



AGILITY

Report to
Shareholders
2014

AGILITY

Agility marks the ability of the Keppel Group to respond to market and environmental changes in ways that drive performance and build competitive advantage. We are configured with our financial and organisational strengths to navigate challenging terrain and scour new markets, offer new solutions through innovation, and to execute with precision and enhanced productivity.

Contents

1	Group Financial Highlights 2014
2	Chairman's Statement
4	Board of Directors
8	Corporate Information
10	Organisational Structure and Major Shareholders
11	Management Structure
14	Agility
16	Policy and Business Overview
18	Nature of Business
22	Assets of the Company
24	Corporate Governance
29	Risk Factors
30	Internal Control and Risk Management
31	Related Party Transactions
32	Management Discussion and Analysis
33	Corporate Social Responsibility
36	Audit Committee Report
37	Independent Auditor's Report
38	Statement of Financial Position
41	Statement of Comprehensive Income
43	Statement of Changes in Shareholders' Equity
44	Statement of Cash Flows
46	Notes to Consolidated Financial Statements

VISION

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

Keppel Thai Properties Public Company Limited and its Subsidiaries

	Unit	31 December 2014	31 December 2013	31 December 2012 (Restated)
Total Assets	Million Baht	1,654.6	1,741.3	1,636.4
Total Liabilities	Million Baht	1,506.8	1,524.8	1,251.9
Total Shareholders' Equity	Million Baht	147.7	216.6	384.5
Net Tangible Assets	Million Baht	219.9	279.4	419.9
Liquidity Ratio				
Current Ratio	Times	1.18	1.27	1.46
Quick Ratio	Times	0.03	0.03	0.04
Financial Ratio				
Debt Equity Ratio	Times	10.20	7.04	3.26
	Unit	2014	2013	2012 (Restated)
Total Revenues	Million Baht	361.1	148.8	165.8
Total Expenses	Million Baht	381.6	274.6	199.3
Loss before finance cost and tax	Million Baht	(20.5)	(125.9)	(33.5)
Net Loss for the year	Million Baht	(68.9)	(167.8)	(91.5)
Total Number of Listed Shares	Million Shares	220.0	220.0	220.0
Net Loss per share for the year	Baht	(0.31)	(0.76)	(0.42)
Net Loss per share (of the company) for the year	Baht	(0.26)	(0.64)	(0.31)
Profitability Ratio				
Gross Profit Margin	%	22.25	18.89	26.86
Net Profit Margin	%	(19.08)	(112.81)	(55.20)
Return on Equity	%	(37.83)	(55.83)	(21.28)
Efficiency Ratio				
Return on Total Assets	%	(4.06)	(9.64)	(5.59)
Total Assets Turnover	Times	0.21	0.08	0.08
Financial Ratio				
Interest Coverage Ratio	Times	1.61	(6.55)	0.12

Chairman's Statement



NG OOI HOOI
CHAIRMAN

The Thai property market is anticipated to grow in 2015, with residential developments in and around the city fringe looking set to enjoy healthy demand from buyers. KTP is ready to meet the demands of these buyers and will continue to seek opportunistic investments in the Bangkok real estate market.

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of Keppel Thai Properties (KTP) for the year ended 31 December 2014.

FINANCIAL PERFORMANCE

KTP and its subsidiaries achieved sales which grew 184.54% year-on-year (y-o-y) to Baht 309.25 million despite the local political turmoil in the first half of 2014. Net loss for the year was also reduced to Baht 68.91 million, lower than the net loss of Baht 167.80 million for 2013. The increase in revenue was mainly attributed to the launch and handing over of units at Villa Arcadia Srinakarin Phase Two.

Net loss per share in 2014 stood at Baht 0.26 per share, down from Baht 0.64 per share in 2013. Lower net loss of Baht 98.90 million in 2014 was mainly due to the higher profit of Baht 50.72 million from sales of land and houses sold, exchange gain of Baht 13.52 million due to the strengthening of Thai Baht on its foreign currency loan as compared to an exchange loss of Baht 10.98 million in 2013.

An increase of Baht 14.32 million in fair value gain on investment properties was seen in 2014 as compared to a fair value loss of Baht 13.71 million in 2013.

The Company wrote off Baht 22.0 million inventory in administrative expenses which was partially offset by higher selling expenses of Baht 10.10 million.

Financing cost increased to Baht 2.41 million and higher deferred tax liabilities amounting to Baht 4.08 million provided for fair value gain on investment properties.

BUSINESS REVIEW AND OUTLOOK

The political situation, which slowed Thailand's economic growth in 2014, is expected to improve in 2015. As consumer confidence recovers, spending is anticipated to increase proportionately. The property market, especially within Bangkok, looks favourable.

Building on the successful launch of Phase One of Villa Arcadia Srinakarin,

KTP launched Phase Two in October 2013 which was well-received over the course of 2014.

The addition of a new monorail line in the vicinity will further enhance connectivity of the development.

As for Villa Arcadia Watcharapol, new infrastructure developments in its locale include a new mass transit systems and a six-lane road, as well as popular lifestyle and entertainment amenities which will add value for its homebuyers.

The Thai property market is anticipated to grow in 2015, with residential developments in and around the city fringe looking set to enjoy healthy demand from buyers.

KTP is ready to meet the demands of these buyers and will continue to seek opportunistic investments in the Bangkok real estate market.

COMMITMENT TO GOOD GOVERNANCE

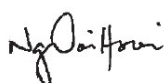
The Board and management are committed to the highest standards of good corporate governance. Through acting in a socially responsible manner, while at the same time, protecting the interests of stakeholders, we believe that we can achieve good long-term returns. The Company will continue to uphold best practices in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

KTP will continue to implement control mechanisms and frameworks to monitor business operations, as well as closely adhere to the reporting and internal management systems which have been developed over time. The Company will also ensure prompt disclosure of information to investors and stakeholders to ensure transparency and accountability.

ACKNOWLEDGEMENTS

I would like to express my appreciation to our shareholders, customers, business partners, as well as the Board, management and staff for their unwavering confidence. 2015 is expected to be another challenging year. However, I am confident that with your support, coupled with the right strategy, people and resources, we will continue to create value and sustainable growth for KTP.

Yours sincerely,



NG OOI HOOI

CHAIRMAN

13 March 2015

Board of Directors

Ng Ooi Hooi, 55

Chairman, Board of Directors
Chairman, Executive Committee

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

President, Regional Investments
 (India, Middle East, Thailand,
 Myanmar, Malaysia and Sri Lanka),
 Keppel Land International Limited
 Director, Keppel AI Numu Development Ltd
 Director, Keppel Land (Arabia) Pte Ltd
 Director, Keppel Land Sdn Bhd
 Director, Keppel CT Developments
 (Private) Ltd
 Director, Keppel Investment (Mauritius)
 Pvt Ltd
 Director, Keppel Puravankara
 Development Pvt Ltd
 Director, Straits Greenfield Ltd
 Director, Tanah Sutera Development Sdn Bhd
 Director, Tanah Sutera Management Sdn Bhd



NG OOI HOOI

“KTP will continue to implement control mechanisms and frameworks to monitor business operations, as well as closely adhere to the reporting and internal management systems which have been developed over time.”

Oh Weng Soon (Oh Lock Soon) , 56
Director
Member of Executive Committee

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

President & Managing Director,
 Keppel Thai Properties Plc.



OH WENG SOON (OH LOCK SOON)



JIRAPORN PIMPOORASH

Jiraporn Pimpoorash, 57
Independent Director
Chairman, Audit Committee

Master of Business Administration,
 Kasetsart University, Thailand;
 Bachelor of Accountancy and Higher
 Diploma in Auditing,
 Chulalongkorn University, Thailand;
 Training Programme organised by
 Thai Institute of Directors Association (IOD);
 Director Certification Programme (DCP) 62/2005

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

Board of Directors

Professor Chukiat Pramoolpol, 83
Independent Director
Member, Audit Committee

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

Lecturer, Siam University



PROFESSOR CHUKIAT PRAMOOLPOL



SOMPRASONG MAKKASAMAN

Somprasong Makkasaman, 59
Independent Director
Member, Audit Committee

Master of Business Administration, Kasetsart University, Thailand;
 Bachelor of Law, Chulalongkorn University, Thailand;
 Training Programme organised by Thai Institute of Directors Association (IOD);
 Director Accreditation Programme (DAP) 35/2005;
 Director Certification Programme (DCP) 62/2005;
 Audit Committee Programme (ACP) 9/2005

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

Lim Kei Hin, 57**Director****Member, Executive Committee**

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

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

**LIM KEI HIN****MELISSA TAN SIEW NGOK****Melissa Tan Siew Ngok, 58****Director****Member, Executive Committee**

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

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

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 Melissa Tan Siew Ngok

EXECUTIVE COMMITTEE

Mr Ng Ooi Hooi (Chairman)
 Mr Oh Weng Soon (Oh Lock Soon)
 Mr Lim Kei Hin
 Madam Melissa 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

Mr Chayapol Suppasetanon
 CPA. No. 3972
 EY Office Limited
 193/136-137, 33rd 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
 (previous number BorMorJor 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
Register 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,
Sipraya, Bangrak, 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
Register 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,
Sipraya, Bangrak, 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
Register 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,
Sipraya, Bangrak, 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
Register 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,
Sipraya, Bangrak, 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
Register 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,
Sipraya, Bangrak, 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
Register 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, Sipraya, Bangrak, 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
Register 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, Sipraya, Bangrak, 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
Register 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, Sipraya, Bangrak, 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
Register 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, Sipraya, Bangrak, 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

MELISSA TAN SIEW NGOK
Member

AUDIT COMMITTEE

JIRAPORN PIMPOORASH
Chairman

PROFESSOR CHUKIAT PRAMOOLPOL
Member

SOMPRASONG MAKKASAMAN
Member

TEN MAJOR SHAREHOLDERS (As At 31 December 2014)

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)	92,742,049	42.15
3	Uthairat Co., Ltd.	18,063,846	8.21
4	Thailand Securities Depository Co., Ltd. (for Foreign Depositors)	7,136,015	3.24
5	Mr Ratchada Krisadatanon	1,600,000	0.73
6	Mr Dech Numsirikul	98,132	0.05
7	J.T.C. Management Co., Ltd.	70,000	0.03
8	K M C Holding Co., Ltd.	54,743	0.03
9	Ms Potjaporn Saeheng	28,600	0.01
10	Mr Sompong Wadsanasiriwan	22,600	0.01

Management Structure

BOARD OF DIRECTORS AS AT 31 DECEMBER 2014

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 Melissa Tan Siew Ngok	Director Member, Executive Committee

Details of Changes of Directorship:
There were no Changes of Directorship in 2014.

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 2014 are as follows:

	Board Committees		
	Board	Executive Committee	Audit Committee
No. of meeting held	7	Nil	5
Directors			
Mr Ng Ooi Hooi	7	Nil	-
Mr Oh Weng Soon (Oh Lock Soon)	7	Nil	-
Mrs Jiraporn Pimpoorash	6	-	5
Prof Chukiat Pramoolpol	7	-	5
Mr Somprasong Makkasaman	7	-	5
Mr Lim Kei Hin	7	Nil	-
Madam Melissa Tan Siew Ngok	7	Nil	-

BOARD OF SUBSIDIARY COMPANY

The Company holds shares in four subsidiary companies which are revenue-generating. Directors' attendances at the meetings of the Board for these subsidiaries for the year ended 31 December 2014 are as follows:

Directors	Board Meetings			
	Thai-Kami Co., Ltd.	Top Property Co., Ltd.	Gold Star Property Co., Ltd.	Cornerstone Realty Co., Ltd.
Mr Oh Weng Soon	19/19	6/6	4/4	3/3
Mr Lim Kei Hin	19/19	6/6	-	-
Madam Melissa Tan Siew Ngok	19/19	-	4/4	3/3
Mr Jesthada Tangboonpant	-	6/6	4/4	3/3

Note: Number in the table refer to attendance/number of Board Meetings held during his/her term as Director

EXECUTIVE OFFICER

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

As at 31 December 2014, the Executive consists of three (3) persons:

Name	Position	Department/Function
Mr Oh Weng Soon (Oh Lock Soon)	President & Managing Director	Marketing, Sales & Project Development
Mr Thanatdet Chuenrabiab	Senior Assistant Vice President	
Mr Jesthada Tongboonpant	First Senior Assistant Vice President	Finance & Accounting

Management Structure

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 Melissa Tan Siew Ngok affixed with the Company seal will be deemed valid.

COMPANY SECRETARY

The Company has appointed Ms Supattra Tasilapa, Senior Manager, Legal & Compliance Department as 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 are in compliance with corporate legislation, 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) Ensuring that the directors and executives have filed reports on their interest and related persons' interests, as required by laws.

5) Communicating within internal business units and monitoring actions taken to ensure accuracy and compliance with the resolutions of Board and shareholder meetings.

6) 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.

7) Promoting understanding of corporate governance principles, providing relevant information, as well as monitoring compliance among the Board of Directors.

8) Coordinating between the Board and Executive.

9) Communicating and providing shareholders with information about the Company so as to enable them to exercise their rights.

10) Ensuring that disclosure of corporate information to regulatory agencies is in accordance with the relevant laws and regulations.

11) Taking any other actions as prescribed by the Capital Market Supervisory Board.

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 2014, 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 2014, the Company paid in cash and kind to the Board of Directors to a total amount of Baht 1,814,000.

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.

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 employees 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 2014, the Company paid a total of Baht 57,787,507 for the remuneration of employees.

HUMAN RESOURCES POLICY

- 1) Employees are encouraged to attend internal and external training programmes.
- 2) Qualified employees are selected to participate in Keppel Land's Annual Staff Conference 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 in 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 strengthen relations and encourage teamwork.

PERSONNEL

Total Number of Employees : 72 persons

Employees classified by department as of 31 December 2014:

• Corporate Development	2	• Customer Service	3
• Research	0	• Facilities Management	6
• Business Development	2	• Marketing & Sales	7
• Legal & Compliance	4	• Finance	5
• Project Development	1	• Accounting	8
• Project Management	15	• Information Technology	2
• Design Management	1	• Administration	9
• Cost & Contract	4	• Human Resources	3

Note: Includes staff in KTP's subsidiaries

Types of Remuneration	Amount (Baht)
Fixed Salary	48,066,960
Bonus	4,601,943
Allowance (Overtime, Provident Fund, Commission, etc.)	5,118,604

Summary of courses and trainings conducted in 2014:

Course	No.	Attendance	Total (Hours)	Average per person (Hours)
In-house Training	6	112	1,246.50	17.31
External Training	71	98		

TRAINING PROGRAMMES

In 2014, the Company supported employees in both internal and external trainings programmes, seminars and courses. The total training cost for 2014 amounted to Baht 479,631.24

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

- Monitoring Progress Techniques for Construction
- Coaching for Top Performance
- Service Mind and Effective Communication for Service Teams
- Safety Management for Construction
- Inspection Techniques for Construction
- Real Estate Trend 2014
- Facility Management Thailand 2014
- Construction Project Risk Management 2014
- Facility Management Conference
- Marketing Planning Strategy
- Effective Extreme Marketing
- New Direction of Real Estate
- Principal of Professional of Condominium Management and Housing Estate
- Strategy to Stimulate Condominium Market
- Workshop : Multi Channel Marketing for RE 2014
- Financial Feasibility Studies for Real Estate Development Projects



Keppel Thai Properties
continually strives to deliver
excellence and fortify its core
competencies for growth and
a sustainable business.

DELIVERING EXCELLENCE

KTP is committed to delivering quality properties of enduring value to homeowners whilst seeking out opportunities for future investment.

SUSTAINING SHAREHOLDER VALUE

We remain focused on protecting the interests of our shareholders, at the same time, uphold the highest standards of good corporate governance to drive value for the Company.





Keppel Thai Properties Public Company Limited (KTP), previously known as Five Star Properties Company Limited, was converted and registered as a Public Limited Company on 1 June 1994. It was renamed Keppel Thai Properties Public Company Limited 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 2014.

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 Archadia Watcharapol are located within close proximity to major amenities and Bangkok's central business district (CBD).

Homebuyers of the properties include those from the middle and upper-middle market segments.

Additionally, KTP holds a 28.36% stake in an office development, Jewellery Centre Building, located at the fringe of Bangkok's CBD.

The Company also holds shareholding of more than 50% in nine property development companies which 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

INVESTMENT POLICY IN SUBSIDIARIES AND ASSOCIATE COMPANIES

The Company is focused on investments within the property sector to be in line with our main business of property development.

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SIGNIFICANT EVENTS

April

- Obtained approval on amendments to the Company's business objective for greater flexibility as well as expansion of businesses to cover construction works and project management consultancy were approved.

September

- Obtained approval on renewal of loan agreement for Top Property Co., Ltd. to the amount of Baht 936 million in the proportions of 61% to KTP and 39% to Keppel Land Financial Services Pte. Ltd.
- Obtained approval on inter-company loan facilities to Thai-Kami Co., Ltd. of the amount of Baht 650 million, Gold Star Co., Ltd. of the amount of Baht 200 million and Cornerstone Realty Co., Ltd. of the amount of Baht 300 million for the purposes of development, construction and working capital.

01

Villa Arcadia Srinakarin
Phase Two comprises 156
detached houses.

For these investments, the Company ensures major stakeholding so as to be involved in management of the property. Besides current subsidiaries and associate companies, we will consider further property investments when opportunities arise. KTP is listed on the Stock Exchange of Thailand (SET), and is a subsidiary of Keppel Land, one of the largest listed property companies by total assets on the Singapore Exchange. Also 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.

KTP has entered into an agreement with Straits Mansfield Property Marketing Pte Ltd. to provide professional advice 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. (KLFS) to provide working capital.

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

RELATIONSHIP WITH MAJOR SHAREHOLDER

KEPPEL LAND LIMITED	Keppel Thai Properties PLC & its subsidiaries	45.45%	Straits Mansfield Property Marketing Pte Ltd.	100%
			Keppel Land Financial Services Pte Ltd.	100%

INVESTMENT STRUCTURE OF KTP

As at 31 December 2014

KEPPEL THAI PROPERTIES PUBLIC COMPANY LIMITED	Thai Kami Co., Ltd.	100%
	Gold Star Property Co., Ltd.	100%
	Top Property Co., Ltd.	61%
	Cornerstone Realty Co., Ltd.	100%
	Utayan Property Development Co., Ltd.	100%
	Utayan Town Development Co., Ltd.	100%
	Utayan Real Estate Development Co., Ltd.	100%
	Utayan Urban Development Co., Ltd.	100%
	Utayan Realty Co., Ltd.	100%

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 subsidiary's operating performance, retained earnings, legal provision and other required provision as appropriate for business operations.



01

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

BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES

KTP and its subsidiaries are in the main business of property development of homes for sale as well as the leasing of a commercial building.

PROPERTY DEVELOPMENT FOR SALE

VILLA ARCADIA SRINAKARIN

Comprising 365 detached houses within a gated community, Villa Arcadia Srinakarin is situated close to the Suvarnabhumi International Airport. It is well-connected to the central business district via the highway and the outer ring road. The development enjoys convenient amenities such as prominent international school, hospitals, and shopping centres

within the vicinity. A new monorail train line, expected to commence operations in 2019, will further enhance the ease of commuting between Villa Arcadia Srinakarin and the central business district.

Phase One, comprising 209 units, is 94.2% sold as at 28 February 2015. Phase Two, comprising 156 houses, launched 55 units in October 2013 and is about 70.9 % sold as at 28 February 2015.

VILLA ARCADIA WATCHARAPOL

Villa Arcadia Watcharapol comprises 270 detached houses. Well-connected by the Ram Intra-Art Narong Expressway and Eastern Outer Ring Road, the development is about a 30-minute drive from the central business district. A new six-lane road, Phahonyothin-Rattanakosin Sompotch, will be completed in 2015, further improving accessibility to Villa Arcadia Watcharapol.

A new community mall with home office centre opposite the development was launched in November 2014 and will be fully operational in 2015. The vicinity is well-known for its food and beverage outlets. A new extended skytrain line close to the development is expected to start operations in 2017.

In addition, a new monorail line nearby to link the central business district to the Chaopraya River is expected to start operations in 2019.

About 60.0% of the 45 launched units have been sold as at 28 February 2015.

OTHER OPERATIONS JEWELLERY CENTRE BUILDING

Jewellery Centre Building, a 34-storey commercial building is located at 138 Nares Road, SiPhraya Subdistrict, Bang Rak District, Bangkok. As at 31 December 2014, the retained interest under the Company's name for sales and lease is 12,145.64 sq.m. or 28.36% of the total gross area. The building was about 85.0% leased out as at 28 February 2015.

THAILAND ECONOMY DATA:

% Growth Year on Year	2014	2015 (F)
Gross Domestic Product	0.7	3.9
Inflation rate	1.9	2.1
Private Consumption	0.6	2.8
Export of Goods and Services	0.0	1.4

Source: Bank of Thailand and forecasted by the Fiscal Policy Office, Thailand and the Economist Intelligence Unit

MARKET ANALYSIS

KTP conducts regular market research to keep abreast of market trends. Through market analysis, the Company has identified and defined market opportunities and issues. The Company has generated plans to implement action at the opportune time. KTP continues to monitor the market for any changes via reports by established and reliable real estate analysis companies, actual and forecasted indicative data from governments and other reliable sources.

THAILAND ECONOMY

In 1H 2014, Thailand was impacted by the political situation which is expected to stabilise in 2015. With the general election scheduled for 1H 2016, Thailand's economy is expected to continue to improve in 2015 at a better rate than in 2014. KTP expects an active property market in 2015.

Consumer confidence is improving among local Thais. In 2013 and 1H2014, sentiments were affected by the political turmoil, but have since improved.

OVERALL PROPERTY MARKET

In 2014, the Agency for Real Estate Affairs (Thailand) reported that overall residential supply in Bangkok and its vicinity stood at 258,192 units, a 0.9% decrease from 260,579 units in 2013. Overall residential demand in Bangkok and its vicinity stood at 90,835 units, a 20.0% decrease from 116,481 units in 2013.



02

02

Villa Arcadia Srinakarin is situated close to Thailand's International airport and is well-connected to the central business district.

Overall new residential supply in Bangkok and its vicinity stood at 114,094 units, a 13.3% decrease from 131,645 units in 2013. Meanwhile, the overall value Baht 344,549 million, a 10.6% decrease from Baht 385,447 million in 2013.

LANDED HOMES

In 2014, prices of landed homes continued to rise, due to the rise of land price and construction costs.

According to Thailand's Real Estate Information Centre, prices of singled detached houses in Bangkok and its vicinity increased by 3.1% year-on-year (y-o-y) while prices of townhouses in Bangkok and its vicinity increased by 3.4% y-o-y.

New landed homes remained almost the same sentiments as 2013. In 2014, the Agency for Real Estate Affairs (Thailand) reported that overall new landed homes in Bangkok and its vicinity stood at 46,069 units, a 1.8% increase from 45,273 units in 2013. Meanwhile, the overall value Baht 156,948 million, a 1.6% increase from Baht 154,516 million in 2013.

CONDOMINIUM SECTOR

In 2014, prices of condominiums continued to rise. In 2014, prices of condominium increased due to the rise of land price and construction costs. According to Thailand's Real Estate Information Centre, prices of condominiums in Bangkok and its vicinity increased by 5.0% y-o-y.

The number of new condominium units decreased significantly in 2014.

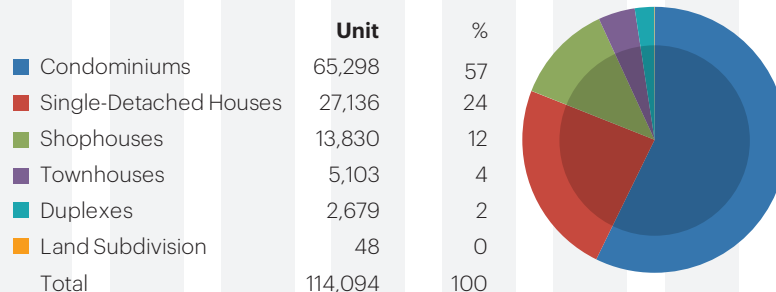
In 2014, the Agency for Real Estate Affairs (Thailand) reported that overall new condominium units in Bangkok and its vicinity stood at 65,298 units, a 22.5% decrease from 84,250 units in 2013. Meanwhile, the overall value Baht 173,197 million, a 21.2% decrease from Baht 219,894 million in 2013.

CONSUMER CONFIDENCE



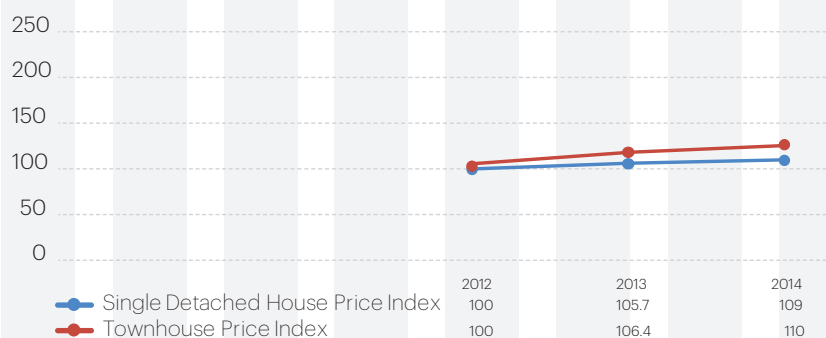
Source: University of Thai Chamber of Commerce

NEW UNITS IN BANGKOK AND ITS VICINITY IN 2014 BY DEVELOPMENT TYPE



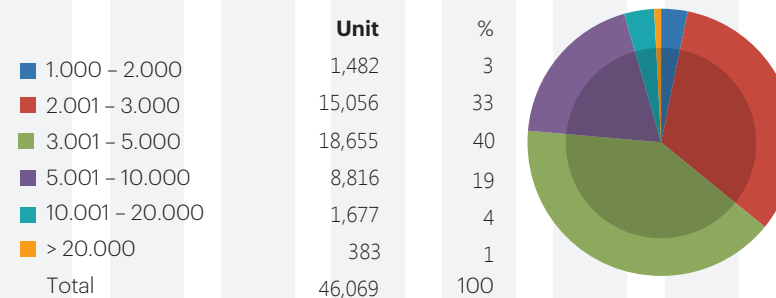
Source: Agency for Real Estate Affairs (Thailand)

PRICE INDICES OF SINGLE DETACHED HOUSES AND TOWNHOUSE



Source: Real Estate Information Centre (Thailand)

NEW LANDED HOME UNITS IN BANGKOK AND ITS VICINITY IN 2014 BY UNIT PRICE



Source: Agency for Real Estate Affairs (Thailand)

PROCUREMENT

LAND ACQUISITION

To compete in the market, KTP searches to acquire potential land plots at reasonable prices at the right location for real estate project developments for sale and/or for lease. The Company works with land owners, real estate agents and broker firms to source sites at reasonable prices that are well-located and well-served by amenities. The Company has developed a list of reliable real estate agents and broker firms. The Company has clear and examinable procedures to acquire land plots. KTP also times the development timeline to ensure the best time to enter the market.

PROCUREMENT OF CONSTRUCTION MATERIAL

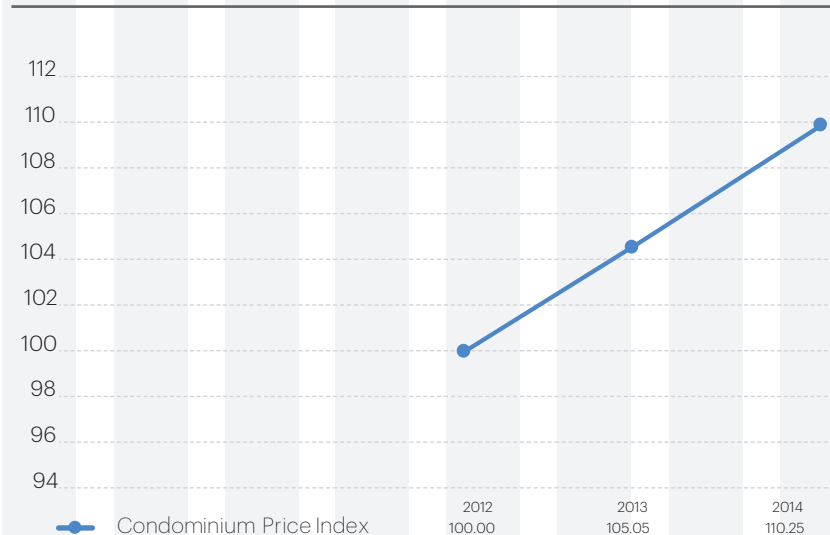
According to contracts, construction materials with specification from KTP are generally procured through the main contractors. Hence, KTP is not subject to construction material price fluctuation risk. The Company has stringent and transparent purchase procedures to ensure quality and price of the materials. Over the years, KTP works closely with trusted suppliers which deliver quality materials on time and within budget. Most of the materials are sourced and purchased locally. The Company purchases some materials in some cases.

SELECTION OF CONTRACTORS

KTP has a strict evaluation process for appointment of its contractors and will continue to maintain a reliable network with quality contractors.

In selecting its contractors, KTP works with contractors with a

PRICE INDICES OF CONDOMINIUMS

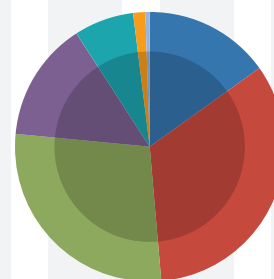


Source: Real Estate Information Centre (Thailand)

NEW CONDOMINIUMS IN BANGKOK AND VICINITY IN 2014 BY UNIT PRICE

	Unit	%
0.500 – 1.000	9,856	15
1.001 – 2.000	21,904	34
2.001 – 3.000	18,205	28
3.001 – 5.000	9,360	14
6.001 – 10.000	4,686	7
10.001-20.000	950	1
>20.000	337	1
Total	65,298	100

Source: Agency for Real Estate Affairs (Thailand)



good track record and strong financials for tender procedures.

The Company places strong emphasis on transparency of the hiring process which promotes fair competition among contractors. The Company attempts to hire and work with quality contractors to produce high quality products on time and within budget.

HAND-OVER

As at 31 December 2014, 16 residences with total sales value of Baht 136,800,000 have been sold and have not yet been transferred.

These units will be transferred to home buyers within 2015.

Assets of the Company

As at 31 December 2014

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 315,926,338

Appraisal Value

Baht 352,200,000

Appraisal Date

28 November 2014

Appraisal Company

Agency For Real Estate Affairs (Thailand)

Right / Possession

Freehold

Collateral

None

TOP PROPERTY COMPANY LIMITED AND CORNERSTONE REALTY COMPANY LIMITED

Property Name

Villa Arcadia Watcharapol

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

Asset Area

73-1-5.3 rai

Net Book Value

Baht 773,449,543

Appraisal Value

Baht 825,100,000

Appraisal Date

26 November 2014

Appraisal Company

Agency For Real Estate Affairs (Thailand)

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 two units with a total area of 119.21 sq.m.

Net Book Value

Baht 2,390,000

Appraisal Value

Baht 2,470,000

Appraisal Date

26 November 2014

Appraisal Company

Agency For Real Estate Affairs (Thailand)

Right / Possession

Freehold

Collateral

None

THAI-KAMI COMPANY LIMITED AND GOLD STAR PROPERTY COMPANY LIMITED

Property Name (1)

Villa Arcadia Srinakarin

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

Asset Area

60-3-28 rai

Net Book Value

Baht 447,375,435

Appraisal Value

Baht 510,270,000

Appraisal Date

21 November 2014

Appraisal Company

Agency For Real Estate Affairs (Thailand)

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 has been divested in early 2002

Asset Area

60–2–70 rai

Net Book Value

Baht 22,368,200

Appraisal Value

Baht 23,060,000

Appraisal Date

26 November 2014

Appraisal Company

Agency For Real Estate Affairs (Thailand)

Right / Possession

Freehold

Collateral

None

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 November 2014

Appraisal Company

Agency For Real Estate Affairs (Thailand)

Right / Possession

Freehold

Collateral

None



CORPORATE GOVERNANCE POLICY

The Company 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 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

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.

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 2014, 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:

1. 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.
2. 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.
3. 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.

4. 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 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 customers, as well as to assist and provide solutions to their needs, while protecting customer 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.

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 separated roles.

Appropriateness of the Board

The number of Directors on the Board is in accordance with Clause 16 of the Article 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

01

Annual General Meetings provide the Board and management opportunities to engage shareholders.

Corporate Governance

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

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. (Straits Mansfield) 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 (AC) 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 AC will review the quarterly financial statements and report to the external auditors as well as Internal Audit team before seeking approval from the Board of Directors. The AC is satisfied that KTP and its subsidiaries have maintained adequate internal controls for the year 2014.
- 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 convenes 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 them 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 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.

02

KTP holds events and activities at Villa Arcadia Srinakarin to better understand residents' needs and fasten relationships with them.



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: the Board of Directors, the Executive Committee (EC) and the Audit Committee (AC).

BOARD OF DIRECTORS

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

Roles, Duties and Responsibilities of the Board of the 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 to enhance value for shareholders.

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 key strategies, objectives and plans of the Company and 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 2014 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 Melissa Tan Siew Ngok

EXECUTIVE COMMITTEE

The Executive Committee (EC) 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 EC 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 EC would then have to propose the meeting of the AC 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.
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 EC as at 31 December 2014 include:

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

AUDIT COMMITTEE

The Audit Committee (AC) is appointed by the Board of Directors in accordance with the requirements of the SET. The AC convenes at least four times a year to review the Company's business operations. In 2014, the AC called for five meetings.

Roles, Duties and Responsibilities of the AC

The AC 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 AC in the Company's annual reports which must be signed by the Chairman of the AC.
8. Perform any other act as assigned by the Board of Directors with the agreement of the AC.

The Company's AC as at 31 December 2014 include:

Mrs Jiraporn Pimpoorash (Chairman)
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.

AUDIT FEE PAID

Audit fee

The Company and subsidiaries engaged EY Office Limited for auditing services and paid for audit fee expenses incurred in 2014 totaling to an amount of Baht 1,920,000.

Auditor's Fee for the Company
500,000 Baht

Auditor's Fee for subsidiaries
1,420,000 Baht

Non-audit fee

None.

Risk Factors

Risk management is an integral part of KTP's strategic and operational processes.

The Company has in place a risk management framework to ensure swift response to potential challenges and the ability to leverage new opportunities in the business environment.

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

SHORTAGE OF QUALITY CONTRACTORS

Shortage of skilled labour will impact the quality of work and incur higher costs. To ensure quality construction, KTP has a strict evaluation process for the appointment of its contractors and will continue to maintain a reliable network with quality contractors.

LAND ACQUISITION

High land prices could result in the Company facing challenges in acquiring good sites at competitive prices. KTP works with agents and brokerage firms to source for sites and also deals directly with landowners. The Company is constantly on the lookout for land plots with good value propositions and high connectivity to mass transits, expressways, and/or main roads.

FLUCTUATIONS IN CONSTRUCTION MATERIAL PRICES

According to Thailand's Real Estate Information Centre, overall construction material price index in 2014 increased 0.2% year-on-year. To mitigate this, KTP works closely with contractors to plan for and purchase materials at lower prices over a period of time.

INTEREST RATE FLUCTUATIONS

KTP has a short-term project loan from a financial institution and its interest rate is dependent on Money Markets' floating rates. During economic expansion, this could result in higher financing cost for the Company. KTP will effectively utilise various financial instruments where appropriate to hedge against interest rate fluctuations. The Company also ensures that cash flows are properly managed.

FOREIGN EXCHANGE RISK

KTP still hold 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 its risk in foreign exchange fluctuations.

Internal Control and Risk Management

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

KTP has engaged the Internal Audit team at Straits Mansfield Property Pte Ltd. (Straits Mansfield) to provide professional and consultancy services at least once a year.

The internal as well as external auditor reports, including recommendations made by these auditors are reviewed by the Audit Committee (AC) and then surfaced to the Board of Directors.

The Board of Directors and the AC are satisfied that the internal controls, addressing the financial, operational and compliance risks of the Company are adequate.

APPROVAL PROCEDURES OF RELATED PARTY TRANSACTIONS

In case 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 (AC) 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 2014

1. *The loans and interest payment transactions between the Company and its Subsidiaries*

These transactions are entered into during 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 during 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 have 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. It 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. It is a normal business transaction based on reasonable commercial terms, and has been approved by the Board of Directors.

Management Discussion and Analysis

In 2013, Phase Two of Villa Arcadia Srinakarin was well-received and handed over to homebuyers in 2014, contributing to revenue of Baht 309.3 million, an increase of Baht 200.6 million or 184.54% from Baht 108.7 million in 2013. In 2014, the gross profit from the handover of the units was Baht 53.7 million, an increase of Baht 50.7 million or 1,690% from Baht 3.0 million in 2013. The recovering economy in 2014 resulted in an increase of household and government spending, with Thailand's tourism industry seeing healthy improvements over the year. The Company is optimistic that this will continue into 2015 as work progresses on at Villa Arcadia Phase Two.

BUSINESS OPERATION

Income

Income of the Company and its subsidiaries consists of revenue from rental service of the office building and sale of land and houses. The Company generated Baht 36.9 million from rental service of the office building, a decrease of Baht 1.6 million or 4.16% from Baht 38.5 million in 2013.

Revenue of Baht 309.3 million, an increase of 200.6 million of 184.54% from Baht 108.7 million in 2013, was generated from the sale of land and houses and was recognised after homes were handed over to buyers.

KTP gained Baht 13.5 million profit from currency exchange from foreign currency loans, an increase of Baht 24.5 million in 2014, as compared to Baht 11.0 million loss incurred in 2013. KTP generated Baht 0.6 million unrealised gain from the value adjustment of investment properties in 2014, an increase of Baht 14.3 million or 104.38% from Baht 13.7 million unrealised loss in 2013.

Expenditure

In 2014, the Company expenses (excluding tax and interest) was Baht 381.6 million, an increase of Baht 107.0 million or 38.97% from Baht 274.6 million in 2013. The increase is attributed to higher cost of goods sold and sale expense. The cost of goods sold was Baht 255.5 million, an increase of 149.8 million or 141.72% from Baht 105.7 million. The sale expense was Baht 19.7 million, an increase of Baht 10.1 million or 105.21% from Baht 9.6 million in 2013. In 2014, expense and special business tax expense from transfer of land ownership increased, while administrative expense was Baht 92.7 million, a decrease of Baht 28.2 million or 23.33% from Baht 120.9 million in 2013. A decrease of administrative expense was due to there was inventory written off Baht 22.0 million in administrative last year.

Income Tax Expense

In 2014, deferred income tax expense due to the fair value adjustment of investment properties was Baht 0.1 million, an increase of Baht 4.1 million from Baht 4.0 million deferred tax income due to the fair value adjustment of investment properties.

FINANCIAL POSITION

Assets

KTP's total assets as at end-2014 was Baht 1,654.6 million, a decrease of Baht 86.7 million or 4.98% from Baht 1,741.3 million in 2013. Current assets in 2014 was Baht 1,266.1 million, a decrease of Baht 121.6 million or 8.76% from Baht 1,387.7 million in 2013. A decrease was due to the handover of units in Villa Arcadia Srinakarin Phase Two amounting to Baht 103.3 million. Total non-current assets was Baht 388.5 million, an increase of Baht 34.9 million or 9.87% from Baht 353.6 million in 2013, mainly due to an increase of investment property value of Baht 333.6 million or 7.54% from Baht 310.2 million in 2013. Current assets for sale in 2013 were reclassified as investment properties of non-current assets in 2014.

Liabilities

The Company's total liabilities as at end-2014 was Baht 1,506.8 million, a decrease of Baht 18.0 million or 1.18% from Baht 1,524.8 million in 2013, attributable to a decrease of trade accounts payable and other accounts payable from the construction of Villa Arcadia Srinakarin Phase Two. KTP's current ratio was 1.18x, a decrease from 1.27x in 2013.

Shareholders' Equity

KTP's shareholders' equity as at end-2014 was Baht 223.7 million, a decrease of Baht 56.3 million or 20.11% from Baht 280.0 million in 2013. The decrease was mainly due to net loss of Baht 56.4 million in 2014.

Debt to Equity Ratio

The Company's Debt to Equity Ratio in 2014 was 10.20x, an increase from 7.04x in 2013.

The increase was due to an increase of short term loan from financial institutions and a decrease in operation loss. Short-term loan from financial institutions as at end-2014 was Baht 1,023.9 million, an increase of Baht 28.5 million or 2.86% from Baht 995.4 million in 2013.

Loss in 2014 resulted a decrease of shareholders' equity of Baht 68.9 million or 31.81% from Baht 216.6 million in 2013 to Baht 147.7 million in 2014.



SUSTAINABILITY FRAMEWORK

As a good corporate citizen, KTP is committed to delivering value to its extra stakeholders, nurturing communities and being eco-conscious wherever it operates. The Company strives to achieve the following for its key stakeholders:

Customers:

To develop quality homes 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 the community

BUSINESS ETHICS

KTP complies with Thailand's laws and regulations and SET's regulations of good corporate citizenship. The Company's policy is to conduct business with integrity, fairness, and impartiality, in an ethical and proper manner with all stakeholders including customers, suppliers, communities and employees. KTP employees are to comply with all laws and regulations and act in the best interest of the Company.

ANTI-CORRUPTION

KTP has anti-corruption policies and measures to protect its businesses, resources and reputation. During 2Q 2014, the Human Resources team disseminated the Company's anti-corruption policy to all staff. The policy was acknowledged by all staff.

The anti-corruption policy is as follows:

- The Company's employees must under no circumstances offer, promise, give or authorise the giving, directly or through

third parties, of any bribe, kickback, illicit payment, benefit in kind or any other advantage to any customer, supplier, contractor, or any other person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Facilitation payments are also considered bribery. Employees should not make any facilitation payments on any company's behalf.

- Similarly, KTP staff must not under any circumstances solicit or accept, directly or indirectly, any bribe, kickback, illicit payment, benefit in kind or any other advantage from any customer, supplier, contractor, or any other person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.
- Report Mechanism: The Company has a channel of anti-corruption reporting in place. Employees are encouraged to make a protected report in relation to a suspected Reportable Conduct to his supervisor and/or the Audit Committee Chairman.
- Investigation: The Company monitors all investigations closely. The Audit Committee Chairman will review the information disclosed, interview and determine whether the circumstances warrant an investigation and if so, the appropriate investigative process to be employed and corrective actions (if any) to take.

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Keppel Thai Properties seeks to give back to the community through reaching out to the needy

HUMAN RIGHTS

KTP is a strong supporter of human rights of its employees and others involved in KTP's operations including working labours of contractors.

Company policy prohibits discrimination of any kind, and will not tolerate any bias including but not limited to ethnicity, gender, religious belief, nationality, age or physical disability. KTP aims to provide a work environment that fosters mutual employee respect and promotes harmonious working relationships.

At KTP, safety is of utmost importance. KTP conducts its business in a manner that protects the safety of all employees and others involved in its operations, as well as customers and the public to achieve a zero-harm workplace.

FAIR TREATMENT TO LABOUR

KTP conducts its business operations in accordance to Thailand's labour laws. The Company is committed to protect human dignity, rights and liberty of individuals through its oversight of operations. The Company provides equitable treatment to all employees.

KTP has a human resources development plan in place which includes professional training with the intention to develop employees with clear performance evaluation and promotion procedures.

The Company also provides annual medical check-ups with medical care seminars and a medical payment plan to all employees.

RESPONSIBILITY TO CUSTOMERS

KTP aims to provide correct and accurate portrayal of its products and services as well as of the Company to its customers.

The Company aims to deliver quality homes of quality and value to

customers. KTP also has avenues for customer feedback to meet the needs of customers.

PROMOTING GREEN INITIATIVES

In 2014, KTP carried out regular campaigns and activities to promote environmental awareness among staff.

KTP launched a "Think Before Print" campaign to reduce the use of paper in the corporate office. Instead of the traditional paper greeting cards, the Company produced e-greeting cards to be sent to external stakeholders during festive periods. Internal memorandums were circulated via email.

The Company also encouraged employees to save electricity whenever possible. Air-conditioners, lightings and computer screens were turned off during lunch period as or when left unused for long periods of time.

On 28 March 2014, KTP organised its inaugural Bike Rally Day as part of its initiative to lessen its carbon footprint by encouraging staff to use the bicycle as the preferred mode of transport. President of KTP, Mr Oh Lock Soon, led a group of 45 employees on a 3.2 km biking trail at Wachira Benjathas Park (Suan Rot Fai), Bangkok.

**SUPPORTING THE UNDERPRIVILEGED
KTP Volunteers**

KTP supports the less fortunate in society and strives to give back to the community wherever possible. The Company rallies its employees and their families to take part in volunteer activities to help the underprivileged under the KTP Volunteers initiative which was launched in 2013.

On 30 April 2014, KTP joined efforts with the Singapore-Thai Chamber of Commerce (STCC) to organise an educational outing to Siam Ocean World, Thailand's largest aquarium, for a group of 42 boys from KTP's adopted charity Baan Sang San Dek, a non-profit shelter

in Pratumthani for underprivileged boys aged six to seventeen years old. A total of 15 volunteers participated in this outing, among them, ten were KTP staff. It was the Company's third outreach activity with Baan Sang San Dek since their collaboration started in 2013.

In November 2014, KTP again collaborated with STCC and rallied KTP's contractors to participate in an exercise to complete a new two-storey dormitory building for Baan Sang San Dek.

Completed in December 2014, the dormitory can house 40 boys.

Materials were sourced from unused cabinets from the Villa Arcadia show houses. Volunteers also installed five shoe cabinets in the dormitory and installed light fixtures around the premises to ensure safety onsite. Fifty electric outlets were also installed.

KTP also donated and installed five closets as well as outdoor tables and chairs. In addition, KTP staff also donated 40 sets of table lamps, recycled clothes, pre-loved toys, books, and bed sets.

Contents

36	Audit Committee Report
37	Independent Auditor's Report
38	Statement of Financial Position
41	Statement of Comprehensive Income
43	Statement of Changes in Shareholders' Equity
44	Statement of Cash Flows
46	Notes to Consolidated Financial Statements

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 KTP's Board of Executive Directors. The Committee consists of 3 independent directors namely Mrs Jiraporn Pimpoorash, as Chairman of the Committee, Professor Chukiat Pramoolpol and Mr Somprasong Makkasaman as members of the Committee. Mr Paisan Supornpun, the First Assistant Vice President (Accounting) 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 Company's financial statements 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 2014, the Audit Committee members convened twelve meetings of which seven meetings were Board of Directors meetings and five meetings were Audit Committee meetings. The Audit Committee meetings were also attended by KTP's management team. The meetings included that 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 2014 to ensure its compliance with Thailand financial reporting standards, its reliability and adequacy disclosures. The Audit Committee has acknowledged and has agreed with reclassification of significant assets accounts adopted in the year 2014.

The Audit Committee has acknowledged the Company in compliance with updated financial Reporting standards.

2. The Audit Committee has acknowledged the Company's plan for the new project and the Company's awareness of financial results.
3. The Audit Committee has agreed with the Company to set up the Enterprise Risk Management 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 engagement with the group's internal auditor, Straits Mansfield Marketing Pte Ltd. The Audit Committee has agreed with remuneration for the internal auditor, Internal Audit's plan. The Audit Committee has reviewed the Company's internal audit's 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 EY Office Limited as the Company's external auditor for the year 2015. The proposed audit firm was well known experienced to be intelligent, 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 2014 is appropriate. The Audit Committee found no particular matter of significance that needs to be highlighted to the Shareholders.



Jiraporn Pimpoorash
March 13, 2015

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 2014, 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

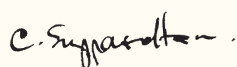
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Chayapol Suppasdtanon

Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok, 24 February 2015

Statement of Financial Position

As at 31 December 2014

(Unit: Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Note	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Assets					
Current assets					
Cash and cash equivalents	6	27,630,341	28,769,323	3,245,110	6,161,600
Trade and other receivables	7,8	126,237	216,304	7,342,832	7,250,360
Land and construction in progress	9	1,220,687,681	1,324,011,415	-	-
Other current assets	10	17,659,661	12,374,406	4,213,556	4,371,305
		1,266,103,920	1,365,371,448	14,801,498	17,783,265
Non-current assets held for sale	11	-	22,368,200	-	-
Total current assets		1,266,103,920	1,387,739,648	14,801,498	17,783,265
Non-current assets					
Bank deposits under commitment	12	27,034,372	23,926,651	-	-
Investments in subsidiaries	13	-	-	95,763,946	116,864,396
Other long-term investment	14	409,150	325,300	409,150	325,300
Loans to and interest receivable from subsidiaries	7	-	-	1,376,989,815	1,944,954,162
Investment properties	15	333,580,696	310,152,148	311,212,496	310,152,148
Property, plant and equipment	16	8,566,820	8,250,750	5,754,521	6,939,294
Computer software	17	391,600	539,651	326,346	442,397
Other non-current assets	18	18,491,634	10,407,664	10,659,270	6,308,307
Total non-current assets		388,474,272	353,602,164	1,801,115,544	2,385,986,004
Total assets		1,654,578,192	1,741,341,812	1,815,917,042	2,403,769,269

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

(Unit: Baht)

Consolidated Financial Statements			Separate Financial Statements		
	Note	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	1,023,893,806	995,393,806	1,023,893,806	995,393,806
Trade and other payables	7,20	44,331,489	83,895,725	12,213,593	29,515,583
Advances received from customers		4,845,200	13,054,335	-	-
Other current liabilities		972,497	804,114	499,150	24,707
Total current liabilities		1,074,042,992	1,093,147,980	1,036,606,549	1,024,934,096
Non-current liabilities					
Long-term loans from and interest payable to related party	7	344,189,593	348,828,632	-	-
Long-term loans from and interest payable to subsidiaries	7	-	-	51,231,112	624,216,354
Provision for long-term employee benefits	21	5,362,619	2,880,268	4,575,145	2,470,039
Deposit from customers		9,311,953	8,856,628	8,269,273	8,202,548
Deferred tax liabilities		56,813,309	56,690,966	56,722,615	56,600,272
Prepayment from customers for housing estate juristic person	24	17,122,811	14,379,274	-	-
Total non-current liabilities		432,800,285	431,635,768	120,798,145	691,489,213
Total liabilities		1,506,843,277	1,524,783,748	1,157,404,694	1,716,423,309

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

Statement of
Financial Position
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
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
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
Share discount		(749,997,158)	(749,997,158)	(749,997,158)	(749,997,158)
Retained earnings					
Appropriated - statutory reserve	22	12,525,332	12,525,332	2,075,332	2,075,332
Unappropriated (deficit)		(1,234,265,851)	(1,177,882,944)	(788,974,976)	(760,057,514)
Other component of shareholders' equity	14	(4,590,850)	(4,674,700)	(4,590,850)	(4,674,700)
Equity attributable to shareholders' of the Company		223,671,473	279,970,530	658,512,348	687,345,960
Non-controlling interests of the subsidiaries		(75,936,558)	(63,412,466)	-	-
Total shareholders' equity		147,734,915	216,558,064	658,512,348	687,345,960
Total liabilities and shareholders' equity		1,654,578,192	1,741,341,812	1,815,917,042	2,403,769,269

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

Statement of Comprehensive Income

For the year ended 31 December 2014

41

(Unit: Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Note	2014	2013	2014	2013
Revenues					
Sales of land and houses					
Rental income from office building and service income	15	309,250,000 36,872,299	108,693,092 38,483,066	- 36,289,989	- 38,252,743
Other income					
Interest income	7	216,420	317,596	78,543,068	87,140,231
Gain on disposal of equipment		1,705	157,614	-	156,614
Income from cancellation of sales agreement of land and houses		200,000	22,889	-	-
Management fee income	7	-	-	15,683,233	16,057,441
Gain on exchange		13,521,939	-	28,639	174,458
Unrealised gain on investment properties	15	611,715	-	611,715	-
Others		403,922	1,076,767	102,817	947,836
Total revenues		361,078,000	148,751,024	131,259,461	142,729,323
Expenses					
Cost of land and houses		255,530,733	105,691,179	-	-
Cost of rental from office building and services		13,552,419	13,677,107	13,030,915	13,502,632
Selling expenses		19,735,623	9,640,066	570,545	332,539
Administrative expenses	7	92,742,322	120,926,932	60,355,704	63,078,883
Loss on write-off of equipment		-	-	2	-
Loss on exchange		-	10,982,800	-	-
Unrealised loss on investment properties	15	-	13,706,494	-	21,456,494
Loss on impairment of investment in subsidiary	13	-	-	21,100,000	-
Total expenses		381,561,097	274,624,578	95,057,166	98,370,548
Profit (loss) before finance cost		(20,483,097)	(125,873,554)	36,202,295	44,358,775
Finance cost	7	(48,301,559)	(45,887,431)	(64,997,414)	(73,074,306)
Loss before income tax expenses		(68,784,656)	(171,760,985)	(28,795,119)	(28,715,531)
Tax income (expenses)	24	(122,343)	3,956,436	(122,343)	4,047,130
Loss for the year		(68,906,999)	(167,804,549)	(28,917,462)	(24,668,401)
Other comprehensive income:					
Gain (loss) on changes in value of available-for-sale investments	14	83,850	(171,900)	83,850	(171,900)
Other comprehensive income for the year		83,850	(171,900)	83,850	(171,900)
Total comprehensive income for the year		(68,823,149)	(167,976,449)	(28,833,612)	(24,840,301)
Loss attributable to:					
Equity holders of the Company		(56,382,907)	(140,444,174)	(28,917,462)	(24,668,401)
Non-controlling interests of the subsidiaries		(12,524,092)	(27,360,375)		
		(68,906,999)	(167,804,549)		

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

Statement of
Comprehensive Income
For the year ended 31 December 2014

(Unit: Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Note	2014	2013	2014	2013
Total comprehensive income attributable to:					
Equity holders of the Company		(56,299,057)	(140,616,074)	(28,833,612)	(24,840,301)
Non-controlling interests of the subsidiaries		(12,524,092)	(27,360,375)		
		(68,823,149)	(167,976,449)		
Earnings per share	25				
Basic loss per share					
Loss attributable to equity holders of the Company		(0.26)	(0.64)	(0.13)	(0.11)

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

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

43

Consolidated Financial Statements

(Unit: Baht)

	Equity Attributable to Shareholders of The Company							
	Issued and fully paid-up share capital	Share discount	Retained earnings		Other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated (deficit)	Surplus (deficit) on changes in value of available-for-sale investments			
Balance as at 1 January 2013	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
Loss for the year	-	-	-	(140,444,174)	-	(140,444,174)	(27,360,375)	(167,804,549)
Other comprehensive income for the year	-	-	-	-	(171,900)	(171,900)	-	(171,900)
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
Balance as at 1 January 2014	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
Loss for the year	-	-	-	(56,382,907)	-	(56,382,907)	(12,524,092)	(68,906,999)
Other comprehensive income for the year	-	-	-	-	83,850	83,850	-	83,850
Total comprehensive income for the year	-	-	-	(56,382,907)	83,850	(56,299,057)	(12,524,092)	(68,823,149)
Balance as at 31 December 2014	2,200,000,000	(749,997,158)	12,525,332	(1,234,265,851)	(4,590,850)	223,671,473	(75,936,558)	147,734,915

Separate Financial Statements

	Equity and Shareholders' Statements				Other components of shareholders' equity	
	Issued and fully paid-up share capital	Share discount	Retained earnings		Surplus (deficit) on changes in value of available-for-sale investments	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated (deficit)		
Balance as at 1 January 2013	2,200,000,000	(749,997,158)	2,075,332	(735,389,113)	(4,502,800)	712,186,261
Loss for the year	-	-	-	(24,668,401)	-	(24,668,401)
Other comprehensive income for the year	-	-	-	-	(171,900)	(171,900)
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
Balance as at 1 January 2014	2,200,000,000	(749,997,158)	2,075,332	(760,057,514)	(4,674,700)	687,345,960
Loss for the year	-	-	-	(28,917,462)	-	(28,917,462)
Other comprehensive income for the year	-	-	-	-	83,850	83,850
Total comprehensive income for the year	-	-	-	(28,917,462)	83,850	(28,833,612)
Balance as at 31 December 2014	2,200,000,000	(749,997,158)	2,075,332	(788,974,976)	(4,590,850)	58,512,348

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

Statement of Cash Flows

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Loss before tax	(68,784,656)	(171,760,985)	(28,795,119)	(28,715,531)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,393,349	1,899,862	1,506,811	1,602,147
Cost of land and houses sold	255,530,733	105,691,179	-	-
Loss (gain) on disposal and write-off of equipment	(1,705)	(157,614)	2	(156,614)
Reduction of non-current assets held for sale to net realisable value	-	691,800	-	-
Unrealised loss (gain) on exchange	(13,450,820)	10,982,800	6,380	(174,458)
Unrealised loss (gain) on investment properties	(611,715)	13,706,494	(611,715)	21,456,494
Long-term employee benefit expenses	2,482,351	653,348	2,105,106	865,043
Interest income	(216,420)	(317,596)	(78,543,068)	(87,140,231)
Interest expenses	47,676,232	42,758,480	64,853,803	70,073,922
Loss on impairment of investment in subsidiary	-	-	21,100,000	-
Profit (loss) from operating activities before changes in operating assets and liabilities	225,017,349	4,147,768	(18,377,800)	(22,189,228)
Decrease (increase) in operating assets				
Trade and other receivables	90,067	1,506,856	(92,472)	1,347,527
Land and construction in progress	(150,781,822)	(217,394,139)	-	-
Other current assets	(7,281,800)	(7,596,944)	(1,283,563)	(3,698,410)
Other non-current assets	(168,401)	(19,024)	55,999	26,471
Increase (decrease) in operating liabilities				
Trade and other payables	(30,569,710)	41,273,709	(8,164,987)	(1,434,766)
Advances received from customers	(8,209,135)	6,564,958	-	-
Other current liabilities	76,462	-	475,276	-
Other non-current liabilities	3,198,862	1,797,742	66,725	109,244
Cash flows from (used in) operating activities	31,371,872	(169,719,074)	(27,320,822)	(25,839,162)
Cash paid for income tax	(8,793,330)	(2,957,457)	(4,406,962)	(1,867,281)
Income tax refund	969,685	1,159,321	-	-
Net cash flows from (used in) operating activities	23,548,227	(171,517,210)	(31,727,784)	(27,706,443)

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

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Increase in bank deposits under commitment	(3,107,721)	(1,058,646)	-	-
Cash received from investment in subsidiary	-	144,079	-	-
Cash paid for investment in subsidiaries	-	-	(129,875)	(1,999,600)
Cash paid for loans to subsidiaries	-	-	(133,162,359)	(190,895,153)
Cash received from repayment of loans to subsidiaries	-	-	5,152	57,786
Cash paid for investment properties	(448,633)	-	(448,633)	-
Proceeds from sale of equipment	2,336	167,684	-	166,614
Acquisition of equipment	(2,562,002)	(1,286,362)	(205,990)	(331,377)
Acquisition of computer software	-	(34,641)	-	(34,641)
Cash received from interest income	222,831	322,852	21,974	41,406
Net cash flows used in investing activities	(5,893,189)	(1,745,034)	(133,919,731)	(192,994,965)
Cash flows from financing activities				
Increase in short-term loans from financial institution	28,500,000	198,400,000	28,500,000	198,400,000
Cash received of long-term loans from financial institution	103,911,360	-	-	-
Cash paid for repayment of long-term loans from financial institution	(103,911,360)	-	-	-
Cash received from long-term loans from subsidiaries	-	-	179,987,503	51,700,000
Cash paid for interest expenses	(47,294,020)	(25,918,309)	(45,756,478)	(25,918,309)
Net cash flows from (used in) financing activities	(18,794,020)	172,481,691	162,731,025	224,181,691
Net increase (decrease) in cash and cash equivalents	(1,138,982)	(780,553)	(2,916,490)	3,480,283
Cash and cash equivalents at beginning of year	28,769,323	29,549,876	6,161,600	2,681,317
Cash and cash equivalents at end of year	27,630,341	28,769,323	3,245,110	6,161,600
Supplemental cash flows information				
Non-cash transactions				
Payable for investment in subsidiaries	-	250,400	-	250,400
Increase (decrease) in surplus on changes in value of available-for-sale investments	83,850	(171,900)	83,850	(171,900)
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	-	-
Transfer non-current assets held for sale to investment properties	22,368,000	-	-	-
Interest expenses recorded as cost of construction in progress	1,425,177	48,076	-	-
Decrease in loans to and interest receivable from subsidiaries by offsetting	-	-	780,821,016	-
Decrease in loans from and interest payable to subsidiaries by offsetting	-	-	779,642,542	-

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

46 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

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 was 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 Keppel Thai Properties Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 (%)	2013 (%)
Thai-Kami Co., Ltd.	Property development	Thailand	100	100
Gold Star Property Co., Ltd.	Property development	Thailand	100	100
Top Property Co., Ltd.	Property development	Thailand	61	61
Cornerstone Realty Co., Ltd.	Property development	Thailand	100	100
Utan Property Development Co., Ltd.	Property development	Thailand	100	100
Utan Town Development Co., Ltd.	Property development	Thailand	100	100
Utan Real Estate Development Co., Ltd.	Property development	Thailand	100	100
Utan Urban Development Co., Ltd.	Property development	Thailand	100	100
Utan Realty Co., Ltd.	Property development	Thailand	100	100

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

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

d) 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 financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 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 on an accrual basis based on the effective interest rate.

4.2 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 other related 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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 subsidiaries recognise loss on diminution in value of projects (if any) in profit or loss.

4.7 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other 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.

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.

4.8 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.

4.9 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.

4.10 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
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.

4.11 Computer software

Computer software is carried at cost less accumulated amortisation and allowance for loss on impairment of assets (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 of 10 years.

4.12 Business combination

The Company accounted for the business combination 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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 and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over up to five years from the date of adoption.

4.19 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.

4.20 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements 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 judgement 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 judgement 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 judgement.

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 judgements 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 judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

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 judgement.

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.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Litigation

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

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	94	104	34	24
Bank deposits	27,536	28,665	3,211	6,138
Total	27,630	28,769	3,245	6,162

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests between 0.30% and 2.70% per annum (2013: between 0.50% and 1.80% per annum).

7. 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
Uyayan Property Development Co., Ltd.	Subsidiary
Uyayan Town Development Co., Ltd.	Subsidiary
Uyayan Real Estate Development Co., Ltd.	Subsidiary
Uyayan Urban Development Co., Ltd.	Subsidiary
Uyayan 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
Travelmore Pte Ltd	Subsidiary of the parent company of the Group

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
	2014	2013	2014	2013	
<u>Transactions with subsidiaries</u>					
(Being eliminated from the consolidated financial statements)					
Interest income	-	-	79	87	At the maximum interest rate from external sources of finance, at the Minimum Loan Rate and at the borrowing costs of the financial institution rate (2013: at the Minimum Loan Rate and at the borrowing costs of the financial institution rate)
Management income	-	-	16	16	Contract price
Interest expenses	-	-	27	36	At the maximum interest rate from external sources of finance, at the Minimum Loan Rate and at the borrowing costs of the financial institution rate (2013: at the Minimum Loan Rate and at the borrowing costs of the financial institution rate)
<u>Transactions with related parties</u>					
Management fee	7	4	3	2	Contract price
Interest expenses	9	8	-	-	At the cost of funds rates of lender plus 1.10 percent per annum

56 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related companies are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Other accounts receivables - subsidiaries (Note 8)					
(Being eliminated from the consolidated financial statements)					
Cornerstone Realty Co., Ltd.	-	-	-	157	154
Top Property Co., Ltd.	-	-	-	6,425	6,414
Thai-Kami Co., Ltd.	-	-	-	477	463
Gold Star Property Co., Ltd.	-	-	-	158	153
Total	-	-	-	7,217	7,184
Loans to and interest receivable from subsidiaries					
(Being eliminated from the consolidated financial statements)					
Cornerstone Realty Co., Ltd.	-	-	-	235,573	325,179
Top Property Co., Ltd.	-	-	-	548,664	527,955
Thai-Kami Co., Ltd.	-	-	-	569,747	642,546
Gold Star Property Co., Ltd.	-	-	-	23,006	449,270
Utayan Urban Development Co., Ltd.	-	-	-	-	2
Utayan Real Estate Development Co., Ltd.	-	-	-	-	2
Total	-	-	-	1,376,990	1,944,954
Amounts due to related parties (Note 20)					
Keppel Land International Limited	33	4	-	33	4
Straits Mansfield Property Marketing Pte Ltd	597	1,567	-	258	705
Travelmore Pte Ltd	285	-	-	285	-
Total	915	1,571	-	576	709
Accrued expenses - related party (Note 20)					
Keppel Land International Limited	-	1,045	-	-	1,045
Total	-	1,045	-	-	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.	-	-	-	19	61,706
Gold Star Property Co., Ltd.	-	-	-	51,212	454,589
Total	-	-	-	51,231	624,216
Long-term loan from and interest payable to related party					
Keppel Land Financial Services Pte Ltd	344,190	348,829	-	-	-
Total	344,190	348,829	-	-	-

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			
Long-term loan from and interest payable to related party	Balance as at 1 January 2014	Increase during the year	Decrease during the year
			Balance as at 31 December 2014
Keppel Land Financial Services Pte Ltd	348,829	8,830	(13,469)
			344,190

Top Property Co., Ltd. entered into the agreements with Keppel Land Financial Services Pte Ltd to obtain unsecured loan facility in Singapore dollar currency with interest rate charged at the cost of funds rates of lender plus 1.10% per annum. During the year 2014, Top Property Co., Ltd. entered into additional agreement to extend the due date to April 2016.

As at 31 December 2014, Top Property Co., Ltd. had an outstanding balance of long-term loan from and interest payable to related party amounting to SGD 13.7 million (2013: SGD 13.4 million).

(Unit: Thousand Baht)			
Separate financial statements			
Loans to and interest receivable from subsidiaries	Balance as at 1 January 2014	Increase during the year	Decrease during the year
			Balance as at 31 December 2014
Cornerstone Realty Co., Ltd.	325,179	26,072	(115,678)
Top Property Co., Ltd.	527,955	41,577	(20,868)
Thai-Kami Co., Ltd.	642,546	124,108	(196,907)
Gold Star Property Co., Ltd.	449,270	21,105	(447,369)
Utaayan Urban Development Co., Ltd.	2	-	(2)
Utaayan Real Estate Development Co., Ltd.	2	-	(2)
Total	1,944,954	212,862	(780,826)
			1,376,990

Long-term loan from and interest payable to subsidiaries

	Balance as at 1 January 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2014
Cornerstone Realty Co., Ltd.	97,258	18,030	(115,288)	-
Top Property Co., Ltd.	10,663	9,603	(20,266)	-
Thai-Kami Co., Ltd.	61,706	134,518	(196,205)	19
Gold Star Property Co., Ltd.	454,589	44,507	(447,884)	51,212
Total	624,216	206,658	(779,643)	51,231

These loans to and loans from subsidiaries are unsecured loans with interest rate charged at the rates of 2.52% - 7.25% per annum (2013: 2.56% - 7.38% per annum).

As at 31 December 2014, the Company directors' remuneration payable to related parties amounted to Baht 4 million (2013: Baht 13 million).

As at 31 December 2014 and 2013, the Company and its subsidiaries have commitment to pay management fee and internal audit fee to a related party as disclosed in Note 28.3 to the financial statements.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)	
Consolidated / Separate financial statements	
	2014
Short-term employee benefits	18.9
Post-employment benefits	0.9
Total	19.8

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - unrelated parties				
Aged on the basis of due dates Past due				
Up to 3 months	126	216	126	66
Total trade receivables - unrelated parties, net	126	216	126	66
Other receivables - subsidiaries				
Guarantee fee	-	-	5,953	5,953
Management fee	-	-	1,264	1,231
Other receivables - subsidiaries, net (Note 7)	-	-	7,217	7,184
Trade and other receivables - net	126	216	7,343	7,250

9. Land and construction in progress

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Land	563,418	563,418
Borrowing cost	229,638	228,213
Construction under development	1,869,182	1,718,399
Condominium units held for sales	25,590	-
Total	2,687,828	2,510,030
Less: Amounts transferred to cost of sales	(1,467,140)	(1,211,609)
Add: Transfer from investment properties (Note 15)	-	25,590
Total	1,220,688	1,324,011

During the year 2014, 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.

As at 31 December 2014, the subsidiary mortgaged the land and construction in progress amounting to Baht 513 million (2013: Baht 367 million) with a financial institution as collateral for secured long-term loans for the letter of guarantees issuance amounting to Baht 7 million (2013: Baht 7 million) as disclosed in Note 28.4 to the financial statements.

During the year ended 31 December 2014, the subsidiaries capitalised borrowing costs to cost of project amounting to Baht 1.43 million (2013: Baht 0.05 million).

10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accrued income	531	977	531	977
Prepaid expenses	3,416	4,268	3,416	3,184
Advance payments	13,419	6,914	31	33
Others	294	215	236	177
Total	17,660	12,374	4,214	4,371

11. Non-current assets held for sale

(Unit: Thousand Baht)

Consolidated financial statements	
2014	2013
Balance at beginning of year	-
Add: Transfer from investment properties (Note 15)	23,060
Less: Reduction of non-current assets held for sales to net realisable value	(692)
Transfer to investment properties (Note 15)	-
Balance at end of year	22,368

Non-current assets held for sale is vacant land. The subsidiary reclassified such assets to investment properties with its fair value which has been determined based on valuation performed by an independent valuer, using the market approach.

12. Bank deposits under commitment

As at 31 December 2014, the balance of savings account amounting to Baht 17 million (2013: Baht 14 million) of the subsidiaries represent 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 (2013: Baht 10 million) are pledged as collateral for the letter of guarantees issuance as disclosed in Note 28.4 to the financial statements.

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2014 and 2013 are as follows:

Company's name	Called-up share capital		Shareholding percentage		Cost		Allowance for loss on impairment of investments		Net book value (cost method)	
	2014	2013	2014 (%)	2013 (%)	2014	2013	2014	2013	2014	2013
Thai-Kami Co., Ltd.	374,500	374,500	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	(317,586)	(296,486)	91,514	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	1,000	100	100	1,000	1,000	-	-	1,000	1,000
Utayan Urban Development Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-	1,000	1,000
Utayan Realty Co., Ltd.	250	250	100	100	250	250	-	-	250	250
Total					1,132,773	1,132,773	(1,037,009)	(1,015,909)	95,764	116,864

During the years ended 31 December 2014 and 2013, the Company did not receive dividends from its subsidiaries.

During the year ended 31 December 2014, the Company set up allowance for loss on impairment of investments in Gold Star Property Co., Ltd. amounting to Baht 21.1 million (2013: Nil) and recognised as loss on impairment of investment in subsidiary in profit or loss in the separate statement of comprehensive income.

Long-term loan agreements of subsidiary

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 of Thai-Kami Co., Ltd., 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.

60 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

Movements in the long-term loans from financial institution during the year ended 31 December 2014 are summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2014	-
Add: Draw down during period	103,911
Less: Repayments	(103,911)
Balance as at 31 December 2014	-

During 2014, a subsidiary has released some of its mortgage land and construction for the project. As a result, the long-term credit facilities of a subsidiary which have not yet been drawn down decreased by Baht 42 million. Consequently, as at 31 December 2014, the long-term credit facilities of a subsidiary which have not yet been drawn down amounted to Baht 184 million (2013: Baht 330 million).

14. Other long-term investment

The outstanding balance as at 31 December 2014 represents available-for-sale investments in unit trusts which was valued at fair value. A provision for changes in value of investment amounts of Baht 4.6 million (2013: Baht 4.7 million) were presented under the caption of "Other component of shareholders' equity" under shareholders' equity in the statements of financial position.

15. 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 2012	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 9, 11)	-	(25,590)	(23,060)	(48,650)	-
Net book value as at 31 December 2013	310,152	-	-	310,152	310,152
Additions (subsequent expenditure)	448	-	-	448	448
Unrealised gain from a fair value adjustment	612	-	-	612	612
Transfer of assets (Note 11)	-	-	22,368	22,368	-
Net book value as at 31 December 2014	311,212	-	22,368	333,580	311,212

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

During the year 2014, a subsidiary reclassified vacant land from non-current assets held for sale to investment properties with its fair value of Baht 22.4 million to comply with the classification condition of related financial reporting standards.

During the years 2014 and 2013, 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 and Separate financial statements	
	2014	2013
Rental income from office building and service income	36	38

16. 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 2013	2,012	41,715	28,267	4,165	76,159
Additions	-	-	1,286	-	1,286
Disposals/write-off	-	-	(21)	(1,052)	(1,073)
31 December 2013	2,012	41,715	29,532	3,113	76,372
Additions	-	-	2,562	-	2,562
Disposal/write-off	-	-	(178)	(2)	(180)
31 December 2014	2,012	41,715	31,916	3,111	78,754
Accumulated depreciation					
1 January 2013	-	37,020	26,197	4,165	67,382
Depreciation for the year	-	1,055	757	-	1,812
Depreciation on disposal	-	-	(21)	(1,052)	(1,073)
31 December 2013	-	38,075	26,933	3,113	68,121
Depreciation for the year	-	938	1,307	-	2,245
Depreciation on disposal/write-off	-	-	(177)	(2)	(179)
31 December 2014	-	39,013	28,063	3,111	70,187
Net book value					
31 December 2013	2,012	3,640	2,599	-	8,251
31 December 2014	2,012	2,702	3,853	-	8,567
Depreciation for the year					
2013 (Included in administrative expenses)					1,812
2014 (Included in administrative expenses)					2,245

62 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Separate financial statements				
	Land and land improvements	Buildings and buildings improvements	Office furniture and equipment	Motor vehicles	Total
Cost					
1 January 2013	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
Additions	-	-	207	-	207
Disposal/write-off	-	-	(37)	-	(37)
31 December 2014	2,012	41,715	21,081	-	64,808
Accumulated depreciation					
1 January 2013	-	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
Depreciation for the year	-	938	453	-	1,391
Depreciation on disposal/write-off	-	-	(37)	-	(37)
31 December 2014	-	39,013	20,040	-	59,053
Net book value					
31 December 2013	2,012	3,640	1,287	-	6,939
31 December 2014	2,012	2,702	1,041	-	5,755
Depreciation for the year					
2013 (Included in administrative expenses)					1,488
2014 (Included in administrative expenses)					1,391

As at 31 December 2014, certain items of building and equipment of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 30 million (2013: Baht 30 million) (The Company only: Baht 19 million (2013: Baht 19 million)).

17. Computer software

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

	Consolidated financial statements	Separate financial statements
	(Unit: Thousand Baht)	
As at 31 December 2014		
Cost	2,193	794
Less: Accumulated amortisation	(1,801)	(468)
Net book value	392	326
As at 31 December 2013		
Cost	2,193	794
Less: Accumulated amortisation	(1,653)	(352)
Net book value	540	442

A reconciliation of the net book value of computer software for the years 2014 and 2013 is presented below.

	Consolidated financial statements	Separate financial statements
	(Unit: Thousand Baht)	
	2014	2013
Net book value at beginning of year	540	651
Acquisition of computer software	-	35
Amortisation	(148)	(146)
Net book value at end of year	392	540

18. Other non-current assets

	Consolidated financial statements	Separate financial statements
	(Unit: Thousand Baht)	
	2014	2013
Refundable corporate income tax and value added tax	16,104	8,188
Deposits	1,509	1,341
Others	879	879
Total	18,492	10,408

19. Short-term loans from financial institutions

	Interest rate (percent per annum)	Consolidated/Separate financial statements
	(Unit: Million Baht)	
Loan	2014	2013
1 (a)	3.10 - 3.85	3.48 - 3.85
2 (b)	3.14	-
Total	1,024	995

(a) As at 31 December 2014, 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.

(b) 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.

64 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

20. Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable	9,932	27,123	316	525
Amounts due to related parties (Note 7)	915	1,571	576	709
Accrued expense - related party (Note 7)	-	1,045	-	1,045
Interest payable	1,025	10,038	1,025	10,038
Accounts payable - others	20,785	28,921	10,282	17,182
Retention	11,674	15,198	15	16
Total	44,331	83,896	12,214	29,515

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represented compensations payable to employees after they retired from the Company and its subsidiaries, was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	3,282	2,831	2,785	2,078
Current service cost	1,236	1,411	1,076	1,257
Interest cost	145	117	123	86
Actuarial (gain) loss	901	(1,077)	749	(636)
Defined benefit obligation at end of year	5,564	3,282	4,733	2,785
Unrecognised transitional provisions	(201)	(402)	(158)	(315)
Provisions for long-term employee benefits at end of year	5,363	2,880	4,575	2,470

Long-term employee benefit expenses included in the profit or loss consist of the following:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	1,236	1,411	1,076	1,257
Interest cost	145	117	123	86
Actuarial (gain) loss recognised during the year	901	(1,077)	749	(636)
Transitional liability recognised during the year	201	202	157	158
Total expense recognised in profit or loss	2,483	653	2,105	865

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

Key actuarial assumptions used for the valuation are as follows:

	Consolidated/Separate financial statements	
	2014 (% per annum)	2013 (% per annum)
Discount rate	3.7	4.4
Future salary increase rate	5.8	4.8
Staff turnover rate (depending on age)	32.5	34.1

The amounts of defined benefit obligation and experience adjustments for the current and the past four years are as follows:

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	5,564	4,733	1,280	1,161
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	-	-

22. 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.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	59,785	57,250	50,456	46,464
Depreciation	2,245	1,812	1,391	1,488
Amortisation	148	146	116	115
Special business tax	10,225	3,587	20	-
Loss (gain) on exchange	(13,521)	10,983	(29)	(174)
Payment of construction in progress	152,207	217,442	-	-
Changes in land and construction in progress	103,324	(111,751)	-	-
Unrealised loss (gain) on investment properties	(612)	13,706	(612)	21,456

24. Income tax

24.1 Deferred tax liabilities

The components of deferred tax liabilities as at 31 December 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax liabilities				
Unrealised gain from revaluation of investment properties	56,813	56,691	56,723	56,600
Total	56,813	56,691	56,723	56,600

24.2 Income tax expenses

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
		2014	2013
Current income tax:			
Current income tax charge for the year		-	-
Deferred tax:			
Relating to origination and reversal of temporary differences		122	(4,047)
Tax expenses (income) reported in the statements of comprehensive income		122	(4,047)

The reconciliation between accounting loss and income tax expenses (income) is shown below.

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
		2014	2013
Accounting loss before tax		(68,785)	(171,761)
Applicable tax rate		20%	20%
Accounting loss before tax multiplied by income tax rate		(13,757)	(5,743)
Effects of:			
Non-deductible expenses		38	27
Additional expenses deductions allows		(97)	(44)
Unused tax losses of the Company and subsidiaries which may not utilise		13,442	1,540
Temporary differences of the Company and subsidiaries which may not utilise		496	173
Tax expenses (income) reported in the statements of comprehensive income		122	(4,047)

As at 31 December 2014 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,593 million (2013: Baht 1,499 million) (The Company only: Baht 1,069 million (2013: Baht 1,039 million)), no deferred tax assets have been recognised on these amount 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.

25. Earnings per share

Basic loss per share is calculated by dividing 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		Loss per share	
2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand Shares)	(Baht)	(Baht)
(56,383)	(140,444)	220,000	220,000	(0.26)	(0.64)
Basic loss per share					
Loss attributable to equity holders of the Company					
Separate financial statements					
Loss for the year		Weighted average number of ordinary shares		Loss per share	
2014	2013	2014	2013	2014	2013
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
(28,917)	(24,668)	220,000	220,000	(0.13)	(0.11)
Basic loss per share					
Loss attributable to equity holders of the Company					

26. Segment information

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

68 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2014 and 2013, respectively.

(Unit: Million Baht)

	2014			
	Real estate business segment	Rental and services business segment	Adjustments and eliminations	Consolidated financial statements
Revenues from external customers	309	37	-	346
Inter-segment revenue	-	16	(16)	-
Total revenue	309	53	(16)	346
Segment loss	(14)	(22)	-	(36)
Unallocated income (expenses)				
Other income				1
Gain on exchange				14
Financial costs				(48)
Loss for the year				(69)

(Unit: Million Baht)

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

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 December 2014 and 2013:

	Real estate business segment	Rental and service business segment	Total segments	Non-allocated assets	(Unit: Million Baht) Total
Segment assets					
As at 31 December 2014	1,246	317	1,563	91	1,654
As at 31 December 2013	1,347	318	1,665	76	1,741

Geographic information

The Company and its subsidiaries are operated in Thailand only.

Major customers

For the year 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

27. Provident fund

During the year 2013, 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 2014, the Company and its subsidiaries contributed Baht 1.5 million (2013: Baht 0.4 million) (The Company only: Baht 1.3 million (2013: Baht 0.3 million)) to the fund.

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2014 and 2013, 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	
	2014	2013
Professional and consultancy fees	1.4	0.1
Construction costs	327.0	134.1

28.2 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.

(Unit: Million Baht)

28.3 Service commitments

28.4 Guarantees

28.5 Litigation

The subsidiary's management and its legal consultant are of the opinion that the outcome of the case will not adversely affect the subsidiary and believe that the plaintiff's claims are invalid; therefore, no provision for litigation has been made in the account.

29. Financial instruments

29.1 Financial risk management

Credit Risk

Interest rate risk

Significant financial assets and liabilities as at 31 December 2014 and 2013 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.

(Unit: Million Baht)

Consolidated financial statements**As at 31 December 2014**

	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	27.2	-	27.6	0.30 - 2.70
Trade and other receivables	-	-	0.1	0.1	-
Bank deposits under commitment	-	27.0	-	27.0	1.50 - 2.70
	<u>0.4</u>	<u>54.2</u>	<u>0.1</u>	<u>54.7</u>	
Financial liabilities					
Short-term loans from financial institutions	1,023.9	-	-	1,023.9	Note 19
Trade and other payables	-	-	44.3	44.3	-
Long-term loans from and interest payable to related party	-	344.2	-	344.2	Note 7
	<u>1,023.9</u>	<u>344.2</u>	<u>44.3</u>	<u>1,412.4</u>	

(Unit: Million Baht)

Separate financial statements**As at 31 December 2014**

	Fixed interest rate Within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	-	3.2	-	3.2	0.30
Trade and other receivables	-	-	7.3	7.3	-
Short-term loans to and interest receivable from subsidiaries	-	1,377.0	-	1,377.0	Note 7
	<u>-</u>	<u>1,380.2</u>	<u>7.3</u>	<u>1,387.5</u>	
Financial liabilities					
Short-term loans from financial institutions	1,023.9	-	-	1,023.9	Note 19
Trade and other payables	-	-	12.2	12.2	-
Long-term loans from and interest payable to subsidiaries	-	51.2	-	51.2	Note 7
	<u>1,023.9</u>	<u>51.2</u>	<u>12.2</u>	<u>1,087.3</u>	

72 Notes to Consolidated Financial Statements

For the year ended 31 December 2014

(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	0.40 - 1.80
Trade and other receivables	-	-	0.2	0.2	-
Bank deposits under commitment	-	23.9	-	23.9	0.40 - 1.80
	<u>0.8</u>	<u>51.8</u>	<u>0.3</u>	<u>52.9</u>	
Financial liabilities					
Short-term loans from financial institutions	995.4	-	-	995.4	Note 19
Trade and other payables	-	-	83.9	83.9	-
Long-term loans from and interest payable to related party	-	348.8	-	348.8	Note 7
	<u>995.4</u>	<u>348.8</u>	<u>83.9</u>	<u>1,428.1</u>	

(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	0.40
Trade and other receivables	-	-	7.3	7.3	-
Short-term loans to and interest receivable from subsidiaries	-	1,945.0	-	1,945.0	Note 7
	<u>0.5</u>	<u>1,950.7</u>	<u>7.3</u>	<u>1,958.5</u>	
Financial liabilities					
Short-term loans from financial institutions	995.4	-	-	995.4	Note 19
Trade and other payables	-	-	29.5	29.5	-
Long-term loans from and interest payable to subsidiaries	-	624.2	-	624.2	Note 7
	<u>995.4</u>	<u>624.2</u>	<u>29.5</u>	<u>1,649.1</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.

As at 31 December 2014 and 2013, the balances of financial liabilities denominated in foreign currency are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Average exchange rate	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Singapore dollar	13.7	13.5	-	0.1	25.1274	26.1167

29.2 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.

30. 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.

31. Approval of financial statements

These financial statements were authorised to issue by the Company's Board of Directors on 24 February 2015.

