transactions and amounts with related persons and parties in statements of financial position as at December 31, 2011 and 2010 are as follows:

14.1.1 Deposit for land cost

	Consolidated financial statements (Baht)	
	2011	2010
Mr. Thaworn Suwanlaong	4,000,000.00	5,000,000.00
Less Allowance for doubtful accounts	(4,000,000.00)	(5,000,000.00)
Balance	0.00	0.00

14.1.2 Loans to related persons and parties

	Separate financial statements (Baht)			
	December 31, 2010	Increase	Decrease	December 31, 2011
Top Line Living Co., Ltd.	137,676,086.59	50,820,362.86	(97,986,214.50)	90,510,234.95
Nantapop Co., Ltd.	123,949,823.70	658,000.00	(16,109,200.00)	108,498,623.70
Tangerine Property Co., Ltd.	75,341,405.91	450,000.00	0.00	75,791,405.91
Living Land Assets Management Co., Ltd.	2,728,893.13	0.00	(2,728,893.13)	0.00
Total	339,696,209.33	51,928,362.86	(116,824,307.63)	274,800,264.56
(Less) Allowance for doubtful accounts	(16,802,504.99)	(21,693,555.57)	(2,728,893.13)	(35,767,167.43)
Net	322,893,704.34			239,033,097.13

As at December 31, 2011 and 2010, group of subsidiaries could not operate the project as plan since they lacked of financial liquidity and are under the changing business plan. The Company has estimated allowance for doubtful accounts of loans and accrued interest receivable of loans in the financial statements by estimating from net assets value of subsidiaries at the end of period, the asset value closed to the appraisal value of independent appraiser.

In the third quarter of 2011, subsidiary (Living Land Assets Management Co., Ltd.) has registered to dissolve its operation on August 3, 2011, the Company then has recorded to write off receivables and allowance for doubtful accounts from principal and accrued interest income totaling amount of Baht 2.73 million and Baht 0.13 million respectively in the separate financial statements and recorded receivables and accrued interest income as

expenses and to reduce gain on dissolution of subsidiary in the consolidated financial statements as stated in note 9.2.

14.1.3 Loans from related persons and parties

	Consolidated financial statements (Baht)			
	December 31, 2010	Increase	Decrease	December 31, 2011
Mr. Wanchai Subhaphayak	5,959,367.44	814,000.00	(3,000,000.00)	3,773,867.44
Mr. Suchat Subhaphayak	1,400,000.00	0.00	(1,400,000.00)	0.00
Total	7,359,367.44	814,000.00	(4,400,000.00)	3,773,867.44



**Separate financial statements (Baht)**

	<b>December 31, 2010</b>	<b>Increase</b>	<b>Decrease</b>	<b>December 31, 2011</b>
Mr. Wanchai Subhaphayak	5,959,367.44	600,000.00	(1,000,000.00)	5,595,367.44
Mr. Suchat Subhaphayak	1,400,000.00	0.00	(1,400,000.00)	0.00
<b>Total</b>	<b>7,359,367.44</b>	<b>600,000.00</b>	<b>(2,400,000.00)</b>	<b>5,595,367.44</b>

14.1.4 Accrued project management income

**Separate financial statements (Baht)**

	<b>2011</b>	<b>2010</b>
Top Line Living Co., Ltd.	19,500,000.00	19,500,000.00

14.1.5 Accrued interest income - loans to related parties

**Separate financial statements (Baht)**

	<b>2011</b>	<b>2010</b>
Top Line Living Co., Ltd.	17,991,596.47	17,991,596.47
Nantapop Co., Ltd.	12,600,773.59	12,600,773.59
Tangerine Properties Co., Ltd.	3,341,770.63	3,341,770.63
Living Land Assets Management Co., Ltd.	0.00	130,082.01
<b>Total</b>	<b>33,934,140.69</b>	<b>34,064,222.70</b>
(Less) Allowance for doubtful accounts	(15,942,544.22)	(16,072,626.23)
<b>Net</b>	<b>17,991,596.47</b>	<b>17,991,596.47</b>

14.1.6 Accrued dividend income

**Separate financial statements (Baht)**

	<b>2011</b>	<b>2010</b>
Top Line Living Co., Ltd.	13,882,436.40	13,882,436.40

14.1.7 Accrued project management expense

**Separate financial statements (Baht)**

	<b>2011</b>	<b>2010</b>
Top Line Living Co., Ltd.	44,500,000.00	44,500,000.00



## 14.1.8 Accrued interest expenses - loans from related persons and parties

### Separate financial statements (Baht)

	2011	2010
Living Land Capital Plc. loans from		
Living Land Assets Management Co., Ltd.	0.00	20,813.58

## 14.1.9 Purchase of land as assets

### Separate financial statements (Baht)

	2011	2010
Living Land Assets Management Co., Ltd.	0.00	690,000.00

## 14.1.10 Purchase of office equipment

### Separate financial statements (Baht)

	2011	2010
Living Land Assets Management Co., Ltd.	0.00	12,646.87

## 14.2 Transactions and amounts with related persons and parties in statements of comprehensive income for the years ended December 31, 2011 and 2010 are as follows :

### 14.2.1 Revenue from sales

### Separate financial statements (Baht)

	2011	2010
Ms. Nuchjarin Supaphayak	0.00	4,681,246.00

### 14.2.2 Interest income - loans to related parties

### Separate financial statements (Baht)

	2011	2010
Top Line Living Co., Ltd.	0.00	2,957,595.26
Nantapop Co., Ltd.	0.00	2,955,192.34
Tangerine Properties Co., Ltd.	0.00	874,420.35
Living Land Assets Management Co., Ltd.	0.00	87,671.77
Total	0.00	6,874,879.72



## 14.2.3 Project management income

	Separate financial statements (Baht)	
	2011	2010
Top Line Living Co., Ltd.	0.00	6,000,000.00

## 14.2.4 Remuneration from pledged securities for loan guarantee

	Consolidated and Separate financial statements (Baht)	
	2011	2010
Falcon 9 Co., Ltd.	1,350,000.00	1,350,000.00

**15. LOANS TO OTHER PARTIES**

	Consolidated financial statements	
	2011	2010
Loans to other parties	24,398,331.53	24,398,331.53
Less Allowance for doubtful accounts	(24,398,331.53)	(24,398,331.53)
Net	0.00	0.00

As at December 31, 2011 and 2010, loans to other parties used to be loans to a subsidiary which lent before 2007. Subsequent, at the end of 2009, investment in such subsidiary was sold. Investment in subsidiary was reclassified to loans to other company and provided allowance for doubtful accounts of such loans in full amount. At present, the Company is under the prosecution for following-up such debt.

**16. PLEDGED BANK DEPOSITS**

As at December 31, 2011 and 2010, the Company and subsidiaries have savings deposit in the amount of Baht 3.36 million and Baht 4.46 million respectively (separate: amount of Baht 0.53 million and Baht 1.52 million respectively), partial savings deposit in the amount of Baht 0.61 million and Baht 2.70 million respectively derived from collection the common utilities from customers of subsidiary. Such subsidiary is liable to transfer such collection when the village committee of each project has been already established. Such amount is recorded as other payables under other current liabilities in the financial statements. The remaining amount of Baht 2.75 million and Baht 1.76 million respectively is used as guaranteed for letter of guarantee the public utilities maintenance of a project.

**17. PREPAID LEASEHOLD RIGHT AND LAND RENTAL****Consolidated financial statements (Baht)**

	<b>2011</b>	<b>2010</b>
Prepaid leasehold right and land rental	7,002,000.00	7,002,000.00
Less Accumulated amortization	(2,471,001.47)	(2,471,001.47)
Less Provision for impairment of prepaid leasehold right and land rental	(4,530,998.53)	(4,530,998.53)
Prepaid leasehold right and land rental – net	0.00	0.00

A subsidiary stopped the construction of sport centre project by providing the provision for impairment of prepaid leasehold right and land rental in the financial statements in full amount. However, the Company has disclosed obligations to be paid under leasehold right agreement as stated in note 38.3.

**18. NON-PERFORMING ASSETS FOR SALE****Consolidated and Separate financial statements (Baht)**

	<b>2011</b>	<b>2010</b>
Inventories		
Raw material, spare part and supplies	0.00	681,838.00
Property, plant and equipment		
Cost :-		
Machinery and equipment	0.00	8,009,046.93
Steel bobbins	0.00	4,555,076.10
Tools and equipment	0.00	11,457,449.59
Equipment and furniture	0.00	15,795,901.47
Vehicles	0.00	511,052.34
Total cost of property, plant and building	0.00	40,328,526.43
Total non-performing assets	0.00	41,010,364.43
Accumulated depreciation :-		
Machinery and equipment	0.00	(8,007,105.68)
Steel bobbins	0.00	(3,561,903.57)
Tools and equipment	0.00	(11,416,690.55)
Equipment and furniture	0.00	(15,741,589.23)
Vehicles	0.00	(509,442.58)
Total accumulated depreciation	0.00	(39,236,731.61)
Less Provision for devaluation of assets	0.00	(1,773,632.82)
Balance – net	0.00	0.00



As at December 31, 2011 and 2010, the Company has non-performing assets for sale which were fully provided the provision for devaluation of assets of former business before change its business to property development business. As present, such assets were terminated. The Company, then, provided allowance for devaluation in full.

On August 5, 2011, according to the minutes of Board of Directors' meeting no. 5/ 2011 passed the resolution to write off non-performed assets for which the assets of the old business from all accounts since such assets status is not identifiable in the current.

## 19. INTANGIBLE ASSETS

### Consolidated financial statements (Baht)

	December 31, 2010	Increase	Decrease	December 31, 2011
Software	5,770,328.10	0.00	0.00	5,770,328.10
Accumulated amortization	(1,943,536.71)	(577,032.72)	0.00	(2,520,569.43)
Balance – net	3,826,791.39			3,249,758.67
Amortized software for the year ended December 31,	574,556.75			577,032.72

### Separate financial statements (Baht)

	December 31, 2010	Increase	Decrease	December 31, 2011
Software	3,741,822.10	0.00	0.00	3,741,822.10
Accumulated amortization	(894,648.93)	(374,182.14)	0.00	(1,268,831.07)
Balance – net	2,847,173.17			2,472,991.03
Amortized software for the year ended December 31,	371,706.17			374,182.14

## 20. PREPAID WITHHOLDING INCOME TAX

### Consolidated financial statements (Baht) Separate financial statements (Baht)

	2011	2010	2011	2010
Prepaid withholding income tax	27,365,831.32	23,444,270.48	20,300,997.19	19,296,398.15
Less Provision for impairment of assets	(1,842,299.90)	(1,842,299.90)	0.00	0.00
Net	25,523,531.42	21,601,970.58	20,300,997.19	19,296,398.15

## 21. BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTION

### Consolidated financial statements (Baht) Separate financial statements (Baht)

	2011	2010	2011	2010
Short - term loans from financial institution	45,000,000.00	64,000,000.00	45,000,000.00	56,500,000.00
Total	45,000,000.00	64,000,000.00	45,000,000.00	56,500,000.00



- 21.1 As at December 31, 2011 and 2010, the Company issued promissory notes in the amount of Baht 45 million to two financial institutions at the interest rate of MLR+0.25% and 15% per annum, guaranteed by pledging securities of a related company and by the Company's director which are due at call
- 21.2 As at December 31, 2010, a subsidiary issued promissory notes to a financial institution amount of Baht 19.00 million (separate: Baht 11.50 million) at the interest rate of 15% per annum which is matured for redemption in 2010, guaranteed by mortgaging land of subsidiary and land held for development of the another related company as stated in note 13.4 and subsidiary's directors guarantee. In 2011, subsidiary has redeemed promissory notes by transferring assets to settle debt in the amount of Baht 16.11 million as stated in note 13.1 and the remaining paid by cash.

## 22. TRADE AND OTHER PAYABLES

Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
22.1 Trade accounts payable				
Construction payable	26,908,607.14	67,570,064.86	16,897,632.23	17,550,729.98
Total trade accounts payable	26,908,607.14	67,570,064.86	16,897,632.23	17,550,729.98
22.2 Other payables				
Contractor retentions	6,803,661.73	10,543,051.33	216,210.43	1,481,265.30
Other accrued expenses	35,452,768.12	55,477,570.39	26,723,021.07	45,230,485.86
Accrued project management	14.1.7 0.00	0.00	44,500,000.00	44,500,000.00
Accrued interest expenses				
Related persons and parties	14.1.8 0.00	0.00	0.00	20,813.58
Other persons and parties	10,598,143.91	27,072,418.01	7,161,802.67	11,352,116.38
Others	677,781.90	1,206,676.91	450,150.05	362,144.75
Total other payables	53,532,355.66	94,299,716.64	79,051,184.22	102,946,825.87
Total trade and other payables	80,440,962.80	161,869,781.50	95,948,816.45	120,497,555.85

As at December 31, 2011 and 2010, part of trade accounts payable in the amount of Baht 7.87 million and Baht 42.54 million respectively (separate: Baht 7.87 million), incurred from the Company and subsidiaries made covenants to request the payment interest of outstanding loans at the rate of 7.5% to 10% and the payment will be completed at the end of year 2012.

## 23. LAND PAYABLE

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Land payable	12,419,581.52	53,677,824.21	12,419,581.52	30,677,824.21
Total	12,419,581.52	53,677,824.21	12,419,581.52	30,677,824.21





- 23.1 As at December 31, 2011 and 2010, the Company had a land payable in the amount of Baht 12.42 million and Baht 30.68 million respectively which is a land payable for construction condominium project with the interest payment at the rate of 12-15% per annum. At present, the whole amount payment is matured, but the Company is negotiating to request the extension of payment period.
- 23.2 As at December 31, 2010, a subsidiary has land payable in the amount of Baht 23.00 million and was charged interest at the rate of 10% per annum as remuneration. The interest charging begins July 27, 2008 onwards, including the mortgage land under servitude as collateral. Later in 2011, such land was redeemed and the payment for land payable had been made.

## 24. LOANS FROM OTHER PERSONS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Principal	50,690,752.81	82,306,075.95	45,530,752.81	27,306,075.95
Total	50,690,752.81	82,306,075.95	45,530,752.81	27,306,075.95

- 24.1 As at December 31, 2011 and 2010, the Company and two subsidiaries have loans from other persons in the amount of Baht 18.13 million and Baht 32.31 million (separate : Baht 12.97 million and Baht 27.31 million respectively) documented by promissory notes at the interest rate of 12 – 18% per annum which is due within 1 year, guaranteed by inventories as stated in note 7.2.
- 24.2 As at December 31, 2010 loans from other persons of subsidiaries in the amount of Baht 50.00 million guaranteed by mortgaging land held for development of such subsidiary, had carrying value of Baht 193.67 million as stated in note 13.4.
- 24.3 As at December 31, 2011, the Company has transferred land payable and payable from cancellation agreement to buy and to sell of condominium units to be loans from other persons in the amount of Baht 32.56 million as stated in note 25.2.

## 25. PAYABLE UNDER CANCELLATION OF AGREEMENT TO BUY AND SELL OF CONDOMINIUM UNITS

- 25.1 This represent payable from customers cancel agreement to buy and to sell which the Company has to return amount received in advance and fines from breach of agreement to buy and to sell as stated in note 7.1. As at December 31, 2011 and 2010, the Company and subsidiaries have payable amount of Baht 34.69 million and Baht 74.04 million respectively (separate : Baht 31.40 million and Baht 74.04 million respectively) and recorded interest at the rate of 7.5% to 15%.
- 25.2 In the third quarter of 2011, the Company could not made payment for amount received in advance including penalty arising from the breach of agreement to buy and to sell based on the part of covenants in the amount of Baht 32.56 million. The Company then made renewal of covenants for the payment that the Company agreed to pay interest at the rate ranging from 12 % to 18 % per annum. Nevertheless, such transaction was reclassified to be loans payable from other persons. As at the end of the period, the Company could not make loans repayment under the new covenant. The payment exemption is under the negotiation.



## 26. HIRE PURCHASE PAYABLE

	Consolidated financial statements (Baht)	
	2011	2010
Hire purchase payable	159,900.00	573,276.00
(Less) Deferred interest	0.00	(6,201.81)
Current portion of hire purchase payable	(159,900.00)	(539,189.40)
Total	0.00	0.00

In January 2008, a subsidiary entered into hire purchase car agreement in the amount of Baht 1.72 million by making 48 installments and maturity in 2012.

## 27. LONG - TERM LOANS

	Consolidated financial statements (Baht)	
	2011	2010
Long – term loans		
- Commercial banks	47,488,067.81	138,920,771.01
- Financial institutions	73,677,284.98	80,296,415.00
Total	121,165,352.79	219,217,186.01
Less Transfer to liabilities under debt restructuring agreement	0.00	(109,249,285.87)
Less Current portion of long - term loans	(97,527,284.98)	(97,686,462.39)
Long - term loans - net	23,638,067.81	12,281,437.75

- 27.1 As at December 31, 2011 and 2010, two subsidiaries have obtained loans from two commercial bank and financial institution for total credit line of Baht 179.30 million at the interest rate of MLR+2.5% - 3.75% per annum by paying interest every month and the principal is repayable based on the redemption of property foreclosed ratio at the rate 70 to 80% of selling price. Subsidiary has to make loans repayment to be completed in 2008-2017. Such loans are guaranteed by mortgaging land with its construction of each loaned project as stated in note 7.2 and personal guarantee by the Company's directors and a related company.
- 27.2 On September 29, 2010, a subsidiary entered into debt restructuring agreement, thus, long - term loans amount of Baht 109.25 million and accrued interest expenses of such principal amount of Baht 32.18 million including principal and interest total amount of Baht 141.43 million were reclassified to be liabilities under debt restructuring agreement as stated in note 28.

**28. LIABILITIES UNDER DEBT RESTRUCTURING AGREEMENT**

28.1 On September 29, 2010, a subsidiary entered into debt restructuring agreement with a commercial bank by transferring current portion of long-term loans amount of Baht 109.25 million and accrued interest of Baht 32.18 million, total debt balance as at the restructuring date amount of Baht 141.43 million presented as liabilities under debt restructuring agreement and made installment under the condition in such debt restructuring agreement. Until April 2011, the Company was unable to comply with the agreement as previously agreed, thus, the continuously negotiation for extension payment period until December 15, 2011. The Company has negotiated and agreed the payment condition to be new condition by making attachment with existing debt restructuring agreement as follows:

28.1.1 Under the existing condition (on June 29, 2010)

28.1.1.1 The outstanding principal amount of Baht 109.25 million is repayable on monthly basis since the signing date in debt restructuring agreement, by making amount of Baht 0.10 million for the 1st-12th month and Baht 1.81 million for the 13th-72nd month. This principal is charged the interest at the rate of MLR per annum and the interest for the 1st-12th month is suspended and is payable in the 13th-71st month in the amount of Baht 0.01 million each and the remaining is payable in the 72nd month.

28.1.1.2 The first part of accrued interest expenses amount of Baht 15.90 million under the existing agreement (MLR+1%) is payable on monthly basis through 71 months amount of Baht 0.01 million each from the signing date in debt restructuring agreement and the remaining will be made in the 72nd month (June 2016).

28.1.1.3 The second part of accrued interest expenses amount of Baht 16.28 million is the suspended interest which exceeded from the normal interest rate (defaulted rate). The bank will grant the Company's debt obligation when the repayment is completed in the 72nd month (June 2016) from the signing date of debt restructuring agreement.

28.1.2 Under the supplement condition (on December 15, 2011) required to make payment for the remaining principals and accrued interest as at December 15, 2011 amount of Baht 142.3 million as follows:

28.1.2.1 Transfer assets as guarantee debt settlement within December 23, 2011, the assets had the value amount of Baht 90.01 million. The Company has transferred such assets on December 21, 2011 as stated in note 10.

28.1.2.2 Allow the right to repurchase within 2 years from the date of bank received the transferring of debt at the transferring price plus carrying cost (MLR-0.50% per annum) with the condition to payment the remaining principal amount of Baht 18.24 million and incurred new interest at the rate of MLR-0.05% per annum in the assets repurchasing date.

28.1.2.3 Allow the first right of refusal within 1 year for the repurchasing date that receivable must reply within 60 days form the date of notice from bank in the transferring price plus carrying cost (MLR-0.50% per annum) or in the offering price to purchase of the individuals whichever is higher.



28.1.2.4 The remaining amount of Baht 18.24 million charged interest at the rate of MLR-0.50% per annum is repayable with the remaining principal within 24 months from the debt settlement. The existing accrued interest from the accrual date until the transferring assets to settle debt when the condition could be complied that loans facility will be cancelled and written off.

28.1.3 Details of remaining debt under debt restructuring agreement are as follows:

	<b>Consolidated financial statements (Baht)</b>
Liabilities as at June 29, 2010	
Current portion of long-term loans	109,249,285.87
Accrued interest expenses	32,180,230.25
Total liabilities	141,429,516.12
Add Future interest to be paid	
Compare with the existing debt incurred during June 29, 2010 until the date of inability to comply with the existing condition	1,972,556.33
Less Payment under the existing condition until the date of inability to comply with the existing condition	(1,100,000.00)
Total liabilities as at December 15, 2011	142,302,072.45
Divided liabilities must be complied with the condition are as follows:	
1) Debt was not recorded to reduce debt from transfer assets to settle debt	
Since has a right to repurchase within 2 years	90,008,700.00
2) The remaining debt repaid within 2 years	18,240,585.87
3) Interest incurred from 2 parts of principal within 2 years (MLR-0.50%)	14,813,840.52
4) Waived debt from comply with agreement	19,238,946.06
Total	142,302,072.45

28.1.4 Liabilities under debt restructuring agreement consist of

	<b>2011</b>	<b>(Unit : Baht)</b> <b>2010</b>
Liabilities under debt restructuring agreement	142,302,072.45	141,429,516.12
(Less) Current portion of liabilities under debt restructuring agreement	0.00	(10,212,190.57)
	142,302,072.45	131,217,325.55

As at December 31, 2010, such liabilities under debt restructuring agreement are guaranteed by mortgaging land with its construction of subsidiary as stated in note 13.4. Later in 2011, subsidiary has transferred the ownership of such land and project held for development to be assets transfer to be collateral under debt restructuring agreement with the repurchase condition as mentioned above and stated in note 10.

**29. EMPLOYEE BENEFITS OBLIGATION**

- 29.1 The Company has paid retirement benefits and pensions in accordance with the Labor Protection Act B. E. 2541. The employee is entitled the retirement benefits and other long-term benefits based on right and length of services.
- 29.2 As stated in notes 2.3 and 3.3, since January 1, 2011, the Company and subsidiaries adopted TAS 19 “Employee Benefits”. From this change, the Company and subsidiaries recognized the increased liabilities and employee benefits obligation before 2011, the Company and subsidiaries then chosen to recorded liabilities as an expense on a straight-line basis over 5 years in accordance with the transitional provisions of TAS 19 Employee benefits obligation project as at December 31, 2011 are detailed as follow:

	Consolidated financial statements (Baht)	Separate financial statements (Baht)
Employee benefits obligation project as at January 31, 2011	3,464,580.00	2,778,938.00
Cost of services and interest during the year	501,694.00	393,094.00
Employee benefits obligation project as at December 31, 2011	3,966,274.00	3,172,032.00
Less Unrealized employee benefits obligation incurred before January 1, 2011	(2,771,664.00)	(2,223,150.41)
Realized employee benefits obligation in the year	1,194,610.00	948,881.59

**30. SHARE CAPITAL**

According to the minutes of shareholders’ extraordinary meeting no.1/ 2011 held on September 21, 2011, the Company passed the resolution as follows:

- To decrease share capital from Baht 1,015.00 million to Baht 780.00 million which was registered the decrease with the Ministry of Commerce on September 30, 2011.
- To issue warrants to purchase ordinary shares of the Company for offering to the existing shareholders who exercised right to subscribe ordinary share issue to the existing shareholders based on Right offering.
- To increase share capital from Baht 780.00 million to Baht 3,340.00 million which was registered the increase with the Ministry of Commerce on December 7, 2011. The allocation is as follows:
  - Allocate the increase share capital not exceeds 780,000,000 shares at par value of Baht 1 each to the existing shareholders based on Right offering at 1 old share to 1 new share of Baht 0.25 each, amounting of Baht 195.00 million. The remaining share capital from the first lot will be allocated to the existing shareholders who subscribe for additional share.
  - Allocate the increase share capital not exceeds 780,000,000 shares at par value of Baht 1 each reserve for the exercise right of warrants subscribed to purchase ordinary shares without offering price based on Right offering in the exercise price at Baht 1 per share as per no. 1.
  - Allocate the increase share capital not exceeds 1,000,000,000 shares at par value of Baht 1 each to the private placement such as specific investors and financial institution investors in the offering price will not be lower than 90% of the market price, at the price not less than that as offer to the existing shareholders (calculate by average closing price 14 days before offer day).



4. During January 16-25, 2012, the Company has completely processed the selling 780,000,000 shares based on the proportion of existing shareholders as per no. 3.1 and fully received the payment from selling amount of Baht 195.00 million. The Company has registered the paid-up increase share capital amount of Baht 780.00 to be registered paid-up share capital amount of Baht 1,560.00 million on February 7, 2012.

### 31. DIVIDEND

In the first quarter of 2009, according to the minutes of 2009 Annual General Meeting held on March 27, 2009, a subsidiary declared to pay dividend to 1,600,000 shares at the rate approximately Baht 8.68 each, total Baht 13,882,448.46. At present, the dividend was not paid to the shareholders yet.

### 32. LEGAL RESERVE

Under the provision of the Public Company Limited Act B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its annual net profit after deducting with deficit brought forwards (if any) until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution

### 33. DIRECTORS' REMUNERATION

According to the Annual General Meeting of shareholders no. 1/2011 held on April 29, 2011, passed resolution to determine remuneration for directors of the Company and subsidiaries who diligently work for the Company and subsidiaries for maximum Baht 1.40 million per year, excluding welfare or benefits that the directors receive as staff of the Company and subsidiaries. The Company and subsidiaries recorded this transaction as expenses.

### 34. MANAGEMENT BENEFIT EXPENSES

Benefits paid to executive directors, chief executive officer and the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels comprise salary, consultant fee, bonus, meeting allowance, retirement pay, fuel expense and telephone charge. For the year 2011 and 2010, the Company has management benefit expenses of Baht 16.75 million and Baht 19.72 million respectively.

### 35. EXPENSES ANALYZED BY NATURE

Significant expenses analyzed by nature are as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Changes in inventories	79,449,261.98	1,294,306,576.48	84,467,422.20	1,300,741,370.07
Purchase of land and construction cost	88,973,828.94	65,690,087.26	50,928,203.77	31,205,972.36
Salaries and other employee benefits	28,249,379.13	39,807,624.75	5,199,806.41	11,019,610.53
Management benefit expenses	16,745,875.00	19,721,000.00	16,745,875.00	19,721,000.00
Depreciation and amortization	1,978,867.79	1,944,179.12	681,533.51	713,660.13

**36. FINES FROM DELAY OF CONDOMINIUM ASSIGNMENT**

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Fines from customers exercised right to purchase under existing agreement	53,840.74	9,284,134.10	53,840.74	9,284,134.10
Fines from customers exercised right to cancel agreement	1,697,175.21	11,168,492.27	1,531,200.21	11,168,492.27
	<u>1,751,015.95</u>	<u>21,452,626.37</u>	<u>1,585,040.95</u>	<u>21,452,626.37</u>

The Company and a subsidiary could not transfer the ownership of condominium project to the customers when they matured, thus, the Company and a subsidiary has to pay fines at the rate indicated in the agreement as stated in note 7.1.

**37. ADDITIONAL OF CASH FLOWS INFORMATION****37.1 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and deposits at bank presented in statements of financial positions as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Cash and cash equivalents	25,161,256.56	15,673,483.61	1,390,156.94	15,206,426.05

**37.2 Non-monetary transactions**

37.2.1 As at December 31, 2011, a subsidiary has transferred part of land held for development amount of Baht 15.41 million to the parent company and a related company in order to settle debt in the amount of Baht 16.11 million by offsetting inter-company transaction, and resulted gain on transfer assets to settle debt amount of Baht 0.70 million.

37.2.2 As at December 31, 2010 the Company and subsidiary purchased assets by using credit in the amount of Baht 0.66 million (separate: Baht 0.01 million).

37.2.3 As at December 31, 2010, the Company repaid loans from related person payable amount of Baht 3.08 million by offsetting with selling price of the Company's condominium.

37.2.4 As at December 31, 2010, the Company has made payment for land and office equipment to a subsidiary total amount of Baht 0.70 million by offsetting inter-company debt.

37.2.5 As at December 31, 2010, the Company has made debt settlement to four payables by transferring the ownership of condominium for 14 units at net carrying value amount of Baht 57.30 million, resulted gain on transfer assets to settle debt amount of Baht 15.45 million.

**37.2.6 Gain on dissolution of subsidiary**

As stated in note 9.2, on August 3, 2011, a subsidiary (Living Land Asset Management Co., Ltd.) has registered to dissolve its business with the Department of Business Development, resulted gain on dissolution of such subsidiary are detailed as following:



**Consolidated financial  
statements (Baht)  
2011**

Cash and cash equivalents	1,088.33
Accrued interest income	20,813.58
Other non-current assets	0.07
Accrued expenses	(75,000.00)
Other current liabilities	(50,107.66)
Net book value of assets before non-controlling interests	(103,205.68)
Non-controlling interests	0.00
Net book value of assets	(103,205.66)
Less Gain on sale of inter-company land	(690,000.00)
Gain on dissolution of subsidiary	(793,205.68)
Proceeds from dissolution of subsidiary	0.00
Less Cash and cash equivalents in subsidiary at the dissolution date	(1,088.33)
Net cash paid for dissolution of subsidiary	(1,088.33)

### 38. COMMITMENT

- 38.1 As at December 31, 2011 and 2010, the Company and subsidiaries have commitment on payment to contractor from entering into hire of the construction contractor agreement of each project to be completed amounted to Baht 8.35 million and Baht 6.45 million respectively (as at December 31, 2011, separate: Baht 2.04 million).
- 38.2 As at December 31, 2011 and 2010, the Company and subsidiary have commitment on payment land cost under to buy and to sell agreement in the case of the Company and subsidiary will purchase such land as stated in note 8.1 amounted to Baht 57.33 million and Baht 76.83 million respectively (separate: Baht 57.33 million).
- 38.3 As at December 31, 2011 and 2010, a subsidiary has commitment on payment for land cost and leasehold right under lease agreement amounted to Baht 36.43 million, the lease period commenced on July 12, 2007 to July 11, 2037. The payment will be made in advance every 5 years. The next payment will be made on July 12, 2014.
- 38.4 As at December 31, 2011 and 2010, the Company and subsidiaries have commitment on payment rental and service fee for entering into lease and service agreement amount of Baht 1.24 million and Baht 0.62 million respectively (separate : Baht 0.36 million and Baht 0.22 million respectively).





38.5 As at December 31, 2011 and 2010, the Company has commitment on payment interest at the rate as mentioned in note 7.1 and note 25.1 of down payment received from customers, in the case of such customers cancelled agreement to buy and to sell condominium units caused by the Company could not transfer the ownership to those customers on maturity.

38.6 Obligation to complete projects on hand

	Consolidated financial statements (project)		Separate financial statements (project)	
	2011	2010	2011	2010
Number of project on hand, beginning of the year	6	7	2	2
Number of closed project	(2)	(1)	0	0
Number of new project	0	0	0	0
Number of project on hand, ending of the year	4	6	2	2

	Consolidated financial statements (Million Baht)		Separate financial statements (Million Baht)	
	2011	2010	2011	2010
Valuation of project on hand	2,767.61	2,728.62	1,970.52	1,933.32
Contract sales value	2,162.41	2,081.98	1,923.80	1,825.96
Sales value of project on hand (%)	78.13	76.30	97.63	94.45

## 39. CONTINGENT LIABILITIES

39.1 As at December 31, 2011 and 2010, the Company and two subsidiaries have contingent liabilities from bank's issuance of letter of guarantee for the project development in the amount of Baht 19.13 million and Baht 19.88 million respectively (separate : Baht 0.52 million and Baht 1.52 million respectively).



- 39.2 As at December 31, 2010, a subsidiary purchased land held for development value of Baht 170.13 million and was already transferred the ownership. Such land was mortgaged in favor of loan from a financial institution with credit line as the land with its future construction amount of Baht 600 million as stipulated in mortgage agreement dated November 27, 2007. Later a subsidiary was sued as joined defendant in the alleged of infringement and claim for damages from land purchasing for the debt value of Baht 600 million. On September 25, 2009, the Court of First Instance has ordered to dismiss a case and the plaintiff did not file the appeal, thus, the case is terminated base on the Court of First Instance's sentence. However, on December 8, 2009, the Company was sued for another unfinished criminal case no. 7199/2552 relating to such land with the application for request the subsidiary to transfer such plots of land to the plaintiff and the Court ordered to garnish such land during the try a case. Subsequent, the subsidiary filed the petition to cancel the ordering for garnish such plots of land of the Court since the Central Bankruptcy Court ordered the plaintiff as a bankrupt before prosecution. Therefore, the plaintiff has not a right to bring a civil case which enforced the subsidiary to transfer the ownership of land to the plaintiff. On November 1, 2011, the Court has ordered to cancel for interim safeguard against such land, as a result, subsidiary can transfer, sell, distribute or enter into any juristic act relating to such land. Subsidiary has sold such land on October 13, 2011 as stated in note 13.3. However, the criminal case has not been finalized and still pending the Court's consideration.
- 39.3 In 2011, the Company was sued for alleged of the breach of debt repayment agreement for the principal of Baht 9.37 million included interest at the rate of 7.5% per annum which calculated since December 11, 2010 onwards until the repayment is completed. The Company agreed to make installments. However, the Company has not made installments as agreed. Therefore, at the end of 2011, the Company's condominium units are under the seize by the Official Receiver for 5 units (as stated in note 7.7) which is presented as inventories in the financial statements at cost amount of Baht 10.58 million. As at December 31, 2011, the Company has recorded principal liabilities in whole amount and interest obligation amount of Baht 0.70 million was not recorded in the financial statements. The Company expects that it could negotiate for making repayment in whole amount and redeem the seize of 5 units of condominium within March 2012.

## **40. FINANCIAL INFORMATION BY SEGMENT**

- 40.1 The Company's operation involve virtually in only property development for sale, thus there is not presentation ther financial information by segment in the separate financial statements.
- 40.2 Two subsidiaries' operated in property development for sale, three subsidiaries engaged in business of hotel, department store, resort and management services which is currently constructed and developed the projects, thus there is no revenues from that activities and the another subsidiary operated in management services business and registered to dissolve its business on August 3, 2011 as stated in note 2.8. The Company and subsidiaries have operated in only geographical in Thailand. The financial information by segment in the consolidated financial statements for the years ended December 31, 2011 and 2010 is detailed as follows:



As at December 31, 2011, details are as follows

Transactions	Consolidated financial statements (Baht)				
	Property	Hotel and resort	Total	Inter-elimination	Consolidated
Revenue from sales	423,723,270.08	0.00	423,723,270.08	0.00	423,723,270.08
Revenue from services	0.00	628,390.00	628,390.00	0.00	628,390.00
Cost of sales	(355,287,508.30)	0.00	(355,287,508.30)	0.00	(355,287,508.30)
Cost of services	0.00	(615,642.64)	(615,642.64)	0.00	(615,642.64)
Gross profit	68,435,761.78	12,747.36	68,448,509.14	0.00	68,448,509.14
Other income :					
Interest income	56,571.66	585,625.99	642,197.65	(585,623.23)	56,574.42
Gain on reversed allowance for devaluation of land deposit	30,000,000.00	0.00	30,000,000.00	0.00	30,000,000.00
Gain on reversed impairment loss of land	700,200.00	0.00	700,200.00	0.00	700,200.00
Gain on cancel of investment in subsidiary	0.00	0.00	0.00	793,205.68	793,205.68
Others	15,315,482.96	388,856.88	15,704,339.84	0.00	15,704,339.84
Total other income	46,072,254.62	974,482.87	47,046,737.49	207,582.45	47,254,319.94
Selling expenses	(34,171,409.96)	(547,615.05)	(34,719,025.01)	0.00	(34,719,025.01)
Administrative expenses	(77,718,229.18)	(1,364,952.30)	(79,083,181.48)	0.00	(79,083,181.48)
Other expenses :					
Doubtful accounts on inter-loans	(21,693,555.57)	0.00	(21,693,555.57)	21,693,555.57	0.00
Fines from delay of condominium assignment	(1,751,015.95)	0.00	(1,751,015.95)	0.00	(1,751,015.95)
Total other expenses	(23,444,571.52)	0.00	(23,444,571.52)	21,693,555.57	(1,751,015.95)
Total expenses	(135,334,210.66)	(1,912,567.35)	(137,246,778.01)	21,693,555.57	(115,553,222.44)
Profit (loss) before finance costs	(20,826,194.26)	(925,337.12)	(21,751,531.38)	21,901,138.02	149,606.64
Finance costs	(47,374,460.19)	(1,335,623.39)	(48,710,083.58)	585,623.23	(48,124,460.35)
Profit (Loss) for the year	(68,200,654.45)	(2,260,960.51)	(70,461,614.96)	22,486,761.25	(47,974,853.71)
Other comprehensive income	0.00	0.00	0.00	0.00	0.00
Total comprehensive income					
for the year	(68,200,654.45)	(2,260,960.51)	(70,461,614.96)	22,486,761.25	(47,974,853.71)
Non-controlling interests - profit					
for the year	0.00	0.00	0.00	(26.17)	(26.17)
	(68,200,654.45)	(2,260,960.51)	(70,461,614.96)	22,486,735.08	(47,974,879.88)



## Consolidated financial statements (Baht)

Transactions	Property	Hotel and resort	Total	Inter-elimination	Consolidated
Segment assets					
Inventories - net	349,786,929.87	0.00	349,786,929.87	0.00	349,786,929.87
Assets transfer to be collateral					
under debt restructuring	171,050,000.00	0.00	171,050,000.00	0.00	171,050,000.00
Investment properties	0.00	74,482,175.01	74,482,175.01	0.00	74,482,175.01
Property, plant and equipment - net net	8,575,372.18	0.00	8,575,372.18	0.00	8,575,372.18
Land held for development	74,840,000.00	0.00	74,840,000.00	0.00	74,840,000.00
Other assets	473,494,598.79	10,511,125.94	484,005,724.73	(420,740,441.42)	63,265,283.31
Total assets in financial statements	1,077,746,900.84	84,993,300.95	1,162,740,201.79	(420,740,441.42)	741,999,760.67
Depreciation	1,028,343.26	373,491.81	1,401,835.07	0.00	1,401,835.07

As at December 31, 2010, details are as follows:

## Consolidated financial statements (Baht)

Description	Property development business	Hotel, resort and management	Total	Inter-elimination elimination	Consolidated financial statements
Revenue from sales	1,605,412,399.56	0.00	1,605,412,399.56	0.00	1,605,412,399.56
Revenue from services	0.00	1,766,320.00	1,766,320.00	0.00	1,766,320.00
Cost of sales	(1,285,002,097.01)	0.00	(1,285,002,097.01)	0.00	(1,285,002,097.01)
Cost of services	0.00	1,980,368.95	1,980,368.95	0.00	1,980,368.95
Gross profit	320,410,302.55	(214,048.95)	320,196,253.60	0.00	320,196,253.60
Other income :					
Services income	6,000,000.00	0.00	6,000,000.00	(6,000,000.00)	0.00
Interest income	6,878,172.76	498,930.60	7,382,867.22	(7,373,807.20)	9,060.02
Gain on transfer assets for debt settlement	15,453,161.32	0.00	15,453,161.32	0.00	15,453,161.32
Gain on sales of assets	0.00	0.00	0.00	0.00	0.00
Others	5,685,336.53	416,645.21	6,101,981.74	0.00	6,101,981.74
Total other income	34,022,434.47	915,575.81	34,938,010.28	(13,373,807.20)	21,564,203.08
Selling expenses	(41,404,449.42)	(969,094.97)	(42,373,544.39)	0.00	(42,373,544.39)
Administrative expenses	(98,122,228.65)	(1,655,229.91)	(99,777,458.56)	6,000,000.00	(93,777,458.56)

**Consolidated financial statements (Baht)**

<b>Description</b>	<b>Property development business</b>	<b>Hotel, resort and management</b>	<b>Total</b>	<b>Inter-elimination elimination</b>	<b>Consolidated financial statements</b>
Other expenses :					
Fines for delay of condominium assignment	(21,452,626.37)	0.00	(21,452,626.37)	0.00	(21,452,626.37)
Loss on impairment of investment	(31,494,719.38)	0.00	(31,494,719.38)	31,494,719.38	0.00
Doubtful accounts of inter-loans and accrued interest	(32,875,131.22)	0.00	(32,875,131.22)	(32,875,131.22)	0.00
Doubtful accounts of other assets	(360,389.21)	(196,261.68)	(556,650.89)	0.00	(556,650.89)
Loss on devaluation of inventories	(16,922,279.20)	0.00	(16,922,279.20)	0.00	(16,922,279.20)
Total other expenses	(103,105,145.38)	(196,261.68)	(103,301,407.06)	64,369,850.60	(167,671,257.66)
Total expenses	(242,631,823.45)	(2,820,586.56)	(245,452,410.01)	70,369,850.60	(175,082,559.41)
Profit (Loss) before finance costs	111,800,913.57	(2,119,059.70)	109,681,853.87	56,996,043.40	166,677,897.20
Finance costs	(70,390,886.95)	(4,351,045.62)	(74,741,932.57)	7,373,807.20	(67,368,125.37)
Net profit (loss)	41,410,026.62	(6,470,105.32)	34,939,921.30	64,369,850.60	99,309,771.90
Non-controlling interests – net profit	0.00	0.00	0.00	239.44	239.44
	41,410,026.62	(6,470,105.32)	34,939,921.30	64,370,090.04	99,310,011.34
Segment assets					
Inventories - net	429,236,191.85	0.00	429,236,191.85	0.00	429,236,191.85
Property, plant and equipment - net	9,574,825.44	74,855,666.82	84,430,492.26	(690,000.00)	83,740,492.26
Land held for development	454,971,641.66	0.00	454,971,641.66	0.00	454,971,641.66
Other assets	512,259,827.73	10,176,888.08	522,436,715.81	(473,192,487.51)	49,244,228.30
Total assets in financial statements	1,406,042,486.68	85,032,554.90	1,491,075,041.58	(473,882,487.51)	1,017,192,554.07
Depreciation	1,568,863.32	375,315.80	1,944,179.12	0.00	1,944,179.12

**41. FINANCIAL INSTRUMENTS DISCLOSURE**

The Company and subsidiaries have risk from the fluctuation of interest rate and derived from failure by counterparties to discharge the obligations in agreement. The Company and subsidiaries do not hold or issue derivative for speculative or trading purposes.

**41.1 Interest rate risk**

The interest risk is the risk that future movements in market interest rate will affect the results of operation and cash flows. The significant financial assets and liabilities can be separated by type of interest and maturity date for the financial assets and liabilities which had fixed interest rate as at December 31, 2011 as follows:



## Consolidated financial statements

	Fixed interest rate		Floating in- terest rate	Non-interest rate	Total	Interest rate (% per an- num
	Within 1 year and due at call	Over 1 year to 5 years				
(Million Baht)						
Financial assets						
Cash and cash equivalents	0.00	0.00	3.35	21.81	25.16	0.625-0.75
Total	0.00	0.00	3.35	21.81	25.16	
Financial liabilities						
Bank overdrafts and short - term loans						
from financial institutions	0.00	0.00	45.00	0.00	45.00	MLR+0.25
Land payable	12.42	0.00	0.00	0.00	12.42	6-15
Loans from other persons	50.69	0.00	0.00	0.00	50.69	12-18
Loans from related persons and parties	0.00	0.00	0.00	3.77	3.77	
Long-term loans	0.00	0.00	121.17	0.00	121.17	MLR+ 1.50, 3.25, 9.75
Liabilities under debt restructuring agreement	0.00	0.00	108.25	34.05	142.30	MLR
Total	63.11	0.00	274.42	37.82	375.35	

## Separate financial statements

	Fixed interest rate		Floating in- terest rate	Non-interest rate	Total	Interest rate (% per an- num)
	Within 1 year and due at call	Over 1 year to 5 years				
(Million Baht)						
Financial assets						
Cash and cash equivalents	0.00	0.00	0.16	1.23	1.39	0.75
Loans to related persons and parties	0.00	0.00	0.00	239.03	239.03	
Total	0.00	0.00	0.16	240.42	240.42	
Financial liabilities						
Short-term loans from financial institu- tions	45.00	0.00	0.00	0.00	45.00	MLR+0.25
Loans from related persons and par- ties	0.00	0.00	0.00	3.56	3.56	
Total	45.00	0.00	0.00	3.56	48.56	



As at December 31, 2010 can be separated as follows:

**Consolidated financial statements**

	Fixed interest rate		Floating in- terest rate	Non-interest rate	Total	Interest rate (% per an- num
	Within 1 year and due at call	Over 1 year to 5 years				
(Million Baht)						
Financial assets						
Cash and cash equivalents	0.00	0.00	0.33	15.34	15.67	0.25-0.50
Total	0.00	0.00	0.33	15.34	15.67	
Financial liabilities						
Bank overdrafts and short - term loans from financial institutions	19.00	0.00	45.00	0.00	64.00	MLR+0.25, 15
Land payable	53.68	0.00	0.00	0.00	53.68	6-15
Loans from other persons	82.31	0.00	0.00	0.00	82.31	12-18
Loans from related persons and parties	1.40	0.00	0.00	5.96	7.36	12
Long-term loans	0.00	0.00	109.97	0.00	109.97	MLR+1.50, 3.25, 9.75
Liabilities under debt restructuring agreement	0.00	0.00	141.56	0.00	141.56	MLR
Total	156.39	0.00	296.53	5.96	458.88	

**Separate financial statements**

	Fixed interest rate		Floating in- terest rate	Non-interest rate	Total	Interest rate (% per an- num)
	Within 1 year and due at call	Over 1 year to 5 years				
(Million Baht)						
Financial assets						
Cash and cash equivalents	0.00	0.00	0.16	15.05	15.21	0.25-0.50
Loans to related persons and parties	0.00	0.00	0.00	322.89	322.89	
Total	0.00	0.00	0.16	337.94	338.10	
Financial liabilities						
Short-term loans from financial institutions	45.00	0.00	11.50	0.00	56.50	MLR+0.25, 15
Land payable	30.68	0.00	0.00	0.00	30.68	6-15
Loans from related persons and parties	1.40	0.00	0.00	5.96	7.36	12
Total	77.08	0.00	11.50	5.96	94.54	

**41.2 Credit risk**

41.2.1 The Company and subsidiaries have credit risk from the possibility that customers may not be able to settle obligations to the Company and subsidiaries within the normal terms of trade or derives from the counterparties failed to discharge the obligations and the customers could not pay the debts when they matured. To manage this risk, the Company and subsidiaries' management have established the credit policy of evaluating credit worthiness of its customers where appropriate. There is not concentration of customers from credit providing due to the large number of customers. Besides, the ownership of goods had not been transferred to buyer. Nevertheless, the maximum risk depends on the devaluation of inventories which the ownership were not transferred.

41.2.2 The Company has credit risk from the counterparties failed to discharge the obligations in the agreement from the Company made deposit payment for land and condominium units as at December 31, 2011 and 2010 amount of Baht 50 million under the agreement to buy and to sell of such land and condominium units which was signed with the company who did not hold the ownership in such land and condominium units. Such company and individuals are authorized to sign the agreement to buy and to sell of land and condominium units with the owner of those assets. The maximum amount to be lost is the book value of such assets. At present, the Company is currently unable to transfer the ownership on maturity, even if, the Company requested to extend the period for transferring ownership, then, the allowance for doubtful accounts was provided in full as stated in note 7.

**41.3 Liquidity risk**

Liquidity risk arises from the difficulty in raising funds to meet commitments as indication. The Company and subsidiaries have a liquidity risk from their short-term liabilities and loans from related persons and parties which is massive maturity at call. In addition, the Company and subsidiaries also have liquidity risk on collection debts repayment from the customers when the transferred of ownership under agreement is matured. The Company and subsidiaries are finding co-investor and working capital to continue its operations.

**41.4 Fair value of financial instrument**

The book value of financial assets and liabilities in the statements of financial position are closed to their estimated fair value due to the relative short-term maturity of financial assets and liabilities, most of loans with fixed interest rate will be matured at call and long-term loans with the floating interest rate.



**42. RECLASSIFICATION IN FINANCIAL STATEMENTS**

The presentation in these financial statements have been prepared in compliance with the regulations in the notification of Department of Business Development dated September 28, 2011 regarding the condensed form should be included in the financial statements B. E. 2554, the certain accounts in comparative financial statements have been prepared for corresponding with the reclassification of currently accounts which have no impacts on statements of comprehensive income or shareholders' equity as previously reported.

The reclassification in the 2010 financial statements for corresponding with the 2011 financial statements is as follows:

	Consolidated financial statements (Baht)		
	Before reclassify	Reclassify	After reclassify
Statements of financial position as at December 31, 2010			
Assets			
Trade and other receivables	0.00	1,892,962.54	1,892,962.54
Other current assets – Advance payment	719,013.68	(719,013.68)	0.00
- Prepaid expenses	192,699.46	(192,699.46)	0.00
- Deposit and prepaid for goods	325,529.51	(325,529.51)	0.00
- Revenue Department receivable	349,262.80	(349,262.80)	0.00
- Others	748,038.64	(299,905.09)	448,133.55
Liabilities			
Trade and other payables	0.00	161,869,781.50	161,869,781.50
Trade accounts and notes payable	67,570,064.86	(67,570,064.86)	0.00
Other current liabilities – Accrued expenses	55,477,570.39	(55,477,570.39)	0.00
- Accrued loans interest	27,072,418.01	(27,072,418.01)	0.00
- Contractor retentions	10,543,051.33	(10,543,051.33)	0.00
- Others	37,190,474.65	(37,190,474.65)	0.00
- Accrued withholding tax	0.00	35,983,797.74	35,983,797.74



## Separate financial statements (Baht)

Statements of financial position as at December 31, 2010

### Assets

	Before reclassify	Reclassify	After reclassify
Trade and other receivables	0.00	53,012,510.02	53,012,510.02
Other current assets – Advance payment	710,580.68	(710,580.68)	0.00
- Accrued project management income	19,500,000.00	(10,500,000.00)	0.00
- Interest receivable	17,991,596.47	(17,991,596.47)	0.00
- Accrued dividend received	13,882,436.40	(13,882,436.40)	0.00
- Prepaid expenses	130,539.96	(130,539.96)	0.00
- Deposit and prepaid for goods	325,529.51	(325,529.51)	0.00
- Revenue Department receivable	349,262.80	(349,262.50)	0.00
- Others	528,275.00	(116,012.20)	412,262.80

### Liabilities

Trade and other payables	0.00	120,497,555.85	120,497,555.85
Trade accounts and notes payable	17,550,729.98	(17,550,729.98)	0.00
Accrued project management expenses	44,500,000.00	(44,500,000.00)	0.00
Other current liabilities – Accrued expenses	45,230,485.86	(45,230,485.86)	0.00
- Loans interest (related persons and parties)	20,813.58	(20,813.58)	
- Loans interest (individuals)	11,352,116.38	(11,352,116.38)	0.00
- Contractor retentions	1,481,265.30	(1,481,265.30)	0.00
- Accrued withholding tax	0.00	28,684,030.93	28,684,030.93
- Others	29,046,175.68	(29,046,175.68)	0.00



#### 43. CAPITAL MANAGEMENT

The objective of capital management of the Company and subsidiaries is to appropriate proper financial structure and to preserve the ability to continue their operation as a going concern.

As at December 31, 2011 and 2010, the Company and subsidiaries have debt to equity ratio as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Debt : equity ratio	3.11 : 1	3.46 : 1	1.04 : 1	1.13 : 1

#### 44. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 28, 2012.





[www.livinglandcapital.co.th](http://www.livinglandcapital.co.th)



**LIVING LAND**  
Living Land Capital Public Company Limited

Living Land Capital Public Company Limited  
60/40 Moo 6 Ratpattana Rd., Sapansoong, Bangkok 10240  
Tel : 0-2917-0380 (Lines) Fax : 0-2917-0366