

CONFIGURED FOR GROWTH

Report to Shareholders 2013



To be a developer of choice,
creating hallmark quality
properties of enduring value for
the community and achieving
sustainable returns for our
shareholders

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CONFIGURED FOR GROWTH

Constantly shaping itself for the future,
Keppel's drive for sustainable growth finds
expression in the tangram, a symbol
of flexibility and potential.

Group Financial Highlights 2013

Keppel Thai Properties Public Company Limited and its Subsidiaries

	Unit	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2011 (Old Report)
Total Assets	Million Baht	1,741.3	1,636.4	1,619.9	1,335.1
Total Liabilities	Million Baht	1,524.8	1,251.9	1,143.9	1,090.5
Total Shareholders' Equity	Million Baht	216.6	384.5	476.0	244.6
Net Tangible Assets for the year	Million Baht	279.4	419.9	488.2	256.9
Liquidity Ratio					
Current Ratio	Times	1.27	1.46	1.37	1.38
Quick Ratio	Times	0.03	0.04	0.02	0.03
Financial Policy Ratio					
Debt Equity Ratio	Times	7.04	3.26	2.40	4.46
	Unit	2013	2012 (Restated)	2011 (Old Report)	
Total Revenues	Million Baht	148.8	165.8	153.9	
Total Expenses	Million Baht	274.6	199.3	233.5	
Profit/(Loss) before finance cost and tax	Million Baht	(125.9)	(33.5)	(79.6)	
Net Profit/(Loss) for the year	Million Baht	(167.8)	(91.5)	(133.1)	
Total Number of Listed Shares	Million Shares	220.0	220.0	220.0	
Net Profit/(Loss) per share for the year	Baht	(0.76)	(0.42)	(0.61)	
Profitability Ratio					
Gross Profit Margin	%	18.89	26.86	21.91	
Net Profit Margin	%	(112.81)	(55.20)	(86.49)	
Return on Equity	%	(55.83)	(21.28)	(42.76)	
Efficiency Ratio					
Return on Total Assets	%	(9.64)	(5.59)	(9.97)	
Total Assets Turnover	Times	0.08	0.08	0.11	
Financial Policy Ratio					
Interest Coverage Ratio	Times	(6.55)	0.12	1.07	

CONFIGURED FOR GROWTH

In the midst of volatility, Keppel Thai Properties continually strives to configure its components and fortify its core competencies to invest for growth and build a sustainable business.





► We remain focused on harnessing human capital and innovation to deliver quality homes of enduring value to our buyers. At the same time, we will also continue to maintain high standards of governance and transparency to drive value for our shareholders.

Chairman's Statement



The Thai economy is anticipated to continue to grow, in line with the expected improvement of regional economies in 2014. Residential developments in and around the city fringe continue to be favoured by buyers, and Keppel Thai Properties will continue to explore investment opportunities in Bangkok.

DEAR SHAREHOLDERS

On behalf of the Board, I present the annual report of Keppel Thai Properties (KTP) for the year ended 31 December 2013.

FINANCIAL PERFORMANCE

The difficult operating environment saw KTP and its subsidiaries post a net loss of Baht 167.80 million for the year 2013, higher than the net loss of Baht 91.54 million for the previous year. Revenue from the sale of remaining units at Phase 1 of Villa Arcadia Srinakarin increased to Baht 108.69 million in 2013 as compared to Baht 94.97 million in 2012.

Net loss per share stood at Baht 0.64 per share in 2013 compared with Baht 0.31 per share in 2012. The higher loss was due mainly to higher administrative expenses as well as an increase in foreign currency loss, with the Thai Baht weakening against the Singapore Dollar. Financing costs decreased to Baht 45.89 million despite an increase in the debt to equity ratio from 3.26 in 2012 to 7.04 in 2013 as a result of lower equity and more short-term loans in 2013.

BUSINESS REVIEW AND OUTLOOK

The Thai economy is anticipated to continue to grow, in line with the expected improvement of regional economies in 2014. Ongoing political uncertainties, however, are expected to impact consumption. Despite this, the Thai real estate sector, especially in Bangkok, is expected to remain active.

Following the success of Phase 1 of Villa Arcadia Srinakarin, which is almost fully sold, KTP launched Phase 2 of the development in the fourth quarter of 2013. We are also refreshing the design for the new units at our Villa Arcadia Watcharapol project, and will time the launch of these new homes according to market conditions.

Residential developments in and around the city fringe continue to be favoured by buyers, and KTP will continue to explore investment opportunities in Bangkok.

COMMITMENT TO GOOD GOVERNANCE

The Board and management recognise that good governance is imperative to the sustainability and profitability of our business as well as to safeguard and deliver value for our shareholders. As such, we are committed to uphold best practices in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Some of our ongoing efforts include maintaining effective control mechanisms through well-developed reporting and internal management systems as well as prompt disclosure of information to investors and stakeholders to ensure transparency and accountability.

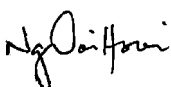
ACKNOWLEDGEMENT

I would like to express my appreciation to our shareholders, customers, business partners, staff as well as the Board and management for your unwavering support and confidence.

Our special appreciation goes to Mr Tan Swee Yiow for his invaluable contribution as Chairman for the past two years.

2014 is expected to be another challenging year. I look forward to your continued support and partnership to further grow KTP.

Yours sincerely,



NG OOI HOOI

CHAIRMAN

1 March 2014

Board of Directors



▶ **NG OOI HOOI**



▶ **OH WENG SOON**



▶ **JIRAPORN PIMPOORASH**

NG OOI HOOI, 54

CHAIRMAN, BOARD OF DIRECTORS
CHAIRMAN, EXECUTIVE COMMITTEE

President, Regional Investments,
Keppel Land International Limited

Master of Public Administration, Harvard University, USA;
Bachelor of Economics (First Class Honours),
Australian National University

OH WENG SOON (OH LOCK SOON), 55

DIRECTOR
MEMBER, EXECUTIVE COMMITTEE

President & Managing Director, Keppel Thai Properties Plc.

Master of Science (Concrete Structure), Imperial College, UK;
Bachelor of Science (Civil), (Honours), University of
Southampton, UK

JIRAPORN PIMPOORASH, 56

INDEPENDENT DIRECTOR
CHAIRMAN, AUDIT COMMITTEE

Managing Director, S&J Business Consultant Co., Ltd.;
Auditor and Certified Public Accountant

Master of Business Administration, Kasetsart University, Thailand;
Bachelor of Accountancy and Higher Diploma in Auditing,
Chulalongkorn University, Thailand



► **PROFESSOR CHUKIAT PRAMOOLPOL**



► **SOMPRASONG MAKKASAMAN**



► **LIM KEI HIN**



► **TAN SIEW NGOK**

PROFESSOR CHUKIAT PRAMOOLPOL, 82
INDEPENDENT DIRECTOR
MEMBER, AUDIT COMMITTEE

Lecturer, Siam University

Master of Business Administration, Wharton School,
University of Pennsylvania, USA;
Bachelor of Law, Thammasat University, Thailand

LIM KEI HIN, 56
DIRECTOR
MEMBER, EXECUTIVE COMMITTEE

Chief Financial Officer, Keppel Land Group;
Director, Keppel REIT Management Limited;
Director, Keppel Philippines Properties Inc., and a number
of subsidiaries and associated companies of the
Keppel Land Group

Bachelor of Science (Economics) in Accounting & Finance
(Honours), London School of Economics & Political Science,
UK

SOMPRASONG MAKKASAMAN, 58
INDEPENDENT DIRECTOR
MEMBER, AUDIT COMMITTEE

Partner and Executive Director,
Legal Advisory Council Co., Ltd.

Master of Business Administration, Kasetsart University, Thailand;
Bachelor of Law, Chulalongkorn University, Thailand

TAN SIEW NGOK, 57
DIRECTOR
MEMBER, EXECUTIVE COMMITTEE

General Manager (Finance and Administration),
Keppel Land International Limited; Director, subsidiaries
and associated companies of the Keppel Land Group

Bachelor of Commerce (Accountancy), Nanyang University,
Singapore; Fellow of CPA Australia; Fellow of Chartered
Accountant of Singapore

Corporate Information

KEPPEL THAI PROPERTIES

▶ BOARD OF DIRECTORS

Mr Ng Ooi Hooi (Chairman)
Mr Oh Weng Soon (Oh Lock Soon)
Mrs Jiraporn Pimpoorash
Professor Chukiat Pramoolpol
Mr Somprasong Makkasaman
Mr Lim Kei Hin
Madam Tan Siew Ngok

▶ EXECUTIVE COMMITTEE

Mr Ng Ooi Hooi (Chairman)
Mr Oh Weng Soon (Oh Lock Soon)
Mr Lim Kei Hin
Madam Tan Siew Ngok

▶ AUDIT COMMITTEE

Mrs Jiraporn Pimpoorash (Chairman)
Professor Chukiat Pramoolpol
Mr Somprasong Makkasaman

▶ COMPANY SECRETARY

Ms Supattra Tasilapa

▶ REGISTERED OFFICE

Jewellery Centre Building
138/108 30th Floor
Nares Road
Si Phraya Sub-District
Bang Rak District
Bangkok 10500, Thailand
Telephone: (662) 237 1999
Telefax: (662) 237 2666
Website: www.keppelland.co.th

▶ SHARE REGISTRAR

Thailand Securities Depository
Co., Ltd.
The Stock Exchange of
Thailand Building
62 Rachadapisek Road
Khlong Toei District
Bangkok 10110, Thailand
Telephone: (662) 229 2800
Telefax: (662) 359 1259
Website: www.tsd.co.th

▶ AUDITOR

Ms Pimjai Manitkajohnkit
CPA. No. 4521
EY Office Limited (Formerly know as
"Ernst & Young Office Limited")
193/136-137, 33th Floor
Lake Rajada Office Complex
Rachadapisek Road
Khlong Toei District
Bangkok 10110, Thailand
Telephone: (662) 264 0777
Telefax: (662) 264 0790

▶ SECURITY SYMBOL

KTP

▶ NATURE OF BUSINESS

Property Development

▶ REGISTRATION NUMBER

0107537001951
(formerly number Bor Mor Jor 442)

▶ REGISTERED AND PAID-UP CAPITAL

Baht 2,200,000,000

▶ TOTAL SHARES ISSUED

220,000,000 shares

▶ PAR VALUE

Baht 10 per Share

SUBSIDIARY COMPANIES OF KEPPEL THAI PROPERTIES PUBLIC COMPANY LIMITED

▶ **THAI-KAMI
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105527002589
 Business: Property development
 Registered Capital: Baht 374,750,000
 Par Value: Baht 10 per Share
 Total Share Issued: 37,475,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **GOLD STAR PROPERTY
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105533031129
 Business: Property development
 Registered Capital: Baht 409,100,000
 Par Value: Baht 100 per Share
 Total Share Issued: 4,091,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **TOP PROPERTY
COMPANY LIMITED**

Shares held by KTP: 61%
 Registration No.: 0105533031137
 Business: Property development
 Registered Capital: Baht 563,400,000
 Par Value: Baht 100 per Share
 Total Share Issued: 5,634,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **CORNERSTONE REALTY
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105547125821
 Business: Property development
 Registered Capital: Baht 1,000,000
 Par Value: Baht 100 per Share
 Total Share Issued: 10,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **UTAYAN PROPERTY
DEVELOPMENT
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105555075714
 Business: Property development
 Registered Capital: Baht 1,000,000
 Par Value: Baht 100 per Share
 Total Share Issued: 10,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **UTAYAN TOWN
DEVELOPMENT
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105555077784
 Business: Property development
 Registered Capital: Baht 1,000,000
 Par Value: Baht 100 per Share
 Total Share Issued: 10,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **UTAYAN REAL ESTATE
DEVELOPMENT
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105556005272
 Business: Property development
 Registered Capital: Baht 1,000,000
 Par Value: Baht 100 per Share
 Total Share Issued: 10,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **UTAYAN URBAN
DEVELOPMENT
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105556008671
 Business: Property development
 Registered Capital: Baht 1,000,000
 Par Value: Baht 100 per Share
 Total Share Issued: 10,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

▶ **UTAYAN REALTY
COMPANY LIMITED**

Shares held by KTP: 100%
 Registration No.: 0105544113407
 Business: Property development
 Registered Capital: Baht 1,000,000
 Par Value: Baht 100 per Share
 Total Share Issued: 10,000 Shares
 Registered Office:
 138/108 Jewellery Centre Building,
 30th Floor, Nares Road,
 Si Phraya Sub-District,
 Bang Rak District,
 Bangkok 10500, Thailand
 Telephone: (662) 237-1999
 Telefax: (662) 237-2666

Organisational Structure and Major Shareholders

Board of Directors



EXECUTIVE COMMITTEE

NG OOI HOOI
Chairman

OH WENG SOON (OH LOCK SOON)
Member

LIM KEI HIN
Member

TAN SIEW NGOK
Member

AUDIT COMMITTEE

JIRAPORN PIMPOORASH
Chairman

PROFESSOR CHUKIAT PRAMOOLPOL
Member

SOMPRASONG MAKKASAMAN
Member

Ten Major Shareholders (as at 31 December 2013)

No	Shareholder's Name	No. of shares	%
1	Keppel Land Limited	100,000,000	45.45
2	Thailand Securities Depository Co., Ltd. (for Thai Depositors)	92,088,264	41.85
3	Utayan Thani Co., Ltd.	18,063,846	8.21
4	Thailand Securities Depository Co., Ltd. (for Foreign Depositors)	7,789,500	3.54
5	Mr Ratchada Krisadatanon	1,600,000	0.72
6	Mr Dech Numsirikul	98,132	0.04
7	J.T.C. Management Co., Ltd.	70,000	0.03
8	K M C Holding Co., Ltd.	54,743	0.02
9	Miss Potjaporn Saeheng	28,600	0.01
10	Mr Sompong Wadsanasiriwan	22,600	0.01

Management Structure

BOARD OF DIRECTORS AS AT 31 DECEMBER 2013

Directors	Position
Mr Ng Ooi Hooi	Chairman, Board of Directors Chairman, Executive Committee
Mr Oh Weng Soon (Oh Lock Soon)	Director Member, Executive Committee
Mrs Jiraporn Pimpoorash	Independent Director Chairman, Audit Committee
Prof Chukiat Pramoolpol	Independent Director Member, Audit Committee
Mr Somprasong Makkasaman	Independent Director Member, Audit Committee
Mr Lim Kei Hin	Director Member, Executive Committee
Madam Tan Siew Ngok	Director Member, Executive Committee

Details of Changes of Directorship:

21 February 2013	Mr Choo Chin Teck resigned as Director Mr Ng Ooi Hooi was appointed to the Board of Directors
1 May 2013	Mr Tan Swee Yiow resigned as Chairman of the Board and the Executive Committee Mr Ng Ooi Hooi was appointed as Chairman of the Board and the Executive Committee

The number of the Boards established pursuant to the Company's Article of Association, clause 16 stipulates that "there shall be no less than five (5) directors and no less than half of total number of directors residing in the Kingdom of Thailand".

Directors' attendances at the meetings of the Board and Board Committee for the year ended 31 December 2013 are shown below:

	Board Committees		
	Board	Executive Committee	Audit Committee
No. of meeting held	9	Nil	4
Directors			
Mr Ng Ooi Hooi	8	Nil	-
Mr Oh Weng Soon (Oh Lock Soon)	9	Nil	-
Mrs Jiraporn Pimpoorash	9	-	4
Prof Chukiat Pramoolpol	9	-	4
Mr Somprasong Makkasaman	9	-	4
Mr Lim Kei Hin	9	Nil	-
Madam Tan Siew Ngok	9	Nil	-
Directors resigned during the year:			
Mr Tan Swee Yiow	3	Nil	-
Mr Choo Chin Teck	1	-	-

AUTHORISED SIGNATORY DIRECTORS

Any of these two signatories - Mr Ng Ooi Hooi, Mr Oh Weng Soon (Oh Lock Soon), Mr Lim Kei Hin and Madam Tan Siew Ngok affixed with the Company seal will be deemed valid.

EXECUTIVE OFFICER

The definition of the Company's Executive Officer as per the Notification of Securities and Exchange Commission (SEC) shall be the Managing Director and Head of Division.

As at 31 December 2013, the Executive Officers are the three (3) following persons:

Name	Position	Department/Function
Mr Oh Weng Soon (Oh Lock Soon)	President & Managing Director	
Mr Vichien Yupoonsup	Vice President	Business Development
Mr Jesttsada Tangboonpant	First Senior Assistant Vice President	Finance & Accounting

Management Structure

COMPANY SECRETARY

The Company appointed Ms Supattra Tasilapa, Senior Manager, Legal & Compliance Department as the Company Secretary since 6 August 2013 to comply with the Securities and Exchange Act (No.4) B.E. 2551 (2008). The responsibilities of the Company Secretary include:

1. Overseeing activities of the Board and ensuring that they comply with the requirements of SET, SEC and compliance with corporate legislation, and the Articles of Association of the Company.
2. Arranging the Shareholders and Board of Directors meetings in accordance with the laws and regulations, the Company's Articles of Association and best practices. This responsibility will involve the issuing of proper notices of meetings, preparation of agenda, circulation of relevant papers and taking and producing minutes to record business transacted during the meetings and decisions made.
3. Maintaining the Company's statutory registers or books, including director registration, annual reports of the Company, notices and minutes of Board meetings and general shareholder meetings.
4. Communicating within internal business units and monitoring actions taken to ensure accuracy and compliance with the resolutions of Board and shareholder meetings.
5. Providing advice to the Board pertaining to laws, rules and regulations governing the Company's business, as well as monitoring compliance on a regular basis and reporting any significant changes to the Board.
6. Promoting understanding of corporate governance principles, providing relevant information, as well as monitoring compliance among the Board of Directors.
7. Ensuring that corporate information disclosure to regulatory agencies are in accordance with the relevant laws and regulations.

REMUNERATION OF THE DIRECTORS AND EXECUTIVE OFFICERS

Director's Remuneration

The Company's policy on remuneration of the Directors shall be reviewed and approved by shareholders at the Annual General Meeting (AGM) each year. The Directors' scope of duties, roles and responsibilities are also taken in for consideration. During the AGM held on 23 April 2013, the Directors' remuneration was approved. The details are as follows:

- Chairman of the Board: Baht 30,000/month
- Board member: Baht 20,000/month

In 2013, the Company paid in cash and kind to the Board of Directors a total amount of Baht 1,894,000.

Name of Director	Monetary Remuneration (Baht)				Other Membership (Baht)
	Board of Directors	Audit Committee	Executive Committee	Total	
Mr Ng Ooi Hooi	280,000		Nil	280,000	0
Mr Oh Weng Soon (Oh Lock Soon)	240,000	-	Nil	240,000	3,500
Mrs Jiraporn Pimpoorash	240,000	Nil	-	240,000	3,500
Prof Chukiat Pramoolpol	240,000	Nil	-	240,000	3,500
Mr Somprasong Makkasaman	240,000	Nil	-	240,000	3,500
Mr Lim Kei Hin	240,000	-	Nil	240,000	0
Madam Tan Siew Ngok	240,000	-	Nil	240,000	0
Directors resigned during the year:					
Mr Tan Swee Yiow	120,000	-	-	120,000	0
Mr Choo Chin Teck	40,000	-	-	40,000	0
Total	1,880,000	-	-	1,880,000	14,000

Remuneration of the Executive Officers

The Company paid monetary remuneration, i.e. fixed salary and bonus to the Executive Officers and offered different forms of remuneration such as housing allowance, child education allowance, car allowance and phone bill allowance.

PERSONNEL

Total Number of Employees: 71 persons

Employees classified by department as of 31 December 2013:

• Corporate Development & Planning	2	• Customer Service	2
• Research	1	• Facilities Management	7
• Business Development	3	• Marketing & Sales	8
• Legal & Compliance	3	• Finance	4
• Project Development	2	• Accounting	9
• Project Management	12	• Information Technology	1
• Design Management	2	• Administration	9
• Cost & Contract	3	• Human Resources	3

Note: Includes staff in KTP's subsidiaries

EMPLOYEE REMUNERATION

The Company established and registered for employees to contribute to a voluntary provident fund on 1 October 2013. Mandatory contribution from the employee and the Company is stipulated at 5%. The remuneration package offered to the employee consists of a fixed salary and other benefits, i.e. bonus, commission, social security fund, provident fund and allowance. In addition, the Company offered benefits to improve employee satisfaction, loyalty and staff retention. These include health insurance, life insurance, long-term service award, annual leave, recreational activities and seasonal parties. In 2013, the Company paid a total of Baht 57,720,072.00 for the remuneration of employees.

HUMAN RESOURCES POLICY

The Company emphasises human resources development in capability enhancement and good relationship establishment among employees at all levels.

The Human Resources development policies of the Company are as follows:

1. Employees are encouraged to attend internal and external training programmes.
2. Qualified employees are selected to participate in the Annual Staff Conference held by Keppel Land in Singapore.
3. Employees are encouraged to acquire and develop relevant knowledge, skills and competencies to enhance career advancement opportunities.
4. Online surveys are conducted to evaluate employees' satisfaction towards the Company. Results from these surveys are evaluated and relevant suggestions are implemented.
5. The Company's core values are communicated to employees. Whenever possible, the Company encourages employees to participate in activities as a team outside of work in order to improve relations and encourage teamwork.

Type of Remuneration	Amount (Baht)
Fixed Salary	45,493,482.00
Bonus	5,267,836.00
Allowance (Overtime, Provident Fund, Commission, etc.)	6,958,895.00

Summary of courses and trainings conducted in 2013:

Course	No.	Attendance	Total (Hours)	Average per person (Hours)
In-house Training	7	177	735	9.9
External Training	21	27		

TRAINING PROGRAMMES

The Company paid for employees to participate in both internal and external training programmes, seminars and courses. The total training costs for 2013 amounted to Baht 493,058.00

The following are examples of programmes which employees attended during the year:

- Quality Management
- Property Feng Shui
- Team Building
- Development of Supervisory skills
- Health Care
- English Classes
- Economic Outlook of 2013
- Creativity Beyond the Box
- Facilities Management
- IFRS and Financial Reporting for Investors
- Driving Thai Business to a Sustainable Future & Preparing Real Estate Firms for AEC
- Investment Real Estate in Japan
- New Zone Laws and other Regulations for Real Estate
- Residential Market
- Smart Disclosure
- Corporate Governance

Policy and Business Overview

Keppel Thai Properties Public Company Limited (Keppel Thai Properties), previously known as Five Star Properties Company Limited, was converted and registered as a Public Limited Company on 1 June 1994. It was renamed to Keppel Thai Properties (KTP) on 9 July 2002, following the acquisition of a 45.45% stake in the Company by Keppel Land Limited (Keppel Land).

KTP's core business is in real estate development. The Company has a registered and paid-up capital of Baht 2.2 billion as at 31 December 2013.

KTP has two landed residential developments in Bangkok under the Villa Arcadia brand. Featuring modern architecture, tropical landscaping and quality finishes, Villa Arcadia Srinakarin and Villa Arcadia Watcharapol are located within close proximity to major amenities. Buyers include those from the middle- and upper-middle market segments.

KTP holds shareholding of more than 50% in nine property development companies. These include:

- Thai-Kami Company Limited
- Gold Star Property Company Limited
- Top Property Company Limited
- Cornerstone Realty Company Limited
- Utayan Property Development Company Limited
- Utayan Town Development Company Limited
- Utayan Real Estate Development Company Limited*
- Utayan Urban Development Company Limited*
- Utayan Realty Company Limited*

* Acquired on 29 March 2013

1 Phase I of Villa Arcadia Watcharapol was relaunched in end-2013.

SIGNIFICANT EVENTS

February

- Mr Choo Chin Teck resigned as Director.
- Mr Ng Ooi Hooi was appointed to the Board of Directors.

March

- Acquired three new subsidiaries: Utayan Real Estate Development Co., Ltd., Utayan Urban Development Co., Ltd. and Utayan Realty Co., Ltd.
- Obtained approval for the SBLC Loan Facility of Baht 1 billion from United Overseas Bank (Thai) PCL for land acquisition and working capital.

May

- Mr Tan Swee Yiow resigned as Chairman of the Board and the Executive Committee.
- Mr Ng Ooi Hooi was appointed as Chairman of the Board and the Executive Committee.
- Mr Oh Weng Soon (Oh Lock Soon) was appointed Company Secretary. He takes over from Ms Yodjuta Kunjara Na Ayudhya, who resigned from the Company.

August

- Ms Supattra Tasilapa was appointed Company Secretary. She takes over from Mr Oh Weng Soon who resigned from the position.

October

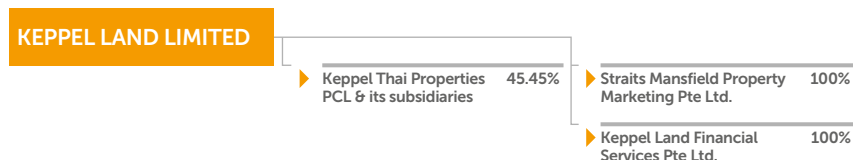
- Launch of Villa Arcadia Srinakarin Phase 2.

December

- Re-launch of Villa Arcadia Watcharapol Phase 1.



RELATIONSHIP WITH MAJOR SHAREHOLDER

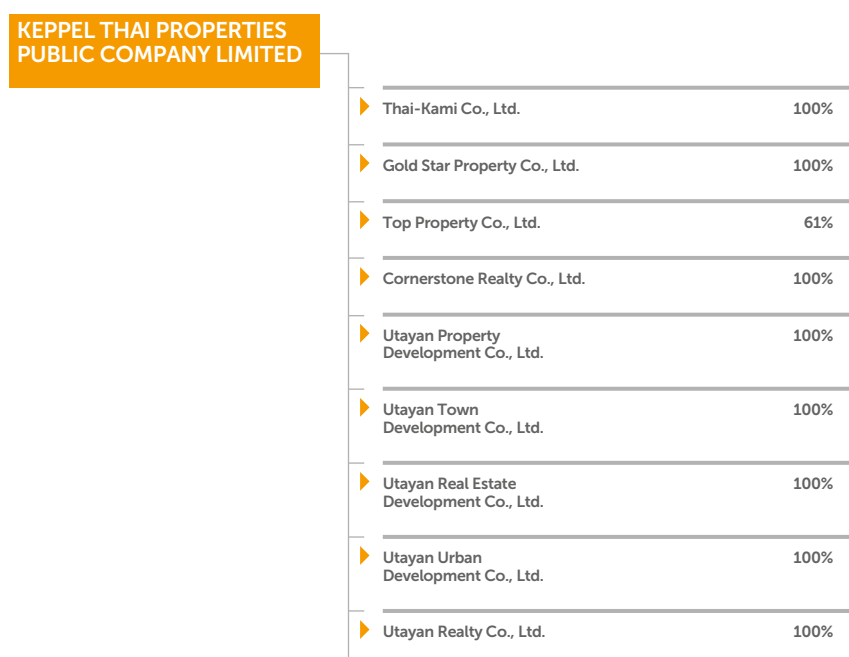


KTP is a subsidiary of Keppel Land, one of the largest listed property companies by total assets on the Singapore Exchange.

One of Asia's premier property developers, Keppel Land provides urban living solutions through the twin core businesses of property development for sale and property fund management.

INVESTMENT STRUCTURE OF KTP

as of 31 December 2013



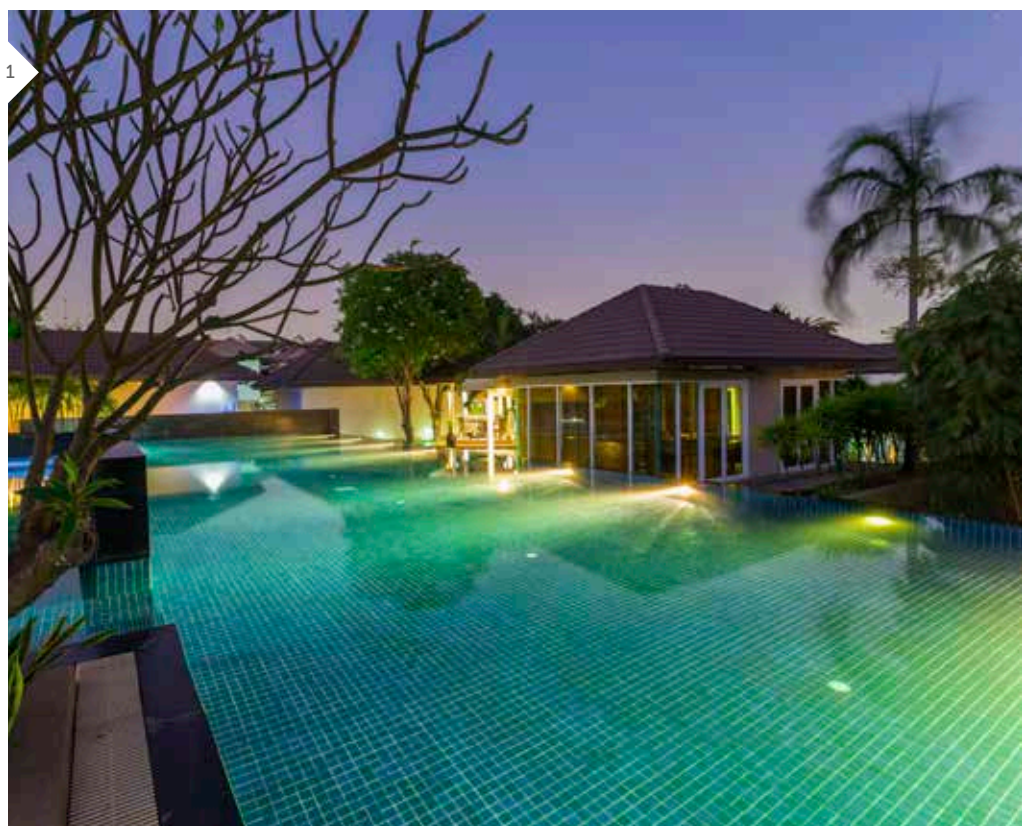
KTP has entered into an agreement with Straits Mansfield Property Marketing Pte Ltd. to provide professional and consultancy as well as internal auditing services. In addition to bank loans, KTP, through its subsidiary, Top Property Company Limited ("TOP"), has also entered into a loan agreement with Keppel Land Financial Services Pte Ltd. for working capital.

All the aforementioned are deemed normal business transactions based on reasonable commercial terms, and have been approved by KTP's Board of Directors.

DIVIDEND PAYMENT POLICY

- Dividend Payment**
 Dividend payment is subject to the Company's realised profit from its normal business operations during that year. It also takes into consideration the Company's future performance as well as the operating environment and other provisions arising from new regulatory requirements including resolutions from the Board meetings and/or annual general meeting.
- Dividend Payment of Subsidiaries**
 Dividend payment of subsidiaries will depend on each company's operating performance, retained earnings, legal provisioning and other required provisioning as appropriate for business operations.

Nature of Business



REVENUE OF KEPPEL THAI PROPERTIES (KTP) AND ITS SUBSIDIARIES AS AT 31 DECEMBER 2013

Product Line / Business Group	Operated by	% Shares held by KTP	Revenue (Million Baht)					
			2013	%	2012 (Restated)	%	2011 (Not Restated)	%
Lease and Services of office space	KTP	-	38.3	25.7	40.6	24.5	37.7	24.5
Sale of land and houses	Thai-Kami Gold Star Cornerstone Top Property	100% 100% 100% 61%	108.7	73.1	95.0	57.3	115.4	75.0
Others	-	-	1.8	1.2	30.2	18.2	0.8	0.5
Total	-	-	148.8	100.0	165.8	100.0	153.9	100.0

Note: Details of revenue of KTP and its subsidiary companies are disclosed in the Company's Financial Statements (pages 39 and 40 of this annual report)

1 Residents of Villa Arcadia Srinakarin will enjoy greater connectivity to the city centre when the new monorail train line commences operations in 2019.

2 Villa Arcadia Watcharapol comprises 270 detached houses and is well-connected to major commercial and lifestyle amenities.

KTP and its subsidiary companies are in the main businesses of property development for sale as well as the leasing of commercial buildings and residential homes.

PROPERTY DEVELOPMENT FOR SALE VILLA ARCADIA SRINAKARIN

Developed within a well-established residential enclave, Villa Arcadia Srinakarin comprises 365 detached houses within a gated community.

The development is situated close to the Suvarnabhumi International Airport, with shopping centres and international schools in the vicinity. Residents of Villa Arcadia Srinakarin can enjoy greater connectivity to the city centre when the new monorail train line commences operations in 2019.

Phase 1 comprising 209 units is about 93% sold as at end-February 2014, while Phase 2 comprising 156 units with improved designs was launched in October 2013. About 35% of the

55 launched units have been sold as at end-February 2014.

VILLA ARCADIA WATCHARAPOL

Comprising 270 detached houses, Villa Arcadia Watcharapol is well-connected to major commercial and lifestyle amenities via the Ram Intra-Art Narong Expressway and Eastern Outer Ring Road. It is a 30-minute drive from the central business district.

A new six-lane road, Phahonyothin-Rattanakosin Sompotch, will be completed this year, further improving accessibility. Residents can look forward to more dining and entertainment options with the opening of a new shopping mall in mid-2014. Residents can also enjoy greater connectivity when the new sky train line commences operations in 2017.

Villa Arcadia Watcharapol was re-launched in mid-December 2013. About 62% of the 45 launched units have been sold as at end-February 2014.

OTHER OPERATIONS

JEWELLERY CENTRE BUILDING

The 34-storey commercial building is located at 138 Nares Road, Si Phraya Sub-District, Bang Rak District, Bangkok.

As at 31 December 2013, the retained interest under the Company's name for lease is 12,145.64 sqm or 28.36% of the total gross floor area of which about 84% has been leased as at end-February 2014.



Nature of Business

MARKET ANALYSIS

The minimum daily wage of Baht 300 came into effect on 1 January 2013. This resulted in a shortage of labour in the construction industry and caused further increase in costs. In recent years, banks have also been more cautious with mortgage lending.

According to the Agency for Real Estate Affairs, overall supply for new residential units in Bangkok and the vicinity stood at 131,645 units in 2013, a 29% increase from 102,080 units in 2012.

Condominiums saw the highest increase in supply with 84,250 units or 64%, while supply of townhouses and single-detached houses increased to 28,047 units or 21% and 12,789 units or 10% respectively from the year before. Overall new residential developments in Bangkok and the vicinity stood at 471 projects in 2013, a 15% increase from 408 projects in 2012.

LANDED HOUSING

In 2013, prices of landed homes increased due to a rise in land prices and construction costs. According to the Real Estate Information Centre, prices of single-detached houses in Bangkok and its vicinity increased by 6.1% year-on-year while prices of townhouses in Bangkok and its vicinity increased by 6.9% year-on-year, as at end-2013.

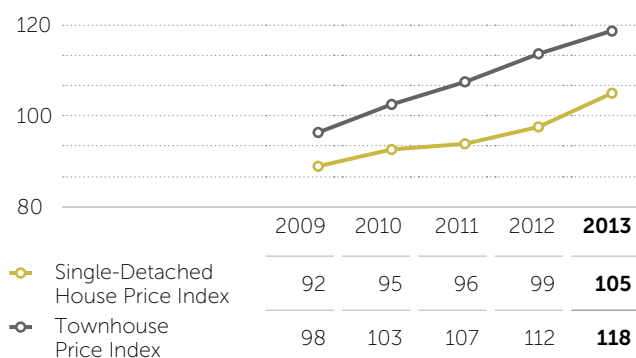
The Agency for Real Estate Affairs reported that overall new landed homes in Bangkok and its vicinity stood at 45,273 units in 2013, a 20% increase from 37,603 units in 2012. Meanwhile, the overall value of new landed homes in Bangkok and its vicinity increased to Baht 154,516 million in 2013, 8% higher from Baht 143,702 million in 2012.

New units in Bangkok and its vicinity in 2013 by development type



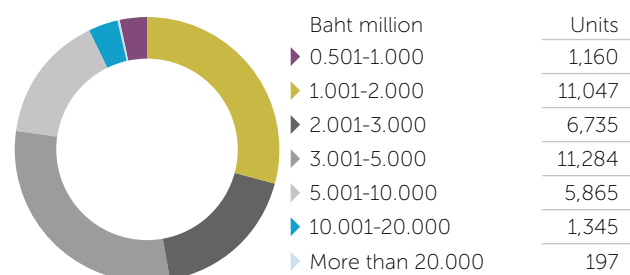
Source: Agency for Real Estate Affairs

Price Indices of Single-Detached Houses and Townhouses



Source: Real Estate Information Centre

New landed homes in Bangkok and its vicinity in 2013 by unit price



Source: Agency for Real Estate Affairs

CONDOMINIUM SECTOR

The condominium sector also saw healthy price increases in 2013. According to the Real Estate Information Centre, the price of condominiums in Bangkok and its vicinity increased by 5.6% in end-2013 compared to 2012.

The Agency for Real Estate Affairs reported that overall new condominium units in Bangkok and its vicinity stood at 84,250 units in 2013, 35% higher than 2012's figures of 62,548 units. Meanwhile, the overall value of new Condominium units in Bangkok and the vicinity stood at Baht 219,894 million in 2013, a 50% increase from Baht 146,221 million in 2012.

PROCUREMENT

LAND ACQUISITION

In keeping with KTP's core business, the Company looks to acquire well-located sites for the development of properties for sale. The Company works with land owners and real estate agents to source sites that are well-located and well-served by amenities. Depending on market conditions, projects are developed in phases and launched at the appropriate times.

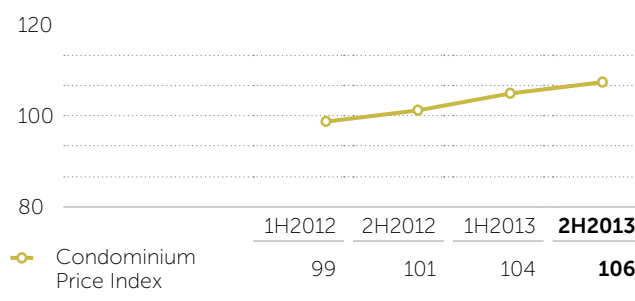
PROCUREMENT OF CONSTRUCTION MATERIAL

Construction materials are generally procured through the main contractor for the respective projects. However, in some cases, the Company may assist in the purchase of these materials. Purchasing and procurement of materials undergo stringent processes to ensure quality. Most of the materials are sourced and purchased locally.

HAND-OVER

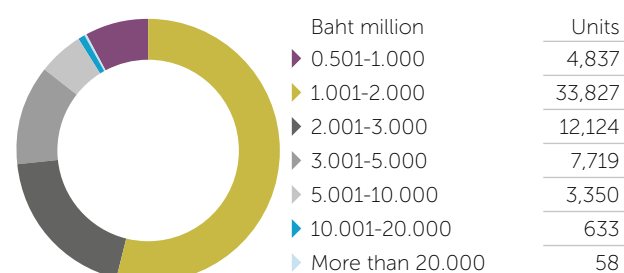
As at 31 December 2013, 19 residences with total sales value of Baht 146 million have been sold. These units will be handed over to homebuyers in 2014.

Condominium Price Index



Source: Real Estate Information Centre

New condominium in Bangkok and the vicinity in 2013 by unit price



Source: Agency for Real Estate Affairs

Assets of The Company

As at 31 December 2013

KEPPEL THAI PROPERTIES PUBLIC COMPANY LIMITED

Property Name

Jewellery Centre Building

Location

138 Nares Road, Si Phraya Sub-District,
Bang Rak District, Bangkok 10500 Thailand

Type of Asset

34-storey commercial building
covering a total area of 42,833.78 sq.m.

Asset Area

The Company has a total area of 12,145.64 sq.m.
or 28.36% of the total gross area of the building

Net Book Value

Baht 315,804,039

Appraisal Value

Baht 351,000,000

Appraisal Date

1 November 2013

Appraisal Company

Agency for Real Estate Affairs Company Limited

Right / Possession

Freehold

Collateral

None

GOLD STAR PROPERTY COMPANY LIMITED

Property Name

Sukhapiban 3 Mansion

Location

22/1 Sukhapiban 3 Road, Hua Mak Sub-District,
Bang Kapi District, Bangkok 10240, Thailand

Type of Asset

19-storey residential condominium with 1,024 units

Asset Area

The Company has 2 units with a total area of 119.21 sq.m.

Net Book Value

Baht 2,390,000

Appraisal Value

Baht 2,390,000

Appraisal Dated

22 October 2013

Appraisal Company

Agency for Real Estate Affairs Company Limited

Right / Possession

Freehold

Collateral

None

TOP PROPERTY COMPANY LIMITED

Property Name

Land at Watcharapol Road

Location

Soi Watcharapol, Tha Raeng Sub-District,
Bang Khen District, Bangkok 10220, Thailand

Type of Asset

Freehold land which will yield 270 units of two-storey detached
houses when completed under the project name
"Villa Arcadia Watcharapol"

Asset Area

73-1-5.3 rai

Net Book Value

Baht 793,036,032

Appraisal Value

Baht 838,800,000

Appraisal Dated

1 November 2013

Appraisal Company

Agency for Real Estate Affairs Company Limited

Right / Possession

Freehold

Collateral

None

THAI-KAMI COMPANY LIMITED

Property Name (1)

Land at Srinakarin Road

Location

Bang Kaew Sub-District, Bang Phli District,
Samut Prakan Province, Thailand

Type of Asset

Freehold land which will yield 367 units of two-storey detached
houses when completed under the project name
"Villa Arcadia Srinakarin"

Asset Area

60-3-28 rai

Net Book Value

Baht 522,170,199

Appraisal Value

Baht 522,100,000

Appraisal Dated

30 October 2013

Appraisal Company

Agency for Real Estate Affairs Company Limited

Right / Possession

Freehold

Collateral

Partial mortgage

THAI-KAMI COMPANY LIMITED**Property Name (2)**

Land and Factory

Location

1 Moo 5, Phaholyothin (TorLor. 1) Road,
Mai Ngam Sub-District, Muang Tak District,
Tak Province, Thailand

Type of Asset

The land and factory are vacant and
granite operation has ceased since 2000.
The machinery was divested in early-2002.

Asset Area

60–2–70 rai

Net Book Value

Baht 22,368,200

Appraisal Value

Baht 23,060,000

Appraisal Dated

21 October 2013

Appraisal company

Agency for Real Estate Affairs Company Limited

Right / Possession

Freehold

CollateralNone

THAI-KAMI COMPANY LIMITED**Property Name (3)**

The Trio Chiang Mai
(previously "Chiang Mai VIP Tower")

Location

118 Moo 1, Huay Kaew Road,
Chang Pueak Sub-District, Muang District,
Chiang Mai Province, Thailand

Type of Asset

Four-storey commercial building

Asset Area

The Company has four units with a total area of 890.88 sq.m

Net Book Value

Baht 23,200,000

Appraisal Value

Baht 23,200,000

Appraisal Date

24 October 2013

Appraisal Company

Agency for Real Estate Affairs Company Limited

Right / Possession

Freehold

CollateralNone

Corporate Governance

Keppel Thai Properties is committed to achieving high standards of corporate governance and has put in place self-regulatory controls to protect shareholders' interest and ensure long-term shareholder value.



The Company is committed to high standards of corporate governance and has put in place self-regulatory controls to protect shareholders' interest and ensure long-term shareholder value. The Board of Directors has implemented best practices in corporate governance based on the Code of Business Conduct.

The Company has also fully complied with the principles of good corporate governance and best practices recommended by the Stock Exchange of Thailand (SET) as follows:

RIGHTS OF SHAREHOLDERS

A.1 PROTECTION OF RIGHTS

The Company recognises the importance of protecting the rights of shareholders' and promotes the exercising of these rights.

The basic legal rights of shareholders include the right to buy, sell or transfer shares, receive dividends, obtain

relevant and adequate information in a timely and regular basis, participate in shareholder meetings, propose the meeting agenda, vote for the appointment or removal of Directors and auditors, determine their remuneration as well as partake in decisions that could have material impact on the Company such as dividend payment, amendment to the Memorandum and the Articles of Association or by-laws, capital increase or decrease.

Besides these basic rights, the Company has also implemented best practices to promote and facilitate exercising of rights for shareholders.

The Company recognises the importance of accurate, complete and transparent disclosure to shareholders with regards to financial results and other relevant information through the SET and the Company's website in both Thai and English to ensure that shareholders have access to information in a timely manner.

¹ Annual General Meetings allow the Board and Management the opportunity to engage shareholders.

A.2 SHAREHOLDERS' MEETING

The Company holds its Annual General Meeting once a year within four months after the end of the accounting period.

The Company has implemented the barcode system for registration purposes and the printing of voting slips for each agenda to facilitate the registration process at the meeting.

In 2013, all relevant information was posted on the Company's website www.keppelland.co.th 30 days before the date of the meeting to ensure shareholders had adequate time to review the relevant information. In addition, the Company did not add items to the meeting agenda without advance notice to ensure fairness to shareholders. Shareholders were also informed of the rules of the meeting and voting procedures to allow fair and equal opportunity for all shareholders to ask questions, recommend and give opinions during the meeting. The Chairman, board members and management were in attendance to explain the operation performance and policy as well as answer relevant questions at the meeting. Those recommendations and questions were recorded in minutes of the meeting and disclosed on the Company's website within 30 days after the meeting date.

EQUITABLE TREATMENT OF SHAREHOLDERS

The Company ensures equitable treatment of all shareholders.

The Company has in place policies to disclose complete and accurate information including shareholder's rights to attend the meeting and carries out the shareholder meeting procedures as specified by laws and regulations of the SET.

The Company strives to ensure the following:

- Provide equitable and fair treatment to all shareholders whether they are minority, institutional or foreign investors, and to allow them to exercise their rights accordingly.

- If shareholders are unable to attend and vote at the meeting, the Company will allow them to send proxies to vote on their behalf. The proxy form and proposed list of independent directors are attached in notice of the meeting. The shareholders and/or proxies are encouraged to use voting ballots for each agenda.

- To avoid insider trading and conflict of interest, the Company stipulates measures that prevent Directors, Executives, employees and related persons from misusing and/or disclosing sensitive information relating to the Company. There has been no reports of insider trading within the organisation to-date.

- The Company has in place guidelines for Directors and Executives to disclose their stake in the Company and relation to the Directors, if any. The Company also discloses information of its Directors' and Executives' shareholding in the Company and its subsidiaries in accordance with the requirements from regulators such as the Office of Securities and Exchange Commission ("SEC") and the SET.

ROLE OF STAKEHOLDERS

The Company recognises the legal rights and roles of stakeholders including its shareholders, employees, customers, business partners, creditors, competitors, communities and society as a whole. All stakeholders shall be treated fairly in accordance with their legal rights as specified in relevant laws and regulations. These relevant laws and regulations are also published as manuals and distributed to all staff to ensure strict compliance. The manuals are also distributed to:

- Shareholders: The Company is determined to conduct its business with prudence and transparency to ensure sustainable growth and enhance long-term value for its shareholders.
- Employees: The Company recognises that its employees are

the core driving force for the organisation. The Company strives to continually enhance staff competency levels by providing opportunities for career advancements and a fair reward system. The Company is committed to training and developing its workforce as well as providing a safe working environment for everyone.

- Customers: The Company is committed to provide quality products and services to all customer as well as to assist and provide solutions to their needs, while protecting customer's confidentiality, unless stipulated by law or with the customer's written consent.

- Creditors: The Company has put in place policies to ensure that creditors are treated with equality and fairness. In case of non-compliance with any one of the conditions laid out in the agreement, the Company will promptly notify the creditor to jointly consider and resolve the issue in a fair manner.

- Business Partners: All employees are expected to provide accurate and complete information on their interest and that of their related kin, so as not to impede the buyers' or sellers' decisions. Employees should also refrain from accepting gifts and/or rewards from buyers or sellers as well as attending private functions hosted by them so as to avoid any accusation or rendering special assistance at a later occasion.

- Competitors: The Company respects competition and does not engage in deals and/or discussion with employees of its competitors on issues and/or information that may impact either party's business.

- Community and Society: The Company is committed to positively impact the community and society in the four areas of education, society and environment, art and culture, and sports.

Corporate Governance

DISCLOSURE AND TRANSPARENCY

The Company ensures that all information on its finances or any other issues, which are beneficial to related parties, are disclosed in an accurate, complete, transparent, and timely manner as prescribed in the requirements of the SEC and SET.

The Company's financial statements are also prepared in accordance with the Accounting Standards and generally accepted accounting principles to reflect the real operating performance of the Company.

The Company has disclosed all information through various communication channels such as on the SET and Company's website in accordance with relevant regulations of related offices in both Thai and English to ensure that shareholders have access to information throughout.

RESPONSIBILITIES OF THE BOARD

BOARD STRUCTURE

The Board of Directors consists of directors with varied qualifications, skills, experiences and expertise that are beneficial to the Company and in accordance with the requirements of the SET.

Directors are appointed in accordance with the principles and procedures of laws and Articles of Association of the Company. In 2013, the Board comprised four executive Directors and three non-executive Directors. Directors are appointed in accordance with the principles and procedures of laws and Articles of Association of the Company.

INDEPENDENCE FROM THE MANAGEMENT

The Board of Directors acts independently from the Management.

There is a clear segregation of duties and responsibilities between the Board of Directors and Management. The Board of Directors formulates policies, provides strategic business direction as well as oversees and ensures that operations are carried out according to highest levels of transparency and disclosure, in accordance with the respective policies.

To ensure an appropriate balance of power, increased accountability and a greater capacity of the Board for independent decision-making, the Company has a clear division of responsibilities at the top level of the Company, with the Chairman of the Board and the President having clearly separate roles.

APPROPRIATENESS OF THE BOARD OF DIRECTORS

The number of Directors on the Board is in

1 The launch of Phase 2 of Villa Arcadia Srinakarin drew positive response from homebuyers.



accordance with Clause 16 of the Articles of Association which stipulates that “there shall be no less than five Directors and no less than half of total number of Directors who must reside in the Kingdom of Thailand”. Clause 22 has prescribed that one-third of the Directors must retire at each Annual General Meeting. Should the number not be divisible by three, the number must be closest to one-third. A retiring Director is eligible for re-election.

EFFECTIVENESS OF THE BOARD OF DIRECTORS

The Board has in place adequate internal control systems to ensure that the Company’s operations are carried out responsibly, with integrity and in accordance with regulations of the SEC and SET. Together with the Audit Committee, the Board safeguards the resources of the Company and ensures that procedures and policies are adhered to in the management of the Company.

- The Board of Directors is responsible for the Company’s internal control system. It ensures that appropriate policies are in place for effective functioning of the Company’s business operations. The Company has engaged the Audit team from Straits Mansfield Property Marketing Pte Ltd. to audit the Company at least once a year. The Internal Audit team then reports its findings to the Board of Directors and the Audit Committee.
- The Board of Directors and the Audit Committee will then review all items to ensure compliance with relevant laws and regulations as well as with internal policies with respect to the conduct of business. The Audit Committee will review the quarterly financial statements and reports of the external auditors as well as Internal Audit team before seeking approval from the Board of Directors. The Audit Committee is satisfied that KTP and its subsidiaries have maintained adequate internal controls for the year 2013.

- It is the Company’s policy to appoint a Company Secretary in compliance with the applicable Securities and Stock Exchange Act (No.4) BE 2551 (2008) and principles of good corporate governance. The Company Secretary is further encouraged to attend appropriate training courses to enhance his or her skills.
- The Board of Directors convene on a quarterly basis and will call for additional meetings as circumstances require. The following reports and procedures are provided to the Board of Directors to allow the Directors to better anticipate risks and key drivers ahead of events so that the Management can make timely decisions.

The reports and procedures include:

- Whistle-Blower Protection Policy: The purpose of this policy is to encourage reporting in good faith of suspected reportable conduct by establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and protected from reprisal. This policy is one channel through which the Company receives information on suspected reportable conduct and to address them in an appropriate and timely manner.
- “Reportable Conduct” refers to any act or omission by an employee or contract worker appointed by the Company, which occurred in the course of his or her work whether or not the said act is within the scope of their employment.

It includes:

- (1) Dishonesty including, but not limited to, theft or misuse of the company’s resources;

- (2) Fraud;
- (3) Corruption;
- (4) Illegal activities;
- (5) Other serious improper conduct;
- (6) Unsafe work practices or
- (7) Any other conduct which may cause losses, financial or otherwise, to KTP or be seen as being detrimental to KTP’s reputation.

- Enterprise Risk Management: Enterprise Risk Management is a process designed to identify potential events that may impact the Company caused by changing economic, financial, social and legal situations, and to specify sufficient protection and suitable resolution measures to prevent and mitigate such risks, including analysis of circumstances as well as the probability of risky events occurring.

KTP’s enterprise risk management process is implemented on a quarterly basis, and is integrated with Keppel Land’s Enterprise Risk Management initiatives.

- Internal Audit Report: An internal audit is conducted annually to review the adequacy and effectiveness of key controls, procedures and processes of the Company and its subsidiaries.
- A report is then generated to address three key areas which include the adequacy and effectiveness of existing internal controls and operational procedures, compliance with established policies and procedures as well as the weaknesses and recommendations for improvement in the areas reviewed.

BOARD COMMITTEES

The Board currently comprises three committees: Board of Directors, Executive Committee and Audit Committee.

Corporate Governance

BOARD OF DIRECTORS

The Board of Directors assumes full authority over the management of the Company and ensures that the Company's operation meets its set objectives, and complies with Articles of Association and shareholders' resolutions.

Roles, Duties and Responsibilities of the Board of Directors

The principal functions of the Board of Directors are as follows:

1. Review and approve the Company's corporate policy and the authorisation matrix.
2. Provide full and timely information disclosure to shareholders.
3. Be accountable to all shareholders by adopting best practices enhance shareholders' value.
4. Manage the Company in accordance with relevant laws, objectives and Articles of Association of the Company including shareholders' resolutions.
5. Review, and where required, approve the key strategies, objectives and plans of the Company and the appropriate financial and operational matters.
6. Advise Management on significant issues that may impact the Company.
7. Evaluate the adequacy of internal controls, risk management, financial reporting and compliance.
8. Nominate Directors and ensure that the structure and practices of the Board provide for sound corporate governance.
9. Supervise and appropriately remunerate senior management.

The Company's Board of Directors as at 31 December 2013 include:

Mr Ng Ooi Hooi
Mr Oh Weng Soon (Oh Lock Soon)
Mrs Jiraporn Pimpoorash
Prof Chukiat Pramoolpol
Mr Somprasong Makkasaman
Mr Lim Kei Hin
Madam Tan Siew Ngok

EXECUTIVE COMMITTEE

The Executive Committee consists of three Non-Executive Directors and one Executive Director with the competencies and expertise to oversee the business, assets, affairs and performance of the Company. The Executive Committee focuses its activities regularly on the key requirements and policies of the Company.

Roles, Duties and Responsibilities of the Executive Committee

1. To operate the daily business of the Company in line with the Company's policy and budgets, set the directions, targets, organisation and business operations of the Company, at the same time, monitor the Company's performance in achieving its targets.
2. To assess transactions of the Company and its subsidiaries which may have conflicts of interest with the Company. The Executive Committee would then have to propose the meeting of the Audit Committee and the Board of Directors before the transaction is approved.
3. To perform operations as assigned by the Board of Directors and to approve other business operations of the Company as delegated by the Board of Directors.
4. To approve credit and write-off debts within the authorised limits.

5. To approve the hiring of consultants and procurement of materials in accordance with procedures.

The Company's Executive Committee as at 31 December 2013 include:

Mr Ng Ooi Hooi*
Mr Oh Weng Soon (Oh Lock Soon)
Mr Lim Kei Hin
Madam Tan Siew Ngok

* Mr Ng Ooi Hooi was appointed as Chairman of the Executive Committee with effect from 1 May 2013 in replacement of Mr Tan Swee Yiow who had resigned.

AUDIT COMMITTEE

The Audit Committee is appointed by the Board of Directors in accordance with the requirements of the SET. The Audit Committee convenes at least four times a year to review the Company's business operations. In 2013, the Audit Committee called for four (4) meetings.

Roles, Duties and Responsibilities of the Audit Committee

The Audit Committee is guided by the following terms of reference:

1. Review financial statements to ensure adequacy, accuracy and proper disclosure as required by accounting standards and relevant laws.
2. Review the efficiency of the internal audit system set by Management.
3. Review business operations in accordance with the requirements of the Securities and Exchanges Act, Rules and Principle Standards of the SET or any other laws related to the Company's business.
4. Consider, select and nominate an independent person as the Company's auditor, and to propose the aforementioned person's

remuneration, as well as to attend the meeting separately with external auditors to discuss any matters without the presence of management at least once a year.

5. Review relevant transactions for any conflicts of interest, adherence to related laws and regulations of compliance and to ensure that such transactions are transparent.
6. Ensure transparency and accuracy in the Company's disclosure of relevant transactions, conflicts of interest or any other operation which may cause significant impact on the Company.
7. Report on activities of the Audit Committee in the Company's annual reports which must be signed by the Chairman of the Audit Committee.
8. Perform any other act as assigned by the Board of Directors with the agreement of the Audit Committee.

The Company's Audit Committee as at 31 December 2013 include:

Mrs Jiraporn Pimpoorash
Prof Chukiat Pramoolpol
Mr Somprasong Makkasaman

Mrs Jiraporn Pimpoorash, with her extensive experience in the relevant industry for 25 years, is qualified to carry out the audits for KTP.

SELECTION OF DIRECTORS AND EXECUTIVE OFFICER

The Board of Directors is responsible for the operations of the Company and has the duty to select qualified and accountable persons capable of maintaining good relations with the Board for Executive positions. To appoint the directors and management, the Company shall consider and propose qualified persons in accordance with the laws and the relevant regulations, including the Articles of Association of the Company.

The Board of Directors and Audit Committee will recommend such persons.

In appointing a member, the Board of Directors shall refer to the following for guidance:

Scenario 1: In the event of expiration of a Director's term, the Boards shall recommend suitable candidates for election at the Annual General Meeting.

Scenario 2: In the event that an existing Director leaves before the expiration of his or her term, the Boards shall appoint a qualified person in his or her place with voting of no less than three-fourths and shall hold the office until the expiration of the term. The person appointed as new Board member shall serve the remainder of that term.

INSIDER INFORMATION CONTROL

The Company carefully monitors conflicts of interest by setting out clear policies and procedures regarding the utilisation of sensitive information affecting trading of the Company's shares. The Company has adopted the insider trading policy, which is set out in its Code of Business Conduct. The policy prohibits internal stakeholders from trading in the securities of the Company if he or she is in possession of information which would, or would be likely to, have material effect on the financials of the Company.

It is outlined as follows:

1. The Company carefully monitors the utilisation of sensitive information which will affect the trading of the Company's shares. All Directors, Management and employees, including their spouse and children under the age of 21, are strictly prohibited to trade in the Company's securities in the one month before inside information or financial statements are due to be released publicly.

2. All Directors and Management are also required to file reports to the SET to disclose any changes in their Company's securities holdings each time such changes occur.

3. All staff of the Company are required to acknowledge this policy upon hire and are also required to review this policy annually to ensure compliance. Any employee who fails to observe the insider trading policy will be subjected to disciplinary action, including dismissal, in addition to civil and criminal penalties

AUDITOR'S FEE PAID

Audit fee

The Company and subsidiaries paid for the audit fee expense incurred in 2013 at a total amount of Baht 1,597,220.

Non-audit fee

None

Risk Factors

Risk management is an integral part of Keppel Thai Properties' (KTP) strategic and operational processes.

The Company has in place a risk management framework to enable Management to respond swiftly to challenges and leverage new opportunities in the dynamic business environment.

KTP has identified the following key risks and the appropriate mitigating actions:

- **Shortage of quality contractors**

Shortage of skilled labour will impact the construction quality and could result in increased cost.

KTP regularly evaluates the capabilities of its contractors and will continue to source for new contractors to build up a reliable network.

- **Foreign exchange risks**

KTP still holds some loans denominated in foreign currencies and is therefore subject to foreign exchange risk.

The Company continues to seek funding options in Thai Baht to minimise risks in foreign exchange fluctuation.

- **Interest rate fluctuations**

KTP has short-term loans from a financial institution and its interest rate is dependent on Money Markets' Floating rates.

During an economic expansion mode, this could result in higher financing cost for the Company.

KTP will utilise various financial instruments, where appropriate, to hedge against interest rate fluctuations.

The Company also ensures that cash flows are properly managed.

- **Land sourcing**

High land prices could result in the Company facing challenges in acquiring land at competitive prices.

KTP works with numerous agents to source for land as well as deals directly with individual land owners.

Internal Control and Risk Management

The Board of Directors and the Audit Committee are of the opinion that Keppel Thai Properties (KTP) and its subsidiaries have in place adequate internal control systems and processes that safeguard and protect the Company's resources against misuse or misappropriation. These policies and procedures also ensure effective management of the Company.

KTP has engaged Straits Mansfield Property Marketing Pte Ltd. (Straits Mansfield) to provide internal audit services. Mr Ng Chee Peng, who has over 13 years of experience in internal and external auditing, is assigned to perform the internal auditing function in KTP.

The appointment of Straits Mansfield is approved by the Board of Directors and the Audit Committee.

Straits Mansfield provides the internal audit service at least once a year. The internal audit results are reported and reviewed by the Board of Directors and the Audit Committee to ensure that the Company's operations are carried out in accordance with the relevant policies.

In addition, the Audit Committee also reviews the quarterly financial statements as well as the internal and external auditors' reports before they are put forward to the Board of Directors for consideration and approval.

Corporate Social Responsibility

SUSTAINABILITY FRAMEWORK

Keppel Thai Properties (KTP) is committed to delivering value to its stakeholders and nurturing communities wherever it operates.

The Company strives to achieve the following for its key stakeholders:

Customers:

To develop quality homes and products of enduring value.

Investors:

To deliver sustainable earnings and maximise shareholder returns.

Employees:

To provide employees a safe working environment, as well as empower them through training and development.

Business Partners:

To build long-term and mutually beneficial relationships.

Communities:

To be a responsible corporate citizen and contribute back to communities.

GIVING BACK

GREENING COMMUNITIES

In 2013, KTP ramped up its green efforts through a series of activities to cultivate a green mindset and raise awareness of nature conservation among employees.

On 18 May 2013, over 40 employees travelled to Kanchanaburi Province, 200 km west of Bangkok to plant over 50 teak saplings in the nursery of the Sai Yok National Park.

The teak saplings were planted to help replace trees lost due to rampant deforestation in the area.

SUPPORTING CAUSES

KTP Volunteers, a company-wide volunteer movement, was introduced as part of the Company's efforts to encourage employees to give back to the community.



Keppel Thai Properties seeks to give back to communities through regular CSR activities.

Through the programme, KTP partners like-minded organisations in its efforts to lend a helping hand to the less privileged.

On 5 October 2013, over 70 KTP employees together with their families and friends visited Baan Sangsan Dek (Foundation of the Better Life of Children), a boys' home located in Pathumthani Province, north of Bangkok.

The home provides support, shelter and education for neglected children from less fortunate families.

At the outing, the volunteers engaged the children aged between six to 18 years old in a series of games, after which they helped to prepare a wholesome meal for the group.

KTP employees also tended to the in-house vegetable plot as well as contributed groceries, toys, stationery, gardening equipment, clothes and cash donation.

In December 2013, the Company and volunteers also committed resources to refurbish the playground equipment and then donated to the home, providing cheer and fun for the children.

UNWAVERING FOCUS TOWARDS GOOD GOVERNANCE

KTP is committed to conducting its business in accordance with all applicable laws, rules and regulations.

The Company embraces anti-corruption policies to protect its business, resources and reputation. KTP also adopts a strict policy against Insider Trading, which all staff adhere to.

Please refer to pages 22 to 27 for more details on the Company's approach towards corporate governance.

Related Party Transactions

APPROVAL PROCEDURES OF RELATED PARTY TRANSACTIONS

In case that the Company, its subsidiaries, related persons or parties enter into related party transactions, the Company shall proceed in accordance with laws, regulations of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to comply with corporate governance principles. Such related party transactions shall be agreed and approved by the Board of Directors and shareholders. However, no Director or Executive with conflict of interest in the matter shall be involved in the approval.

POLICIES ON FUTURE RELATED PARTY TRANSACTIONS

The Audit Committee and the Company will oversee any future related party transactions together to ensure that they will be handled properly and approved in accordance with relevant procedures.

The related party transactions shall be disclosed according to regulations of the SEC and the SET.

The Company will ensure that related party transactions shall be entered into for the best interest of the shareholders.

RELATED PARTY TRANSACTIONS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1. *The loans and interest payment transactions between the Company and its subsidiaries*
These transactions are entered into the normal course of business on an arm's length basis and under reasonable commercial terms. The loans have been used for land and property development of the subsidiary companies which have been approved by the Board of Directors.
2. *Management Fee*
The Company has entered into a management agreement with Straits Mansfield Property Marketing Pte Ltd., (Straits Mansfield) a subsidiary of Keppel Land Limited (Keppel Land) which is the Company's major shareholder, to provide professional and consultancy services. This transaction is a normal business transaction based on reasonable commercial terms, and has been approved by the Board of Directors.
3. *Internal Audit*
The Company has entered into an agreement with Straits Mansfield to provide internal audit services. This is a normal business transaction based on reasonable commercial terms, and has been approved by the Board of Directors.
4. *Loans between Keppel Land Financial Services Pte Ltd. and the Company's subsidiaries*
These transactions are entered into in the normal course of business on an arm's length basis and under reasonable commercial terms. The loans have been used for land and property development which has been approved by the Board of Directors.
5. *Leases and Services between the Company and its subsidiaries*
The Company has entered into an agreement for leases and services of Jewellery Centre Building with its subsidiaries, whereby the subsidiary companies shall use the building as their head office. This transaction is a normal business transaction based on reasonable commercial terms, and has been approved by the Board of Directors.
6. *Management Fee between the Company and its subsidiaries*
The Company has entered into a management agreement with the Company's subsidiaries to provide professional and consultancy services. This transaction is a normal business transaction based on reasonable commercial terms, and has been approved by the Board of Directors.

Management Discussion and Analysis (MD&A)

In 2013, the Company voluntarily changed its accounting policy for investment properties from the cost to the fair value method. The Company reclassified some investment properties to non-current assets held for sale and construction in progress. As a result of the change in accounting policy, the Company restated the consolidated and separate financial statements for the year ended 31 December 2012 and presented consolidated and separate financial statements of financial position as at 1 January 2012 as comparative information. Consequently, total assets increased by Baht 284.8 million or equivalent to 21.33% from Baht 1,335.1 million to Baht 1,619.9 million for 2011. Net tangible assets increased by Baht 231.3 million or equivalent to 90.04% from Baht 256.9 million to Baht 488.2 million for 2011.

In 2013, the Company launched Phase 2 of Villa Arcadia Srinakarin. During the year, the houses were still under construction and they are expected to be transferred to homeowners and recognised as revenue in 2014.

BUSINESS OPERATIONS

Income

Income of the Company and its subsidiaries consists of revenue from rental service income from the office building and sale of land and houses. The Company generated Baht 38.4 million from rental and service income from the office building in 2013. Revenue decreased by Baht 2.2 million or 5.41% from Baht 40.6 million in 2012. The Company has generated revenue from sale of land and houses upon transfer of ownership to buyers. Total revenue from sale of land and houses for 2013 was Baht 108.7 million, an increase of Baht 13.7 million or 14.42% from Baht 95.0 million in 2012. The increase of sale of land and houses was due to the transfer of ownership for remaining completed units of Villa Arcadia Srinakarin Phase 1. For Villa Arcadia Srinakarin Phase 2, land and units under construction

sold in 2013 are expected to be transferred and recognised as revenue in 2014.

Expenditure

In 2013, the Company's expenses (excluding tax and interest) was Baht 274.6 million, an increase of Baht 75.3 million or 37.78% compared to Baht 199.3 million in 2012. The Baht 22.7 million increase is attributed to higher cost of goods sold due to an increase in number of units sold. An increase in administrative expenses of Baht 35.8 million was due to the write-off of Baht 22.0 million historical rectification costs, while the increase in Baht 4.5 million is due to exchange loss from foreign currency loans and decrease in fair value on investment properties of Baht 13.7 million.

Tax Income Expense

In 2013, the Company adopted Thai Accounting Standard 12 for Income Taxes. The income tax expenses for year 2013 decreased by Baht 11.1 million from Baht 7.1 million in 2012.

FINANCIAL POSITION

Assets

The Company's total assets as at end-2013 was valued at Baht 1,741.3 million, an increase of Baht 104.9 million or 6.41% from Baht 1,636.4 million in 2012. Current assets in 2013 was Baht 1,387.7 million an increased of Baht 165.0 million or 13.49% from Baht 1,222.7 million in 2012. The increase was mainly due to Baht 137.3 million of development costs incurred for the construction of Villa Arcadia Srinakarin Phase 2. Total non-current assets was Baht 353.6 million, a decrease of Baht 60.1 million, or 14.52% from Baht 413.7 million in 2012, due to the decrease in fair value of investment properties.

Liabilities

The Company's total liabilities as at end-2013 was Baht 1,524.8 million,

an increase of Baht 272.9 million or 21.8% from Baht 1,251.9 million in 2012 due to drawdown of short-term loans from financial institutions to develop Villa Arcadia Srinakarin Phase 2. The liquidity ratio in 2013 was 1.27, down from 1.46 in 2012.

Shareholders' Equity

As a result of the change in accounting policy, the Company revised the shareholders equity to Baht 476.0 million in 2011. As at end-2013, shareholder's equity was Baht 216.6 million, decreased by Baht 167.9 million or 43.67% from Baht 384.5 million in 2012 mainly due to the fair value adjustment of Baht 13.7 million on investment properties. Net loss for 2013 was Baht 167.8 million.

Debt to Equity Ratio

As a result of the change in accounting policy, the debt to equity ratio in 2011 was reduced from 4.46 times to 2.40 times due to the increase in shareholder's equity.

In 2013, debt to equity ratio was 7.04 times, increased from 3.26 times in 2012 as a result of the decrease of fair value on investment properties and net loss from operations.

Directors' Report & Financial Statements

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Audit Committee Report

To The Shareholders of Keppel Thai Properties Public Company Limited,

The Audit Committee of Keppel Thai Properties Public Company Limited (KTP) has been appointed by the KTP's Board of Executive Directors. The Committee consists of three independent directors namely Mrs Jiraporn Pimpoorash, as Chairman of the Committee, and Professor Chukiat Pramoolpol and Mr Somprasong Makkasaman as members of the Committee. Mr Paisan Supornpun, the First Assistant Vice President of the Company, has assisted as the Secretary to the Audit Committee.

The Audit Committee has performed all necessary duties in compliance with the charter of the Audit Committee. The Audit Committee has periodically reviewed the financial statements of the company and its subsidiaries, the internal control system and has monitored the Company's business. The Audit Committee's role is in accordance with guidance for corporate governance and the rules defined by the Stock Exchange of Thailand.

During the year 2013, the Audit Committee Members convened 13 meetings of which nine meetings were Board of Directors meetings and four meetings were Audit Committee meetings. The Audit Committee meetings were also attended by KTP's First Assistant Vice President and First Senior Assistant Vice President. The meetings are occasionally attended by the Company's external auditor, the KTP's Executive Directors. The meetings could be summarised as follows;

1. The Audit Committee members together with KTP's executive accounting staff have reviewed quarterly and annual financial statements for the year 2013 to ensure its with compliance with Thailand's financial reporting standards, and is reliable and adequately disclosed. The Audit Committee has acknowledged and has agreed with the reclassification of significant assets accounts adopted in the year 2013.
2. The Audit Committee has acknowledged the Company's plan to set up a loan facility to fund potential new projects.
3. The Audit Committee has agreed with the Company to set up the Enterprise Risk Management (ERM) framework. The Audit Committee was aware of the Company's risk management system to reduce impacts on the Company's business.
4. The Audit Committee has agreed to continue engaging the group's internal auditor, Straits Mansfield Marketing Pte Ltd. The Audit Committee has agreed to the remuneration for the internal auditor. The Audit Committee has reviewed the Company's internal audit report in order to advise the Company's executives with an appropriate internal control system.
5. The Audit Committee has agreed with the Executive Board of Directors to propose to the shareholders to appoint Ernst & Young Office Limited as the Company's external auditor for the year 2013. The proposed audit firm is well known experienced, reliable and competent to continue as the Company's auditor.

The Audit Committee is satisfied with the management of KTP in operating KTP's business with prudence, in line with the principles of good corporate governance. The Audit Committee was of the view that KTP's procedures for preparing its own audited financial statements and its subsidiaries audited financial statements for the year ended 31 December 2013 is appropriate. The Audit Committee found no particular matter of significance that needs to be highlighted to the Shareholders.



Jiraporn Pimpoorash

March 18, 2014

Independent Auditor's Report

To the Shareholders of Keppel Thai Properties Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

I draw attention to the following matters:

- a) I draw attention to Note 4.1 to the financial statements regarding the voluntary change in accounting policy made on the valuation of investment properties from the cost method to the fair value method.
- b) I draw attention to Note 4.2 to the financial statements regarding the change in accounting policy made due to the adoption of Thai Accounting Standard 12 Income Taxes.

The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustment resulting from such change in accounting policies. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policies for investment properties and income taxes. My opinion is not qualified in respect of these matters.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited
(Formerly known as "Ernst & Young Office Limited")
Bangkok, 24 February 2014

Statement of Financial Position

As at 31 December 2013

(Unit: Baht)

		CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	Note	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Assets							
Current assets							
Cash and cash equivalents	7	28,769,323	29,549,876	15,520,276	6,161,600	2,681,317	5,349,517
Trade and other receivables	8, 9	216,304	1,723,160	-	7,250,360	8,597,887	4,451,187
Land and construction in progress	10	1,324,011,415	1,186,670,378	1,227,904,316	-	-	-
Other current assets	11	12,374,406	4,780,305	4,147,086	4,371,305	672,802	1,399,438
Non-current assets held for sale	12	22,368,200	-	-	-	-	-
Total current assets		1,387,739,648	1,222,723,719	1,247,571,678	17,783,265	11,952,006	11,200,142
Non-current assets							
Bank deposit under commitment	13	23,926,651	22,868,005	11,849,814	-	-	-
Investments in subsidiaries	14	-	-	-	116,864,396	114,614,396	112,614,796
Other long-term investment	15	325,300	497,200	367,900	325,300	497,200	367,900
Loans to and interest receivable from subsidiaries	8	-	-	-	1,944,954,162	1,667,018,065	1,553,130,535
Investment properties	16	310,152,148	372,508,642	343,038,582	310,152,148	331,608,642	304,836,081
Property, plant and equipment	17	8,250,750	8,717,644	8,504,611	6,939,294	8,095,843	7,711,313
Computer software	18	539,651	651,616	455,445	442,397	521,977	252,583
Other non-current assets	19	10,407,664	8,462,596	8,088,758	6,308,307	4,467,497	4,226,326
Total non-current assets		353,602,164	413,705,703	372,305,110	2,385,986,004	2,126,823,620	1,983,139,534
Total assets		1,741,341,812	1,636,429,422	1,619,876,788	2,403,769,269	2,138,775,626	1,994,339,676

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

(Unit: Baht)

		CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	Note	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Short-term loan from financial institution	20	995,393,806	796,993,806	761,993,806	995,393,806	796,993,806	761,993,806
Trade and other payables	8, 21	84,699,839	34,866,885	27,851,230	29,540,290	22,288,636	23,054,792
Deposits and advances from customers	22	13,054,335	6,489,377	2,970,000	-	-	-
Current portion of long-term loans		-	-	120,277,922	-	-	-
Total current liabilities		1,093,147,980	838,350,068	913,092,958	1,024,934,096	819,282,442	785,048,598
Non-current liabilities							
Long-term loans from and interest payable to related party	8	348,828,632	329,232,360	157,184,869	-	-	-
Long-term loans from and interest payable to subsidiaries	8	-	-	-	624,216,354	536,961,221	457,019,561
Provision for long-term employee benefits	23	2,880,268	2,226,919	558,795	2,470,039	1,604,996	429,492
Deposit and advances from customers		8,856,628	8,160,784	7,408,776	8,202,548	8,093,304	7,341,296
Deferred tax liabilities	26	56,690,966	60,647,402	53,470,771	56,600,272	60,647,402	53,470,770
Prepayment from customers for housing estate juristic person		14,379,274	13,277,376	12,217,400	-	-	-
Total non-current liabilities		431,635,768	413,544,841	230,840,611	691,489,213	607,306,923	518,261,119
Total liabilities		1,524,783,748	1,251,894,909	1,143,933,569	1,716,423,309	1,426,589,365	1,303,309,717

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

Statement of Financial Position (continued)

As at 31 December 2013

(Unit: Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Shareholders' equity							
Share capital							
Registered							
220,000,000 ordinary shares of Baht 10 each		2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000
Issued and paid-up							
220,000,000 ordinary shares of Baht 10 each		2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000
Share discount		(749,997,158)	(749,997,158)	(749,997,158)	(749,997,158)	(749,997,158)	(749,997,158)
Retained earnings							
Appropriated - statutory reserve	24	12,525,332	12,525,332	12,525,332	2,075,332	2,075,332	2,075,332
Unappropriated (deficit)		(1,177,882,944)	(1,037,438,770)	(969,198,724)	(760,057,514)	(735,389,113)	(756,416,115)
Other component of shareholders' equity	15	(4,674,700)	(4,502,800)	(4,632,100)	(4,674,700)	(4,502,800)	(4,632,100)
Equity attributable to shareholders' of the Company		279,970,530	420,586,604	488,697,350	687,345,960	712,186,261	691,029,959
Non-controlling interests of the subsidiaries		(63,412,466)	(36,052,091)	(12,754,131)	-	-	-
Total shareholders' equity		216,558,064	384,534,513	475,943,219	687,345,960	712,186,261	691,029,959
Total liabilities and shareholders' equity		1,741,341,812	1,636,429,422	1,619,876,788	2,403,769,269	2,138,775,626	1,994,339,676

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

Statement of Comprehensive Income

For the year ended 31 December 2013

(Unit: Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Sales of land and houses		108,693,092	94,970,000	-	-
Rental income from office building and service income		38,483,066	40,666,264	38,252,743	40,568,437
Other income					
Interest income	8	317,596	141,761	87,140,231	88,400,121
Gain on disposal of equipment		157,614	137,850	156,614	137,850
Income from cancellation of sales agreement of land and houses		22,889	-	-	-
Management income	8	-	-	16,057,441	13,162,796
Guarantee income	8	-	-	-	1,501,697
Exchange gain		-	-	174,458	-
Unrealised fair value gain on investment properties	16	-	29,470,059	-	26,772,561
Others		1,076,767	430,150	947,836	45,997
Total revenues		148,751,024	165,816,084	142,729,323	170,589,459
Expenses					
Cost of land and houses		105,691,179	82,969,489	-	-
Cost of rental from office building and services		13,677,107	16,229,822	13,502,632	16,064,766
Selling expenses		9,640,066	8,472,170	332,539	294,216
Administrative expenses	8	120,926,932	85,134,749	63,078,883	55,596,790
Exchange loss		10,982,800	6,497,265	-	136,739
Unrealised fair value loss on investment properties	16	13,706,494	-	21,456,494	-
Total expenses		274,624,578	199,303,495	98,370,548	72,092,511
Profit (loss) before finance cost		(125,873,554)	(33,487,411)	44,358,775	98,496,948
Finance cost	8	(45,887,431)	(50,873,964)	(73,074,306)	(70,293,315)
Profit (loss) before income tax expenses		(171,760,985)	(84,361,375)	(28,715,531)	28,203,633
Tax income (expenses)	26	3,956,436	(7,176,631)	4,047,130	(7,176,631)
Profit (loss) for the year		(167,804,549)	(91,538,006)	(24,668,401)	21,027,002
Other comprehensive income:					
Gain (loss) on changes in value of available-for-sale investments	15	(171,900)	129,300	(171,900)	129,300
Other comprehensive income for the year		(171,900)	129,300	(171,900)	129,300
Total comprehensive income for the year		(167,976,449)	(91,408,706)	(24,840,301)	21,156,302
Profit (loss) attributable to:					
Equity holders of the Company		(140,444,174)	(68,240,046)	(24,668,401)	21,027,002
Non-controlling interests of the subsidiaries		(27,360,375)	(23,297,960)		
		(167,804,549)	(91,538,006)		

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

Statement of Comprehensive Income (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
Total comprehensive income attributable to:					
Equity holders of the Company		(140,616,074)	(68,110,746)	(24,840,301)	21,156,302
Non-controlling interests of the subsidiaries		(27,360,375)	(23,297,960)		
		(167,976,449)	(91,408,706)		
Earnings per share	27				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.64)	(0.31)	(0.11)	0.10

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

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

(Unit: Baht)

CONSOLIDATED FINANCIAL STATEMENTS

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	Issued and fully paid-up share capital	Share discount	Retained earnings (Deficit)		Other components of shareholders' equity Other comprehensive income Surplus (deficit) on changes in value of available-for-sale investments	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated	Unappropriated				
Balance as at 31 December 2011 - as previously reported	2,200,000,000	(749,997,158)	12,525,332	(1,200,537,771)	(4,632,100)	257,358,303	(12,754,131)	244,604,172
Cumulative effect of change in the accounting policy on the valuation of investment properties (Note 4.1)	-	-	-	284,809,818	-	284,809,818	-	284,809,818
Cumulative effect of change in accounting policy for income taxes (Note 4.2)	-	-	-	(53,470,771)	-	(53,470,771)	-	(53,470,771)
Balance as at 31 December 2011 - as restated	2,200,000,000	(749,997,158)	12,525,332	(969,198,724)	(4,632,100)	488,697,350	(12,754,131)	475,943,219
Total comprehensive income for the year (restated)	-	-	-	(68,240,046)	129,300	(68,110,746)	(23,297,960)	(91,408,706)
Balance as at 31 December 2012 - as restated	2,200,000,000	(749,997,158)	12,525,332	(1,037,438,770)	(4,502,800)	420,586,604	(36,052,091)	384,534,513
Balance as at 31 December 2012 - as previously reported	2,200,000,000	(749,997,158)	12,525,332	(1,300,720,299)	(4,502,800)	157,305,075	(36,052,091)	121,252,984
Cumulative effect of change in the accounting policy on the valuation of investment properties (Note 4.1)	-	-	-	323,928,931	-	323,928,931	-	323,928,931
Cumulative effect of change in accounting policy for income taxes (Note 4.2)	-	-	-	(60,647,402)	-	(60,647,402)	-	(60,647,402)
Balance as at 31 December 2012 - as restated	2,200,000,000	(749,997,158)	12,525,332	(1,037,438,770)	(4,502,800)	420,586,604	(36,052,091)	384,534,513
Total comprehensive income for the year	-	-	-	(140,444,174)	(171,900)	(140,616,074)	(27,360,375)	(167,976,449)
Balance as at 31 December 2013	2,200,000,000	(749,997,158)	12,525,332	(1,177,882,944)	(4,674,700)	279,970,530	(63,412,466)	216,558,064

(Unit: Baht)

SEPARATE FINANCIAL STATEMENTS

	Issued and fully paid-up share capital	Share discount	Retained earnings (Deficit)		Other components of shareholders' equity Other comprehensive income Surplus (deficit) on changes in value of available-for-sale investments	Total shareholders' equity
			Appropriated	Unappropriated		
Balance as at 31 December 2011 - as previously reported	2,200,000,000	(749,997,158)	2,075,332	(970,299,197)	(4,632,100)	477,146,877
Cumulative effect of change in the accounting policy on the valuation of investment properties (Note 4.1)	-	-	-	267,353,853	-	267,353,853
Cumulative effect of change in accounting policy for income taxes (Note 4.2)	-	-	-	(53,470,771)	-	(53,470,771)
Balance as at 31 December 2011 - as restated	2,200,000,000	(749,997,158)	2,075,332	(756,416,115)	(4,632,100)	691,029,959
Total comprehensive income for the year (restated)	-	-	-	21,027,002	129,300	21,156,302
Balance as at 31 December 2012 - as restated	2,200,000,000	(749,997,158)	2,075,332	(735,389,113)	(4,502,800)	712,186,261
Balance as at 31 December 2012 - as previously reported	2,200,000,000	(749,997,158)	2,075,332	(977,978,722)	(4,502,800)	469,596,652
Cumulative effect of change in the accounting policy on the valuation of investment properties (Note 4.1)	-	-	-	303,237,011	-	303,237,011
Cumulative effect of change in accounting policy for income taxes (Note 4.2)	-	-	-	(60,647,402)	-	(60,647,402)
Balance as at 31 December 2012 - as restated	2,200,000,000	(749,997,158)	2,075,332	(735,389,113)	(4,502,800)	712,186,261
Total comprehensive income for the year	-	-	-	(24,668,401)	(171,900)	(24,840,301)
Balance as at 31 December 2013	2,200,000,000	(749,997,158)	2,075,332	(760,057,514)	(4,674,700)	687,345,960

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

Statement of Cash Flows

For the year ended 31 December 2013

(Unit: Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities				
Profit (loss) before tax	(171,760,985)	(84,361,375)	(28,715,531)	28,203,633
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortisation	1,899,862	2,717,370	1,602,147	2,366,368
Cost of land and houses sold	105,691,179	82,969,489	-	-
Gain on disposal of equipment	(157,614)	(137,850)	(156,614)	(137,850)
Reduction of non-current assets held for sale to net realisable value	691,800	-	-	-
Exchange loss (gain)	10,982,800	6,497,265	(174,458)	136,739
Unrealised fair value loss (gain) on investment properties	13,706,494	(29,470,059)	21,456,494	(26,772,561)
Long-term employee benefit expenses	653,348	1,668,124	865,043	1,175,504
Written-off withholding tax deducting at source	-	804	-	-
Interest income	(317,596)	(141,761)	(87,140,231)	(88,400,121)
Interest expenses	42,758,480	50,389,256	70,073,922	70,198,455
Profit (loss) from operating activities before changes in operating assets and liabilities	4,147,768	30,131,263	(22,189,228)	(13,229,833)
Decrease (increase) in operating assets				
Trade and other receivables	1,506,856	(916,170)	1,347,527	(4,146,700)
Land and construction in progress	(217,394,139)	(41,632,801)	-	-
Other current assets	(7,596,944)	(1,541,808)	(3,698,410)	726,058
Other non-current assets	(19,024)	(453,998)	26,471	212,012
Increase (decrease) in operating liabilities				
Trade and other payables	41,273,709	15,412,326	(1,434,766)	7,680,616
Deposits and advances from customers	6,564,958	3,519,377	-	-
Other non-current liabilities	1,797,742	1,811,983	109,244	752,008
Cash flows from (used in) operating activities	(169,719,074)	6,330,172	(25,839,162)	(8,005,839)
Cash paid for interest expenses	(25,918,309)	(51,736,935)	(25,918,309)	(46,468,128)
Cash received from interest income - subsidiary	-	-	-	32,168,583
Cash paid for income tax	(2,957,457)	(3,041,139)	(1,867,281)	(2,070,651)
Income tax refund	1,159,321	3,118,089	-	1,617,469
Net cash flows used in operating activities	(197,435,519)	(45,329,813)	(53,624,752)	(22,758,566)

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

(Unit: Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from investing activities				
Increase in restricted bank deposit	(1,058,646)	(11,018,191)	-	-
Cash received (paid) from purchase of investment in subsidiaries	144,079	-	(1,999,600)	(1,999,600)
Increase in loans to subsidiaries	-	-	(190,895,153)	(59,570,869)
Cash received from loans to subsidiaries	-	-	57,786	-
Cash received from disposal of equipment	167,684	147,500	166,614	147,500
Cash paid for acquisition of equipment	(1,286,362)	(2,785,047)	(331,377)	(2,699,252)
Cash paid for acquisition of computer software	(34,641)	(135,928)	(34,641)	(135,928)
Interest received	322,852	143,017	41,406	48,515
Net cash flows used in investing activities	(1,745,034)	(13,648,649)	(192,994,965)	(64,209,634)
Cash flows from financing activities				
Increase in short-term loans from financial institution	198,400,000	35,000,000	198,400,000	35,000,000
Increase in long-term loans from subsidiaries	-	-	51,700,000	49,300,000
Decrease in current portion of long-term loans	-	(120,277,922)	-	-
Increase in long-term loans from related party	-	158,285,984	-	-
Net cash flows from financing activities	198,400,000	73,008,062	250,100,000	84,300,000
Net increase (decrease) in cash and cash equivalents	(780,553)	14,029,600	3,480,283	(2,668,200)
Cash and cash equivalents at beginning of year	29,549,876	15,520,276	2,681,317	5,349,517
Cash and cash equivalents at end of year (Note 7)	28,769,323	29,549,876	6,161,600	2,681,317
Supplemental cash flows information				
Non-cash transactions				
Purchase of software equipment recorded as liabilities	-	200,000	-	200,000
Investment in subsidiaries payable	250,400	-	250,400	-
Increase (decrease) in surplus on changes in value of available-for-sale investments	(171,900)	129,300	(171,900)	129,300
Transfer investment properties to land and construction in progress	25,590,000	-	-	-
Transfer investment properties to non-current assets held for sale	23,060,000	-	-	-

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

Notes to Consolidated Financial Statements

For the year ended 31 December 2013

1. General information

Keppel Thai Properties Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its substantial shareholder is Keppel Land Limited, which is incorporated in Singapore. The Company is principally engaged in property development. The registered office of the Company is at 30th Floor, Jewellery Centre Building, 138/108 Nares Road, Sipraya, Bangrak, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and its subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 (%)	2012 (%)
Gold Star Property Co., Ltd.	Property development	Thailand	100	100
Top Property Co., Ltd.	Property development	Thailand	61	61
Thai-Kami Co., Ltd.	Property development	Thailand	100	100
Cornerstone Realty Co., Ltd.	Property development	Thailand	100	100
Uytan Property Development Co., Ltd.	Property development	Thailand	100	100
Uytan Town Development Co., Ltd.	Property development	Thailand	100	100
Uytan Real Estate Development Co., Ltd.	Property development	Thailand	100	-
Uytan Urban Development Co., Ltd.	Property development	Thailand	100	-
Uytan Realty Co., Ltd.	Property development	Thailand	100	-

On 21 February 2013, a meeting of the Company's Board of Directors approved an acquisition of shares of Uytan Real Estate Development Co., Ltd., Uytan Urban Development Co., Ltd., and Uytan Realty Co., Ltd. from related parties. These three companies were incorporated in Thailand and engaged in property development. The acquisition agreement can be summarised as follows:

- 1) The Company and the seller made a share transfer document relating to the acquisition of Uytan Realty Co., Ltd. on 29 March 2013, whereby the Company purchased 9,998 shares of Uytan Realty Co., Ltd. at a price of Baht 100 each, equivalent to 99.98% of the issued and call up share capital amounting to Baht 250,000. The Company has already received the transferred shares.

Details of the fair values of identifiable net assets of Utayan Realty Co., Ltd. and their net book values are as follows:

	(Unit: Thousand Baht)	
	Fair value	Net book value
Assets		
Cash and Bank	144	144
Other assets	2	2
Total assets	146	146
Liabilities		
Other liabilities	24	24
Total liabilities	24	24
Net asset value at the acquisition date	122	122
Shareholding percentage of the Company (%)	99.98	
Net asset value attributable to the Company's investment	122	
Excess of purchase price over net asset value	128	
Purchase price	250	

These consolidated financial statements include the statement of financial position of Utayan Realty Co., Ltd. as at 31 December 2013 and the profit or loss for the period from the investment date to 31 December 2013. The Company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as goodwill.

Details of acquisition of Utayan Realty Co., Ltd are as follows:

	(Unit: Thousand Baht)
Purchase price	250
Fair value or net assets received	122
Goodwill	128

- 2) On 29 March 2013, the Company and the seller made a share transfer document of Utayan Real Estate Development Co., Ltd. and Utayan Urban Development Co., Ltd. as detailed below;

Company's name	Issued shares (Shares)	Numbers of shares invested by the Company (Shares)	Percentage of shareholding (%)	Purchase price (Baht per share)	Total (Baht)
Utayan Real Estate Development Co., Ltd.	10,000	9,998	99.98	100	999,800
Utayan Urban Development Co., Ltd.	10,000	9,998	99.98	100	999,800

These companies were incorporated on 10 January 2013 and 16 January 2013, respectively, without any business transactions during the current year. The consolidated financial statements included the financial statements of these companies since the acquisition date to 31 December 2013. The Company has received the transferred shares.

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

- b) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that is not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

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

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4.2.

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

		EFFECTIVE DATE
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

4. Cumulative effect of changes in accounting policies

4.1 Cumulative effect of change in accounting policy on the valuation of investment properties

As at 31 December 2013, the Company and its subsidiaries has the voluntary change in accounting policy on the valuation of investment properties from the cost method to the fair value method as stated in the Thai Accounting Standard 40 (Revised 2009) Investment properties to make the financial statements provide more reliable and more relevant information of the financial position and financial performance of the Company and its subsidiaries.

The cumulative effect of the changes in the accounting policy has been presented in the statements of changes in shareholders' equity.

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

	AS AT 31 DECEMBER 2013		AS AT 31 DECEMBER 2012		AS AT 1 JANUARY 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements (Restated)	Separate financial statements (Restated)	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in investment properties	311,758	283,001	323,929	303,237	284,810	267,354
Increase in unappropriated retained earnings	311,758	283,001	323,929	303,237	284,810	267,354

	FOR THE YEAR ENDED 31 DECEMBER 2013		FOR THE YEAR ENDED 31 DECEMBER 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements (Restated)	Separate financial statements (Restated)
Statements of comprehensive income				
Profit or loss:				
Decrease in cost of rental from office building and services	1,222	1,222	9,111	9,111
Decrease (increase) in administrative expenses	(377)	-	538	-
Increase in unrealised fair value gain on investment properties	-	-	29,470	26,773
Increase in unrealised fair value loss on investment properties	(13,707)	(21,457)	-	-
Decrease (increase) in loss attributable to equity holders of the Company	(12,862)	(20,235)	39,119	35,884
Decrease (increase) in basic loss per share (Baht)	(0.06)	(0.09)	0.18	0.16

The tax effects from the above changes in accounting policy are included in Note 4.2.

4.2 Cumulative effect of change in accounting policy due to the adoption of new accounting standard

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

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

	AS AT 31 DECEMBER 2013		AS AT 31 DECEMBER 2012		AS AT 1 JANUARY 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements (Restated)	Separate financial statements (Restated)	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in deferred tax liabilities	56,691	56,600	60,647	60,647	53,471	53,471
Decrease in unappropriated retained earnings	56,691	56,600	60,647	60,647	53,471	53,471

	FOR THE YEAR ENDED 31 DECEMBER 2013		FOR THE YEAR ENDED 31 DECEMBER 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements (Restated)	Separate financial statements (Restated)
Statements of comprehensive income				
Profit or loss:				
Decrease (increase) in income tax expenses			3,956	4,047
Decrease (increase) in loss attributable to equity holders of the Company			3,956	4,047
Increase (decrease) in basic earnings per share (Baht)			0.0180	0.0184

The above effects have already included tax effects from changes in accounting policy on the valuation of investment properties as described in Note 4.1.

5. Significant accounting policies

5.1 Revenue recognition

Revenue recognition from real estate sales

Sales of land and houses are recognised as revenue when the construction works are completed and the significant risks and rewards of ownership have been transferred to buyer and the ownerships have been transferred to buyers after all payments received from the buyers.

Rental and related service income

Rental income is recognised on a straight-line basis over the lease term.

Service revenue is recognised on an accrual basis when services have been rendered.

Interest income

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

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

5.2 Cost of sales

Cost of land and houses sold consisting of cost of land, land improvement, design fees, utilities, construction and direct related interest and expense cost.

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

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognised when sale incurred.

5.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.4 Cash and cash equivalents

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

5.5 Trade and other receivables

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

5.6 Land and construction in progress

Land and construction in progress are stated at lower of cost and net realisable value. The details of cost calculation are as follows:

Land	-	Cost of land using the weighted average method, calculating it separately for each project.
Construction in progress	-	Construction in progress consists of the cost of design and construction, public utility costs and borrowing cost capitalised to cost of projects. The subsidiaries record cost of construction and public utilities based on the actual cost incurred.

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

5.7 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold.

b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value of unit trusts at the end of reporting period.

Loss on impairment (if any) of investments are included in profit or loss.

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

5.8 Non-current assets held for sale

Non-current assets held for sale are measured initially at the lower of its carrying amount and fair value less costs to sell.

Loss on impairment of non-current assets held for sale are included in profit or loss.

5.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

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

5.10 Property, plant and equipment/Depreciation

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

Depreciation of plant and equipment is calculated by reference to their cost on the straight-line basis over the estimated useful lives as follows.

Buildings and building improvements	20 years
Machinery and factory equipments	5 years
Office furniture and equipment	5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

5.11 Computer software

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

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

Amortisation of computer softwares are calculated by reference to their cost on straight-line basis over estimated useful lives 10 years.

5.12 Business combination

The Company accounted for the business combination as discussed in Note 2.2 by applying the acquisition method.

The cost of an acquisition is measured at fair value which is the amount of cash or cash equivalents, or the fair market value of any other consideration given as determined at the date of acquisition.

The Company accounted for acquisition-related costs such as professional fee and other consulting fees, as expenses in the period in which the costs are incurred and the services are received.

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

5.13 Goodwill

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

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

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

5.14 Related party transactions

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

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

5.15 Long-term leases

The Company as a lessor

Leases which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease income is recognised as income on a straight-line basis over the lease term.

The Company as a lessee

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

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

5.16 Foreign currencies

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

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

Gains and losses on exchange rate are included in determining income.

5.17 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

5.18 Employee benefits***Short-term employee benefits***

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

Post-employment benefits***Defined contribution plans***

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by the management of the Company and its subsidiaries, using the projected unit credit method.

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

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over up to five years from the date of adoption.

5.19 Provisions

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

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

5.20 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

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

Allowance for doubtful accounts

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

Impairment of investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

Investment properties

The Company and its subsidiaries present investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the market approach. The valuation involves certain assumptions and estimates.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company and subsidiaries' building and equipment and to review estimated useful lives and salvage values when there are any changes.

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Allowance for diminution in value of land and construction in progress

The subsidiaries treat land and construction in progress as diminution when the management judges that there has been a significant or prolonged decline in the fair value below their cost. The management determines the devaluation of such land and construction in progress based on net realisable value. The determination of what is "significant" and such devaluation requires the management to exercise judgment.

Project development costs estimation

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

Provision for after-sale maintenance expense

The subsidiaries estimate provision for after-sale maintenance expenses based on actual historical maintenance expenses and/or currently available information related to the cost of various types of repairment work.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Cash	104	84	24	24
Bank deposits	28,665	29,466	6,138	2,657
Total	28,769	29,550	6,162	2,681

As at 31 December 2013, bank deposits in saving accounts and fixed deposits carried interests between 0.50% and 1.80% per annum (2012: between 0.60% and 1.70% per annum).

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

8. Related party transactions

The relationships between the Company and its related parties are summarised below:

NAME OF RELATED PARTIES	RELATIONSHIP
Thai-Kami Co., Ltd.	Subsidiary
Top Property Co., Ltd.	Subsidiary
Gold Star Property Co., Ltd.	Subsidiary
Cornerstone Realty Co., Ltd.	Subsidiary
Uthayan Property Development Co., Ltd.	Subsidiary
Uthayan Town Development Co., Ltd.	Subsidiary
Uthayan Real Estate Development Co., Ltd.	Subsidiary
Uthayan Urban Development Co., Ltd.	Subsidiary
Uthayan Realty Co., Ltd.	Subsidiary
Keppel Land International Limited	Subsidiary of a shareholder
Straits Mansfield Property Marketing Pte Ltd	Subsidiary of a shareholder
Keppel Land Financial Services Pte Ltd	Subsidiary of a shareholder

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties.

Below is a summary of those transactions:

(Unit: Million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Transfer pricing policy
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u> (Being eliminated from the consolidated financial statements)					
Interest income	-	-	87.1	88.4	At the Minimum Loan Rate and at the borrowing costs of the financial institution rate.
Interest expenses	-	-	35.6	32.5	At the Minimum Loan Rate and at the borrowing costs of the financial institution rate.
Management income	-	-	16.1	13.2	Contract price
Guarantee income	-	-	-	1.5	Contract price
Rental income and related service income	-	-	0.1	0.1	Contract price
<u>Transactions with related parties</u>					
Management fee	4.3	7.2	1.7	2.8	Contract price
Interest expenses	8.2	7.5	-	-	At the cost of funds rates of lender plus 1.10 percent per annum (2012: At the average prime rate of 3 main banks in Singapore plus 0.5% per annum).
Internal audit fee	0.4	0.4	0.4	0.4	Contract price

In addition, during the year ended 31 December 2013, the Company acquired investments in subsidiaries from the directors of the Company's group amounting to Baht 2.3 million as discussed in Note 2.2 a). Such purchase price is contract price. As at 31 December 2013, the Company has not yet paid for such investments amounted to Baht 0.3 million.

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

		(Unit: Thousand Baht)	
		CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
		2013	2012
Other accounts receivables - subsidiaries (Note 9)			
(Being eliminated from the consolidated financial statements)			
Cornerstone Realty Co., Ltd.	-	-	154
Top Property Co., Ltd.	-	-	6,414
Thai-Kami Co., Ltd.	-	-	463
Gold Star Property Co., Ltd.	-	-	153
Total	-	-	7,184
Loans to and interest receivable from subsidiaries			
(Being eliminated from the consolidated financial statements)			
Cornerstone Realty Co., Ltd.	-	-	325,179
Top Property Co., Ltd.	-	-	527,955
Thai-Kami Co., Ltd.	-	-	642,546
Gold Star Property Co., Ltd.	-	-	449,270
Utayan Property Development Co., Ltd.	-	-	-
Utayan Town Development Co., Ltd.	-	-	-
Utayan Urban Development Co., Ltd.	-	-	2
Utayan Real Estate Development Co., Ltd.	-	-	2
Total	-	-	1,944,954
Amounts due to related parties (Note 21)			
Keppel Land International Limited	4	1,936	4
Straits Mansfield Property Marketing Pte Ltd	1,567	8,609	705
Total	1,571	10,545	709
Accrued expenses - related party (Note 21)			
Keppel Land International Limited	1,045	1,011	1,045
Total	1,045	1,011	1,045
Long-term loans from and interest payable to subsidiaries			
(Being eliminated from the consolidated financial statements)			
Cornerstone Realty Co., Ltd.	-	-	97,258
Top Property Co., Ltd.	-	-	10,663
Thai-Kami Co., Ltd.	-	-	61,706
Gold Star Property Co., Ltd.	-	-	454,589
Total	-	-	624,216
Long-term loan from and interest payable to related party			
Keppel Land Financial Services Pte Ltd	348,829	329,232	-
Total	348,829	329,232	-

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

During the current year, movements of loans, interest receivable and interest payable from/to subsidiaries and related parties were as follows:

(Unit: Thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at 1 January 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2013
<u>Long-term loan from and interest payable to related party</u>				
Keppel Land Financial Services Pte Ltd	329,232	19,597	-	348,829

Top Property Co., Ltd. entered into the agreements with Keppel Land Financial Services Co., Ltd., to obtain unsecured loan facility with interest rate charged at the cost of funds rates of lender plus 1.10% per annum. During the year 2013, Top Property Co., Ltd. entered into additional agreement to extend the due date to April 2016.

(Unit: Thousand Baht)

SEPARATE FINANCIAL STATEMENTS				
	Balance as at 1 January 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2013
<u>Loans to and interest receivable from subsidiaries</u>				
Cornerstone Realty Co., Ltd.	292,641	32,538	-	325,179
Top Property Co., Ltd.	470,173	57,782	-	527,955
Thai-Kami Co., Ltd.	484,463	158,083	-	642,546
Gold Star Property Co., Ltd.	419,683	29,587	-	449,270
Utayan Property Development Co., Ltd.	29	-	(29)	-
Utayan Town Development Co., Ltd.	29	-	(29)	-
Utayan Urban Development Co., Ltd.	-	2	-	2
Utayan Real Estate Development Co., Ltd.	-	2	-	2
Total	1,667,018	277,994	(58)	1,944,954
<u>Long-term loan from and interest payable to subsidiaries</u>				
Cornerstone Realty Co., Ltd.	85,942	11,316	-	97,258
Top Property Co., Ltd.	8,537	2,126	-	10,663
Thai-Kami Co., Ltd.	54,938	6,768	-	61,706
Gold Star Property Co., Ltd.	387,544	67,045	-	454,589
Total	536,961	87,255	-	624,216

These loans to and loans from subsidiaries are unsecured loans with interest rate charged at the rates of 2.56%-7.38% per annum.

As at 31 December 2013, the directors' remuneration payable to related parties amounted to Baht 13 million (2012: Baht 11 million) (The Company only: Baht 13 million (2012: Baht 11 million)).

As at 31 December 2013 and 2012, the Company and its subsidiaries have commitment to pay management fee and internal audit fee to a related party as disclosed in Note 30.3

Directors and management's benefits

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

(Unit: Million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Short-term employee benefits	17.8	18.0	17.8	18.0
Post-employment benefits	0.7	0.3	0.7	0.3
Total	18.5	18.3	18.5	18.3

9. Trade and other receivables

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	-	733	-	733
Past due				
Up to 3 months	216	990	66	990
Total trade receivables - unrelated parties, net	216	1,723	66	1,723
Other receivables - subsidiaries				
Guarantee fee	-	-	5,953	5,953
Management fee	-	-	1,231	922
Other receivables - subsidiaries	-	-	7,184	6,875
Trade and other receivables - net	216	1,723	7,250	8,598

10. Land and construction in progress

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	2013	2012
Land	563,418	563,418
Borrowing cost	228,213	228,166
Construction under development	1,718,399	1,498,853
Total	2,510,030	2,290,437
Less: Amounts transferred to cost of sales	(1,211,609)	(1,103,767)
Add: Transfer from investment properties (Note 16)	25,590	-
Land and construction in progress - net	1,324,011	1,186,670

During the year 2013, the Company hired an independent valuer to appraise the fair value of the subsidiaries' land and construction in progress, using the residual valuation. The fair values of the land and construction in progress appraised by the independent appraiser exceeded their net carrying amount of project values.

The subsidiaries mortgaged the land and construction in progress with a financial institution to secure loans as disclosed in Note 14.

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

11. Other current assets

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Accrued income	977	-	977	-
Prepaid expenses	4,268	1,103	3,184	581
Advance payments	6,914	3,568	33	19
Others	215	109	177	73
Total	12,374	4,780	4,371	673

12. Non-current assets held for sale

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Balance at beginning of year	-	-	-	-
Add: Transfer from investment properties (Note 16)	23,060	-	-	-
Less: Reduction of non-current assets held for sales to net realisable value	(692)	-	-	-
Balance at end of year	22,368	-	-	-

Non-current assets held for sale is land that the subsidiary assigned the agent to sale. As at 31 December 2013 this asset was presented at the fair value less costs to sell. The fair value has been determined based on valuations performed by an independent valuer, using the market approach.

13. Bank deposit under commitment

As at 31 December 2013, the balance of savings account amounting to Baht 14 million (2012: Baht 13 million) of the subsidiary represents the receiving payments from customers under the contract to buy and sell land to use in maintenance and management of facilities and public service of the project. The subsidiary will deliver the amount to the housing estate juristic person after its establishment. The balance of 3 months fixed deposit amounting to Baht 10 million (2012: Baht 10 million) are pledged as collateral for the letter of guarantees issuance.

14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

COMPANY'S NAME	CALLED-UP SHARE CAPITAL		SHAREHOLDING PERCENTAGE		COST		ALLOWANCE FOR LOSS ON IMPAIRMENT OF INVESTMENTS		NET BOOK VALUE (COST METHOD)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
			(%)	(%)						
Thai-Kami Co., Ltd.	374,500	374,750	100	100	374,750	374,750	(374,750)	(374,750)	-	-
Top Property Co., Ltd.	563,400	563,400	61	61	343,674	343,674	(343,674)	(343,674)	-	-
Gold Star Property Co., Ltd.	409,100	409,100	100	100	409,100	409,100	(296,486)	(296,486)	112,614	112,614
Cornerstone Realty Co., Ltd.	1,000	1,000	100	100	999	999	(999)	(999)	-	-
Utayan Property Development Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000
Utayan Town Development Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000
Utayan Real Estate Development Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-
Utayan Urban Development Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-
Utayan Realty Co., Ltd.	250	-	100	-	250	-	-	-	250	-
Total					1,132,773	1,130,523	(1,015,909)	(1,015,909)	116,864	114,614

All subsidiary companies are incorporated in Thailand and operate their businesses in property development.

During the years ended 31 December 2013 and 2012, the Company did not receive dividends from its subsidiaries.

Long-term loan agreements of subsidiaries

On 24 December 2013, Thai-Kami Co., Ltd. entered into a loan agreement with local financial institution to obtain term loan facility of Baht 330 million for the purpose of making payment for construction of its project. Interest on the loan is charged based on BIBOR plus 2.5% per annum. The loan is to be repaid in within 4 years after the first drawdown date.

The loans are secured by mortgage of land and construction for the project thereon, and by a guarantee provided by a related company.

The loan agreement contains certain covenants and restrictions imposed by the lenders regarding as specified in the agreement that, among other things, guarantees to loans of any other persons or other companies, and merger or consolidation with any other companies.

As at 31 December 2013, the Company has not yet drawdown on this credit facility.

15. Other long-term investment

The outstanding balance as at 31 December 2013 represents investment in a unit trust of the Company which was valued at fair value. A provision for changes in value of investment amounts of Baht 4.7 million (2012: Baht 4.5 million) were presented under caption "Other component of shareholders' equity" under shareholders' equity in the statement of financial position.

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

16. Investment properties

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS				SEPARATE FINANCIAL STATEMENTS
	Office building for rent	Condominium units	Vacant land	Total	Office building for rent
Net book value as at 31 December 2011 (as previously reported)	37,482	2,544	18,203	58,229	37,482
Reversal of allowance for impairment	-	14,390	-	14,390	-
Unrealised gain from a fair value adjustment	267,354	3,066	-	270,420	267,354
Net book value as at 31 December 2011 (as restated)	304,836	20,000	18,203	343,039	304,836
Unrealised gain (loss) from a fair value adjustment	26,773	2,700	(3)	29,470	26,773
Net book value as at 31 December 2012 (as restated)	331,609	22,700	18,200	372,509	331,609
Unrealised gain (loss) from a fair value adjustment	(21,457)	2,890	4,860	(13,707)	(21,457)
Transfer of assets (Note 10, 12)	-	(25,590)	(23,060)	(48,650)	-
Net book value as at 31 December 2013	310,152	-	-	310,152	310,152

The investment properties of the Company are office building for rent. The fair value of the investment properties have been determined based on valuations performed by an independent valuer, using the market approach.

The investment properties of subsidiaries are condominium units and vacant land, as at 31 December 2013, its subsidiaries transferred condominium units and vacant land to land and construction in progress and non-current assets held for sale, respectively, resulted from a change in use. The fair value of assets as at transferred date was Baht 25.6 million and Baht 23.1 million, respectively.

During the years 2013 and 2012, the Company gained rental income and related service income arising from office building for rent which are recorded in profit or loss as detailed below.

(Unit: Million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	2013	2012
Rental income from office building and service income	38	41

17. Property, plant and equipment

(Unit: Thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS					
	Land and land improvements	Buildings and buildings improvements	Office furniture and equipment	Motor vehicles	Total
Cost					
1 January 2012	2,012	39,815	31,547	4,626	78,000
Additions	-	1,900	885	-	2,785
Disposals/write-off	-	-	(4,165)	(461)	(4,626)
31 December 2012	2,012	41,715	28,267	4,165	76,159
Additions	-	-	1,286	-	1,286
Disposal/write-off	-	-	(21)	(1,052)	(1,073)
31 December 2013	2,012	41,715	29,532	3,113	76,372
Accumulated depreciation					
1 January 2012	-	35,024	29,722	4,625	69,371
Depreciation for the year	-	1,996	639	1	2,636
Depreciation on disposal/write off	-	-	(4,164)	(461)	(4,625)
31 December 2012	-	37,020	26,197	4,165	67,382
Depreciation for the year	-	1,055	757	-	1,812
Depreciation on disposal/write-off	-	-	(21)	(1,052)	(1,073)
31 December 2013	-	38,075	26,933	3,113	68,121
Net book value					
31 December 2012	2,012	4,695	2,070	-	8,777
Less: Elimination of retained earnings in building of the Company					(59)
					8,718
31 December 2013	2,012	3,640	2,599	-	8,251
Depreciation for the year					
2012 (Included in administrative expenses)					2,636
2013 (Included in administrative expenses)					1,812

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht)

SEPARATE FINANCIAL STATEMENTS					
	Land and land improvements	Buildings and buildings improvements	Office furniture and equipment	Motor vehicles	Total
Cost					
1 January 2012	2,012	39,815	20,895	1,513	64,235
Additions	-	1,900	799	-	2,699
Disposal/write-off	-	-	(1,093)	(461)	(1,554)
31 December 2012	2,012	41,715	20,601	1,052	65,380
Additions	-	-	331	-	331
Disposal/write-off	-	-	(21)	(1,052)	(1,073)
31 December 2013	2,012	41,715	20,911	-	64,638
Accumulated depreciation					
1 January 2012	-	35,024	20,002	1,513	56,539
Depreciation for the year	-	1,996	303	-	2,299
Depreciation on disposal/write-off	-	-	(1,093)	(461)	(1,554)
31 December 2012	-	37,020	19,212	1,052	57,284
Depreciation for the year	-	1,055	433	-	1,488
Depreciation on disposal/write-off	-	-	(21)	(1,052)	(1,073)
31 December 2013	-	38,075	19,624	-	57,699
Net book value					
31 December 2012	2,012	4,695	1,389	-	8,096
31 December 2013	2,012	3,640	1,287	-	6,939
Depreciation for the year					
2012 (Included in administrative expenses)					2,299
2013 (Included in administrative expenses)					1,488

In 2013, the Company arranged for an independent valuer to appraise the value of the units in the Company's office building. The revaluations were conducted using the market approach as the basis of determining the valuation of assets. The appraised value of these assets based on the reports of the independent valuer is Baht 35 million higher than their net book value as at 31 December 2013 (2012: Baht 37 million).

As at 31 December 2013, certain building and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 30 million (2012: Baht 30 million) (The Company only: Baht 19 million (2012: Baht 20 million)).

18. Computer software

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

	(Unit: Thousand Baht)	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
As at 31 December 2013		
Cost	2,193	794
Less: Accumulated amortisation	(1,653)	(352)
Net book value	540	442
As at 31 December 2012		
Cost	2,158	759
Less: Accumulated amortisation	(1,507)	(237)
Net book value	651	522

A reconciliation of the net book value of computer software for the years 2013 and 2012 is presented below.

	(Unit: Thousand Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Net book value at beginning of year	651	455	522	253
Acquisition of computer software	35	336	35	336
Amortisation	(146)	(140)	(115)	(67)
Net book value at end of year	540	651	442	522

As at 31 December 2013, certain computer software items of the Company and its subsidiaries have been fully amortised but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1 million (2012: Baht 1 million) (The Company only: Baht 0.1 million (2012: Baht 0.1 million)).

19. Other non-current assets

	(Unit: Thousand Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Refundable corporate income tax and value added tax	8,188	6,390	6,128	4,261
Deposits	1,341	1,322	180	206
Others	879	751	-	-
Total	10,408	8,463	6,308	4,467

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

20. Short-term loan from financial institution

(Unit: Million Baht)

	INTEREST RATE (% PER ANNUM)		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012	2013	2012
Short-term loans from financial institution	3.48 - 3.85	4.04 - 5.12	995	797	995	797
Total			995	797	995	797

As at 31 December 2013, the Company has a short-term loan from a domestic financial institution in form of promissory notes. The loan is due within six months and has no collateral.

In addition, on 4 March 2013, the Company entered into a loan agreement with a domestic commercial bank to obtain short-term loan facilities of Baht 1,000 million. The purposes of such loan are to use for its working capital and for investing. The credit facility is secured by a Standby Letter of Credit issued by a financial institution. As at 31 December 2013, the Company has not yet drawdown on this credit facility.

21. Trade and other payables

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Trade accounts payable	27,123	5,030	525	320
Amounts due to related parties	1,571	10,545	709	5,566
Accrued expense - related party	1,045	1,011	1,045	1,011
Accounts payable - others	38,959	15,825	27,220	14,754
Revenue Department payable	804	1,216	25	623
Retention	15,198	1,240	16	15
Total trade and other payables	84,700	34,867	29,540	22,289

22. Deposits and advances from customers

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	2013	2012
Installments due	1,521,328	1,406,070
Less: Revenue recognised	(1,508,274)	(1,399,581)
	13,054	6,489

As at 31 December 2013, the subsidiaries have contracts to purchase and to sell land and houses totaling Baht 1,656 million (2012: Baht 1,473 million), under which income amounting to Baht 133 million (2012: Baht 73 million) has not yet been recognised.

23. Provision for long-term employee benefits

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	2,831	1,366	2,078	1,060
Current service cost	1,411	270	1,257	232
Interest cost	117	107	86	83
Actuarial gain (loss)	(1,077)	1,088	(636)	703
Defined benefit obligation at end of year	3,282	2,831	2,785	2,078
Unrecognised transitional provisions	(402)	(604)	(315)	(473)
Provisions for long-term employee benefits at end of year	2,880	2,227	2,470	1,605

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current service cost	1,411	270	1,257	232
Interest cost	117	107	86	83
Actuarial gain (loss) recognised during the year	(1,077)	1,088	(636)	703
Transitional liability recognised during the year	202	203	158	158
Total expense recognised in profit or loss	653	1,668	865	1,176

Such expenses are included in administrative expenses in profit or loss.

Principal actuarial assumptions at the valuation date were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013 (% per annum)	2012 (% per annum)	2013 (% per annum)	2012 (% per annum)
Discount rate	4.4	4.1	4.4	4.1
Future salary increase rate	4.8	4.5 - 6.5	4.8	4.5 - 6.5
Staff turnover rate (depending on age)	34.1	35.6	34.1	35.6

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

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

(Unit: Thousand Baht)

	DEFINED BENEFIT OBLIGATION		EXPERIENCE ADJUSTMENTS ON THE OBLIGATION	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	3,282	2,785	754	935
Year 2012	2,831	2,078	3	(29)
Year 2011	1,366	1,060	-	-
Year 2010	1,009	788	-	-

24. Statutory reserve

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

25. Expense by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (Restated)	2013	2012 (Restated)
Salaries and wages and other employee benefits	57,250	46,999	46,464	37,183
Depreciation	1,812	2,636	1,488	2,299
Amortisation	146	140	115	67
Special business tax	3,587	3,137	-	-
Loss (gain) on exchange	10,983	6,497	(174)	137
Change in land and construction in progress	111,751	(41,234)	-	-
Unrealised loss (gain) from investment properties	13,707	(29,470)	21,457	(26,773)

26. Income tax

26.1 Deferred tax liabilities

The components of deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax liabilities						
Unrealised fair value gain investment properties	56,691	60,647	53,471	56,600	60,647	53,471
Total	56,691	60,647	53,471	56,600	60,647	53,471

26.2 Income tax expenses

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

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax:				
Current income tax charge for the year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,956)	7,177	(4,047)	7,177
Tax expenses (income) reported in the statement of comprehensive income	(3,956)	7,177	(4,047)	7,177

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

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (Restated)	2013	2012 (Restated)
Accounting profit (loss) before tax	(171,761)	(84,361)	(28,716)	28,204
Applicable tax rate	20%	23%	20%	23%
Accounting profit (loss) before tax multiplied by applicable tax rate	(34,352)	(19,403)	(5,743)	6,487
Effects of changes in the applicable tax rates	-	(1,076)	-	(1,076)
Effects of:				
Non-deductible expenses	292	52	27	33
Additional expenses deductions allows	(67)	-	(44)	-
Unused tax losses of the Company and subsidiaries which may not utilise	31,660	27,965	1,540	1,463
Temporary differences of the Company and subsidiaries which may not utilise	(1,489)	(361)	173	270
Tax expenses (income) reported in the statements of comprehensive income	(3,956)	7,177	(4,047)	7,177

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

As at 31 December 2013 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,499 million (2012: Baht 1,402 million) (The Company only: Baht 1,039 million (2012: Baht 1,032 million)), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

27. Earnings per share

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

The following table sets forth the computation of basic earnings per share:

CONSOLIDATED FINANCIAL STATEMENTS						
	LOSS FOR THE YEAR		WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		LOSSES PER SHARE	
	2013 (Thousand Baht)	2012 (Thousand Baht) (Restated)	2013 (Thousand shares)	2012 (Thousand shares)	2013 (Baht)	2012 (Baht) (Restated)
Basic loss per share						
Loss attributable to equity holders of the Company	(140,444)	(68,240)	220,000	220,000	(0.64)	(0.31)
SEPARATE FINANCIAL STATEMENTS						
	LOSS FOR THE YEAR		WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES		LOSSES PER SHARE	
	2013 (Thousand Baht)	2012 (Thousand Baht) (Restated)	2013 (Thousand shares)	2012 (Thousand shares)	2013 (Baht)	2012 (Baht) (Restated)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(24,668)	21,027	220,000	220,000	(0.11)	0.10

28. Segment information

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

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

- The real estate business segment, which develops residential housing projects.
- The rental and service business segment, which provides rental and other services for its office space.

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

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company's and its subsidiaries' financing activities, which give rise to finance costs and finance income, and income taxes are managed on a Group basis. Therefore these income and expenses are not allocated to operating segments.

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

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

(Unit: Million Baht)

	2013			
	Real estate business segment	Rental and services business segment	Adjustments and eliminations	Consolidated financial statements
Revenues from external customers	109	38	-	147
Inter-segment revenue	-	16	(16)	-
Total revenue	109	54	(16)	147
Unrealised fair value gain (loss) on investment properties	7	(21)	-	(14)
Segment loss	(60)	(57)	-	(117)
Unallocated income (expenses)				
Other income				2
Exchange loss				(11)
Financial costs				(46)
Tax income				4
Loss for the year				(168)

(Unit: Million Baht)

	2012			
	Real estate business segment	Rental and services business segment	Adjustments and eliminations	Total
Revenues from external customers	95	41	-	136
Inter-segment revenue	-	13	(13)	-
Total revenue	95	54	(13)	136
Unrealised fair value gain on investment properties	2	27	-	29
Segment loss	(24)	(5)	-	(29)
Unallocated income (expenses)				
Other income				1
Exchange loss				(6)
Financial costs				(51)
Income tax expenses (as restated)				(7)
Loss for the year				(92)

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 December 2013 and 2012:

(Unit: Million Baht)

	Real estate business segment	Rental and service business segment	Total segments	Non-allocated assets	Total
Segment assets					
As at 31 December 2013	1,347	318	1,665	76	1,741
As at 31 December 2012	1,229	340	1,569	67	1,636
Non-current assets held for sale					
As at 31 December 2013	-	-	-	22	22

Geographic information

The Company and its subsidiaries are operated in Thailand only.

Major customers

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

29. Provident fund

The Company and its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company and its subsidiaries contributed Baht 0.4 million (2012: Nil) (The Company only: Baht 0.3 million (2012: Nil)) to the fund.

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2013 and 2012, the subsidiaries have the outstanding commitments for design service and construction of Villa Arcadia Srinakarin and Villa Arcadia Watcharapol projects, which contracts have already been signed. These contracts are summarised as follows:

(Unit: Million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	2013	2012
Professional and consultancy fees	0.1	2.4
Construction costs	134.1	42.0

30.2 Operating lease commitments

The Company and its subsidiaries have entered into several operating lease agreements in respect of the lease of motor vehicles and equipment. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2013 and 2012, future minimum lease payments required under these non-cancellable operating leases agreement and related service agreements were as follows:

(Unit: Million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Payable:				
In up to 1 year	3.5	7.6	1.4	1.9
In over 1 and up to 5 years	0.8	1.2	0.7	1.1

30.3 Service commitments

The Company and its subsidiaries are required to pay management fee and internal audit fee to a related party in Singapore annually. As at 31 December 2013, the management fee and internal audit fee to related party payable were SGD 180,000 (2012: SGD 293,000) (The Company only: SGD 81,000 (2012: SGD 126,400)).

30.4 Guarantees

- (a) As at 31 December 2013, the Company did not issue any guarantee to a bank to secure credit facilities of subsidiaries (2012: Baht 100 million).
- (b) As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 16.8 million (2012: Baht 17.5 million) issued by the banks on behalf of subsidiaries as required in the normal course of business.

30.5 Litigation

On 27 September 2013, one of subsidiary has been sued in relation to the breach of hire of work contract amounting to approximately Baht 4.9 million which the plaintiff claims for its provided repairing work of the houses in subsidiary's project. Subsequently, on 18 December 2013, the subsidiary makes counterclaims against the plaintiff for damages at the amount of approximately Baht 1.8 million from the abandoned and delayed works by the plaintiff. To date, the litigation has not yet been heard by the Court of First Instance. The Company's management and its legal consultant are of the opinion that the outcome of the case will not adversely affect the subsidiary.

31. Financial instruments

31.1 Financial risk management

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

Credit Risk

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

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and loans. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS					
AS AT 31 DECEMBER 2013					
	Fixed interest rate				
	Within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	0.8	27.9	0.1	28.8	0.50 - 1.80
Trade and other receivables	-	-	0.3	0.3	-
Bank deposit under commitment	-	23.9	-	23.9	0.40 - 1.80
	0.8	51.8	0.4	53.0	
Financial liabilities					
Short-term loans from financial institutions	995.4	-	-	995.4	Note 20
Trade and other payables	-	-	84.7	84.7	-
Long-term loans from and interest payable to related party	-	348.8	-	348.8	Note 8
	995.4	348.8	84.7	1,428.9	

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS					
AS AT 31 DECEMBER 2013					
	Fixed interest rate				
	Within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	0.5	5.7	-	6.2	0.50 - 1.80
Trade and other receivables	-	-	7.3	7.3	-
Short-term loans to and interest receivable from subsidiaries	-	1,945.0	-	1,945.0	Note 8
	0.5	1,950.7	7.3	1,958.5	
Financial liabilities					
Short-term loans from financial institutions	995.4	-	-	995.4	Note 20
Trade and other payables	-	-	29.5	29.5	-
Long-term loans from and interest payable to subsidiaries	-	624.2	-	624.2	Note 8
	995.4	624.2	29.5	1,649.1	

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS					
AS AT 31 DECEMBER 2012					
	Fixed interest rate Within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	10.4	19.0	0.1	29.5	0.60 - 1.70
Trade and other receivables	-	-	1.7	1.7	-
Bank deposit under commitment	9.9	13.0	-	22.9	0.60 - 1.80
	<u>20.3</u>	<u>32.0</u>	<u>1.8</u>	<u>54.1</u>	
Financial liabilities					
Short-term loans from financial institutions	797.0	-	-	797.0	Note 20
Trade and other payables	-	-	34.9	34.9	-
Long-term loans from and interest payable to related party	-	329.2	-	329.2	Note 8
	<u>797.0</u>	<u>329.2</u>	<u>34.9</u>	<u>1,161.1</u>	

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS					
AS AT 31 DECEMBER 2012					
	Fixed interest rate Within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	0.4	2.3	-	2.7	0.60 - 1.70
Trade and other receivables	-	-	8.6	8.6	-
Short-term loans to and interest receivable from subsidiaries	-	1,667.0	-	1,667.0	Note 8
	<u>0.4</u>	<u>1,669.3</u>	<u>8.6</u>	<u>1,678.3</u>	
Financial liabilities					
Short-term loans from financial institutions	797.0	-	-	797.0	Note 20
Trade and other payables	-	-	22.3	22.3	-
Long-term loans from and interest payable to subsidiaries	-	537.0	-	537.0	Note 8
	<u>797.0</u>	<u>537.0</u>	<u>22.3</u>	<u>1,356.3</u>	

Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from borrowings that are denominated in foreign currencies. Nonetheless, the foreign currency liabilities are due to a related party, for which the Company and its subsidiaries can manage the repayment schedule at the opportune exchange rates. The Company and its subsidiaries had no forward contracts outstanding at the balance sheet date.

The balances of financial liabilities denominated in foreign currencies are summarised below:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		AVERAGE EXCHANGE RATE	
Foreign currency	As at 31 December		As at 31 December		As at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Singapore dollar	13.5	13.5	0.1	0.3	26.1167	25.2835

Notes to Consolidated Financial Statements (continued)

For the year ended 31 December 2013

31.2 Fair values of financial instruments

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

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

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

33. Reclassification

Certain amounts in the statement of financial position as at 31 December 2012 and 1 January 2012 have been reclassified to conform to the current year's classification but with no effect to previously reported loss or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	AS AT 31 DECEMBER 2012		AS AT 1 JANUARY 2012	
	As reclassified	As previously reported	As reclassified	As brought forward
Short-term investments under commitment-deposit bank account	-	22,868	-	11,850
Bank deposit under commitment	22,868	-	11,850	-
Trade and other payables	34,867	18,715	27,851	5,086
Other current liabilities	-	16,152	-	22,765

(Unit: Thousand Baht)

	SEPARATE FINANCIAL STATEMENTS			
	AS AT 31 DECEMBER 2012		AS AT 1 JANUARY 2012	
	As reclassified	As previously reported	As reclassified	As brought forward
Loans to and interest receivable from subsidiaries	1,667,018	1,130,057	1,553,130	1,096,111
Trade and other payables	22,289	7,208	23,055	1,465
Other current liabilities	-	15,081	-	21,590
Long-term loans from and interest payable to subsidiaries	536,961	-	457,019	-

34. Approval of financial statements

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

Investors can obtain more information about Keppel Thai Properties from the Annual Information Disclosure (Form 56-1) which published at these websites - www.sec.or.th and www.keppelland.co.th

