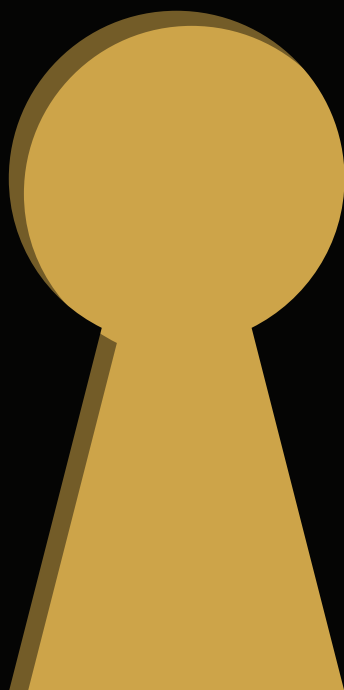


# ANNUAL REPORT 2013



w a t t a n a

c a p i t a l



The motto that Wattana Capital Public Company Limited always used as a core in our administration is “**FORWARD**”, from 7 alphabets which we define as:

<b>Faith</b>	we always have faith and intent to produce only best thing
<b>Output</b>	our output must be outstanding and advance in every aspects.
<b>Reliability</b>	is important thing that we must give to all of our customers.
<b>Wisdom</b>	we are working with wisdom for the new project.
<b>Accountability</b>	is a must, for all of our working process.
<b>Reinforcement</b>	we are ready to give reinforcement to others in every ways we can.
<b>Devotion</b>	we are glad to devote for our customer’s benefit.

### **Vision**

We’re striving for the steadiness and perfection of Real Estate Development Business. We’re striving to give only our best homestead for our customers and we’re striving to provide the best after-sale service to maximize our customer complacency.

### **Mission**

Wattana Capital Public Company Limited never stops developing projects in order to meet our customer demand, along with developing our staff potential and the administration for ensuring the investor, to allow each and every project of Wattana Capital Public Company Limited to become the image that are interested by public in the aspect of reliable company and reliable service.

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**Message from Board of Directors**

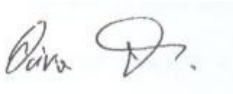
In the beginning of year 2013, the Company bought the ordinary shares of Platinum Auto Service Co.,Ltd. (“Platinum”) in order to support the business of the Company. It is able to diversify risk from the existing business of real estate business to be new business that generate more yield. Platinum operates car rental business. As of the end of year 2013, Platinum generated profit as the target as seen in the operating statement of year 2013. Presently, Platinum is still be a small company that has more opportunities and potential to grow further.

Later by the end of year 2013, the Company bought the ordinary shares of Aqua Ad Public Company Limited (“AA”) in the amount of 105,151,997 shares or equal to 26.05% of the paid-up shares at the price of Baht 2.658, by the resolution of the Company’s Board of Directors No 12/2013 on 23<sup>rd</sup> December 2013. It is engage in the business of billboard rental, accommodation area, manufacturer, installing of advertisement in various types. The Company will receive yield in form of dividend.

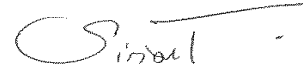
The two above transactions will well support the main business of the Company. The upper trend performance has been shown continuously as it has diversify risk from the previous business of only real estate to be the new business that generate better yield and return. It gave more liquidity, more strength and sustainable to the Company.

However, the Company still operates real estate development business that is the main business of the Company. As the business of real estate development still has growing trend by the result of the economic stimulating from the government. The Company has investment plan in the new projects that emphasize on satisfied profit. The Company still improves and develops for systematic and standardize working procedures with business development team to support the projects for the most efficiently. In addition, the working system has been improved and developed in order to control the budget as the target. The Company always holds the principle of good corporate government and responsible for social and environment. Besides, the Company supports and develops its human resource including welfare improvement in many aspects that will be the important stimulator to drive the business for the progression and security.

Lastly, on behalf of the Board of Directors, I would like to thank for all clients, shareholders, employees, and business alliances that give supporting to the company. In addition, all of the management and the employees will exert their whole strength to conduct their duties with good corporate governance to bring for the sustainable growth in the future.



Mr. Apichart Jirapan  
Chairman of the Board of Directors  
and Independent Directors



Mr. Siriwat Tovachirakul  
Chief Executive Officer

## Report of Audit Committee

### To shareholders of Wattana Capital Public Company Limited

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

- |                             |                             |
|-----------------------------|-----------------------------|
| 1. Mr.Chaiwat Asawintarakul | Chairman of Audit Committee |
| 2. Mr.Punn Kasemsup         | Audit Committee             |
| 3. Mr.Tanyapong Limwongyuth | Audit Committee             |

Mr.Chaiwat Asawintarakul who is a chairman of Audit Committee and Independent Director, Chairman of Recruitment and Compensation Committee resigned from the positions effectively on 17<sup>th</sup> December 2013. The resolution of the Audit Committee No 6/2013 on Monday 23<sup>th</sup> December 2013 appointed Mr. Pan Kasemsup to be in a position of Chairman of Audit Committee until the position is fulfilled and the Board of Directors will be proposed to recruit the Chairman of Audit Committee later.

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 6 Audit Committee meetings during the year 2013. The meetings of Audit Committee were provided with the executive, the external auditor, the internal auditor in order to consider for the opinion of the Audit Committee as appropriated.

Besides, audit committee also had meetings with the external auditor without the Executives so that the auditor can report the information and consult with the Audit Committee independently.

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 executive 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 operations by approving the annual audit plan in compliance with the environment of the organization. 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.

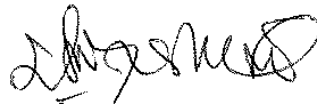
**Selection and appointment of auditors**

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 Ms. Supaporn Mangchit, auditor registered number 8125 from DIA International Audit Co.,Ltd. to be the auditors of the company for the year 2014.

In conclusion for the year 2013, 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


A handwritten signature in black ink, appearing to read 'Punn Kasemsup', written in a cursive style.


(Mr.Punn Kasemsup)


For Chairman of Audit Committee





### Details of the Company's Directors and the Executives


	<b>Mr. Apichart Jeerapan</b> Chairman of the Board of Directors  Independent Directors		
Education Degree	Bachelor of Laws, Ramkhamhaeng University		
Working Experiences in the past five years	Jan12-Present	Consultant of laborer sub committee	The senate
	June 08-Present	Chairman of the Board of Director and Independent Director	Wattana Capital Plc.
	June 08-Present	Consultant of Committee on Human Rights, The Rights and Liberties and Consumer Protection	The senate
	June 08-Present	The Consultants	Hattip PCL.
	July1991-Present	Executive Partner	The Nation Law Office
		Member of the National Legislative Assembly	Siampremier
	Oct 06 – Mar 08	Lawyer	The National Legislative Assembly
	1984 - 1990		Baker & Mckenzie Bangkok Co., Ltd.
Other training courses	-		
Any training course at The Institute of Directors	-		
Any illegal behavior in the past 10 years	Nil		


 <p><b>Mr.Siriwat Tovachirakul</b> Chief Executive Officer A Member of the Nomination and Compensation Committee</p>			
Education Degree	-Bachelor Degree,University of Maryland College Park Major in International Business and Logistics		
Working Experiences in the past five years	2009-2013 2002-Present 2002-Present 2002-Present 2005-Present	Director Managing Director Director Director Director	Max Metal Corporation Plc. Siriya Home Land Co.,Ltd. Amornpan Department Store Co.,Ltd. Amorn Patcharapan Co.,Ltd. Thai Real Estate Association
Other Training Course	-		
Any training course at The Institute of Directors	DAP 82/2010		
Any illegal behavior in the past 10 years	Nil		


 <p><b>Mr.Wanchai Subbhapayak</b> Executive Director Director</p>			
Education Degree	Bachelor of Commerce and Accountancy, Major in Marketing, Thammasat University		
Working Experiences in the past five years	Nov 06-2013 1993-Sep 2007 1995 – 2007	Chief Executive Officer Managing Director Executive Director	Wattana Capital PCL. Top Line Living Co., Ltd. Professional Food and Beverage Co., Ltd
Other training courses	-		
Any training course at The Institute of Directors	DCP 85/2007		
Any illegal behavior in the past 10 years	Nil		


 <p><b>Mr.Narongchai Jitmalerat</b> Company's Director Executive Director</p>			
Education Degree	- Master of Science in Accounting - Bachelor of Business Administration, Thammasat University		
Working Experiences in the past five years	2012- Present  2007 - 2010	Director  Senior Vice President – General Management Department – For Deputy Managing Director – Operations (Accounting, Finance, Procurement, Laws and General Management)	Wattana Capital Plc.  Thailand Priviledge Card Co., Ltd.
Other training courses	-		
Any training course at The Institute of Directors	DAP 100/2013		
Any illegal behavior in the past 10 years	Nil		

	<p><b>Mr. Anupong Kuttikul</b></p> <p>Executive Director</p> <p>Director</p>		
Education Degree	<ul style="list-style-type: none"> <li>- Master of Science – Electronic Business (Msc E-business), University of Hertfordshire</li> <li>- Bachelor’s Degree of Business Administration (BBA), Information system major, Mahidol University International College</li> <li>- Assumption College Bangkok</li> </ul>		
Working Experiences in the past five years	2007 2005 2004	Managing Director Account Manager of Private Sector sales team Head of Procurement Manager	Platium Auto Service Co.Ltd. Advanced Information Technology PCL (AIT) Cuppa Coffee House
Other Training Course	-		
Any training course at The Institute of Directors	DCP 120-125/2009		
Any illegal behavior in the past 10 years	Nil		


	<b>Mr. Rapeepat Suansilpong</b> Company's Director		
Education Degree	- Master Degree of Business Administration, Chulalongkorn University - Bachelor Degree of Economics, Thammasat University		
Working Experiences in the past five years	Oct.2006-Present  2011-Present  Apr.2012-Dec.2012  2009-Oct.2013  Oct.2005-Oct.2006	Manager Director  Independent Director and Chairman of Audit Committee  Independent Director and Audit Committee  Independent Director and Audit Committee  Executive Hospital Director of Phyathai 3 Hospital and Administrative Director of Phyathai 2 Hospital	Ultimate Success Advisory Co., Ltd. Filter Vision Plc. Golden Land Property Development Plc. Thai Rotary Engineering Plc. Prasit Patana Plc.
Other Training Course	-		
Any training course at The Institute of Directors	-		
Any illegal behavior in the past 10 years	Nil		


 <p><b>Mr.Tanyapong Limwongyuth</b>          Audit Committee          Independent Director          A Member of the Nomination and Compensation Committee</p>			
Education Degree	- Certificate of Finance Business Laws - Bachelor of laws, University of Thai Chamber of Commerce - Master of Laws (Major in international laws), Thammasat University		
Working Experiences in the past five years	2011-Present 2009-2011 2005-2009	Company's Secretary Director Laws and Compliance Director Director Laws Consultant	Kaset Thai International Sugar Corporation Co.,Ltd. Intelligence Partner Co.,Ltd. Major Ceneplex Plc. L.F.B.Consultant Co.,Ltd. G Steel Plc.
Other Training Course	-		
Any training course at The Institute of Directors	DAP 100/2013 CSP 15/2006		
Any illegal behavior in the past 10 years	Nil		

 <p><b>Mr. Pun Kasemsup</b> Audit Director Independent Director</p>			
Education Degree	- Bachelor of Law –International law, Southern Metodis, U.S.A. - Bachelor of Law Thammasat University		
Working Experiences in the past five years	2011 - Present  2011 - Present  2002 - Present  1996 - 2002	Independent Director and Audit Director  Independent Director and Audit Director  Lawyer (Partner) and Deputy Managing Director  Lawyer (Senior Associate)	Wattana Capital Plc.  Copper Wire Plc.  HNP Consultant Co.,Ltd,  Baker & McKency, Bangkok
Other Training Course	-		
Any training course at The Institute of Directors	ACP 37/2011, MFM 6/2011, MIA 11/2011, MFR 14/2012, MIR 12/2012 , DCP 140/2010, FSD 10/2010		
Any illegal behavior in the past 10 years	Nil		

 <p><b>Mr.Arkorn Siorattanasri</b> Deputy Managing Director</p>			
Education Degree	- Bachelor in Marketing, Thammasart University, - M.B.A, Public Administration Science, NIDA		
Working Experiences in the past five years	2010 - Present	Deputy Managing Director of Operation Group and Business Development Group Chief Financial Officer	Wattana Capital Plc.
	2008 -2010	Business Channel Development	Living Land Capital Plc.
	2007-2008	Manager ATM Channel Management	Siam Commercial Bank
	2007	Manager	
Other Training Course	-		
Any training course at The Institute of Directors	-		
Any illegal behavior in the past 10 years	Nil		



 <b>Mr. Samkhan Bhuvanit</b> Company's Secretary			
Education Degree	Bachelor of Economics, Major in Finance, Ramkhamhaeng University		
Working Experiences in the past five years	Sep 05 - Present	Assistant Managing Director Business Supporting Group/ Company's Secretary	Wattana Capital Plc.
	Jun 03 – Aug 05	Deputy Managing Director	Yontrakit's affiliate Co. Ltd
	Feb 02 – May 03	Deputy Dean	Conservatory of Music, Rangsit University
	Feb 99 – Jan 02	Chief of Finance	Faculty of Music, Silapakorn University
	Apr 85 – Jan 98	Deputy Vice President – Provincial Credit	Asia Credit Plc,
Other Training Course	FPCS Program for Company's Secretary from Thai Listed Company Association		
Any training course at The Institute of Directors	-		
Any illegal behavior in the past 10 years	Nil		

 <p><b>Ms. Parichart Jitpirom</b> Director of Accounting and Finance Office</p>			
Education Degree	Bachelor of Accounting, Business Administration Faculty, Ramkhamhaeng University		
Working Experiences in the past five years	Oct 08- Present 2007-Sep 08 2003 - 2006	Director of Accounting Office Director of Accounting Department Accounting Manager	Wattana Capital Plc. Wattana Capital Plc. The Mandarin Hotel Plc.
Other Training Course	-		
Any training course at The Institute of Directors	-		
Any illegal behavior in the past 10 years	Nil		

**Table of the Management Positions**

Name	Subsidiaries						Affiliates
	Aqua Add	Plant num Auto Service	Topline Living	Nantha pop	Tangerine Property	Living Land Asset Manag ement	Top Live Venture
1. Mr. Apichart Jeerapan	-	-	-	-	-	-	-
2. Mr. Siriwat Tovachirakul	/	/	/	/	/	-	-
3. Mr. Wanchai Subbhapayak	-	-	/	/	/	-	/
4. Mr. Narongchai Chitmaleerat	-	/	/	/	/	-	-
5. Mr. Anupong Kuttikul	-	/	/	/	/	-	-
6. Mr. Rapeepat Suansilpong	/	/	-	-	-	-	-
7. Mr. Pun Kasemsup	-	-	-	-	-	-	-
8. Mr. Tanyapong Limwongyuth	-	-	-	-	-	-	-

Remark      x      = Chairman of the Board of Directors

                 /      = Director

                 //      = Management Director

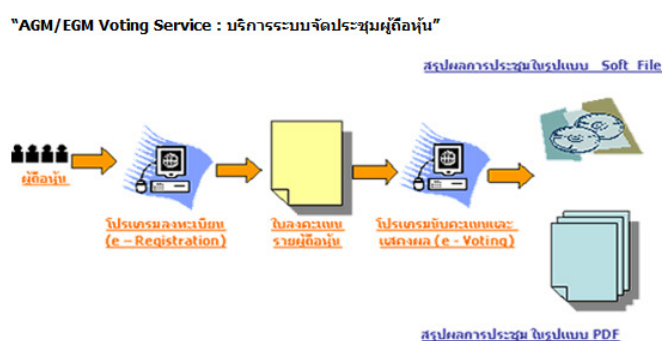
## Corporate Governance

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. The Company has reviewed the policy annually as the latest on 22<sup>nd</sup> February 2013, which involved 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's 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's 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.wattanacapital.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 Commission 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 0-2711-6969 or e-mail to [ir@wattanacapital.co.th](mailto:ir@wattanacapital.co.th) The Company also adds a new channel for access to the information via website at <http://www.wattanacapital.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 8 members with the following details:

- |                           |           |
|---------------------------|-----------|
| - Executive directors     | 4 persons |
| - Non-executive directors | 4 persons |

In addition, the structure of the Board of Directors requires a chairman who is not the same person with Chief Executive Officer. He is also being an Independent Director (Mr. Apichart Chirapandhu) and a chairman of the Board 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 Executive Committee**

As described in "Management Structure"

- **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 2013, they met 6 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. Each of them will be in the position for 3 years round.

### **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.

### **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.



### **Internal Control**

Comment of the Board of Directors related to the sufficient of the internal control;

Board of Directors had an opinion that the internal control, the business risk of the Company and the corporate control in overall is in satisfactory level and able to give a reasonable confident with the transparent of the financial statement of the Company and the subsidiaries for the year 2013 as the Audit Committee has audit together with the management and the auditor has stated entirely financial status and correct performance, believable, reasonable according to the general certified accounting standard. The accounting policy had been implemented appropriately, frequently, sufficiently as stipulated by the comment of the auditor in the financial statement of the Company.

In the meeting of the Board of Directors No 4/2014 on 28 February 2014 included the audit committee who are also independent directors, evaluated the internal control by the interview with the Executives. The evaluation of internal control comprised organization and environment, risk management, operation control of the Executives, information technology and communication, follow-up system. The operation and performance is commensurate with the Company's policy, planning, practices including rules and regulations for listed companies announced by the Securities and Exchange Commission of Thailand. It could be summarized that the Company has sufficient system of internal control without the different opinion from the management

The Company's auditor, DIA International Audit Co.,Ltd, by Mrs. Wiliarat Rojnakaran, the Certified Public Auditor No. 3104 who audited the financial statement for year 2013 did not have any comment in the audit report that the Company has any substantial defect related to internal control.

**Major Developments for year 2013 are as following:**

January – February 2013	The Company purchased ordinary shares of Platinum Auto Service Co.,Ltd. (“Platinum”) according to the resolution of the Board of Directors’ meeting No.11/2012 dated 17 <sup>th</sup> December 2012 in the amount of 608,000 shares at par value of THB 100 or 76% of paid-up capital at the purchasing price of THB 238.48. Later, by the resolution of the Board of Directors’ meeting No.2/2013 dated 22 <sup>nd</sup> February 2013 approved to buy ordinary shares of Platinum Auto Service Co.,Ltd. in the amount of 192,000 shares at par value of THB 100 or 24% of paid-up capital at the purchasing price of THB 238.48 per share from 5 shareholders of Platinum who don’t have any relationship or connection with the Executives, the major shareholder or the controllers of the Company.
May 2013	<p>The Annual General Meeting of shareholders for year 2013 dated 3 May 2013 had a resolution to approve</p> <ul style="list-style-type: none"> <li>● To change and correct the name of the Company from “Living Land Capital Public Company Limited ” to be “Wattanan capital Public Company Limited”, Company’s seal, Articles of Association and Memorandum of Association.</li> <li>● To change the securities trading abbreviation from “LL” to “WAT”</li> <li>● To register the increasing registered capital of the Company from THB 3,340,000,000 to be THB 22,083,603,031 to accommodate the increasing of 18,743,603,031 ordinary share at par value of THB 1 per share.</li> </ul>
June 2013	During 7 <sup>th</sup> - 20 <sup>th</sup> June 2013; the period of subscription and payment for the increasing of 10,240,000,000 ordinary shares
July 2013	<p>On 16<sup>th</sup> July 2013, the Company reported the result of selling the increasing ordinary shares to the Securities Exchange of Thailand. Total shares of 10,240,000,000 shares, par value of THB 1 per share were sold to existing shareholders or right offering by the allocation ratio of 1 existing share to 4 new shares at the offering price of THB 0.09.</p> <p>The Company registered the increasing of capital of THB 22,083,603,031 to the Ministry of Commerce on 16<sup>th</sup> July 2013.</p> <p>The increasing shares began to trade on the Stock Exchange of Thailand on 19<sup>th</sup> July 2013.</p>
August 2013	WAT-W2 warrants began to trade on the Stock Exchange of Thailand
December 2013	The Company invested in Aqua Ad Public Company Limited, a subsidiary company of Aqua Public Company Limited, according to the resolution of the Board of Directors meeting No 12/2013 dated 22 <sup>nd</sup> December 2013 by the portion of 105,151,997 shares at par value of THB 1 or 26.05% at the purchasing price of THB 2.658 per share.

## **Industry outlook and competition in 2014**

### Thai Economy in 2014

According to estimates from Fiscal Policy Office, the Ministry of Finance, Thai economy is expected to grow by 5.1% (within a range of 4.6-5.6%) because spending of private sector is accelerating, export is recovering and government investment is increasing. For government sector, the spending in water management project will increase and investment in other project will kick off from 2014 onwards.

### Overall residential property market and home loan market in 2013

The demand and supply of residential property in Bangkok and vicinities in the first 3 quarters of 2013 were positive. However, in the last quarter of the same year, supply of condominium rose because many projects were launched. The market was competitive in some areas and sales slowed down. The political unrest, the contraction of the economy and the rise in household debt impacted on overall market.

However, in the first 3 quarters of 2013, the home loan market grew along with the residential property market. Total value of new home loan in 2013 was THB 480,000-520,000 million, up 3-12%. In the 4th quarter, developers and financial institutions offered attractive marketing campaigns to boost sales and attract customers.

### Situations in the residential property market and home loan market in 2014

Property developers in Bangkok and vicinities are expected to decrease investment only slightly. The launch of new condominium will slow down because in 2013 small and large developers launched a lot of projects. Meanwhile, the price of land has skyrocketed. As a result, the cost of development exceeds the acceptable price in the market. On the other hand, residential property market outside Bangkok, especially that along the route of high speed train is continuously expanding.

Analysts expect the residential property market in 2014 to grow but not significantly. Bank of Thailand estimated GDP growth to be 4.8% from 3.7% in 2013. Financial institutions also offer attractive packages of home loan and cooperation with real estate developers. In addition, employment level is strong. Stabilized financial situation in both inflation and interest rate will substantiate the growth of the property sector

However, risks associated could be the political unrest, the economic growth in Thailand and household debt. Ability to service household debt is still weak particularly when the growth of Thai and global economies is lower than expected and banks are reluctant to offer loans. Factors related to changing property price are listed below:

- Surging price of land, especially in the area beside BTS, main road, express way, new bridge. Although the area surrounding the city can be developed to be only condominium and high-end detach house project.
- The new implement of appraisal value announced on 1 July 2013 has been increased 17-20% has affected to the transaction fee.
- The minimum level of wages of 300 baht/day has affected to construction cost.

#### Residential property market in provincial area

In terms of population, Bangkok and vicinities is the largest residential property market because the population is approximately 12 million or 18% of total population in Thailand and this market contributes to 42% of GDP. However, in terms of income, the growth of GDP per capita in provinces is greater than that in Bangkok and vicinities. To illustrate, the growth of GDP per capita in Bangkok and vicinities was 3% but that in provinces in the North, North East and Central was 9%. The growth rate in the East was 7%. Therefore, provincial areas are great opportunities.

Factors of housing demand are different by:

- Traveling town market: the development types will be focused on resort, housing unit for the expatriates.
- Industrial town market: The development will be focus on the people in the industry sector.
- Big city market: The development will be focus on the people in that area that has high economic expansion.

#### The construction of the new sky train line and the extensions

Currently, total distance of sky train line is 78 kilometer. By the plan within year 2017, the line will be increased to 161 kilometers. Although the construction of many lines has just started, but there already affected to the demand and supply of the housing market significantly such as land price changing of which affected not only to the development cost but also the price of residential units.

Source : 1. Report of situations in the residential property market and home loan market in 2013 and 2014, Government Housing Bank.

2. Estimates Thai Economy in 2013, from Fiscal Policy Office, the Ministry of Finance.

**General Information****1.1 Details of the Company**

Name of the Issuer	Wattana Capital Public Company Limited
Registered No.	0107536000684
Location of Head Office	No.555/27 SSP Tower 1, Sukhumvit 63, Sukhumvit Road (Eakamai) North Klongton Subdistrict, Wattana District, Bangkok,10110
Telephone	0-2711-6969
Fax	0-2711-6579
Website	<a href="http://www.wattanacapital.co.th">http://www.wattanacapital.co.th</a>
Business	Residential Real Estate Business, which are detached house, townhouse, commercial building, condominium and resort
Registered Capital	22,083,603,031 Baht
Paid-up Capital	12,799,076,400 Baht
Par Value	1 Baht per share

**1.2 Juristic Persons holding shares more than 10%**

Name and Address	Business	Registered Capital (Million Baht)	Par Value Per Share (Baht)	Paid-up Capital (Million Baht)	Holding Portion
Top Line Living Co.,Ltd. 555/27 SSP Tower 1, Sukhumvit 63, Sukhumvit Road (Eakamai),North Klongton Subdistrict, Wattana District, Bangkok,10110 Telephone 0-2711-6969 Fax 0-2711-6579	Real Estate Business	160	100	160	99.99%

## Wattana Capital Public Company Limited

Name and Address	Business	Registered Capital (Million Baht)	Par Value Per Share (Baht)	Paid-up Capital (Million Baht)	Holding Portion
Nanthapop Co.,Ltd. 555/27 SSP Tower 1, Sukhumvit 63, Sukhumvit Road (Eakamai), North Klongton Subdistrict, Wattana District, Bangkok,10110 Telephone 0-2711-6969 Fax 0-2711-6579	Real Estate Business	72.10	100	72.10	99.99%
Tangerine Property Co.,Ltd. 555/27 SSP Tower 1, Sukhumvit 63, Sukhumvit Road (Eakamai,North Klongton Subdistrict, Wattana District, Bangkok,10110 Telephone 0-2711-6969 Fax 0-2711-6579	Real Estate Business	50.00	100	50.00	99.99%
Top Live Venture Co.,Ltd.* 555/27 SSP Tower 1, Sukhumvit 63, Sukhumvit Road (Eakamai), North Klongton Subdistrict, Wattana District, Telephone 0-2711-6969 Fax 0-2711-6579	Real Estate Business	0.40	100	0.40	49.99%
Platinum Auto Service Co.,Ltd. 272 Watchannok Soi, Rama3 Road, Bang Kho Laem, Bangkok, 10120 Telephone 0-2689-0303 Fax 0-2689-0500	Car Rental Business	120	100	120	99.99%
Aqua Add Co.,Ltd. 121/69 R S Tower 21rd, Ratchadaphisek Road, Din Daeng, Bangkok, 10400 Telephone 0-2694-8888 Fax 0-2694-8880	Advertising Media Business	404.43	1	404.43	26%

**Remark :** \* Hold shares by Tangerine Property Co.,Ltd.

### 1.3 Other Reference Persons

#### 1.3.1 Securities Registrar

Thailand Securities Depository Co., Ltd.

No. 62 Securities Exchange of Thailand Building, Ratchadapisek Road, Klongtuey Sub-district,  
Klongtoey District, Bangkok, 10110

Telephone 0-2229-2800

Fax 0-2654-5427

Call Center 0-2229-2888

Website: [www.tsd.co.th](http://www.tsd.co.th)

#### 1.3.2 Auditor

D.I.A. International Audit Co., Ltd.

Mrs. Wiliarat Rojnakaran,	Certified Public Accountant	No.3104
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Ms.Somjintana Pholhirunrat,	Certified Public Accountant	No.5599
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Mr. Visuth Petchpanichaku	Certified Public Accountant	No. 7309
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No 316/32 Soi Sukhumvit 22, Rama 4 Road, Klongton Sub-district, Klongtuey District, Bangkok,  
10110

Telephone 0-2259-5300

Fax 0-2259-8956, 0-2259-8959, 0-2260-1553

Website: <http://www.diaaudit.com>

#### 1.3.3 Advisor

##### Legal Advisor

S.M.R.T.Co.,Ltd.

22/255 Moo 13 Soi 7 Satreewitthaya, Ladprao Road, Ladprao Sub-District, Ladprao District,  
Bangkok, 10230

Telephone/Fax 089-124-0428, 089-900-7099

## Summary of Financials

	2013	2012	2011	2010
<b>Consolidated Financial Statement</b>				
Revenue from sales	186.92	105.65	423.72	1,605.41
Cost of goods sold	153.56	102.93	355.29	1,285.00
Other income	19.50	23.62	47.25	21.56
Selling expenses	11.90	10.90	34.72	42.37
Administration expenses	74.87	86.23	79.08	93.78
Other expenses	(67.64)	46.00	1.75	38.93
Interest expenses	(22.50)	19.96	48.12	67.37
Gross Profit	33.37	2.75	68.45	320.20
Profit (loss) before interest and tax	(101.54)	(116.77)	0.15	166.68
Profit (loss) before tax	(123.79)	(136.73)	(47.97)	99.31
Profit (loss) before extra ordinary items	-	-	-	-
Profit (loss) from debt restructuring	-	-	-	-
Net Profit (loss)	(126.65)	(136.73)	(47.97)	99.31
<b>Financial Status</b>				
<b>Total Assets</b>				
Current Assets	974.15	530.03	379.50	447.25
Fixed Assets	758.93	221.09	362.50	569.94
<b>Total liabilities</b>				
Current liabilities	282.62	255.52	387.18	637.75
Non-current liabilities	167.10	122.11	174.60	151.25
Shareholder's equity	1,283.35	373.49	180.22	228.19
<b>Consolidated Financials</b>				
<b>Profitability Ratios</b>				
Gross profit margin (%)	17.85	2.61	16.3	19.2
Operation profit margin (%)	(54.18)	(110.53)	0.04	10.37
Net profit margin (%)	(67.76)	(129.42)	(11.31)	6.18
Return of Equity (%)	(9.87)	(36.61)	(26.62)	43.52
<b>Operation Efficiency Ratios</b>				
Return on assets (%)	(7.31)	(18.21)	(6.47)	9.76
Return on fixed assets (times)	(1,234.51)	(5,695.40)	(559.45)	1,117.75
Total asset turnover (times)	(0.073)	(0.18)	(0.06)	0.10
Liquidity Ratio (times)	3.45	2.07	0.98	0.70
Debt to Equity ratio ( times)	0.35	1.01	3.12	3.46

Remark: From Consolidated Financial Statement of the Company



## Business Operation

### 1. Overall picture of Business and Characteristics of products and services

#### Low-rise project types (detached, townhouse, etc.)

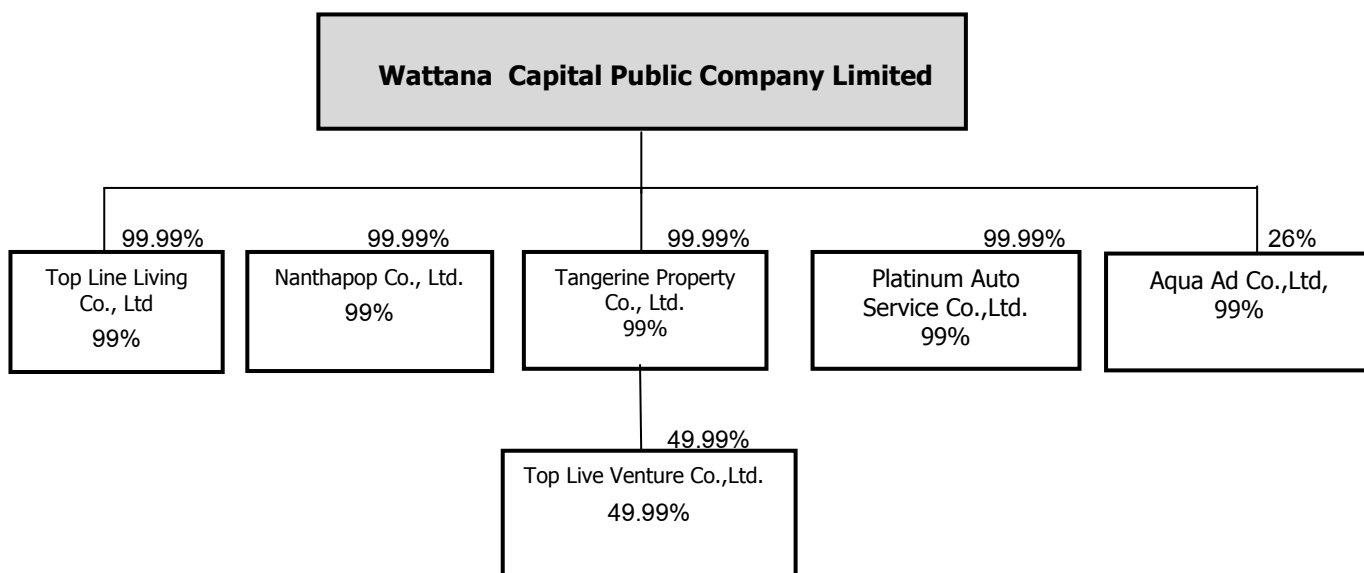
The company and its subsidiaries focus on medium to high end customers. The detached house units are pricing around 3-6 million baht, while townhouse or twin house units are pricing around 1.5 – 3.0 million baht, The target group of customers needs their quality of life and good environment, including 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. So, the location is the most important factor. The clients in middle to high sector are the middle to high level executives of the government and private sectors, foreign business man who works in the country, freelance such as architect, engineer, doctor, including entrepreneur and investor.
2. The group of employees that seek for their own modern residential when they are moved to work in big cities in provincials.

#### Structure of the Group Company and investment in subsidiaries, affiliates, and other companies;



The Company has its subsidiaries as following;

1. Topline Living Co., Ltd.
2. Nanthapop Co., Ltd.
3. Tangerine Property Co., Ltd.
4. Top Live Venture Co., Ltd
5. Platinum Auto Service Co., Ltd.
6. Aqua Ad Co., Ltd.

- **Topline Living Co., Ltd.** established in 2001 to operate real estate business. It develops the project types of detach house and townhouse in middle level which are Ban Manee Kram Project-Phuket, detach house project under the name of Living Nara Ramkhamhang and Living Nara Rangsit, townhouse project under the name of Ban Poonsin-Suwannabhum. The Company bought 1,600,000 shares of Top Line Living, par value of 100 Baht, from a buyer in the proportion of 99.99% of registered capital, total value of 160,000,000 baht.
- **Nanthapop Co., Ltd** established in 1994 to operate real estate business. Currently, it is the project manager of Ruanchaopraya Project which is a project the developer and a distributor of pieces of land along Chaopraya river which has total sale value of around 214 million baht. The Company bought 721,000 shares of Nanthapop Co.,Ltd., par value of 100 baht, from a buyer in the proportion of 99.99% of total paid-up registered capital in total value of 72,100,000 baht.
- **Tangerine Property Co., Ltd.** established in 2005 to operate real estate business. The Company bought 500,000 shares of Tangerine Property Co.,Ltd., par value of 100 baht, from a buyer in the proportion of 99.99% of total paid-up registered capital in total value of 50,000,000 baht.
- **Top Live Venture Co., Ltd.** established in 2005 to operate real estate business. Presently, it has a registered capital 0.40 million baht, 4,000 shares, par value of 1 baht. The Company holds 49.99 % of registered capital.

- **Platinum Auto Service Co., Ltd.** established in 2007 to operate Car Rental Business . Presently, it has a registered capital 120 million baht, 120,000,000 shares, par value of 100 baht. The Company holds 99.99 % of registered capital.
- **Aqua Ad Co., Ltd.** established in December 2000 to operate Advertising Media Business . Presently, it has a registered capital 404,430,759 million baht, par value of 1 baht.

## 2. Income Structure

Type of income	2011		2012		2013		Change	
	Amount	%	Amount	%	Amount	%	Amount	%
Selling and service income	-	-	-	-	-	-	-	-
Detached house and land	371.73	78.82	78.52	73.96	37.08	19.83	(41.45)	(39.04)
Town house and shop house	0.90	0.19	15.33	11.44	3.10	1.66	(12.23)	(11.52)
Condominium	51.09	10.83	11.80	11.11	29.89	15.99	18.09	17.04
Resort	0.63	0.13	0.51	0.48	0.00	0.00	(0.51)	(0.48)
Car Service	0.00	0.00	0.00	0.00	116.86	62.52	116.86	110.08
Other income	47.26	10.02	23.62	0.22	19.50	0.10	(4.11)	(3.88)
<b>Total income</b>	<b>471.61</b>	<b>100.00</b>	<b>129.78</b>	<b>100</b>	<b>206.43</b>	<b>100</b>	<b>76.65</b>	<b>72.20</b>

Remark : Other income in year 2013 comprised profit from Interest income and hire purchase interest 6.32 million baht, Gain on debt compromise 0.66 million baht, Gain (loss) sales of assets 0.20 million baht, Fines income from breach of agreement 4.00 million baht, Fines income from breach of agreement 3.65 million baht.

### Current Projects

As of 31 December 2013, there are 7 projects under developments both in low-rise and high-rise, totally 299 units in total project amount of 935.84 million baht as following:

project		Type of project	Operation company	Location	Number of unit	Value	Project starting date
						(Million baht)	
1	Living Nara Rangsit Phase 2	Detached House	Topline Living	Tanyaburi Pathumthani	63	199.97	Finished
2	Living Nara Rangsit Phase 3.1	Detached House	Topline Living	Tanyaburi Pathumthani	20	72.73	September 2009
3	Living Nara Rangsit Phase 3.2	Detached House	Topline Living	Tanyaburi Pathumthani	63	229.09	September 2009
4	The Clover Phuket **	Condominium	Topline Living	Muang Phuket	85	234.82	November 2007
5	Poonsin Privacy Plus	Commercial building	Wattana Capital	Ratattana Rd, Bangkok	9	29.69	March 2012
6	The Clover Ladprao 83	Condominium	Wattana Capital	Soi Ladprao 83 Wangthonglang Bangkok	51	105.74	2013
7	The Clover Ladprao 83	Home Office	Topline Living	Soi Ladprao 83 Wangthonglang Bangkok	8	64.00	2013
				Total	299	935.84	

### 3. Competitive Strategy

The Company and affiliates has the strategies to promote sales as follows:

*Product Strategy:* The Company and affiliates focus on a satisfactory and worthwhile on value of money. The best products are selected to the valued clients in every of aspects in order to serve for the demand of the

occupant and that environment. The Company and affiliates have a policy to study and develop residential types with product innovation to serve for the mobile market demand.

*Price Strategy:* The Company determined selling price before starting each project from the information of target market, competitors in nearby area and construction cost. In general, The Company determined selling price by the purchasing power of the clients while keeping the quality of products and profit margin.

*Promotion Strategy:* The Company has promoted projects via many media channel such as billboards, posters, magazine, brochures, including the database of existing clients or visitors in order to penetrate to right target. The most effective promotion would focus on the billboards or signboards in the project's areas that attract the client directly.

*After Sale Service Strategy:* The Company has set up the team to service and facilitate the clients. Customer Relationship Management (CRM) system is developed continuously to close with the target.

#### **4. Source of product and service**

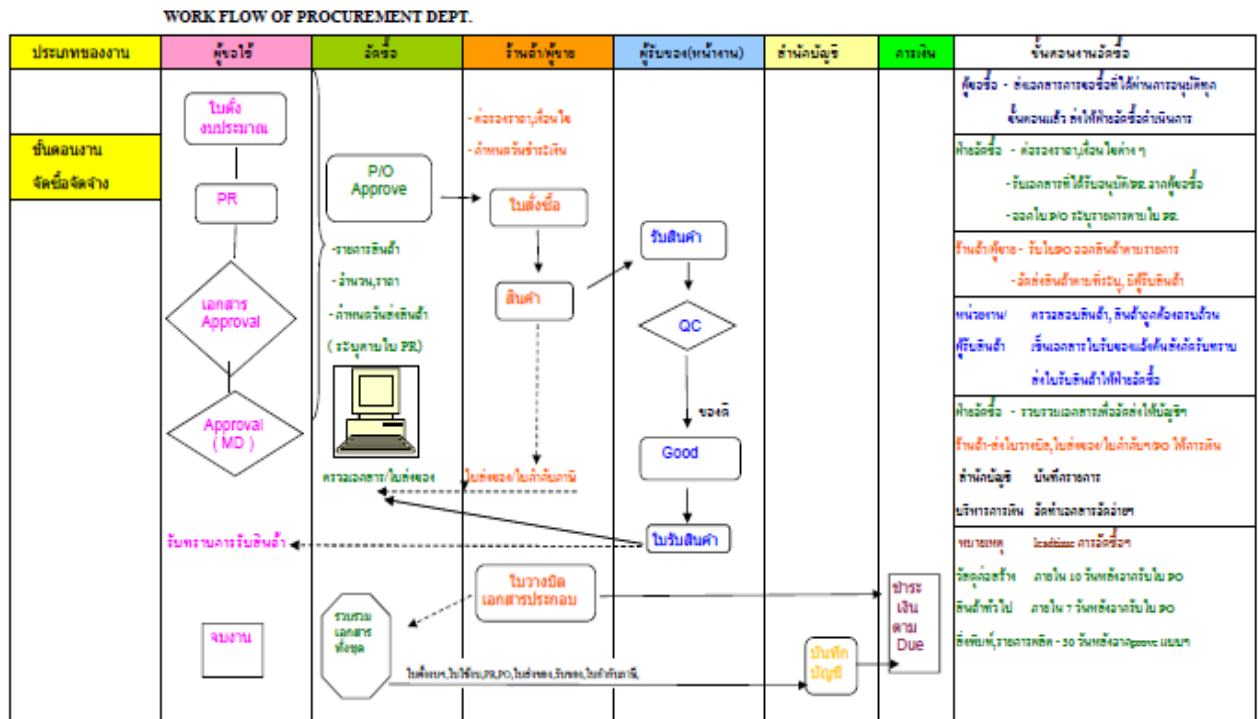
##### **4.1 Procurement of land and materials**

The Company and its affiliated don't have policy to accumulate land bank for a long time. So, the Company will study the feasibility of each project before acquiring each plot of land. The study included market situation, competition, market demand, investment opportunities. If the project is feasible, the Company will negotiate to purchase the land piece via land owner directly or the broker that offer the appropriate price compared with market price and appraisal price.

Besides land pieces that are raw materials of the products, The Company has considered to invest in real estate projects that is pending, can be occupied and has an opportunity to generate more revenue.

The development of every project of the Company and its affiliates will be studied in the aspects of location, restriction of laws, investment opportunity that should be in line with the market condition of consumers especially for the target group. The Company will develop the products itself and also accepted the design from service providers which depend on types of products and target market.

The Company imposed a procurement unit to manage the procurement transparent process as following



#### 4.2 Construction Materials

For the policy of the Company regarding materials such as steel bar, cement, roofing tile, flooring tile, wood and others, it will select the qualified materials, saving energy while keeping good environment that will beneficially to the community.

The Company has procured the construction material by 3 methods:

- Direct manufacturer via the Procurement Department
- Manufacturer via distributors
- Assigned the contractors to contact for purchasing

The Company will purchase the materials according to the instruction from Construction Department and has no policy to have stock as there is no space to keep the amount of inventories.

#### 4.3 Construction Contractors

The Company has a policy to contact with the existing contractor that has qualified performance. The new contractor also allowed by considering the qualification via the procurement subcommittee.

#### **4.4 Affects to Environment**

The Company has restrict conducted by the regulation regarding the affects to the environment such as the environment study, providing dust protection board, voice control, so as to keep the good surrounding environments.

#### **4.5 Problem related to the projects**

The problems sometimes encountered with late delivery of the projects from these main causes:

1. Out of control environment such as ground, sky, climate.
2. Lack of construction material
3. Additional requirements from the buyers

#### **4.6 After Sale Service**

Asset Management Department has provided the juristic party for the inhabitants according to Land Allotment Act B.E. 2000 that would a service after sale for the clients.

#### **4.7 Goal of business operation**

- Revise the organization structure for better efficiency by divided the management section into project management unit and supporting unit. The representative of the two units will be sent to participate in the management subcommittee to report the progression, the policy, the problems, improvement of working efficiency.
- The Company has determined a clarify strategy for over all organization to conduct in the same direction to the goal.
- Promote the Company to be well known in public through social media and website.
- Focus on Business Development Department to analyze the feasibility of the projects by using the existing data base, to develop the modern home to match up with real demand including after sale service and efficiency juristic person to manage the projects.
- Economic trend and competition in the future as detailed in the topic “ Economic trend and competition in the future”

**4.8 Distribution and Distribution Channels**

The Company and subsidiaries sell the products by direct sale via sale office at each project. Sample houses are illustrated to show quality of the project, together with the decoration to build up good environment

for sale. Also, new projects are promoted through home and residential fairs. At the same time, another distribution channel is recommended by existing clients of the Company and its subsidiaries which is called “Friend-get-Friend”. Besides, the Company and subsidiaries sometimes hire the professional to conduct for this sale channel.



## **Risk Factors**

### **1. Risks from business operation**

#### **Risks from inventories**

The Company has usually determined the quantity or the number of units to be developed in each real estate project in line with sale projection. However, when current economic condition is not served as the plan, sales target may be missed. There may leave some finished goods waiting for sale for a period of times. Hence, the Company has lessened risks from inventories by efficient inventories management. The developments in each specific phase are emphasized so that the construction plans can be adjusted promptly when the behavior of the clients has been changed significantly. Also, the Company would be able to adjust the products to commensurate with the different of satisfactory and ways of life of the clients.

#### **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 have 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. By the severe competition, the current real estate market is obviously the market of buyers to have an opportunity to choose and decide the suitable products that worthwhile with the money paid. The qualified products will focus on the modernize, sufficient usable areas, quality of materials, convenient location, suitable price strategy and clearly target group, so as to add the potential to compete in the market.

#### **Risk from projects' delay**

The reason of the projects' delay in general was derived from late constructions of contractors. It may due to lacks of labor, lacks of construction materials, unexpected natural disaster; heavy raining, sudden flood in the construction area. The Company has prevented the causes of this risk by sub-contracting partial of construction to sub-contractors, preparing the agreement to buy construction material in advance, and preparing the appropriate lagging time for the late construction in case of the natural disaster.

### **2. Financial Risks**

#### **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 adjusted by emphasized on small projects that did not require high credit line according to the current market and seek the new capital source such as the increase capital, etc.

### **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. 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.

### **3. Dilution or Investment Risk of Shareholders**

#### **Accumulated loss of the Company affects to future dividend payment**

For the year end of 2013, the Company has net loss of Baht (75.38) million, the continuous loss has been since year 2007 (for year 2010 the Company had profit from the transferring of The Clover Thonglor). As a result, the Company has accumulated loss for year end of 2013 in the amount of THB (958.34) million as it had been loss of miss target sale, together with the high competition. Sales revenue and profit margin has been decreased. The Company could not pay dividend for the shareholders legally. And therefore the shareholders have risk from dividend payment as schedule.

However, the Company is adjusting the marketing strategy and it will have a new project after receiving the proceeds from capital increasing. The Company expects that the plan will make it be profitable and able to pay dividend to shareholders in the future.

## Shareholding and Management Structure

### 1. Shareholding Structure

#### Ordinary Shares – WAT as of January 23, 2013

No	Shareholder	No. of shares (shares)	Holding portion (%)
1	UOB KAY HIAN PRIVATE LIMITED	1,763,572,455	13.779
2	Mr. Siriwat Tovachirakul	358,000,000	2.797
3	Ms. ChawanluckEiawsiwikul	201,963,402	1.578
4	Thai NVDR Co.,Ltd.	178,470,102	1.394
5	Mr. Pan Sarasas	160,000,000	1.250
6	Mr. Chaiyan Jitpuengtham	142,600,000	1.114
7	Mr. Narong Ingthaneth	140,000,000	1.094
8	Falcon 9 Co.,Ltd.	135,000,000	1.055
9	Ms. Paweena Jamjirasai	120,000,000	0.938
10	Mrs. Sunisa Chaisim	100,300,000	0.784
	Others	9,499,170,441	74.217
	<b>Total Shareholding</b>	<b>12,799,076,400</b>	<b>100.00%</b>

Remark :

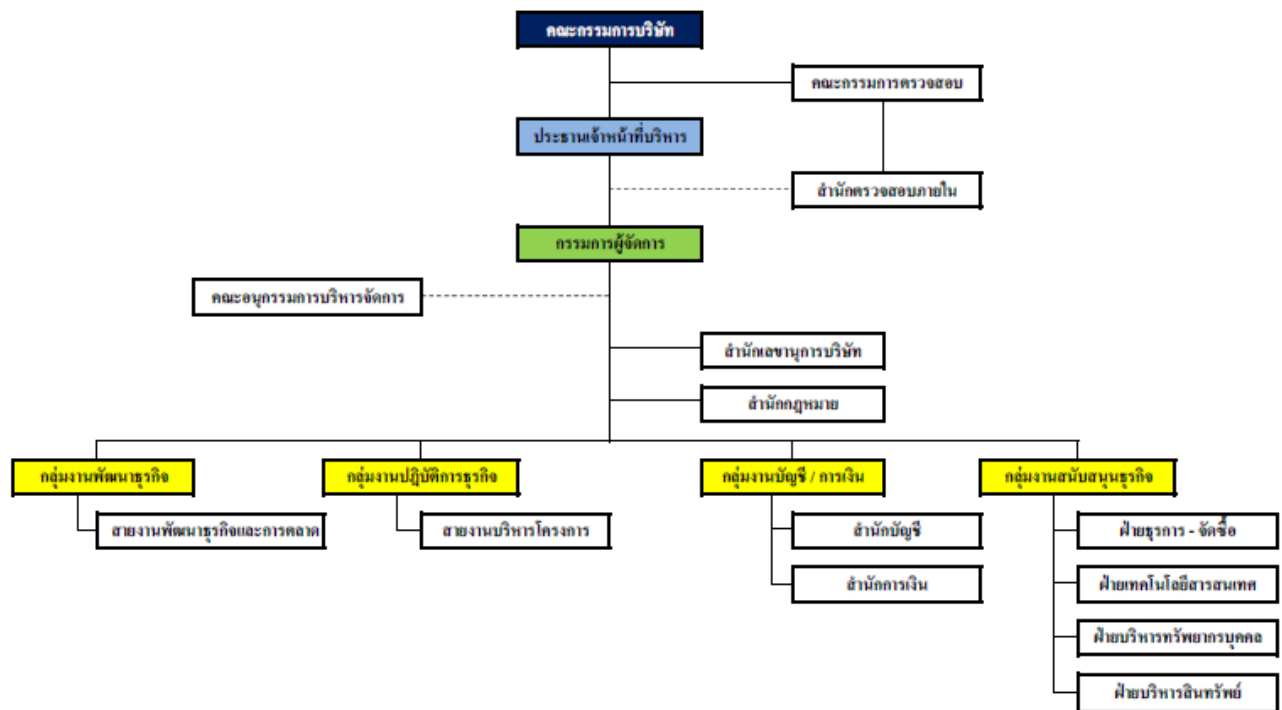
1. Each of the other shareholders hold share not more than 5%
2. Source : Thailand Securities Depository Co.,Ltd.

#### Limitation of foreign shareholdings

Foreign shareholders are allowed to hold shares in the Company in total at not more than 49% of the issued and paid-up shares

## 2. Management

### 2.1 Organization Chart



#### Name, Scope of responsibilities of each committee and name list of the Executives

The structure of the Board of Directors comprises 4 committees which are Board of Directors, Audit Committee, Nomination and compensation committee and Executive Committee. The Scope of responsibility of each committee are as following:

#### 2.2 Board of Directors :

- |                                |   |
|--------------------------------|---|
| 1. Mr. Apichart Chirapandhu    | Chairman of the Board, Independent Director |
| 2. Mr. Wanchai Subhaphayak     | Director, Executive Director                |
| 3. Mr. Narongchai Jitmalerat   | Director, Executive Director                |
| 4. Mrs. Chuanpis Chaimeuanwong | Director                                    |
|                                | - Resigned on December 6, 2013              |
| 5. Mrs. Orawan Lekrungruengkij | Director, Executive Director                |
|                                | - Resigned on 5 February 2013               |

6. Mr. Siriwat Tovachirakul	Director, Executive Director  A member of the Nomination and Compensation Committee
7. Mr. Wuttichai Jarujinda	Director  - Appointed by the resolution of the BOD No 2/2013 on 22 February 2013  - Resigned on 1 November 2013
8. Mr. Rapeepat Suansilpong	Director  - Appointed by the resolution of the BOD No 11/2013 on 18 December 2013
9. Mr. Anupong Kuttikul	<u>Director</u> Appointed by the resolution of the Annual General Meeting of shareholders 2013 on 3 May 2013  <u>Executive Director</u> Appointed by the resolution of the BOD No 6/2013 on 14 May 2013
10. Mr. Chaiwat Asawintharankul	Chairman of the Audit Committee and Independent Committee  Chairman of the Nomination and Compensation Committee  - Resigned on 17 December 2013
11. Mr. Tanyapong Limwongyuth	Audit Director and Independent Director  A member of the Nomination and Compensation Committee
12. Mr. Punn Kasemsup	Audit Director and Independent Director
13. Mr. Samkhan Bhuvanit	Company's Secretary

In year 2013, The Company had 12 meetings of the Board of Directors and the each of the directors had attended in the meetings as following

Name list	Times												Total In 2013
	1	2	3	4	5	6	7	8	9	10	11	12	
Mr. Apichart Chirapandhu	/	/	/	/	/	/	/	/	/	/	/	/	12/12
Mr. Wanchai Subhaphayak	/	/	/	/	/	/	/	/	/	/	/	/	12/12
Mr. Narongchai Jitmaleerat	/	/	/	/	/	/	/	/	/	/	/	/	12/12
Mrs. Chuanpis Chaiymuanwong	/	/	/	/	/	-	/	/	/	/	-	-	9/12
Mrs. Orawam Lekrungruengkij	/	-	-	-	-	-	-	-	-	-	-	-	1/12
Mr. Siriwat Tovachirakul	-	/	/	/	/	/	/	/	/	/	/	/	11/12
Mr. Wuttichai Jarujinda	-	-	/	/	/	/	/	/	/	-	-	-	7/12
Mr. Rapeepat Suansilpong	-	-	-	-	-	-	-	-	-	-	-	/	1/12
Mr. Anupong Kuttikul	-	-	-	/	-	/	/	/	/	-	/	-	6/12
Mr. Chaiwat Asawintharangkul	/	/	/	/	/	/	/	/	/	/	-	-	10/12
Mr. Tanyapong Limwongyuth	/	/	/	-	/	/	/	/	/	/	/	/	11/12
Mr. Pun Kasemsup	/	/	/	/	/	/	/	/	/	/	/		12/12

The directors having the authorized signatures

Mr. Siriwat Tovachirakul or Mr. Narongchai Jitmaleerat or Mr. Wanchai Subhaphayak or Mr. Anupong Kuttikul , two of the four sign with the Company's seal

**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.
  - Make decision with honesty and rational reasons for the company's utmost benefits
  - Make decision on credible information
  - Make decision without personal gains, directly or indirectly
  - Make decision to achieve honest and appropriate goals
  - 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.
4. Consider appointing members of the Executive Committee by selecting from the Board of Directors with determination of scope and responsibility of the Executive Committee.
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.

### **2.3 Independent Director:**

- |                               |  |
|-------------------------------|--|
| 1. Mr. Apichart Chirapandhu   | Chairman of Independent Director   |
| 2. Mr. Chaiwat Asawintarankul | Independent Director / Chairman of Audit Committee<br>(Resigned on 17 December 2013) |
| 4. Mr. Punn Kasemsup          | Independent Director   |
| 5. Mr. Tanyapong Limwongyuth  | Independent Director   |



**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 provided 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.

For the year 2013, The independent directors having no relationship of business or professional service, were appointed in exceed from the criteria of the Announcement from the Capital Market Supervisory Board regarding the new share issuance and offering.

#### **2.4 The Audit Committee :**

1. Mr. Chaiwat Asawintarakul      Chairman of the Audit Committee      (Resigned on 17 December 2013)
2. Mr. Punl Kasemsup              Audit Director
3. Mr. Tanyapong Limwongyuth      Audit Director

#### **Scope of responsibilities of the Audit Committee**

- (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.

For the year 2013, the Company has totally 5 meetings of the Audit Committee. And for this year, the Company has totally 6 meetings of the Audit Committee. Each of the directors has attended the meetings as following:

No.	Name	Year 2013
1	Mr. Chaiwat Asawintharankul	5/6
2	Mr. Punn Kasemsup	6/6
3	Mr. Tanyapong Limwongyuth	6/6

## 2.5 The Executive committee

- |                               |   |
|-------------------------------|---|
| 1. Mr. Siriwat Tovachirakul   | Director, Executive Director and Chief Executive Director |
| 2. Mr. Wanchai Subhaphayak    | Director and Executive Director                           |
| 3. Mr. Narongchai Jitmaleerat | Director and Executive Director                           |
| 4. Mr. Anupong Kuttikul       | Director and Executive Director                           |

## Scope and responsibilities of Executive Subcommittee

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.
  - Make decision with honesty and rational reasons for the Company's utmost benefits
  - Make decision on credible information
  - Make decision without personal gains, directly or indirectly
  - Make decision to achieve honest and appropriate goals
  - 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. For the year 2013, there were the 32 meetings of the Executive Committee.

## **2.6 A member of the Nomination and Compensation Committee**

- |                               |   |
|-------------------------------|---|
| 1. Mr. Chaiwat Asawintarankul | Chairman of the Nomination and Compensation Committee |
| 2. Mr. Siriwat Tovachirakul   | A member of the Nomination and Compensation Committee |
| 3. Mr. Tanyapong Limwongyuth  | A member of the Nomination and Compensation Committee |

## **2.7 The Company's Secretary**

According to the Securities and Exchange Act (No.4) B.E. 2551 Article 89/15, the directors must assign Company's secretary to assume responsibilities of providing the meetings of the Board of Directors and the shareholders and other activities, in order to help the Board of Directors to process properly by laws and regulations, and also supporting for good corporate governance.

According to the Securities and Exchange Act (No.4) B.E. 2551 Article 89/15, the directors must assign Company's secretary to assume responsibilities of providing the meetings of the Board of Directors and the shareholders and other activities, in order to help the Board of Directors to process properly by laws and regulations, and also supporting for good corporate governance.

## 1. Qualification

1.1 Process knowledge of laws and regulation of Securities Exchange of Thailand, Securities and Exchange Act, Public Company Limited Act.

1.2 Process knowledge of good corporate governance principles and practices.

1.3 Process knowledge of the Company's business and good communication skills.

## 2. Role and responsibilities of Company's secretary

2.1 Provide preliminary suggestions to the Company's director on laws and regulations and follow up to ensure that they are implemented accurately and steadily, including reporting to the Board of Directors on a significant changes of the laws and regulations.

2.2 Inform the resolutions and the policies of the Board of Directors and the shareholders to the Executives and follow up the implementation of those resolutions and policies.

2.3 Hold the shareholders' meeting and Board of Directors' meeting in accordance with laws and regulations of the Company and any requirements.

2.4 Record shareholders' and the Board's meeting reports, including the useful recommendation to the Company or conclude the issues from the non-Executives to propose to the shareholders, and follow up the implementation of the shareholder's and the Board's meetings.

2.5 Ensure that there is a disclosure of related data and an information report to the supervising agencies in accordance with laws, regulations, and policies of information disclosure.

2.6 Communicate and get in touch with the shareholders so that they are informed of their rights and information of the Company.

2.7 Keep the significant documents such the shareholders registration, meeting's invitation letters, minutes of the meetings and annual report of the Company, including the letters and reports of shareholders' meetings.

2.8 Provide the company's secretary unit as a center of corporate records such as juristic affidavit, memorandum of association, articles of association, shareholder registration and business licenses.

2.9 Oversee the activities of the Board of Directors

As of December 31, 2013, the company had total employees of 64 persons classified by department as follows:

Level / Department	Number (persons)
Executives	4
Executive office	3
Business Development and Marketing Group	13
Project Management Group	11
Project Control and Development Group	1
Management Office	3
Audit Office	2
Legal Office	3
Accounting Office	4
Financial Management Office	7
Procurement and Operation Office	11
Property Management Office	2
<b>Total</b>	<b>64</b>

In the year 2013, the Company paid remuneration to employees and managers the amount of 29,534,155.03 baht comprised salary, commission and other personnel related expenses.

### 3. The recruitment of Directors and the Executives

For Audit Directors and Independent Directors, the Board of Directors will consider from list of qualified persons who well-known in the business and have a certified knowledge that shall be proposed by nomination and compensation committee.

#### The Election of the Board of Directors from the Meeting of Shareholders

1. The election of directors by the shareholder meeting using a majority vote in accordance with the following rules and methods

(1) Each shareholder shall have one share for one vote.

(2) In the case of the number of persons who has been dominated as a director has not more than the number of directors to be elected in that time. The shareholders shall elect directors who will nominate in the positions. Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as directors but he may not allot his votes to any such person at any number.

(3) In case of the number of person who has not been nominated as a director has not more than the number of directors to be elected in that time. The shareholders shall elect directors who will dominate in the positions. Each shareholder may exercise all the vote he or she has under (1) to elect one or several persons as directors but he may not allot his votes to any such person at any number. The person who has highest votes in their respective order of the votes shall be elected as directors at the number equal to the number of directors of the company. In the event of equal votes among the persons elected in order of respective high number of votes, which number exceeds the number of director of the Company, election shall be made by easting vote of the Chairman.

2. At every annual general meeting, the whole board of directors shall be retired of 1 in 3 (one-third) of the directors, or, if their number is not a multiple of three, then the number nearest to 1 in 3 (one-third) must retire from office. Unless otherwise specified by the articles of association, the directors retiring from office in the first an second years after the registration of the company shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire. Director who vacates office under this agenda may be reelected.

#### **4. Remuneration of Company's Director and the Executive**

The Company has determined the remuneration policy clearly and transparent, equally to the industry in the same level and suitable with the duties and responsibilities and should be high enough to attract and keep the qualified directors with the approval from the meeting of shareholders. Meanwhile, the compensation of the Executives shall conform with the policy and the principle that determined by the committee, in line with the performance of the Company and performance of each executive, details were as follow;

- **Meeting Fee** By the Annual General Shareholders' Meeting 2013 on 3 May, 2013, the shareholders has a resolution to determine the remuneration to the directors for the year 2013 within total line of 1,243,000 Baht (equal the remuneration for the year 2012)



The details were as following

Board of Directors;

Chairman 15,000 per meeting

Directors 8,000 per meeting

Audit Committee;

Chairman 12,000 per meeting

Directors 10,000 per meeting

Executive Board of Directors

- Nil -

The Company paid meeting fee during year 2013 in total amount of 1,114,000 Baht, increased by 472,000 Baht compared to the amount for the year 2012.

The details of payments are as following

Name	Position	Annual Remuneration For the year 2013 (THB)
Mr. Apichart Chirapandhu	Chairman of the Board of Director and Independent Committee	180,000
Mr. Siriwat Tovachirakul	Director and Executive Director and Chief Executive Director	88,000
Mr. Wanchai Subhaphayak	Director and Executive Director	96,000
Mr. Narongchai Jitmaleerat	Director and Executive Director	96,000
Mr. Rapeepat Suansilpong		8,000
Mr. Anupong Kuttikul	Director and Executive Director	64,000
Mr. Punn Kasemsup	Audit Committee and Independent Director	158,000
Mr. Tanyapong Limwongyuth	Audit Committee and Independent Director	148,000
Mr. Chaiwat Asawintharangkul	Independent Director / Chairman of Audit Committee	140,000
Mrs. Orawan Lekrungruengkij	Director and Executive Director	8,000
Mrs. Chuanpis haiymuanwong	Director	72,000
Mr. Wuttichai Jarujinda	Director	56,000
<b>Total</b>		<b>1,114,000</b>

- Other remuneration

- Nil -

- Total remuneration of directors and executives are:

In form of salary and other incomes as total 11,467,122.68 Baht

## **5 .Internal Information Control**

Detailed in “Policy of corporate control “Article 2. Equal treatment to all shareholders”

## **6. The internal Control**

Comment of the Board of Directors related to the sufficient of the internal control

Board of Directors had an opinion that the internal control, the business risk of the Company and the corporate control in over all is in satisfactory level and able to give a reasonable confident with the transparent of the financial statement of the Company and the subsidiaries for the year 2012 as the Audit Committee has audit together with the management and the auditor has stated entirely financial status and correct performance, believable, reasonable according to the general certified accounting standard. The accounting policy had been implemented appropriately, frequently, sufficiently as stipulated by the comment of the auditor in the financial statement of the Company.

In the meeting of the Board of Directors No 4/2014 on 28 February 2014 with the audit committee which had 3 independent directors, it evaluated the internal control by the interview with the Executives. It could be summarized that the Company has sufficient system of internal control without the different opinion from the management.

The Company’s auditor, DIA International Audit Co.,Ltd, by Mrs. Wiliarat Rojnakaran, the certified public auditor No. 3104 who audited the financial statement for year 2013 did not have any comment in the audit report that the Company has any substantial defect related to internal control.

## **7. Dividend Policy of the Company and its subsidiaries**

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 change, depending on the investment plan and other necessities for the future according to the opinions of the Board of Directors.

For dividend policy in subsidiary company, dividend shall be paid from net profit of such subsidiary company by considering many factors such as financial position, operating results, liquidity status, business expansion and any related factors in the management of that company.

### **Related Transaction**

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 in year 2013**

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 2012	Increase (Decrease)	31 Dec 2013	
1. Loans	- Mr. Wanchai Subhaphayak is a director and a shareholder of the company and its affiliates	- As a creditor of a subsidiary company	214.50	(214.50)	0.00	Mr. Wanchai Subhaphayak granted loan to a subsidiary company without interest for the purpose of working capital and support for its liquidity. During the year 2013, the company paid-up all this loan.
2.Loan Guarantee	- Mr. Wanchai Subhaphayak is a director and a shareholder of the company and its affiliates	- As a loan guarantor for the Company and subsidiaries.	503.54 Mbaht	(196.24) Mbaht	307.30 Mbaht	Mr. Wanchai Subhaphayak is a loan guarantor of the Company and subsidiaries which are Topline Living Co.,Ltd., Nantapob Co.,Ltd. with 3 financial institutions in total guarantee amount of 307.30 million baht without any charges for guarantee condition.  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 a loan guarantor for the Company and subsidiaries.	503.54 Mbaht	(196.24) Mbaht	307.30 Mbaht	Mr. Manop Keawcha-oom is a loan guarantor of the Company and subsidiaries which are Topline Living Co.,Ltd., Nantapob Co.,Ltd. with 3 financial institutions in total guarantee amount of 307.30 million baht without any charges for guarantee condition.  The Audit Committee had already considered that the transaction is reasonable and processed for maximizing the company's benefit.

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 2012	Increase (Decrease)	31 Dec 2013	
3. Compensation	- Mr. Peepat Rungkupan is a shareholder and a director of the company and its subsidiaries	- As a loan guarantor for the subsidiaries.	201.30 Mbaht	0.00 Mbaht	201.30 Mbaht	Mr. Peepat Rungkupan is a loan guarantor of the subsidiaries which are Topline Living Co.,Ltd., Nantapob Co.,Ltd. with 2 financial institutions in total guarantee amount of 201.30 million baht without any charges for guarantee condition.  The Audit Committee had already considered that the transaction is reasonable and processed for maximizing the company's benefit.
	- Falcon9 Company Limited has 1.06% shareholding in the company as of December 31, 2013. 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. Million Baht	1,350.00	(1,350.00)	0.00	Falcon 9 Company Limited has pledged the stock holding as a guarantee for the company with Krungthep Thanatorn Plc. for loan amount of 45.0 million Baht, by using the stock of 60 million shares as collaterals for the company and the company will pay annual interest rate of 3 percent to Falcon 9 Company Limited as compensation. The Compensation was cancelled from year 2013 onwards.  The Audit Committee had already considered that the transaction is reasonable and processed for maximizing the company's benefit.

**The explanation of the performance of Wattana Capital Public Company Limited**  
**for year 2013**

Wattana Capital Plc explained its performance for year 2013 (End of 31 December 2013) as following:

The Company and its affiliates had revenue from sales and service of THB 186.92 million, divided into revenue from real estate business THB 70.7 million and revenue from car rental business operated by Platinum Auto Service Co.,Ltd. amounting to THB 116.85 million. Revenue that came from real estate business was mainly derived from sale of detached house project (Living Nara Rangsit), condominium project (The Clover Phuket). The others were derived from The Clover Thonglor condominium project, Poonsin Privacy Plus commercial building project. Cost of sale and service was THB 153.56 million or equal to 82.15% of total sale and service.

The Company and its affiliates had total expenses for a quarter of THB 155.40 million which mainly comprised of selling expense THB 11.9 million, selling and administration expense THB 74.87 million and loss from impairment of assets (non cash item) THB 67.64 million.

The Company and its affiliates had total loss for the current year of THB 126.65 million or equal to net loss per share of THB 0.017. When comparing to the performance in the previous year, net loss of the company and its affiliates had decreased by 7.37%. The Company and its affiliates has total loss for the previous year 2012 of THB 136.73 million or equal to net loss per share of THB 0.088. The better performance in the current year was a result of:

- Sales and service revenue of the Company and its affiliates increased from the previous year by THB 80.76 million or 76.07% from sales and service of THB 106.6 million in the previous year. Source of revenue derived from real estate business and car rental business as mentioned above.

The analysis of sales and service revenue by sources shown that revenue from real estate business for the current year had been decreased by THB 35.58 million or 33.68% from the previous year. However, the decreasing of revenue from real estate business was compensated by revenue from car rental business that is the policy of the Company to diversify the investment to other business that generates good level of yields.

- Portion of cost of sales and service was 82.15% of revenue from sales and service, decrease from 97.14% in the previous year. The reason was that the Company had consolidated the performance with Platinum Auto Service group companies, so the portion of cost of goods sold to revenue from sales had been decreased from previous year. (The portion of cost of goods sold to revenue from real estate business was 87.6%, while the portion of cost of goods sold to revenue of car rental business was 78.9%.)

- Administration expenses of the Company and its affiliates decreased by THB 10.37 million or 12.02% from the previous year of which the administration expenses were THB 86.33 million. The decreasing items of administration expenses were mainly other expenses, which were late fees from down payment and other fees that decreased from THB 23.81 million for the year 2012 to be THB 12.89 million for year 2013 or decreased by THB 10.92 million.

Although the performance for year 2013 was better than the previous year, but it was lower than the projection of the Company since sales of the Clover Thonglor Phuket condominium project and Living Nara Rangsit detached house project were missed from the target because of the decreasing demand that caused from high competition due to the deteriorated of economic in the country and more supply.

However, it is expected that the performance for year 2014 would be better than year 2013. Not only revenue from real estate business, revenue from car rent business will be higher. The Company will also realize the revenue from condominium project and the Clover Ladprao home office project in total sale value of THB 172.28 million.

The Company had total assets for year 2013 of THB 1,733.08 million, increased from the previous year which had total assets of THB 751.11 million or increased by 130.73%. The registered capital of the Company increased by the resolution of Annual General Meeting of shareholders for year 2013 on 3<sup>rd</sup> May 2013. During 7<sup>th</sup>-20<sup>th</sup> June 2013, the Company received 10,239 million shares capital of THB 921.52 million and registered with the Ministry of Commerce for the increasing paid-up capital from 2,560 million shares to be 12,779 million shares on 16<sup>th</sup> July 2013. Meanwhile, there was the discount of THB 9,318 million on the share capital from the part of increasing registered capital. The main increased of assets were

- Cash and cash equivalent increased by THB 211.16 million from the previous year or 28.11% from cash and cash equivalent for year 2012 of THB 205.68 million.
- Net inventory increased THB 205.96 million or 27.42% from the previous year which has net inventory of THB 321.12 million. For the current year, the Company invested in vacant land in Soi Thonglor 9, North Klongton Sub-district, Wattana District, Bangkok, in total area of 2 ngan 52 sq.w. in total amount of THB 189 million that was planned to be the high-end luxury condominium project, 7 floor height, 12 units with total sale value of THB 651.34 million. The plan for sale and construction was projected in year 2014 and it would realize total revenue amount in year 2015.
- Investment from affiliated company decreased by THB 279.75 million or 100%. However, the Company did not invest in its affiliated companies but invested in ordinary shares of Aqua Ad Public Company Limited in the amount of 105.15 million shares at par value of THB 1 or THB 270.49 million. The investment has 26% by portion and it would receive dividend annually. Presently, Aqua Ad Public Company Limited engages in advertising billboard business, both in-door and out-door, and also other media totally 144 sites of billboard.
- Asset for rent increased by THB 286.47 million or 100% from the previous year of which had no asset for rent. In the current year, the Company bought ordinary shares of Platinum Auto Service Co.,Ltd. amounting to 1.199 million shares at par value of THB 100 in total amount of THB 230.78 million by the investment in the proportion of 99.99%. It would have the compensation as annual operation revenue. Presently, Platinum Auto Service Co.,Ltd. has total car for rent of 139 units.

The Company had land and project for development in the current year of THB 41.08 million which comprised (1) vacant land located in Glang Sub-District, Muang Rayoug District, Rayong Province, in total area around 7 rai valued THB 40.05 million, (2) vacant land located at Klongsong Tonkanoon Sub-District, Ladkrabang

District, Bangkok, in total area around 3 ngan valued THB 1.04 million. The projects in both of sites are under development to be matching with the demand of the target buyers.

Total debt in the current year was THB 449.72 million, increased from the previous year that had total debt of THB 377.63 million or increased by 19.09%. The debt was included a part of Platinum auto Service Co.,Ltd. which operated car rental business to be consolidated in the position of the Company. The main items included financial rental agreement debt amounting to THB 132.02 million, damage premium and deposit of rental amounting to THB 22.09 million. However, there were many items of debt that decreased from the previous year which were long term debt that decreased from THB 112.44 million to be THB 3.74 million or decreased by THB 108.7 million by the sale and transferring of the Clover Phuket condominium project and Living Nara detach house project with the repayment of 70-80% of selling price paid to the principal of Advance Finance Plc. and Kiat Nakin Bank Plc. The debts were currently settled in January 2014.

Debt-to-Equity Ratio for the current year was 0.42 decreased from 1.01 in the previous year due to the increasing of capital and the debt repayment as mentioned above.



**WATTANA CAPITAL PUBLIC COMPANY LIMITED**  
**AND SUBSIDIARIES**  
**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**AUDITOR'S REPORT**

To The Shareholders of

WATTANA CAPITAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of WATTANA CAPITAL PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at December 31, 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

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

**Opinion**

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of WATTANA CAPITAL PUBLIC COMPANY LIMITED as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with the Thai financial reporting standards.

D I A International Audit Co., Ltd.



(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

February 28, 2014

## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012	2013	2012
<b>Current assets</b>					
Cash and cash equivalents	4	416,844,413.83	205,679,514.61	402,554,594.66	185,793,219.94
Trade and other receivables	5	26,139,322.31	3,225,190.87	54,654,139.37	52,593,628.95
Financial lease receivable due within one year	6	4,078,500.95	0.00	0.00	0.00
Inventories	7	527,084,966.70	321,120,379.95	258,422,441.62	55,269,019.29
Deposit for land cost	8	0.00	0.00	0.00	0.00
<b>Total current assets</b>		<b>974,147,203.79</b>	<b>530,025,085.43</b>	<b>715,631,175.65</b>	<b>293,655,868.18</b>
<b>Non-current assets</b>					
Hire purchase receivable due over one year	9	15,572,592.50	0.00	0.00	0.00
Investment in subsidiaries	10	0.00	0.00	455,783,523.04	0.00
Investment in associates	11	279,752,557.63	0.00	279,494,008.00	0.00
Assets transfer to be collateral under repurchased agreement	12	0.00	125,050,000.00	0.00	0.00
Investment properties	13	6,534,094.45	6,720,199.46	0.00	0.00
Assets for rent	14	286,474,832.21	0.00	0.00	0.00
Property, plant and equipment	15	10,259,287.94	2,400,723.49	2,593,208.31	2,364,164.87
Land held for development	16	41,087,750.00	74,840,000.00	0.00	0.00
Loans to related persons and parties	17.1.1	0.00	0.00	0.00	206,663,817.48
Loans to other parties	18	0.00	0.00	0.00	0.00
Pledged bank deposits	19	2,180,824.08	1,252,248.39	898,800.00	523,414.43
Prepaid leasehold right and land rental	20	0.00	0.00	0.00	0.00
Goodwill	2.8, 36.2	103,183,357.01	0.00	0.00	0.00
Intangible assets	21	2,096,991.07	2,672,726.01	1,724,626.69	2,098,808.83
Deferred tax assets	22	30,263.75	0.00	0.00	0.00
Deposits and guarantees		2,583,968.20	1,866,428.20	1,175,527.20	497,872.20
Prepaid corporate income tax		9,172,736.95	6,286,874.61	2,542,414.38	2,170,491.20
<b>Total non-current assets</b>		<b>758,929,255.79</b>	<b>221,089,200.16</b>	<b>744,212,107.62</b>	<b>214,318,569.01</b>
<b>Total assets</b>		<b>1,733,076,459.58</b>	<b>751,114,285.59</b>	<b>1,459,843,283.27</b>	<b>507,974,437.19</b>

**WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES****STATEMENTS OF FINANCIAL POSITION (Cont'd)****AS AT DECEMBER 31, 2013**

		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
Liabilities and shareholders' equity	Note	2013	2012	2013	2012
Current liabilities					
Short-term loans from financial institution	23	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00
Trade and other payables	24	48,722,061.59	42,396,859.61	58,927,213.65	61,572,745.19
Advance received from customers		9,691,695.00	3,474,809.00	3,750,309.00	2,120,749.00
Current portion of long-term liabilities	27, 28, 29	166,311,195.42	142,302,072.45	0.00	0.00
Loans from related persons and parties	17.1.2	0.00	214,500.00	0.00	0.00
Loans from other persons	25	5,000,000.00	5,000,000.00	0.00	0.00
Payable under cancellation of agreement					
to buy and to sell of condominium units	26	7,227,326.65	16,894,944.92	6,935,666.65	15,915,718.10
Accrued withholding tax		666,146.23	238,890.16	390,676.18	154,958.98
Total current liabilities		282,618,424.89	255,522,076.14	115,003,865.48	124,764,171.27
Non-current liabilities					
Financial lease liabilities	27	132,019,420.03	0.00	0.00	0.00
Long-term loans	28	3,736,917.77	112,442,635.48	0.00	0.00
Liabilities under debt restructuring agreement	29	0.00	0.00	0.00	0.00
Employee benefit obligations	31	3,686,286.45	2,385,756.80	2,389,681.04	1,897,763.19
Deferred tax liabilities	22	67,047.83	0.00	0.00	0.00
Damages and rental deposits		22,086,555.87	0.00	0.00	0.00
Other non-current liabilities		5,508,752.04	7,276,515.83	0.00	0.00
Total non-current liabilities		167,104,979.99	122,104,908.11	2,389,681.04	1,897,763.19
Total liabilities		449,723,404.88	377,626,984.25	117,393,546.52	126,661,934.46

## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (Cont'd)

## AS AT DECEMBER 31, 2013

		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
Liabilities and shareholders' equity (Cont'd)	Note	2013	2012	2013	2012
Shareholders' equity					
Share capital	32				
Authorized share capital					
22,083,603,031 ordinary shares					
of Baht 1.00 each	32.2.2	<u>22,083,603,031.00</u>		<u>22,083,603,031.00</u>	
3,340,000,000 ordinary shares of Baht 1.00 each			<u>3,340,000,000.00</u>		<u>3,340,000,000.00</u>
Issued and fully paid-up share capital					
12,799,076,400 ordinary shares					
of Baht 1.00 each	32.3	12,799,076,400.00		12,799,076,400.00	
2,100,000,000 ordinary shares of Baht 1.00 each			2,100,000,000.00		2,100,000,000.00
Premium (Discount) on share capital		(10,509,089,524.00)	(846,530,000.00)	(10,509,089,524.00)	(846,530,000.00)
Retained earnings (Deficit)					
Appropriated - legal reserve		11,350,000.00	11,350,000.00	11,350,000.00	11,350,000.00
Unappropriated		(1,015,077,935.89)	(888,426,970.18)	(958,887,139.25)	(883,507,497.27)
Different from business combination					
under common control		<u>(2,904,863.35)</u>	<u>(2,904,863.35)</u>	<u>0.00</u>	<u>0.00</u>
Total owners of the Company		1,283,354,076.76	373,488,166.47	1,342,449,736.75	381,312,502.73
Non-controlling interests		<u>(1,022.06)</u>	<u>(865.13)</u>	<u>0.00</u>	<u>0.00</u>
Total shareholders' equity		<u>1,283,353,054.70</u>	<u>373,487,301.34</u>	<u>1,342,449,736.75</u>	<u>381,312,502.73</u>
Total liabilities and shareholders' equity		1,733,076,459.58	751,114,285.59	1,459,843,283.27	507,974,437.19

**WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<i>Note</i>	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012	2013	2012
Revenues from sales		107,264,595.54	105,651,929.50	17,954,563.38	62,810,661.50
Operating lease income		62,986,427.84	0.00	0.00	0.00
Revenues from services		16,673,668.65	512,600.00	0.00	0.00
Cost of sales		(97,147,303.35)	(102,929,333.29)	(17,100,642.58)	(64,864,001.25)
Cost of rent and services		(56,410,041.08)	(487,980.17)	0.00	0.00
Gross profit (loss)		33,367,347.60	2,747,216.04	853,920.80	(2,053,339.75)
Other income					
Interest income and hire purchase interest		6,323,098.44	77,368.90	6,970,659.97	4,559.06
Gain on debt compromise	30	655,298.32	15,292,069.63	655,298.32	12,717,134.67
Gain (loss) sales of assets		200,932.58	1,788,897.82	0.00	(23,756.02)
Gain on debt settlement		0.00	878,486.01	0.00	878,486.01
Fines income from breach of agreement		4,000,000.00	0.00	0.00	0.00
Others		8,321,803.81	5,578,268.28	946,315.11	4,268,713.97
Total other income		19,501,133.15	23,615,090.64	8,572,273.40	17,845,137.69
Profit before expenses		52,868,480.75	26,362,306.68	9,426,194.20	15,791,797.94
Selling expenses		(11,896,895.57)	(10,903,835.86)	(3,422,959.56)	(3,167,554.61)
Administrative expenses		(74,873,986.37)	(86,227,952.06)	(38,756,745.39)	(36,966,856.69)
Other expenses					
Doubtful accounts on inter-company loans		0.00	0.00	(787,216.96)	(50,755,694.59)
Loss on impairment of investment		0.00	0.00	(36,085,496.01)	(129,999,400.00)
Loss on impairment of assets	16, 10	(67,637,550.00)	(46,000,000.00)	0.00	0.00
Total other expenses		(67,637,550.00)	(46,000,000.00)	(36,872,712.97)	(180,755,094.59)
Total expenses		(154,408,431.94)	(143,131,787.92)	(79,052,417.92)	(220,889,505.89)
Profit (Loss) before share of profit on investment in associate		(101,539,951.19)	(116,769,481.24)	(69,626,223.72)	(205,097,707.95)
Share of profit on investment in associate		258,549.63	0.00	0.00	0.00
Profit (Loss) before finance costs		(101,281,401.56)	(116,769,481.24)	(69,626,223.72)	(205,097,707.95)
Finance costs		(22,504,103.71)	(19,961,268.00)	(5,210,415.01)	(9,001,793.58)
Profit (Loss) before income tax		(123,785,505.27)	(136,730,749.24)	(74,836,638.73)	(214,099,501.53)
Income tax expenses	22	(1,875,814.76)	0.00	0.00	0.00
Profit (Loss) for the year		(125,661,320.03)	(136,730,749.24)	(74,836,638.73)	(214,099,501.53)
Other comprehensive income (expenses)					
Actuarial loss		(990,326.50)	0.00	(543,003.25)	0.00
Total comprehensive income (expense) for the year		(126,651,646.53)	(136,730,749.24)	(75,379,641.98)	(214,099,501.53)
Profit (Loss) attributable to :					
Owners of the Company		(125,660,637.42)	(136,729,768.44)	(74,836,638.73)	(214,099,501.53)
Non-controlling interests		(682.61)	(980.80)	0.00	0.00
		(125,661,320.03)	(136,730,749.24)	(74,836,638.73)	(214,099,501.53)
Total comprehensive income (expenses) attributable to :					
Owners of the Company		(126,650,965.71)	(136,729,768.44)	(75,379,641.98)	(214,099,501.53)
Non-controlling interests		(680.82)	(980.80)	0.00	0.00
		(126,651,646.53)	(136,730,749.24)	(75,379,641.98)	(214,099,501.53)
Earnings (loss) per share					
Basic earnings (loss) per share		(0.017)	(0.088)	(0.010)	(0.138)
Weighted average number of shares (share)		7,284,449,073	1,547,561,644	7,284,449,073	1,547,561,644

## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEAR ENDED DECEMBER 31, 2013

		Consolidated financial statements (Baht)							
		Retained earnings (Deficit)				Non-controlling	Total		
		Issued and paid-up	Premium (Discount)	Appropriated -	Unappropriated	Different from business	interests		
		share capital	on share capital	legal reserve		combination under the			
Note						common control			
		Balance as at January 1, 2012	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
	32.1.2.1	Registered share capital increase, the 1st.	780,000,000.00	(585,000,000.00)	0.00	0.00	0.00	0.00	195,000,000.00
	32.1.2.3.1	Registered share capital increase, the 2nd.	310,000,000.00	(232,500,000.00)	0.00	0.00	0.00	0.00	77,500,000.00
	32.1.5.2.1	Registered share capital increase, the 3rd	230,000,000.00	(172,500,000.00)	0.00	0.00	0.00	0.00	57,500,000.00
		Total comprehensive expense for the year	0.00	0.00	0.00	(136,729,768.44)	0.00	(980.80)	(136,730,749.24)
		Balance as at December 31, 2012	2,100,000,000.00	(846,530,000.00)	11,350,000.00	(888,426,970.18)	(2,904,863.35)	(865.13)	373,487,301.34
		Balance as at January 1, 2013	2,100,000,000.00	(846,530,000.00)	11,350,000.00	(888,426,970.18)	(2,904,863.35)	(865.13)	373,487,301.34
	32.1, 5.2.2	Registered share capital increase, the 1st.	460,000,000.00	(345,000,000.00)	0.00	0.00	0.00	0.00	115,000,000.00
	32.3	Registered share capital increase, the 2nd.	10,239,076,400.00	(9,317,559,524.00)	0.00	0.00	0.00	0.00	921,516,876.00
		Total comprehensive expense for the year	0.00	0.00	0.00	(126,650,965.71)	0.00	(680.82)	(126,651,646.53)
	36.2	Non-controlling interests as at acquisition date	0.00	0.00	0.00	0.00	0.00	523.89	523.89
		Balance as at December 31, 2013	12,799,076,400.00	(10,509,089,524.00)	11,350,000.00	(1,015,077,935.89)	(2,904,863.35)	(1,022.06)	1,283,353,054.70



## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEAR ENDED DECEMBER 31, 2013

		Separate financial statements (Baht)				
		Issued and paid-up	Premium on	Retained earnings (Deficit)		Total
		share capital	share capital	Appropriated -	Unappropriated	
Note				legal reserve		
Balance as at January 1, 2012		780,000,000.00	143,470,000.00	11,350,000.00	(669,407,995.74)	265,412,004.26
Registered share capital increase, the 1st.		780,000,000.00	(585,000,000.00)	0.00	0.00	195,000,000.00
Registered share capital increase, the 2nd.		310,000,000.00	(232,500,000.00)	0.00	0.00	77,500,000.00
Registered share capital increase, the 3rd.		230,000,000.00	(172,500,000.00)	0.00	0.00	57,500,000.00
Total comprehensive expense for the year		0.00	0.00	0.00	(214,099,501.53)	(214,099,501.53)
Balance as at December 31, 2012		2,100,000,000.00	(846,530,000.00)	11,350,000.00	(883,507,497.27)	381,312,502.73
Balance as at January 1, 2013		2,100,000,000.00	(846,530,000.00)	11,350,000.00	(883,507,497.27)	381,312,502.73
Registered share capital increase, the 1st.		32.1.5.2.2460,000,000.00	(345,000,000.00)	0.00	0.00	115,000,000.00
Registered share capital increase, the 2nd.		32.310,239,076,400.00	(9,317,559,524.00)	0.00	0.00	921,516,876.00
Total comprehensive expense for the year		0.00	0.00	0.00	(75,379,641.98)	(75,379,641.98)
Balance as at December 31, 2013		12,799,076,400.00	(10,509,089,524.00)	11,350,000.00	(958,887,139.25)	1,342,449,736.75

## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED DECEMBER 31, 2013

		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	Note	2013	2012	2013	2012
Cash flows from operating activities					
Profit (Loss) before income tax		(123,785,505.27)	(136,730,749.24)	(74,836,638.73)	(214,099,501.53)
Adjustment to reconcile net profit (loss) to net cash receipt (disbursement) from operation					
Depreciation	13, 14, 15	43,007,530.18	1,311,713.10	546,193.05	429,537.92
Amortized intangible assets	21	583,429.02	577,032.66	374,182.14	374,182.20
Loss on impairment of investment in subsidiaries		0.00	0.00	36,085,496.01	129,999,400.00
Impairment loss of assets	16, 10	67,637,550.00	46,000,000.00	0.00	0.00
Doubtful accounts and reversed doubtful accounts		0.00	0.00	787,216.96	50,755,694.59
(Gain) on debt compromise	30	(655,298.32)	(15,292,069.63)	(655,298.32)	(12,717,134.67)
(Gain) on sale of assets		(200,932.58)	(1,788,897.82)	0.00	23,756.02
(Gain) on debt settlement		0.00	(878,486.01)	0.00	(878,486.01)
Share of profit of investment in associate		(238,549.63)	0.00	0.00	0.00
Employee benefit expenses	31	1,920,753.15	1,191,146.80	1,448,914.60	948,881.60
Interest expenses		22,504,103.71	18,532,700.33	5,210,415.01	7,578,249.19
Other expenses		961,731.24	5,158,080.09	156,500.00	2,575,778.20
Other income		(2,334,765.19)	(4,702,848.58)	0.00	(4,290,128.64)
Changes in parts of operating assets,(increase) decrease					
Trade and other receivables		(6,992,214.73)	1,074,673.50	10,383,763.17	42,961.28
Financial lease receivable		(19,651,093.45)	0.00	0.00	0.00
Inventories		(167,916,285.90)	28,316,536.74	(200,833,422.33)	36,931,127.09
Operating lease assets		(29,766,066.63)	0.00	0.00	0.00
Deposits and guarantees		(707,540.00)	(455,572.20)	(677,655.00)	(455,572.20)

## Wattana Capital Public Company Limited

## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (Cont'd)

## FOR THE YEAR ENDED DECEMBER 31, 2013

	<i>Note</i>	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012	2013	2012
Changes in parts of operating liabilities, increase (decrease)					
Trade and other payables		(12,644,188.06)	(24,769,500.46)	(2,491,709.03)	(23,981,829.74)
Advance received		6,216,886.00	(3,004,939.58)	1,629,560.00	(2,440,175.00)
Land payable		0.00	(12,419,581.52)	0.00	(12,419,581.52)
Payable from cancel of agreement to buy and to sell of condominium units		(9,127,514.01)	(15,075,858.71)	(8,439,947.19)	(10,813,401.45)
Accrued withholding tax		323,152.82	(35,110,228.95)	235,717.20	(20,059,580.88)
Damages and rental deposits		8,275,711.25	0.00	0.00	0.00
Payments for employee benefits for the period	31	(1,610,550.00)	0.00	(1,500,000.00)	0.00
Cash generated (paid) from operation		(224,199,656.40)	(148,066,849.48)	(232,576,712.46)	(72,495,823.55)
Interest paid		(24,242,929.68)	(28,028,343.66)	(7,569,043.46)	(13,645,983.46)
Income tax paid		(3,763,023.14)	(1,879,193.29)	(371,923.18)	(679,686.35)
Income tax received		2,977,521.73	0.00	0.00	0.00
Net cash provided by (used in) operating activities		(249,228,087.49)	(177,974,386.43)	(240,517,679.10)	(86,821,493.36)
Cash flows from investing activities					
Acquisition of investment in subsidiary	36.2	(188,327,765.30)	0.00	(583,783,523.04)	0.00
Acquisition of investment in associates		(279,494,008.00)	0.00	(279,494,008.00)	0.00
(Increase) Decrease in loans to related companies		0.00	0.00	285,190,330.92	(18,386,414.94)
(Increase) Decrease in pledged bank deposits		(273,145.83)	1,920,266.75	(375,385.57)	4,038.41
Payments for office equipment acquisition		(789,679.95)	(1,713,495.24)	(775,236.49)	(1,694,495.24)
Proceeds from sales of investment property		0.00	75,011,650.00	0.00	0.00
Proceeds from sales of office equipment		200,934.58	1,102,000.93	0.00	86,588.78
Net cash provided by (used in) investing activities		(468,683,664.50)	76,320,422.44	(579,237,822.18)	(19,990,282.99)

## WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (Cont'd)

## FOR THE YEAR ENDED DECEMBER 31, 2013

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
<i>Note</i>	2013	2012	2013	2012
Cash flows from financing activities				
Increase (Decrease) in short-term loans from				
related persons	(10,524,500.00)	(3,559,367.44)	0.00	(3,559,367.44)
Increase (Decrease) in loans from other persons	0.00	(35,385,793.21)	0.00	(35,225,793.21)
Payments for hire-purchase liabilities	(47,588,252.06)	(159,900.00)	0.00	0.00
Increase (Decrease) in long-term loans	(49,307,472.73)	(8,722,717.31)	0.00	0.00
Proceeds from share capital increase	1,036,516,876.00	330,000,000.00	1,036,516,876.00	330,000,000.00
Net cash provided by (used in) financial activities	929,096,651.21	282,172,222.04	1,036,516,876.00	291,214,839.35
Net increase (decrease) in cash and cash equivalents	211,184,899.22	180,518,258.05	216,761,374.72	184,403,063.00
Cash and cash equivalents as at January 1	205,679,514.61	25,161,256.56	185,793,219.94	1,390,156.94
Cash and cash equivalents as at December 31	416,864,413.83	205,679,514.61	402,554,594.66	185,793,219.94

**WATTANA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**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 555/27, S S P1 Building, Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, North-Klongtun, Wattana, Bangkok.
- 1.2 The Company and subsidiaries engaged in business of property development for sales and additional business in car rent services from investment in subsidiary in the beginning of 2013.
- 1.3 The Company has formerly named “Living Land Capital Public Company Limited” and changed its name to “Wattana Capital Public Company Limited” on May 10, 2013 in compliance with the minutes of annual shareholders’ meeting for the year 2013.

**2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Financial statements preparation**

The financial statements have been prepared in conformity with the Thai Financial Reporting Standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of the 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 financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

**2.2 Accounting standards adoption during the period**

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations and accounting guidance which are expected to effective for the financial statements beginning on or after January 1, 2013 as follows:

Accounting Standards

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate

## Financial Reporting Standards

TFRS 8	Operating Segments
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## Standing Interpretations

TSIC 10	Government Assistance-No Specific Relation to Operating Activities
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TSIC 21	Income Taxes-Recovery of Revalued Non-depreciable Assets
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TSIC 25	Income Taxes-Changes in the Tax Status of an Enterprises or its Shareholders
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## Accounting Guidance Transfers of Financial Assets

Those accounting standards, financial reporting standards, standing interpretations and accounting guidance will have no significantly impacts on these financial statements except for TAS 12 "Income Taxes" and disclosed in notes 3.15 to financial statements.

## 2.3 New accounting standards in issue not yet effective

The Federation of Accounting Professions issued the financial reporting standards in accordance with the notification which pronounced in the Royal Gazette which have not been effective as following:

		<u>Effective date</u>
Accounting Standards		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1,2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1,2014
TAS 12 (Revised 2012)	Income Taxes	January 1,2014
TAS 17 (Revised 2012)	Leases	January 1,2014
TAS 18 (Revised 2012)	Revenue	January 1,2014
TAS 19 (Revised 2012)	Employee Benefits	January 1,2014
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rate	January 1,2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1,2014
TAS 28 (Revised 2012)	Investments in Associates	January 1,2014

		<u>Effective date</u>
Accounting Standards		
TAS 31 (Revised 2012)	Interests in Joint Venture	January 1,2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1,2014
TAS 36 (Revised 2012)	Impairment of Assets	January 1,2014
TAS 38 (Revised 2012)	Intangible assets	January 1,2014
Financial Reporting Standards		
TFRS 2 (Revised 2012)	Share - Based Payments	January 1,2014
TFRS 3 (Revised 2012)	Business Combinations	January 1,2014
TFRS 4	Insurance Contracts	January 1,2016
TFRS 5 (Revised 2012)	Non-current Held for Sale and Discontinued Operations	January 1,2014
TFRS 8 (Revised 2012)	Operating Segments	January 1,2014
Standing Interpretations		
TSIC 15	Operating Leases-Incentives	January 1,2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1,2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1,2014
TSIC 32	Intangible Assets-Web Site Costs	January 1,2014
Financial Reporting Interpretations		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1,2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1,2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1,2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	January 1,2014

			<u>Effective date</u>
Financial Reporting Interpretations			
TFRIC 10	Interim Financial Reporting and Impairment		January 1,2014
TFRIC 12	Service Concession Arrangements		January 1,2014
TFRIC 13	Customer Loyalty Programmes		January 1,2014
TFRIC 17	Distributions of Non-cash Assets to Owners		January 1,2014
TFRIC 18	Transfers of Assets from Customers		January 1,2014

The Company and subsidiaries' management are being evaluated the effect of those standards on the financial statements in the year in which they are initially applied, the ultimate outcome have not been determined in the current period.

- 2.4 The consolidated financial statements consist of the financial statements of Wattana Capital Public Company Limited, parent company, and its subsidiaries' financial statements in which Wattana 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 shareholding</u>		<u>Relationship</u>
		<u>2013</u>	<u>2012</u>	
Top Line Living Co., Ltd.	Property development	99.99	99.99	Subsidiary
Nantapop Co., Ltd.	Property development	99.99	99.99	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.
Platinum Auto Services Co., Ltd.	Services in the form of operating leases	99.99	-	Subsidiary
Platinum Executive Co., Ltd.	Vehicles and automotive spare parts	99.97	-	Subsidiary held by Platinum Auto Services Co., Ltd.

- 2.5 These financial statements have been consolidated by including the financial statements of subsidiaries in which Wattana 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 Wattana 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, 2013 and 2012, 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 by Wattana Capital Public Company Limited has purchased ordinary shares of those subsidiaries which are controlled by the same group of management and shareholders of Wattana 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 January 2, 2013, the Company has acquired ordinary shares of Platinum Auto Service Co., Ltd. in the proportion of 99% and taken the subsidiary's financial statements to include in the consolidated financial statements since that date at the fair value of each assets and liabilities. An excess of the cost of acquisition over the Company's share of the net fair value of the net identifiable assets of subsidiary at the date of acquisition is recognized as goodwill under non-current assets in the consolidated statements of financial position.
- 2.9 The Company prepared the consolidated financial statements by computing investment in associates under equity method and recognized initial investment at the cost and presented the equity method in the consolidated financial statements since the significant influence date until the date of significant influence is ceased.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Income and Expenses Recognition**

- 3.1.1 Revenues from sales of house and condominium project 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.
- 3.1.2 Revenues from the sales of land are recognized whenever the land, the significant risks and rewards have been transferred to the buyer.
- 3.1.3 Revenues from operating lease are recognized as rental income base on a straight line basis over period of the lease.
- 3.1.4 Revenues from financial lease are recognized as unrealized interest income and recognized as income by using the effective interest rate method based on each hire purchase term.

3.1.5 Revenues from the sales of goods are recognized as income whenever the goods, the significant risks and rewards have been transferred to the buyer and the Company will retain neither continuing managerial involvement to the effective control over the goods sold or it is probable that the economic benefits associated with the transaction.

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

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

3.1.8 Other income and expenses are recognized on an accrual basis.

3.1.9 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.

### 3.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand, cash at financial institutions of which the maturity is less than three months and without restriction on withdrawal (excluding pledged deposits at financial institutions).

### 3.3 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.

### 3.4 Financial lease assets and liabilities

Leases which transferring a significant portion of the risks and rewards of ownership to the lessee are classified as financial leases. Financial leases are recorded as capital expenditures at the lower of the fair value of the leased assets as at the inception of the lease or the present value of the minimum lease payments. Financial lease obligation less financial expenses will record as corresponding long-term liabilities. Interest charges will record directly to statements of comprehensive income on over the term of the lease. Leased assets are depreciated on over the useful lives of the leased assets or over the period of the lease whichever is lower.

### 3.5 Investment in subsidiaries and associates

3.5.1 Investments in associates in the consolidated financial statements are stated by equity method.

3.5.2 Investments in subsidiaries and associates in the separate financial statements are stated at cost less provision for impairment (if any).

### 3.6 Goodwill

An excess of the cost of acquisition over the Company's share of the net fair value of the net identifiable assets of subsidiaries and associates recognized at the date of acquisition is recognized as goodwill which is included within the carrying amount of the investment in associates and shall be tested any impairment loss with respect to the investments in associates.

A cash-generating unit to which goodwill have been allocated is tested for annually and stated at cost less provision for accumulated impairment. Any impairment loss recognized for goodwill is not reversed in subsequent periods. The relevant cash-generating unit, the carrying amount of goodwill is included in the determination of the profit or loss on disposal.

For the purpose of impairment testing, goodwill is allocated to each of the acquirer's cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the combination.

### 3.7 Investment properties

Investment properties 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 determined on a straight-line method as follows:

	Number of years
Building	20
Office furniture and fixture	10

### 3.8 Leased assets

Operating leased assets are stated at cost less accumulated depreciation and provision for impairment loss of assets (if any).

Assets are depreciated by a straight-line basis on over the useful lives of the assets as follows:

	Number of years
Vehicles	7
Machinery	7
Vehicle accessories	5

### 3.9 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).

Cost is included initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, the obligation for which the Company incurs. The residual value and the useful life of an asset are required to review at least at the financial year-end.

Depreciation is calculated on a straight-line method over the estimated useful lives of the assets as follows:

	Number of years
Office improvement	5
Building	20
Machinery, equipment and tools	5 – 20
Furniture and fixtures	5 – 10
Vehicles	5

### 3.10 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.

### 3.11 Leasehold right and prepaid for land cost

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

### 3.12 Intangible assets

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

### 3.13 Impairment of assets

The Company and subsidiaries have assessed the impairment of assets on property, plant and equipment, land held for development and investments 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.

### 3.14 Hire purchase assets

Subsidiaries record assets under hire purchase agreement as assets and liabilities in statements of financial position 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.

### 3.15 Income tax

Income tax expenses for the accounting period comprises current tax and deferred tax.

#### 3.15.1 Current tax

The Company and subsidiaries recorded income tax to be paid in each period as expenses in that period and calculated income tax in conditions as prescribed by the Revenue Code.

#### 3.15.2 Deferred tax

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

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

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

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

### 3.16 Earnings per share

#### 3.16.1 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.

#### 3.16.2 Diluted earnings per share

Diluted earnings per share is calculated by dividing profit for the year belonging to the Company's shareholders (excluded other comprehensive income (expense)) by the weighted average number of ordinary shares issued during the year and the diluted potential ordinary shares issued for conversion to ordinary shares by assuming that the conversion to ordinary shares as at the beginning of the year or the potential ordinary shares issuing date.

In 2013 and 2012, the exercise price of warrants is higher than market price, then, diluted earnings per share was not calculated.

### 3.17 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, cost of property development project and reserve for employee benefits which estimated by the actuary at the statements of financial position date. Other estimates are described in the corresponding disclosures.

### 3.18 Provisions

The Company and subsidiaries recognize 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 and subsidiaries settle the obligation. The amount recognized should not exceed the amount of the provision.

### 3.19 Related parties transaction

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personal, including directors and officers of the Company in making financial and operating decision.

### 3.20 Financial instruments

Financial assets carried on the financial statements include cash and cash equivalents, trade and other receivables, short-term loans to related companies. Financial liabilities carried on the statements of financial position include bank overdrafts and short-term loans from financial institutions and related company, trade and other payables, accrued income tax, financial lease liabilities, and long-term loans from financial institutions. The particular recognition methods adopted are disclosed in the individual policy associated with each item.

### 3.21 Provident fund and employee benefits

#### 3.21.1 Provident fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

#### 3.21.2 Employee benefits

The Company and subsidiaries provide for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company and subsidiaries determine the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company and subsidiaries consider the market yield based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

The significant principle assumption of the actuarial using in calculation of employee benefit obligations is as follows:

	Consolidated and Separate Financial Statements	
	2013	2012
Discount rate	2.99%	2.99%
Salary increase rate	7.00%	7.00%
Mortality and disability of TMO 2008	100% , 10%	100% , 10%

**4. CASH AND CASH EQUIVALENTS**

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Cash	199,505.50	130,767.00	43,505.50	53,715.00
Current accounts	2,435,045.55	25,253,221.09	1,318,107.89	20,735,506.16
Savings deposit	413,965,541.53	166,639,205.27	401,192,981.27	165,003,998.78
Fixed deposit with 3 months maturity	244,321.25	244,321.25	0.00	0.00
Cheque for deposition	0.00	13,412,000.00	0.00	0.00
Total	<u>416,844,413.83</u>	<u>205,679,514.61</u>	<u>402,554,594.66</u>	<u>185,793,219.94</u>

**5. TRADE AND OTHER RECEIVABLES**

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012	2013	2012
Trade accounts receivable					
Trade accounts receivable		17,817,936.59	0.00	0.00	0.00
Notes receivable		901,762.20	0.00	0.00	0.00
Total trade accounts and notes receivable		<u>18,719,698.79</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
(Less) Undue income		(2,751,727.12)	0.00	0.00	0.00
(Less) Allowance for doubtful accounts		(47,265.00)	0.00	0.00	0.00
Trade accounts receivable – net		<u>15,920,706.67</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Other receivables					
Advance payment		344,445.05	1,696,776.00	134,627.60	256,110.00
Accrued income	17.1.3	0.00	0.00	19,500,000.00	19,500,000.00
Interest receivable	17.1.4	0.00	0.00	17,991,596.47	17,991,596.47
Accrued dividend receive	17.1.5	0.00	0.00	13,882,436.40	13,882,436.40
Prepaid expenses		4,690,564.71	481,029.41	387,340.00	291,340.89
Revenue Department receivable		1,928,883.94	341,053.52	340,510.51	341,053.52
Others		<u>3,254,721.94</u>	<u>706,331.94</u>	<u>2,417,628.39</u>	<u>331,091.67</u>
Total other receivables		<u>10,218,615.64</u>	<u>3,225,190.87</u>	<u>54,654,139.37</u>	<u>52,593,628.95</u>
Total trade and other receivables		<u>26,139,322.31</u>	<u>3,225,190.87</u>	<u>54,654,139.37</u>	<u>52,593,628.95</u>



The outstanding trade accounts receivable separated by aging are as follows:

	Consolidated financial statements (Baht)	
	2013	2012
Undue	5,920,811.54	0.00
Overdue less than 3 months	7,934,963.72	0.00
Overdue 3 - 6 months	3,726,721.19	0.00
Overdue 6 - 12 months	82,479.14	0.00
Over 12 months	152,961.00	0.00
Total	17,817,936.59	0.00

#### 6 HIRE PURCHASE RECEIVABLE DUE WITHIN ONE YEAR

	Consolidated financial statements (Baht)	
	2013	2012
Hire purchase receivable	5,050,000.00	0.00
(Less) Unrealized interest income- net	(641,121.50)	0.00
(Less) Output tax for collect	(330,377.55)	0.00
Balance	4,078,500.95	0.00

#### 7. INVENTORIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Land and development cost	872,822,035.40	728,360,748.01	753,709,481.61	563,677,550.61
Construction expenses	967,672,544.05	985,338,472.20	776,269,156.43	754,716,806.52
Other expenses in project	148,427,507.06	164,086,012.45	114,339,076.43	107,989,292.43
Interest expenses	209,215,479.64	219,580,933.50	193,323,569.14	191,003,569.14
Total	2,198,137,566.15	2,097,366,166.16	1,837,641,283.61	1,617,387,218.70
Cost of sales – accumulated	(1,671,052,599.45)	(1,776,245,786.21)	(1,579,218,841.99)	(1,562,118,199.41)
Balance	527,084,966.70	321,120,379.95	258,422,441.62	55,269,019.99

- 7.1 As at December 31, 2013 and 2012, a subsidiary used land with its construction of each project which had net carrying value in the amount of Baht 222.30 million and Baht 237.91 million respectively to mortgage as collateral with bank against long-term loans as stated in note 28.
- 7.2 As at December 31, 2013 and 2012, the Company and a subsidiary capitalized interest expenses as cost of project in the amount of Baht 2.32 million and Baht 2.19 million respectively (as at December 31, 2013, separate : Baht 2.32 million).
- 7.3 As at December 31, 2012, the Company has transferred condominium unit to settle debt to a payable which has carrying value amount of Baht 2.20 million in the debt value amount of Baht 3.08 million, resulted gain on debt settlement amount of Baht 0.88 million which was recorded in statements of comprehensive income in full amount.
- 7.4 As at December 31, 2013, a subsidiary has transferred to close sub-phase of a project which had the value equal to amount of Baht 166.61 million.
- 7.5 As at December 31, 2012, the Company has changed the business plan by selling the incompleting development project for preserve the financial liquidity. Such project had the cost of Baht 50.04 million and sold in the price of Baht 42.00 million.
- 7.6 The Company and a subsidiary has the completed of 1 development project and the Company has 2 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, 2013 and 2012, the remaining amount to be paid to customers equal to Baht 7.23 million and Baht 16.89 million respectively (separate : Baht 6.94 million and Baht 15.92 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 26.

## 8. DEPOSIT FOR LAND COST

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Deposit for land cost	68,987,530.00	68,987,530.00	64,987,530.00	64,987,530.00
Less Allowance for devaluation	(68,987,530.00)	(68,987,530.00)	(64,987,530.00)	(64,987,530.00)
Balance – net	0.00	0.00	0.00	0.00

**9. HIRE PURCHASE RECEIVABLE DUE OVER ONE YEAR**

	Consolidated financial statements (Baht)	
	2013	2012
Hire purchase receivable	17,446,670.00	0.00
(Less) Unrealized interest income- net	(732,710.27)	0.00
(Less) Output tax for collect	(1,141,367.23)	0.00
Hire purchase receivable -net	15,572,592.50	0.00

**10. INVESTMENT IN SUBSIDIARIES**

Company	Percentage of shareholding	Separate financial statements (Baht)	
		2013 Cost method	2012 Cost method
Top Line Living Co., Ltd.	99.99	384,999,400.00	159,999,400.00
Nantapop Co., Ltd.	99.99	200,099,400.00	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%)			
Platinum Auto Services Co., Ltd.	99.99	230,783,523.04	0.00
(Indirect shareholding in subsidiary of Platinum Executive Co., Ltd. at 99.97%)			
Total		865,881,723.04	282,098,200.00
Less Provision for impairment of investment			
Top Line Living Co., Ltd.		(179,999,400.00)	(159,999,400.00)
Nantapop Co., Ltd.		(180,099,400.00)	(72,099,400.00)
Tangerine Property Co., Ltd.		(49,999,400.00)	(49,999,400.00)
Total		(410,098,200.00)	(282,098,200.00)
Net balance		455,783,523.04	0.00

- 10.1 On January 2, 2013, the Company has investment in ordinary shares of Platinum Auto Service Co., Ltd. as stated in note 2.8.
- 10.2 In the third quarter of 2013, the Company has acquired the increase share capital from 2 subsidiaries consist of Top Line Living Co., Ltd. and Nantapop Co., Ltd. amounting to Baht 225 million and Baht 128 million respectively. Subsidiaries taken the money from increase share capital to make repayment for loans and accrued interest to the Company. Therefore, the Company has reclassified allowance for doubtful accounts to be provision for impairment of investment since the recoverable value of investment do not change from inter-company debt repayment.
- 10.3 In the fourth quarter of 2013, the provision for impairment of investment in a subsidiary was additionally provided by estimating from net assets value of subsidiaries at the end of fiscal period. The most assets value is closed to the appraisal value of the independent appraiser.

#### 11. INVESTMENT IN ASSOCIATE

	Percentage	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		Equity method		Cost method	
		2013	2012	2013	2012
Aqua Ad Plc.	26	279,752,557.63	0.00	279,494,008.00	0.00

On December 25, 2013, the Company has acquired ordinary shares of Aqua Ad Plc. for 105,151,997 shares at par value of Baht 1 each amounting to Baht 279,494,008.00 at the percentage of 26% of investment.

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

	Consolidated financial statements (Baht)	
	2013	2012
Land and development project - net	0.00	174,292,538.26
Less Allowance for devaluation	0.00	(49,242,538.26)
Net	0.00	125,050,000.00

- 12.1 In December 2013, a subsidiary has transferred assets to settle debt to payables under conditions in debt restructuring agreement as stated in note 29 to financial statements.
- 12.2 In the third quarter of 2013, such subsidiary has additionally recorded provision for impairment amount of Baht 33.88 million for the balance of net capital equal to the value of loans payable for debt settlement.
- 12.3 As at December 31, 2012, assets transferred as collateral under repurchased agreement are assets of a subsidiary for which transferred the ownership to the creditors but subsidiary has a right to repurchase within 2 years, shall be matured on December 21, 2013.

**13. INVESTMENT PROPERTIES**

	Consolidated financial statements (Baht)			
	Land and development cost	Building	Office equipment and furniture	Total
Cost :-				
As at December 31, 2011	68,082,953.16	7,159,000.00	78,613.00	75,320,566.16
Increase	0.00	0.00	0.00	0.00
Decrease	(68,082,953.16)	(7,159,000.000)	(78,613.00)	(75,320,566.16)
Transfer in	3,930,664.00	3,722,100.00	0.00	7,652,764.00
As at December 31, 2012	3,930,664.00	3,722,100.00	0.00	7,652,764.00
Increase	0.00	0.00	0.00	0.00
Decrease	0.00	0.00	0.00	0.00
As at December 31, 2013	3,930,664.00	3,722,100.00	0.00	7,652,764.00
Accumulated depreciation :-				
As at December 31, 2011	0.00	(806,123.02)	(32,268.13)	(838,391.15)
Increase	0.00	(267,726.98)	(11,571.99)	(279,298.97)
Decrease	0.00	1,073,850.00	43,840.12	1,117,690.12
Transfer in	0.00	(932,564.54)	0.00	(932,564.54)
As at December 31, 2012	0.00	(932,564.54)	0.00	(932,564.54)
Increase	0.00	(186,105.01)	0.00	(186,105.01)
Decrease	0.00	0.00	0.00	0.00
As at December 31, 2013	0.00	(1,118,669.55)	0.00	(1,118,669.55)
Net book value				
As at December 31, 2013	3,930,664.00	2,603,430.45	0.00	6,534,094.45
As at December 31, 2012	3,930,664.00	2,789,535.46	0.00	6,720,199.46
Depreciation for the year				
As at December 31, 2013				186,105.01
As at December 31, 2012				279,298.97

As at December 31, 2013 and 2012, investment properties have fair value amount of Baht 6.24 million.

As at December 31, 2012, a subsidiary has recorded land, club houses to be improved to office building as investment properties as stated in notes 15 to financial statements.

**14. ASSETS FOR RENT**

Consolidated financial statements (Baht)					
	December 31, 2012	Increase from acquired investment in subsidiary at the acquisition date	Increase	Decrease	December 31, 2013
Cost :-					
Machinery	0.00	4,703,581.31	0.00	0.00	4,703,581.31
Vehicles	0.00	299,264,897.94	119,714,526.11	(50,463,401.86)	368,516,022.19
Accessories	0.00	4,623,317.59	1,049,787.87	(22,000.00)	5,651,105.46
Vehicles license	0.00	370,000.00	0.00	0.00	370,000.00
Total cost	0.00	308,961,796.84	120,764,313.98	(50,485,401.86)	379,240,708.96
Accumulated depreciation :-					
Machinery	0.00	(117,313.50)	(570,925.71)	0.00	(688,239.21)
Vehicles	0.00	(65,775,982.99)	(39,031,377.26)	14,753,904.73	(90,053,455.52)
Accessories	0.00	(1,042,189.06)	(985,189.24)	3,196.28	(2,024,182.02)
Total accumulated depreciation	0.00	(66,935,485.55)	(40,587,492.21)	14,757,101.01	(92,765,876.75)
Net	0.00				286,474,832.21
Depreciation for the year	0.00				40,587,492.21

As at December 31, 2013, the Company has cars and machinery to rent under hire-purchase as follows :

	Baht	
	Cost	Net book value
Car (amount 139 units)	353,555,714.86	269,839,270.26
Machinery (amount 1 unit)	4,703,581.31	4,015,342.10
Total	358,259,296.17	273,854,612.36

As at December 31, 2013, the Company has minimum amount of rental income in the future under irrecoverable operating lease, presented the amount in agreement as follows :

	Baht
Within 1 year	81,896,647.72
Over 1 year but less than 5 years	181,351,758.55
Total	263,248,406.27

As at December 31, 2013, the Company has no cars held for rent which were fully depreciated but are still in use.

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**15. PROPERTY, PLANT AND EQUIPMENT**

As at December 31, 2013 and 2012 comprise

	Consolidated financial statements (Baht)							
	Land	Leased land improvement	Building	Sale office improvement	Office tools and furniture	Vehicles	Work in progress and installation	Total
<b>Cost :-</b>								
As at December 31, 2011	4,620,664.00	763,600.00	3,722,100.00	0.00	6,128,223.28	5,675,178.00	984,137.03	21,893,902.31
Acquisition	0.00	0.00	0.00	0.00	1,713,495.24	0.00	0.00	1,713,495.24
Increase from acquisition of investment in subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal / transfer out	(3,930,664.00)	0.00	(3,722,100.00)	0.00	(2,514,698.32)	(1,923,118.00)	0.00	(12,090,580.32)
As at December 31, 2012	690,000.00	763,600.00	0.00	0.00	5,327,020.20	3,752,060.00	984,137.03	11,516,817.23
Acquisition	0.00	0.00	0.00	0.00	789,679.95	6,338,317.75	0.00	7,127,997.70
Increase from investment in subsidiaries	0.00	0.00	0.00	5,027,474.21	1,165,453.83	1,210,467.29	0.00	7,403,395.33
Disposal / transfer out	0.00	0.00	0.00	0.00	0.00	(901,616.00)	0.00	(901,616.00)
As at December 31, 2013	690,000.00	763,600.00	0.00	5,027,474.21	7,282,153.98	10,399,229.04	984,137.03	25,146,594.26
<b>Accumulated depreciation :-</b>								
As at December 31, 2011	0.00	0.00	(746,459.55)	0.00	(5,581,870.93)	(5,242,462.62)	0.00	(11,570,793.10)
Depreciaiton for the year	0.00	0.00	(186,104.99)	0.00	(446,263.580)	(400,045.56)	0.00	(1,032,414.13)
Increase from acquisition of investment in subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation of disposal / transfer out	0.00	0.00	932,564.54	0.00	2,394,265.50	1,908,020.48	0.00	5,234,850.52
As at December 31, 2012	0.00	0.00	0.00	0.00	(3,633,869.01)	(3,734,487.70)	0.00	(7,368,356.71)
Depreciation for the year	0.00	0.00	0.00	(1,004,943.99)	(715,362.44)	(513,626.53)	0.00	(2,233,932.96)
Increase from investment in subsidiaries	0.00	0.00	0.00	(3,438,836.00)	(910,693.31)	(89,364.31)	0.00	(4,438,893.62)
Depreciaiton of disposal / transfer out	0.00	0.00	0.00	0.00	0.00	901,614.00	0.00	901,614.00
As at December 31, 2013	0.00	0.00	0.00	(4,443,779.99)	(5,259,924.760)	(3,435,864.54)	0.00	(13,139,569.29)
<b>Provision for impairment of assets :-</b>								
As at December 31, 2013	0.00	(763,600.00)	0.00	0.00	0.00	0.00	(984,137.03)	(1,747,737.03)
As at December 31, 2012	0.00	(763,600.00)	0.00	0.00	0.00	0.00	(984,137.37)	(1,747,737.03)
<b>Net book value :-</b>								
As at December 31, 2013	690,000.00	0.00	0.00	583,694.22	2,022,229.22	6,963,364.50	0.00	10,259,287.94
As at December 31, 2012	690,000.00	0.00	0.00	0.00	1,693,151.19	17,572.30	0.00	2,400,723.49
Depreciation for the year ended December 31, 2013								2,233,932.96
Depreciation for the year ended December 31, 2012								1,032,414.13

As at December 31, 2012, a subsidiary has reclassified land, clubhouse to be improved at cost amount of Baht 7.65 million as investment properties as stated in note 13 to financial statements.

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	Separate financial statements (Baht)		
	Land	Office equipment and furniture	Total
Cost :-			
As at December 31, 2011	690,000.00	1,847,230.54	2,537,230.54
Acquisition	0.00	1,694,495.25	1,694,495.24
Disposal / transfer out	0.00	(654,951.23)	(654,591.23)
As at December 31, 2012	690,000.00	2,880,774.56	3,576,774.55
Acquisition	0.00	775,236.49	775,236.49
Disposal / transfer out	0.00	0.00	0.00
As at December 31, 2013	690,000.00	3,662,011.04	4,352,011.04
Accumulated depreciation :-			
As at December 31, 2011	0.00	1,327,678.19	1,327,678.19
Depreciation for the year	0.00	429,537.92	429,537.92
Depreciation of disposal / transfer out	0.00	(544,606.43)	(544,606.43)
As at December 31, 2012	0.00	1,212,609.68	1,212,609.68
Depreciation for the year	0.00	546,193.05	546,193.05
Depreciation of disposal / transfer out	0.00	0.00	0.00
As at December 31, 2013	0.00	1,758,802.73	1,758,802.73
Net book value :-			
As at December 31, 2013	690,000.00	1,903,208.31	2,593,208.31
As at December 31, 2012	690,000.00	1,674,164.87	2,364,164.87
Depreciation for the year ended December 31, 2013			546,193.05
Depreciation for the year ended December 31, 2012			429,537.92



**16. LAND AND PROJECT HELD FOR DEVELOPMENT**

	Consolidated financial statements (Baht)	
	2013	2012
Land and project held for development	78,197,980.98	78,197,980.98
Less Provision for impairment	(37,110,230.98)	(3,357,980.98)
Balance – net	41,087,750.00	74,840,000.00

In 2013, a subsidiary has recorded a loss on impairment of land held for development of the reappraisal on December 31, 2013 of the independent appraiser by using market value and replacement cost. The results of the appraisal valuation is lower than the carrying amount of Baht 37.11 million which the subsidiary has recorded an additional impairment loss of Baht 33.75 million in the financial statements.

**17. TRANSACTIONS WITH RELATED PERSONS AND PARTIES**

The significant transactions with related persons and parties, and pricing policy are as following:

No.	Related persons or parties	Relationship		Transactions	Pricing policy
		2013	2012		
1	Top Line Living Co., Ltd.	A	A	- Loan to - Accrued project management service	Non-interest bearing According to inter-company covenants At present, there is no service rendered
2	Nantapop Co., Ltd.	A	A	- Loans to	Non-interest bearing
	Tangerine Properties Co., Ltd.	A	A	- Loans to	
3	Platinum Auto Services Co., Ltd.	A	-	- Car rental - Guarantee leasing payable - Loans during 2013 and were fully paid in 2013	As indicated in rent contract No remuneration At the interest rate of 8% per annum
4	Falcon 9 Co., Ltd.	C, D	C, D	- Remuneration from share guaranteed loan of the Company	At the rate of 3% per annum of loan facility and ceased to charge inter-company remuneration since the year 2013 onwards
5	Mr. Wanchai Subhaphayak	E	E	- Loans to the subsidiary	Non-interest bearing
6	Mr. Anuphong Kuttikul	E	-	- Guarantee loan facility of the subsidiary	No remuneration
7	Mr. Wanchai Subhaphayak	E	E	- Guarantee loan facility of the company and subsidiary	No remuneration

## 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 – Subsidiaries' shareholder

17.1 Transactions and amounts with related persons and parties in statements of financial position as at December 31, 2013 and 2012, are as follows:

## 17.1.1 Loans to related persons and parties

	Separate financial statements (Baht)			
	December 31, 2012	Increase	Decrease/transfer out	December 31, 2013
Top Line Living Co., Ltd.	166,804,880.48	31,606,000.00	(198,410,880.48)	0.00
Nantapop Co., Ltd.	114,455,450.44	492,873.00	(114,948,323.44)	0.00
Tangerine Property Co., Ltd.	11,926,348.58	70,000.00	(4,000,000.00)	7,996,348.58
Platinum Auto Service Co., Ltd.	0.00	60,000,000.00	(60,000,000.00)	0.00
Total	293,186,679.50	92,168,873.00	(377,359,203.92)	7,996,348.58
(Less) Allowance for doubtful accounts	(86,522,862.02)	(787,216.96)	79,313,730.40	(7,996,348.58)
Net	<u>206,663,817.48</u>			<u>0.00</u>

In the third quarter of 2013, the Company has reversed allowance for doubtful accounts of loans and accrued interest of two subsidiaries amount of Baht 79.31 million and Baht 12.60 million respectively to be provision for impairment of investment as stated in note 10.2.

As at December 31, 2013 and 2012, group of subsidiaries could not operate the project as plan since they lacked of financial liquidity and are under the seeking co-investor and 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. As at December 31, 2013 and 2012, the allowance for doubtful accounts of two subsidiaries, Tangerine Property Co., Ltd. and Nantapop Co., Ltd. was additionally provided in the amount of Baht 0.79 million and Baht 50.76 million respectively.

## 17.1.2 Loans from related persons and parties

	Consolidated financial statements (Baht)			
	December 31, 2012	Increase	Decrease	December 31, 2013
Mr. Wanchai Subhaphayak	214,500.00	0.00	214,500.00	0.00
Total	214,500.00	0.00	214,500.00	0.00

## 17.1.3 Accrued project management income

	Separate financial statements (Baht)	
	2013	2012
Top Line Living Co., Ltd.	19,500,000.00	19,500,000.00

## 17.1.4 Accrued interest income - loans to related parties

	Separate financial statements (Baht)	
	2013	2012
Top Line Living Co., Ltd.	17,991,596.47	17,991,596.47
Nantapop Co., Ltd.	0.00	12,600,773.59
Tangerine Properties Co., Ltd.	3,341,770.63	3,341,770.63
Total	21,333,367.10	33,934,140.69
(Less) Allowance for doubtful accounts	(3,341,770.63)	(15,942,544.22)
Net	17,991,596.47	17,991,596.47

## 17.1.5 Accrued dividend income

	Separate financial statements (Baht)	
	2013	2012
Top Line Living Co., Ltd.	13,882,436.40	13,882,436.40

## 17.1.6 Accrued project management expenses

	Separate financial statements (Baht)	
	2013	2012
Top Line Living Co., Ltd.	44,500,000.00	44,500,000.00

17.2 Transactions and amounts with related persons and parties in statements of comprehensive income for the years ended December 31, 2013 and 2012 are as follows :

17.2.1 Interest income

	Separate financial statements (Baht)	
	2013	2012
Platinum Auto Service Co., Ltd.	1,458,016.09	0.00

17.2.2 Remuneration from pledged securities for loan guarantee

	Separate financial statements (Baht)	
	2013	2012
Falcon 9 Co., Ltd.	0.00	1,350,000.00

17.2.3 Car rental

	Separate financial statements (Baht)	
	2013	2012
Platinum Auto Service Co., Ltd.	1,142,000.00	0.00

## 18. LOANS TO OTHER PARTIES

	Consolidated financial statements (Baht)	
	2013	2012
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

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. The Company has proceeded by entering a civil claim in Court in the year 2011. At present, the court has sentenced such subsidiary to win the case and is being filed the petition for jointly average assets with other payables.

## 19. PLEDGED BANK DEPOSITS

As at December 31, 2013 and 2012, the Company and subsidiaries have savings deposit in the amount of Baht 2.18 million and Baht 1.25 million (separate: amount of Baht 0.90 million and Baht 0.52 million respectively) partial savings deposit in the amount of Baht 1.28 million and Baht 0.73 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 in the financial statements. The remaining amount of Baht 0.90 million and Baht 0.52 million respectively is used as guarantee against letter of guarantee the public utilities maintenance of a project and aval-promissory notes for payment of lift acquisition.

**20. PREPAID LEASEHOLD RIGHT AND LAND RENTAL**

	Consolidated financial statements (Baht)	
	2013	2012
Prepaid leasehold right and land rental	7,002,000.00	7,002,000.00
<u>Less</u> Accumulated amortization	(6,472,989.35)	(5,472,717.93)
<u>Less</u> Provision for impairment of prepaid leasehold right and land rental	(529,010.15)	(1,529,282.07)
Balance – net	0.00	0.00

A subsidiary stopped the construction of sport centre project by recording 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 37.3.

**21. INTANGIBLE ASSETS**

	Consolidated financial statements (Baht)		
	Software	Accumulated amortization	Net balance
As at December 31, 2011	5,770,328.10	(2,520,569.43)	3,249,758.67
Increase	0.00	(577,032.66)	(577,032.66)
As at December 31, 2012	5,770,328.10	(3,097,602.09)	2,672,726.01
Increase from investment in subsidiaries	32,000.00	(24,305.92)	7,694.08
Increase	0.00	(583,429.02)	(583,429.02)
As at December 31, 2013	5,802,328.10	(3,705,337.03)	2,096,991.07
Amortized software for the year			
As at December 31, 2013			583,429.02
As at December 31, 2012			577,032.66

Separate financial statements (Baht)			
	Software	Accumulated amortization	Net balance
As at December 31, 2011	3,741,822.10	(1,268,831.07)	2,472,991.03
Increase	0.00	(374,182.20)	(374,182.20)
As at December 31, 2012	3,741,822.10	(1,643,013.27)	2,098,808.83
Increase	0.00	(374,182.14)	(374,182.14)
As at December 31, 2013	<u>3,741,822.10</u>	<u>(2,017,195.41)</u>	<u>1,724,626.69</u>
Amortized software for the year			
As at December 31, 2013			374,182.14
As at December 31, 2012			374,182.20

## 22. INCOME TAX EXPENSES / DEFERRED TAX

Deferred tax assets and liabilities after offsetting are included in statements of financial position as detailed following :

Consolidated financial statements (Baht)		
	2013	2012
Deferred tax assets		
Employee benefits provisions	30,263.75	0.00
	<u>30,263.75</u>	<u>0.00</u>
Deferred tax liabilities		
Financial lease liabilities	67,047.83	0.00
	<u>67,047.83</u>	<u>0.00</u>

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Income tax expenses for the year ended December 31, 2013 and 2012 are summarized as follows :

	Consolidated financial statements (Baht)	
	2013	2012
Current tax :		
Income tax for the year	636,211.45	0.00
Deferred tax		
Deferred tax resulted from temporary difference		
and reversal of temporary difference	1,239,603.31	0.00
	<u>1,875,814.76</u>	<u>0.00</u>

Reconciliation between income tax expenses and multiplication of taxable profit and tax rate used for the year ended December 31, 2013 and 2012 can be presented as follows :

	Consolidated financial statements (Baht)	
	2013	2012
Taxable profit (loss) before income tax	(124,760,661.53)	0.00
Income tax rate	<u>20.00%</u>	<u>0.00</u>
Taxable profit (loss) before income tax multiply with tax rate	(24,952,132.31)	0.00
Taxable effects for the year:		
Impairment loss of assets	13,527,510.00	0.00
Taxable loss was not recorded as deferred tax assets	12,366,249.98	0.00
Prohibited expenses	<u>934,187.09</u>	<u>0.00</u>
Income tax expenses presented in statements of income	<u>1,875,814.76</u>	<u>0.00</u>

**23. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION**

	Consolidated and Separate financial statements (Baht)	
	2013	2012
Short-term loans from financial institution	45,000,000.00	45,000,000.00
Total	45,000,000.00	45,000,000.00

As at December 31, 2013 and 2012, the Company issued promissory notes in the amount of Baht 45 million to a financial institution at the interest rate of MLR+0.25% per annum, guaranteed by pledging securities of a related company and by the Company's director which are due at call.

**24. TRADE AND OTHER PAYABLES**

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012	2013	2012
24.1 Trade accounts payable					
Construction payable		10,575,338.63	10,288,217.92	1,960,598.17	5,841,416.96
Trade accounts payable		1,490,463.43	0.00	0.00	0.00
Note payable		1,248,566.16	0.00	0.00	0.00
Promissory notes		898,800.00	0.00	898,800.00	0.00
Total trade accounts payable		14,213,168.22	10,288,217.92	2,859,398.17	5,841,416.96
24.2 Other payables					
Contractor retentions		7,259,567.90	5,739,818.13	848,466.79	176,250.00
Accrued expenses		22,768,248.01	23,280,658.56	10,293,519.13	10,568,020.45
Accrued project management expenses	17.1.6	0.00	0.00	44,500,000.00	44,500,000.00
Accrued interest other persons and parties		2,836,562.13	2,255,388.10	20,265.03	58,893.48
Others		1,644,515.33	832,776.90	405,564.53	428,164.30
Total other payables		34,508,893.37	32,108,641.69	56,067,815.48	55,731,328.23
Total trade and other payables		48,722,061.59	42,396,859.61	58,927,213.65	61,572,745.19

**25. LOANS FROM OTHER PERSONS**

	Consolidated financial statements (Baht)	
	2013	2012
Principal	5,000,000.00	5,000,000.00
Balance	5,000,000.00	5,000,000.00

25.1 As at December 31, 2013 and 2012, a subsidiary has loans from other person amount of Baht 5.00 million by issuing promissory notes at the interest rate of 15% per annum which are due at call.



- 25.2 As at December 31, 2012, the Company made payment compromise with an individual payable, resulted gain on debt compromise in the amount of Baht 9.10 million.

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

- 26.1 As at December 31, 2013 and 2012, the Company and a subsidiary has payable amount of Baht 7.23 million and Baht 16.89 million respectively (separate: Baht 6.94 million and Baht 15.92 million respectively) arose from customers cancel agreement to buy and sell of condominium units since 2009 which the Company has to return amount received in advance and fines from breach of agreement to buy and to sell at the rate of 7.5% to 15% per annum of the principal from the agreement date until the covenant date. At present, the debt installments are being made in accordance with such covenant.
- 26.2 As at December 31, 2013 and 2012, the Company and subsidiary made repayment compromise with those customers payable and completely repaid for 5 and 26 customers respectively (separate: 5 and 19 customers respectively) resulted gain on debt compromise amount of Baht 0.54 million and Baht 4.88 million respectively (separate: Baht 0.54 million and Baht 3.54 million respectively).

## 27. FINANCIAL LEASE LIABILITIES

	Consolidated financial statements (Baht)	
	2013	2012
Details of lease assets under financial lease as follows:		
Vehicles	353,555,714.86	0.00
Machinery	4,703,581.31	0.00
(Less) Accumulated depreciation	(69,701,102.50)	0.00
Net	<u>273,854,612.36</u>	<u>0.00</u>
The minimum amounts to be paid under financial lease are as follows:		
Within 1 year	70,005,020.86	0.00
Over 1 year less than 5 years	153,174,829.18	0.00
Total	223,179,850.04	0.00
(Less) Future interest expenses of financial lease	(20,784,325.93)	0.00
Input tax for future exercise of financial lease	(14,600,553.94)	0.00
Present value of financial lease liabilities	<u>187,794,998.17</u>	<u>0.00</u>
Financial lease liabilities excluding future interest are as follows:		
Financial lease liabilities	187,794,998.17	0.00
(Less) Financial lease liabilities due within one year	(55,775,577.99)	0.00
Financial lease liabilities - net	<u>132,019,420.03</u>	<u>0.00</u>

**28. LONG-TERM LOANS**

	Consolidated financial statements (Baht)	
	2013	2012
Long-term loans		
- Commercial banks	3,736,917.77	43,052,950.50
- Financial institutions	59,398,244.98	69,389,684.98
Total	63,135,162.75	112,442,635.48
Less Current portion of long-term loans	(59,398,244.98)	0.00
Long-term loans-net	3,736,917.77	112,442,635.48

As at December 31, 2013 and 2012, a subsidiary has obtained loans from two commercial bank and financial institution for total credit line of Baht 179.30 million at the interest rate of MLR+2.50% - 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 2013-2015 in accordance with the existing agreement and supplement covenants in the first quarter of 2012 which requested to extend the repayment maturity from 2013 to be 2015. Such loans are guaranteed by mortgaging land with its construction of each loaned project as stated in note 7 and personal guarantee by the Company's directors and a related company.

**29. LIABILITIES UNDER DEBT RESTRUCTURING AGREEMENT**

29.1 On June 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:

29.1.1 Base on the existing condition (on June 29, 2010)

29.1.1.1 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 1<sup>st</sup>-12<sup>th</sup> month and Baht 1.81 million for the 13<sup>th</sup>-72<sup>nd</sup> month. This principal is charged the interest at the rate of MLR per annum and the interest for the 1<sup>st</sup>-12<sup>th</sup> month is suspended and is payable in the 13<sup>th</sup>-71<sup>st</sup> month in the amount of Baht 0.01 million each and the remaining is payable in the 72<sup>nd</sup> month (June 2016).

- 29.1.1.2 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 72<sup>nd</sup> month (June 2016).
- 29.1.1.3 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 72<sup>nd</sup> month (June 2016) from the signing date of debt restructuring agreement.
- 29.1.2 Base on 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 142.30 million as follows:
- 29.1.2.1 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 9 to financial statements and subsequent on May 16, 2012, a subsidiary made memorandum attached to debt restructuring agreement and assent of guarantor No.2 on December 21, 2011 by increasing condition for transferring of ownership of construction structured on land used in debt settlement in the settlement price equal to Baht 1.16 million.
- 29.1.2.2 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.
- 29.1.2.3 Allow the first right of refusal within 1 year for the repurchasing date that receivable must reply within 60 days from 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.
- 29.1.2.4 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.
- 29.1.2.5 As at December 21, 2013, subsidiary do not exercise the right to repurchase assets transferred to settle debt in the value of Baht 91.61 million in accordance with amendment in debt restructuring agreement for which subsidiary has liabilities obligation total amount of Baht 142.30 million. From unexercised right, as a result, the subsidiary has to transfer assets to payables and repay the remaining principal from transfer of assets to settle debt for the another Baht 16.81 million including interest amount of Baht 2.39 million, totaling Baht 19.20 million and the outstanding amount of Baht 31.94 million will be waived when the principal including interest repayment is completed. In January 2014, the Company has already made repayment of such principal and interest and is being complied with the other conditions of bank.
- 29.1.3 Details of remaining debt under debt restructuring agreement are as follows:

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	Consolidated financial statements (Baht)
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 31, 2012	142,302,072.45
Less Transfer assets to settle debt under condition in agreement	(91,164,700.00)
Total liabilities as at December 31, 2013	51,137,372.45

	Consolidated financial statements (Baht)	
	2013	2012
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	0.00	90,008,700.00
2) The remaining debt repaid within 2 years	16,814,585.87	18,240,585.87
3) Interest incurred from 2 parts of principal within 2 years (MLR-0.50%)	2,386,916.59	14,813,840.52
4) Waived debt from comply with agreement	31,935,869.99	19,238,946.06
Balance-net	51,137,372.45	142,302,072.45

## 29.1.4 Liabilities under debt restructuring agreement

	Consolidated financial statements (Baht)	
	2013	2012
Liabilities under debt restructuring agreement	51,137,372.45	142,302,072.45
(Less) Current portion of liabilities under debt restructuring agreement	(51,137,372.45)	(142,302,072.45)
Balance-net	0.00	0.00

**30. GAIN ON DEBT COMPROMISE**

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012	2013	2012
Trade and other payables		115,194.06	1,303,923.77	115,194.06	76,129.12
Payables under agreement					
to buy and to sell	26.2	540,104.26	4,883,186.26	262,881.63	3,536,045.95
Loans from other persons	25.2	0.00	9,104,959.60	0.00	9,104,959.60
Net		<u>655,298.32</u>	<u>15,292,069.63</u>	<u>378,075.69</u>	<u>12,717,134.67</u>

**31. EMPLOYEE BENEFIT OBLIGATIONS**

## Changes in present value of employee benefits obligations plan

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
The financial statements for the year ended				
December 31				
Employee benefit obligations plan as at January 1	2,385,756.80	1,194,610.00	1,897,763.19	948,881.59
Current cost of service and interest	1,228,560.75	501,409.60	893,127.00	393,094.00
Cost of services incurred before 2011 which gradually recognized in the period	692,192.40	693,200.40	555,787.60	555,787.60
Actuarial (gain) loss on defined employee benefits realized in statement of income	990,326.50	(3,463.20)	543,003.25	0.00
Payments for employee benefits during the period	<u>(1,610,550.00)</u>	<u>0.00</u>	<u>(1,500,000.000)</u>	<u>0.00</u>
Employee benefit obligations plan	<u>3,686,286.45</u>	<u>2,385,756.80</u>	<u>2,389,681.04</u>	<u>1,897,763.19</u>
Expenses recognized in profit or loss				
For the year ended December 31				
Current cost of service and interest	1,228,560.75	501,409.60	893,127.00	393,094.00
Cost of services incurred before 2011 which gradually recognized in the period	692,192.40	693,200.40	555,787.60	555,787.60
Actuarial loss on defined employee benefits realized in statement of income	<u>990,326.50</u>	<u>0.00</u>	<u>543,003.25</u>	<u>0.00</u>
Total	<u>2,911,079.65</u>	<u>1,194,610.00</u>	<u>1,991,917.85</u>	<u>948,881.60</u>

## 32. SHARE CAPITAL

32.1 According to the minutes of shareholders' extraordinary meeting No. 1/2011 held on September 21, 2011, passed the resolution to approve at the meeting as follows :

32.1.1 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 without offering price (exercise period within 3 years from the issuance date) with the exercise price of Baht 1 per share. On February 15, 2012, the Company has issued warrants with the exercise period of 3 years ended February 13, 2015. At present, there is no exercise of warrants.

32.1.2 To increase share capital 2,560 million shares at par of Baht 1 each including the existing share capital for 780 million shares, totally 3,340 million shares (registered with the Ministry of Commerce on December 7, 2001) and the allocation is as follows:

32.1.2.1 Allocate the increase share capital not exceeds 780 million shares to the existing shareholders based on Right Offering at 1 old share to 1 new share of Baht 0.25 each, amounted to Baht 195.00 million. The remaining share capital from the first lot will be allocated to the existing shareholders who subscribe for additional share. The Company has registered and paid-up from 780 million shares to 1,560 million shares at the additional paid-up amount of Baht 195 million and had discount on share capital amount of Baht 585 million.

32.1.2.2 Allocate the increase share capital not exceeds 780 million shares reserve for the exercise right of warrants as per No. 29.1.1. At present, there is no exercise of warrants.

32.1.2.3 Allocate the increase share capital not exceeds 1,000 million shares 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) which has already operated as follows :

32.1.2.3.1 According to the resolution of Board of directors' meeting No.8/2012, passed to sell share capital to specific investors for 310 million shares in the price of Baht 0.25 each, amounting to Baht 77.50 million and had received the payment in full. The Company has registered the increase share capital from 1,560 million shares to 1,870 million shares with the Ministry of Commerce on October 19, 2012, resulted to the discount on share capital amount of Baht 232.50 million.

32.1.2.3.2 According to the resolution of Board of directors' meeting No.11/2012, passed to sell share capital to specific investors for the remaining 690 million shares in the price of Baht 0.25 each, amounting to Baht 172.50 million which was called for payment already and registered with the Ministry of Commerce as below:

32.1.5.2.1 Call for payment for 230 million shares amount of Baht 52.50 million and registered the increase paid-up share capital from 1,870 million shares to 2,100 million shares with the Ministry of Commerce on December 25, 2012, resulted to the discount on share capital amount of Baht 172.50 million.

32.1.5.2.2 Call for payment for 460 million shares amount of Baht 120.00 million and registered the increase paid-up share capital from 2,100 million shares to 2,560 million shares with the Ministry of Commerce on January 15, 2013, resulted discount on share capital of Baht 345.00 million.

32.2 According to the minutes of shareholders' general meeting for the year 2013 held on May 3, 2013, passed the resolution to approve at the meeting as follows:

32.2.1 To approve the issuance of warrants to purchase ordinary shares of the Company No.2 (LL-W2) for not exceed 4,150.30 million units to the existing shareholders who subscribed for the newly issued ordinary shares offered to existing shareholders of the Company without offering price and had exercise price of Baht 0.40 per share.

32.2.2 To approve the increase registered share capital for 18,743.60 million shares at par value of Baht 1 each, from registered share capital of 3,340 million shares, totally 22,083.60 million shares and had already registered on May 10, 2013 for the objectives following:

Allocation	Number shares (share)	Price	Allocated person	Objective
1. The Company's existing shareholders through the rights offering	10,240,000,000	Baht 0.09 per share	Shareholders whose names are in the book closing date on May 16, 2013 at the ratio of 1 existing share to 4 new shares	Working capital for the future investments of the Company
2. Specific investor under a private placement scheme	3,000,000,000	Not lower than 90% of the market price calculate by average closing price 14 days before offering day and according to the relevant and not less than that as offered to the existing shareholders	The Executive committee or the authorized directors shall be authorized to allot and offer in entirety or to portion and offer in lots from time to time as deemed appropriate	The consideration for strategic partner who will serve business together

32.3 During June 7-20, 2013, the Company has called for payment of share capital for 10,239 million shares, amounting to Baht 921.52 million and registered the increase paid-up share capital from 2,560 million shares to 12,799 million shares with the Ministry of Commerce on July 16, 2013 which resulted discount on share capital amount of Baht 9,318 million.

### 33. DIRECTORS' REMUNERATION

According to the Annual General Meeting of shareholders for the year of 2013 held on May 3, 2013, the Company passed resolution to determine remuneration for directors of the Company and subsidiaries who diligently work for the Company and subsidiaries for maximum Baht 1.24 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 and post-employment benefits. For the year ended December 31, 2013 and 2012, the Company has management benefit expenses of Baht 8.64 million and Baht 13.81 million respectively.

### 35. EXPENSES ANALYZED BY NATURE

Significant expenses analyzed by nature are as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Changes in inventories	(205,964,586.75)	28,666,549.92	(203,153,422.33)	39,359,353.80
Acquire of land and construction cost	267,383,589.25	76,817,978.99	220,254,064.91	27,932,874.16
Salaries and other employee benefits	27,697,645.68	24,137,081.00	4,120,642.24	5,170,200.34
Management benefit expenses	11,467,122.68	13,812,186.16	11,467,122.68	13,812,186.16
Depreciation and amortization	43,590,959.20	1,888,745.76	920,375.19	803,720.12

### 36. ADDITIONAL OF CASH FLOWS INFORMATION

#### 36.1 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)	
	2013	2012	2013	2012
Cash and cash equivalents	416,844,413.83	205,679,514.61	402,554,594.66	185,793,219.94



## 36.2 Investment acquisition in ordinary shares of subsidiary

On January 2, 2013, the Company has additional invested in ordinary shares of a subsidiary in proportion of 99.99 percent by taken assets and liabilities at carrying amount of such subsidiary to include in consolidated financial statements at the acquisition date. Difference of acquisition price and fair value of assets and liabilities are presented as goodwill from investment in subsidiary as stated in notes 2.8 to financial statements. The details of cash flows for net acquisition are as follows :

	Consolidated financial statements (Baht)
	2013
Cash and cash equivalents	2,455,757.74
Operating lease receivable	7,822,981.84
Advance payment	110,715.00
Prepaid expenses	7,721,664.50
Others	182,392.48
Other current assets	295,894.04
Operating assets	243,147,414.27
Property, plant and equipment - net	1,843,398.73
Pledged deposits	88,428.46
Intangible assets – net	7,694.08
Deferred tax assets	4,215,775.07
Deposits and guarantees	10,000.00
Prepaid income tax	3,486,572.38
Trade accounts and notes payable	(18,175,870.05)
Accrued expenses	(281,846.72)
Others	(45,693.30)
Current portion of financial lease liabilities	(38,970,899.30)
Short-term loans from related persons and parties	(10,310,000.00)
Accrued withholding tax	(104,103.25)
Financial lease liabilities - net	(99,075,785.68)
Deferred tax liabilities	(3,012,955.84)
Deposits and rental deposit	(13,810,844.62)
Carrying value of net assets before non-controlling interests	87,600,689.92
Non-controlling interests	(523.89)
Carrying value of net assets	87,600,166.03
Goodwill	103,183,357.01
Less Cash and cash equivalents in subsidiary at the acquisition date	(2,455,757.74)
Payments for acquisition of subsidiary net of existed cash of subsidiary	188,327,765.30

## 36.3 Non-cash transaction

36.3.1 In December 2013, a subsidiary has made repayment to payable by transferring assets to settle debt in the amount of Baht 91.16 million.

36.3.2 As at December 31, 2013, a subsidiary has acquired assets by entering into hire purchase in the amount of Baht 97.34 million.

36.3.3 As at December 31, 2013, two subsidiaries have received the money from share capital income from the Company. Subsidiaries taken such money to make repayment for loans and accrued interest to the Company amounted to Baht 91.91 million. The Company, therefore, has reclassified allowance for doubtful accounts of loans and accrued interest to be provision for impairment of investment in whole amount as stated in note 10.2.

36.3.4 As at December 31, 2012, the Company has transferred inventories at carrying value amount of Baht 2.20 million to settle debt to trade accounts receivable in the amount of Baht 3.08 million, resulted gain on debt settlement amount of Baht 0.88 million.

## 37. COMMITMENT

37.1 As at December 31, 2013 and 2012, the Company and a subsidiary have commitment on payment to contractor from entering into hire of the construction contractor agreement of each project to be completed amounting to Baht 25.51 million and Baht 0.74 million respectively (As at December 31, 2013 separate: Baht 13.89 million).

37.2 As at December 31, 2013 and 2012, the Company has commitment on payment land cost under agreement to buy and to sell in the case of the Company intend to purchase such land as stated in note 8 amounted to Baht 57.33 million.

37.3 As at December 31, 2013 and 2012, 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. At present, land and leasehold right under such lease agreement is being presecuted as stated in note 20.

37.4 As at December 31, 2013 and 2012, the Company and subsidiaries have commitment on payment rental and service fee for entering into lease and service agreement amount of Baht 16.17 million and Baht 5.04 million respectively (separate: Baht 12.78 million and Baht 4.35 million respectively).

## 37.5 Obligation to complete projects on hand

	Consolidated financial statements (project)		Separate financial statements (project)	
	2013	2012	2013	2012
Number of project on hand,				
beginning of the period	4	4	2	2
Number of closed project	0	0	0	0
Number of new project	2	0	1	0
Number of project on hand,				
ending of the period	6	4	3	2

Consolidated financial statements	Separate financial statements
(Million Baht)	(Million Baht)

## Wattana Capital Public Company Limited

	2013	2012	2013	2012
Valuation of project on hand	2,677.39	2,735.50	2,066.60	1,964.97
Contract sales value	2,179.67	2,210.36	2,011.15	1,936.85
Sales value of project on hand (%)	81.41	80.80	97.32	98.57

**38. CONTINGENT LIABILITIES**

- 38.1 As at December 31, 2013 and 2012, 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 16.51 million and Baht 16.88 million respectively (As at December 31, 2012, separate: Baht 0.37 million).
- 38.2 In the second quarter of 2013, a subsidiary was sued in charge of eviction from its breach of lease agreement and claim indemnify amount of Baht 20.91 million from the breach of land leasehold agreement as stated in note 37.3. On February 28, 2014, the Court of First Instance has dismissed the case.
- 38.3 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 is able to transfer, sell, distribute or enter into any juristic act relating to such land. Subsidiary has sold such land on October 13, 2011. And the Court dismissed the criminal case on November 28, 2013. At, present, the case is still pending the trial of the Appeal Court.

**39. FINANCIAL INFORMATION BY SEGMENT**

Operating information segment is reported in a manner reviewing of the management as following:

- 39.1 The Company's operation involve virtually in only property development for sale, thus there is no presentation the financial information by segment in the separate financial statements.
- 39.2 Three subsidiaries operated in property development for sale and a subsidiary engaged in other business which is rent service and sale of property.
- 39.3 The Company and subsidiaries have operated in only geographical segment in Thailand. The financial information by segment in the consolidated financial statements for the year ended December 31, 2013 and 2012 is presented as follows:

## Wattana Capital Public Company Limited

As at December 31, 2013, details are as follows:

Transactions	Consolidated financial statements (Baht)				
	Property development business	Rent, services and sale of property business	Total	Inter-elimination	Consolidated financial statements
Revenue from sales	70,062,726.38	41,209,887.85	111,272,614.23	(4,008,018.69)	107,264,595.54
Operating lease income	0.00	64,128,427.84	64,128,427.84	(1,142,000.00)	62,986,427.84
Revenue from services	0.00	16,673,668.65	16,673,668.65	0.00	16,673,668.65
Cost of sales	(61,419,002.50)	(39,736,319.54)	(1,011,553,22.04)	4,008,018.69	(97,147,303.35)
Cost of services	0.00	(56,906,103.31)	(56,906,103.31)	496,062.23	(56,410,041.08)
Gross profit	8,643,723.88	25,369,561.49	34,013,285.37	(645,937.77)	33,367,347.60
Other income :					
Interest income	7,061,156.61	1,412,444.32	8,473,600.93	(2,150,502.49)	6,323,098.44
Gain on sales of assets	200,932.58	0.00	200,932.58	0.00	200,932.58
Gain on debt compromise	655,298.32	0.00	655,298.32	0.00	655,298.32
Fines received from breach of lease agreement	0.00	4,000,000.00	4,000,000.00	0.00	4,000,000.00
Others	7,650,740.42	671,063.39	8,321,803.81	0.00	8,321,803.81
Total other income	15,568,127.93	6,083,507.71	21,651,635.64	(2,150,502.49)	19,501,133.15
Selling expenses	(11,260,186.44)	(636,709.13)	(11,896,895.57)	0.00	(11,896,895.57)
Administrative expenses	(64,525,263.49)	(10,994,660.65)	(75,519,924.14)	645,937.77	(74,873,986.37)
Other expenses :					
Loss on impairment of assets	(67,637,550.00)	0.00	(67,637,550.00)	0.00	(67,637,550.00)
Loss on impairment of investment	(36,085,496.01)	0.00	(36,085,496.01)	36,085,496.01	0.00
Doubtful accounts on inter-loans	(787,216.96)	0.00	(787,216.96)	787,216.96	0.00
Share of profit (loss) in subsidiaries	(88,402,586.33)	0.00	(88,402,586.33)	88,402,586.33	0.00
Total expenses	(268,698,299.23)	(11,631,369.78)	(280,329,669.01)	125,921,237.07	(155,408,431.94)
Profit (loss) before share of profit in associate	(244,486,447.42)	19,821,699.42	(224,664,748.00)	123,124,796.81	(101,539,951.19)
Share of profit on investment in associate	0.00	0.00	0.00	258,549.63	258,549.63
Profit (Loss) before finance costs	(244,486,447.42)	19,821,699.42	(224,664,748.00)	123,383,346.44	(101,281,401.56)
Finance costs	(12,490,186.68)	(12,164,419.52)	(24,654,606.20)	2,150,502.49	(22,504,103.71)
Profit (loss ) before income tax	(256,976,634.10)	7,657,279.90	(249,319,354.20)	125,533,848.93	(123,785,505.27)
Income tax	0.00	(1,875,814.76)	(1,875,814.76)	0.00	(1,875,814.76)
Profit (loss) for the period	(256,976,634.10)	5,781,465.14	(251,195,168.96)	125,533,848.93	(125,661,320.03)
Other comprehensive income	(990,326.50)	0.00	(990,326.50)	0.00	(990,326.50)
Total comprehensive income (expenses) for the period	(257,966,960.60)	5,781,465.14	(251,185,495.46)	125,533,848.93	(126,651,646.53)

## Wattana Capital Public Company Limited

## Consolidated financial statements (Baht)

Transactions	Property development business	Rent, services and sale of property business	Total	Inter-elimination	Consolidated financial statements
Attributable to :					
Owners of the Company					(126,650,965.71)
Non-controlling interests					(680.82)
					<u>(126,651,646.53)</u>
Segment – assets					
Inventories	527,084,966.70	0.00	527,084,966.70	0.00	527,084,966.70
Investment properties	6,534,094.45	0.00	6,534,094.45	0.00	6,534,094.45
Operating lease assets	0.00	293,438,190.71	293,438,190.71	(6,963,358.50)	286,474,832.21
Property, plant and equipment	2,607,838.37	688,091.07	3,295,929.44	6,963,358.50	10,259,287.94
Land held for development	41,087,750.00	0.00	41,087,750.00	0.00	41,087,750.00
Other assets	<u>1,255,631,711.85</u>	<u>67,193,413.51</u>	<u>1,322,825,125.36</u>	<u>(461,189,597.08)</u>	<u>861,635,528.28</u>
Total assets in financial statements	<u>1,832,946,361.37</u>	<u>361,319,695.29</u>	<u>2,194,266,056.66</u>	<u>(461,189,597.08)</u>	<u>1,733,076,459.58</u>
Depreciation	1,250,286.85	41,757,243.33	43,007,530.18	0.00	43,007,530.18

## Wattana Capital Public Company Limited

As at December 31, 2012, details are as follows:

Consolidated financial statements (Baht)					
Transactions	Property development business	Rent and services business	Total	Inter-elimination	Consolidated financial statements
Revenue from sales	105,651,929.50	0.00	105,651,929.50	0.00	105,651,929.50
Revenue from services	0.00	512,600.00	512,600.00	0.00	512,600.00
Cost of sales	(102,929,333.29)	0.00	(102,929,333.29)	0.00	(102,929,333.29)
Cost of services	0.00	(487,980.17)	(487,980.17)	0.00	(487,980.17)
Gross profit	2,722,596.21	24,619.83	2,747,216.04	0.00	2,747,216.04
Other income :					
Interest income	77,367.77	656,683.15	734,050.50	(656,681.60)	77,368.90
Gain on debt compromise	14,797,172.69	494,896.94	15,292,069.63	0.00	15,292,069.63
Gain on sales of assets	980,123.86	808,773.96	1,788,897.82	0.00	1,788,897.82
Gain on debt settlement	878,486.01	0.00	878,486.01	0.00	878,486.01
Others	5,099,742.40	478,525.88	5,578,268.28	0.00	5,578,268.28
Total other income	21,832,892.33	2,438,879.91	24,271,772.24	(656,681.60)	23,615,090.64
Selling expenses	(9,602,028.26)	(1,310,807.60)	(10,903,835.86)	0.00	(10,903,835.86)
Administrative expenses	(80,334,688.45)	(3,826,482.81)	(84,161,171.26)	(2,066,780.80)	(86,227,952.06)
Other expenses :					
Loss on impairment of assets	(46,000,000.00)		(46,000,000.00)	0.00	(46,000,000.00)
Loss on impairment of investment	(129,999,400.00)	0.00	(129,999,400.00)	129,999,400.00	0.00
Doubtful accounts on inter-loans	(50,755,694.59)	0.00	(50,755,694.59)	50,755,694.59	0.00
Total expenses	(316,691,811.30)	(5,128,290.41)	(321,820,101.71)	178,688,313.79	(143,131,787.92)
Profit (loss) before finance costs	(292,136,322.76)	(2,664,790.67)	(294,801,113.43)	178,031,632.19	(116,769,481.24)
Finance costs	(19,211,268.00)	(1,406,681.60)	(20,167,949.60)	656,681.60	(19,961,268.00)
Profit (loss) for the year	(311,347,590.76)	(4,071,472.27)	(315,419,063.03)	178,688,313.79	(136,730,749.24)
Other comprehensive income	0.00	0.00	0.00	0.00	0.00
Total comprehensive income for the year	(311,347,590.76)	(4,071,472.27)	(315,419,063.03)	178,688,313.79	(136,730,749.24)
Attributable to :					
Owners of the Company					(136,729,768.44)
Non-controlling interests					(980.80)
					(136,730,749.24)

Transactions	Consolidated financial statements (Baht)				
	Property development business	Rent and services business	Total	Inter-elimination	Consolidated financial statements
Segment – assets					
Inventories – net	321,120,379.95	0.00	321,120,379.95	0.00	321,120,379.95
Assets transfer to be collateral					
under debt restructuring	125,050,000.00	0.00	125,050,000.00	0.00	125,050,000.00
Investment properties	6,720,199.46	0.00	6,720,199.46	0.00	6,720,199.46
Property, plant and equipment – net	2,400,723.49	0.00	2,400,723.49	0.00	2,400,723.49
Land held for development	74,840,000.00	0.00	74,840,000.00	0.00	74,840,000.00
Other assets	594,390,995.78	17,378,962.42	611,769,958.20	(390,786,975.51)	220,982,982.69
Total assets in financial statements	1,124,522,298.68	17,378,962.42	1,141,901,261.10	(390,786,975.51)	751,114,285.59
Depreciation	1,032,414.13	279,298.97	1,311,713.10	0.00	1,311,713.10

#### 40. 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.

##### 40.1 Interest rate risk

The interest risk is the risk that future movements in market interest rate which affected 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, 2013 as follows:

## Wattana Capital Public Company Limited

	Consolidated financial statements					
	Fixed interest rate		Floating interest rate	Non-interest rate	Total	Interest rate (% per annum)
	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	414.21	2.63	416.84	0.50-3.00
Total	0.00	0.00	414.21	2.63	416.84	
Financial liabilities						
Short-term loans from financial institutions	0.00	0.00	45.00	0.00	45.00	MLR+0.25
Loans from other persons and parties	5.00	0.00	0.00	0.00	5.00	15, 24
Financial lease liabilities	55.77	132.02	0.00	0.00	187.79	4-7
Long-term loans	0.00	0.00	63.14	0.00	63.14	3 and MLR+1.50, 2.50
Liabilities under debt restructuring agreement	0.00	0.00	51.14	0.00	51.14	MLR
Total	60.77	132.02	159.28	0.00	159.28	
	Separate financial statements					
	Fixed interest rate		Floating interest rate	Non-interest rate	Total	Interest rate (% per annum)
	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	401.19	1.36	402.55	0.50
Total	0.00	0.00	401.19	1.36	402.55	
Financial liabilities						
Short-term loans from financial institutions	45.00	0.00	0.00	0.00	45.00	MLR+0.25
Total	45.00	0.00	0.00	0.00	45.00	



## Wattana Capital Public Company Limited

As at December 31, 2012 can be separated as follows:

	Consolidated financial statements					
	Fixed interest rate		Floating interest rate	Non-interest rate	Total	Interest rate (% per annum)
	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	166.64	39.04	205.68	0.625-0.75
Total	0.00	0.00	166.64	39.04	205.68	
Financial liabilities						
Short-term loans from financial institutions	0.00	0.00	45.00	0.00	45.00	MLR+0.25
Loans from other persons	5.00	0.00	0.00	0.00	5.00	15
Loans from related persons and parties	0.00	0.00	0.00	0.21	0.21	
Long-term loans	0.00	0.00	112.44	0.00	112.44	3 and MLR + 1.50, 2.50
Liabilities under debt restructuring						
agreement	0.00	0.00	108.25	34.05	142.30	MLR
Total	5.00	0.00	265.69	34.26	304.95	
Separate financial statements						
	Fixed interest rate		Floating interest rate	Non-interest rate	Total	Interest rate (% per annum)
	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	165.00	20.79	185.79	0.75
Loans to related persons and parties	0.00	0.00	0.00	252.66	252.66	
Total	0.00	0.00	165.00	273.45	438.45	
Financial liabilities						
Short-term loans from financial institutions	45.00	0.00	0.00	0.00	45.00	MLR+0.25
Total	45.00	0.00	0.00	0.00	45.00	

**41. EVENTS AFTER THE REPORTING PERIOD**

According to the minutes of the General Meeting of the shareholders No. 1/2014 held on February 24, 2014 has details as follow :

41.1 Consider to decrease share capital from Baht 22,083.60 million to Baht 19,082.30 million by cancelling unissued 3,001.30 ordinary shares at par value of Baht 1 each (divided the remaining shares offered to the existing shareholders (Right Offering) for 0.92 million shares, share reserve for exercise of WAT-W1 which were not appropriated for 0.38 million shares, existing shares which will be appropriated to Private Placement for 3 million shares) and approve to amend the Memorandum of Association clause 4 to be corresponded with the decrease share capital in which the meeting passed the approval.

41.2 Consider to issue and offer the increase share capital for 51,196.30 million shares to the existing shareholders whose name appeared in the listed of shareholders to receive the share capital appropriation on January 22, 2014 (Record Date). However, the meeting resolved the voting less than 3 of 4 of total shareholders' voting. Therefore, the issued and offered the increase share capital to the existing shareholders was not approved.

**42. CAPITAL MANAGEMENT**

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

As at December 31, 2013 and 2012, the Company and subsidiaries have debt to equity ratio as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Debt to equity ratio	0.35 : 1	1.01 : 1	0.09 : 1	0.33 : 1

**43. FINANCIAL STATEMENTS APPROVAL**

These financial statements were approved and authorized for issue by the Company's Board of directors on February 28, 2014.

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

# ANNUAL REPORT 2013

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