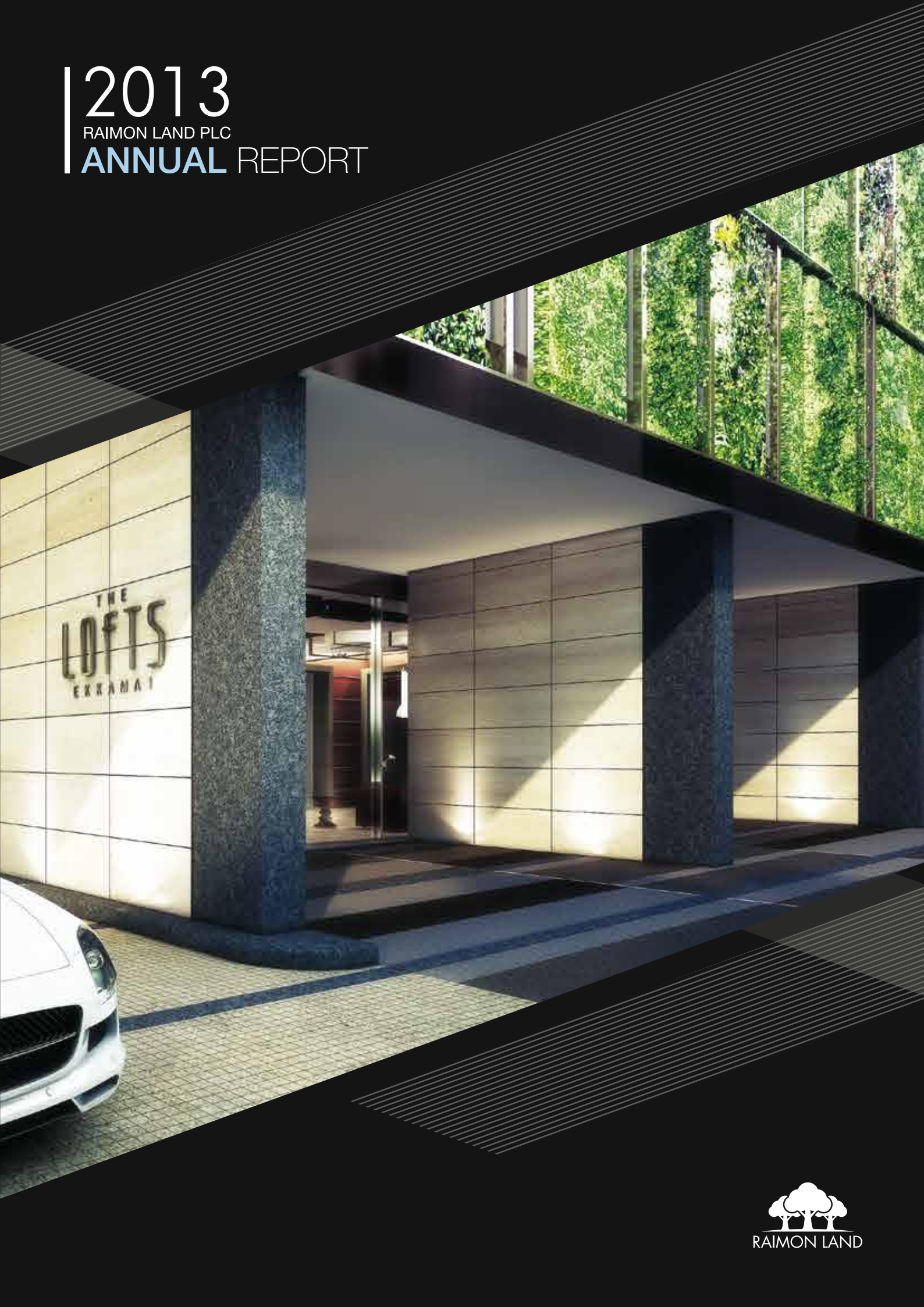
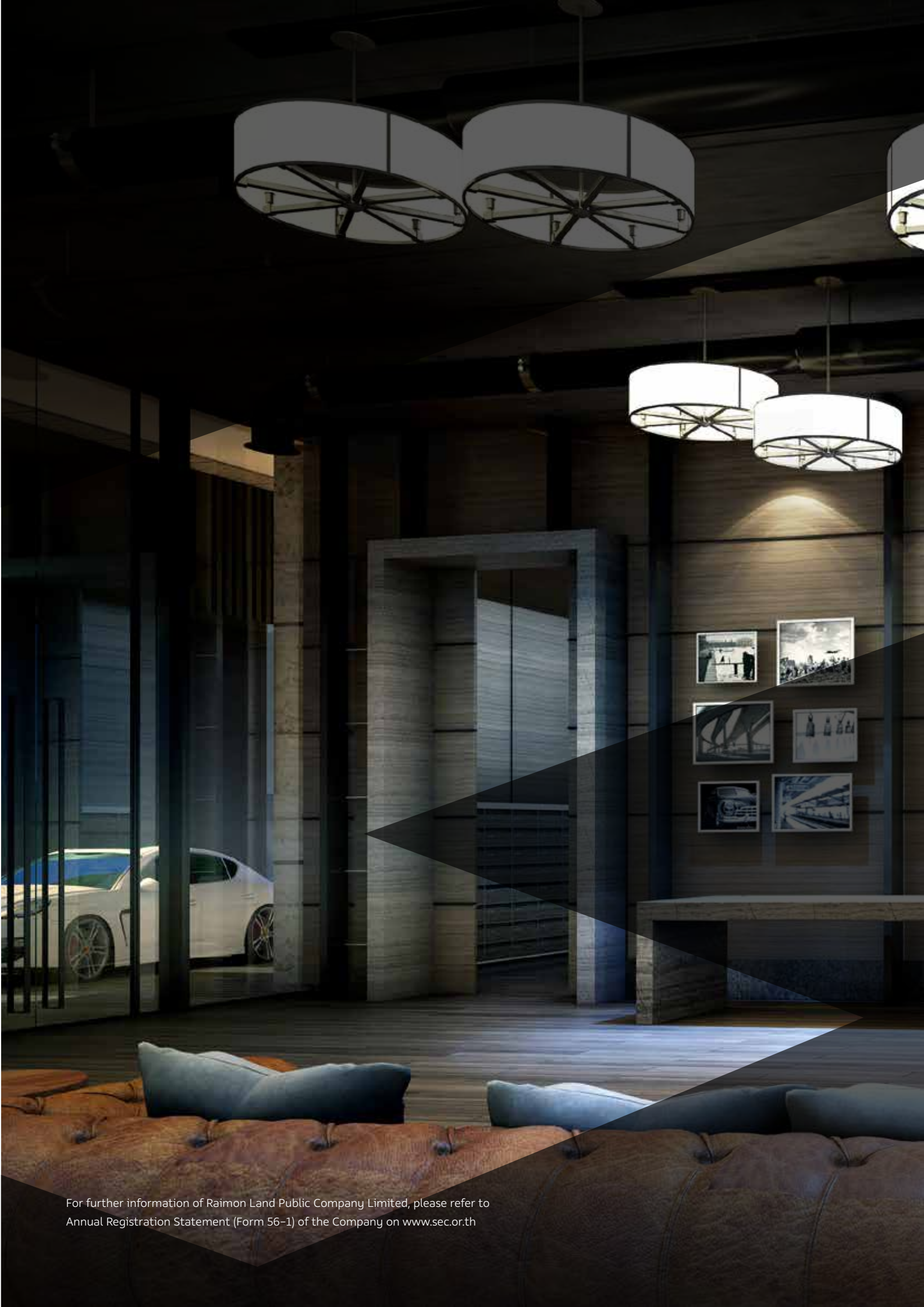
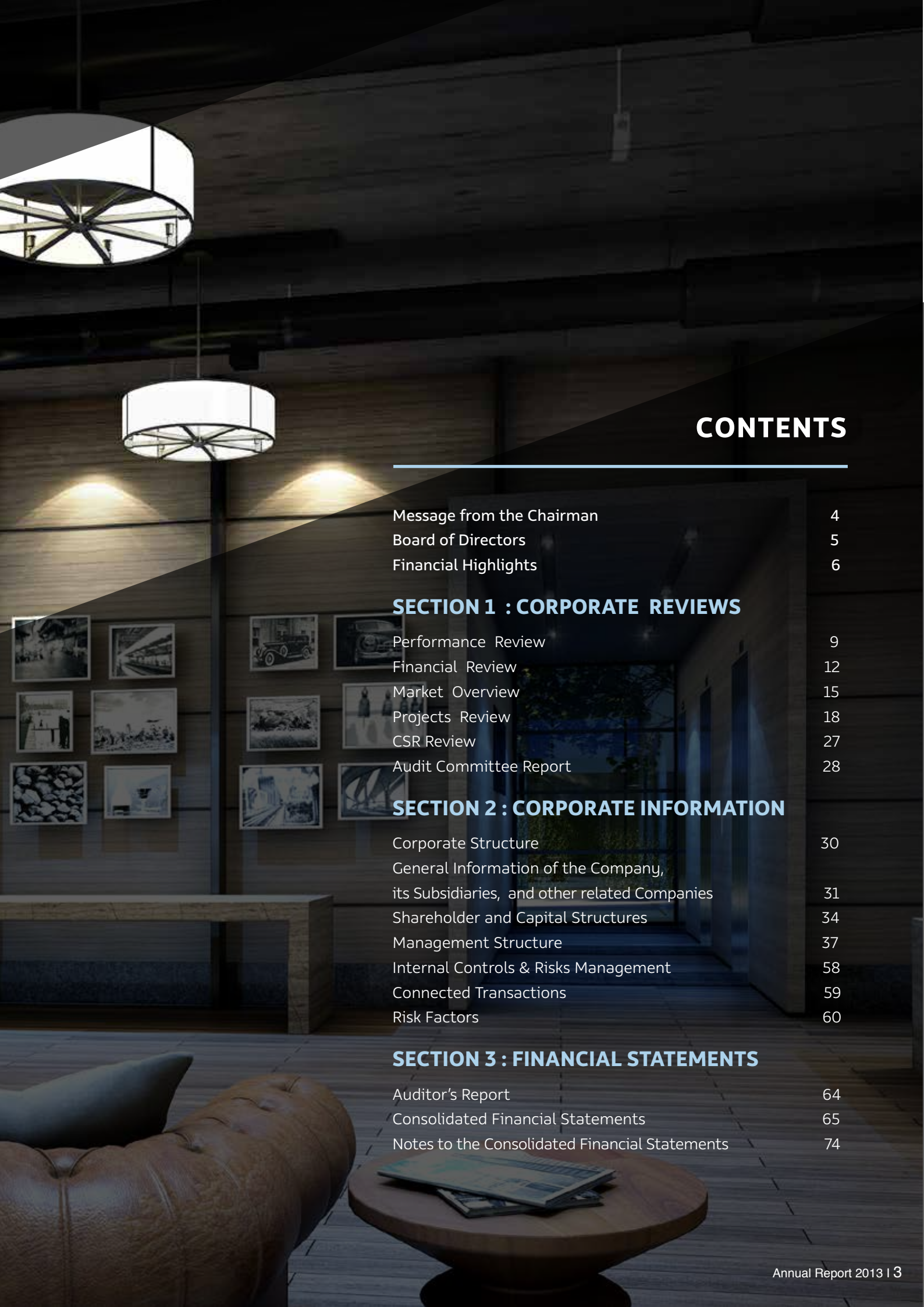
# 2013
RAIMON LAND PLC
# ANNUAL REPORT




RAIMON LAND



For further information of Raimon Land Public Company Limited, please refer to
Annual Registration Statement (Form 56-1) of the Company on www.sec.or.th



# CONTENTS


Message from the Chairman 4
Board of Directors 5
Financial Highlights 6

## SECTION 1 : CORPORATE REVIEWS

Performance Review 9
Financial Review 12
Market Overview 15
Projects Review 18
CSR Review 27
Audit Committee Report 28

## SECTION 2 : CORPORATE INFORMATION

Corporate Structure 30
General Information of the Company, its Subsidiaries, and other related Companies 31
Shareholder and Capital Structures 34
Management Structure 37
Internal Controls & Risks Management 58
Connected Transactions 59
Risk Factors 60

## SECTION 3 : FINANCIAL STATEMENTS

Auditor's Report 64
Consolidated Financial Statements 65
Notes to the Consolidated Financial Statements 74

# MESSAGE FROM THE CHAIRMAN

**Dear Shareholders;**

The past year in Thailand, has been another year full of challenges resulted from local political situation and the result 'Bangkok Shutdown', and the various negative impacts for the property development market in general. Therefore, many companies have to reconsider the business plans and strategies including Raimon Land which is the one that adapt itself by more focusing on financial planning and discipline. However, Raimon Land has still focused more on the premium luxury condominium segment which has been minor impacted from the above obstacles, as the Company has been able to increase its average selling price as compared to the previous year. This has been achieved through implementing a more focused and selective project model; improve strategies including developed product and service which truly satisfy customer needs.

For 2013, the Company achieved net profit of Baht 746 million which is the highest net profit from over last 10 years which resulted from the transfer of units at The River Project as planned. The Company also launched a new project, The Lofts Ekkamai, located on Sukhumvit Road. The Lofts Ekkamai has proven to be a success having achieved over 60% of its total units sold within a short period. Besides, 185 Rajadamri project, a proud project of us has been awarded to be "The Best Luxury Condo" in Bangkok from Thailand Property Awards 2013.

The year 2014 will be golden year for the Company, as 185 Rajadamri's construction was completed and the transfer of unit ownership will start from March. In addition, Zire Wongamat, which is well-known for its luxury standard and beachfront location on Pattaya's Wongamat beach, has sold 90% of its total units and is expected to be complete and ready to transfer to customers within the year as well.

Finally, I would like to thank the customers and all shareholders for the trust and support given to our company throughout this year. I also wish to thank the Board of Directors, the Executives, and all staff, who are fully committed and dedicated to work for the Company, resulting in the strong operations in 2013 and achieving a huge growth from 2012.

Mr. Pradit Phataraprasit
**Chairman of the Board of Directors**

# BOARD OF DIRECTORS

RAIMON LAND PLC. has assembled a group of strong, well-respected persons to form its Board of Directors. These reputable persons are well-qualified in a various management disciplines and, combined, possess an extensive wealth of relevant property development experiences across a diverse range of markets. As such, the Board is well-equipped to effectively guide and advise the Executive Management group to achieve long term value creation for all our Shareholders and Stakeholders on a sustainable basis. The Board comprises of these persons :

Mr. Pradit Phataraprasit
Chairman of the Board of Directors, Independent Director and Audit Committee Member

Mr. Lee Chye Tek Lionel
Director

Mr. Lee Chye Cheng Adrian
Director

Mr. Tan Chin Kwang Johnson
Director

Mr. Jason Goh Hseng Wei
Director

Ms. Nuch Kalyawongsa
Director

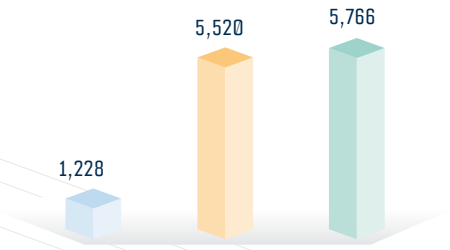
Mr. Roland Pang Tze Vui
Director

Mr. Kitti Gajanandana
Director, Independent Director and Chairman of Audit Committee

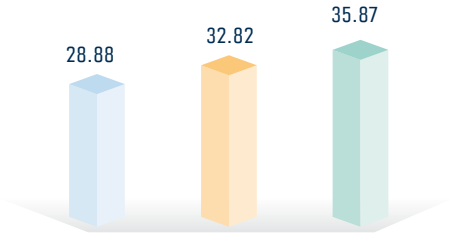
Mr. Jirawud Kuvanant
Director, Independent Director and Audit Committee Member

# FINANCIAL HIGHLIGHTS

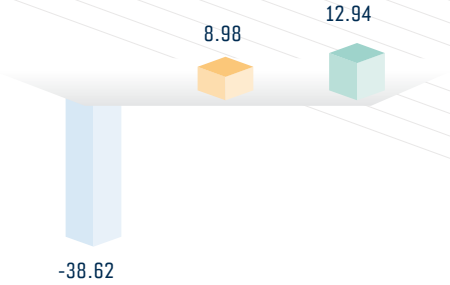
Consolidated Revenues (Baht Million)



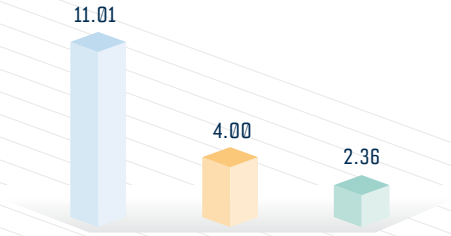

Gross Profit – from core revenues (%)



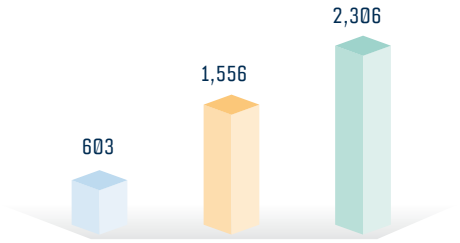

Net Profit Margin – %



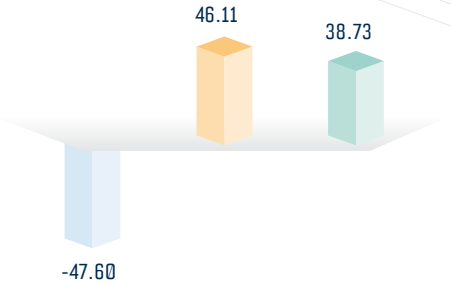

Interest –Bearing Debts : Equity Ratio (Times)



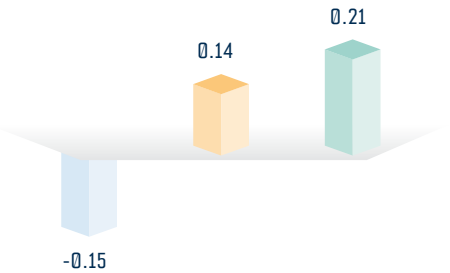

Total Shareholders Equity (Baht – Million)



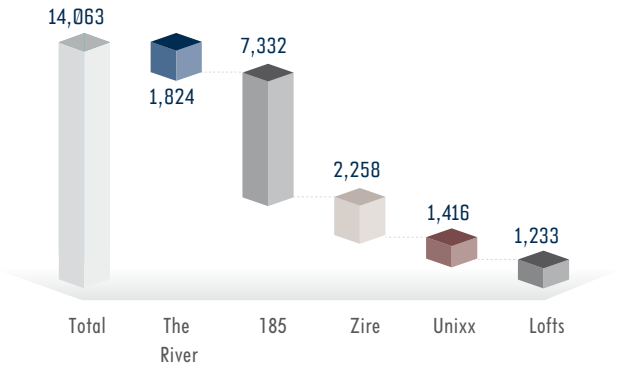

% Return to Shareholders




Earnings per Share (Baht )




Secured Backlog (Baht – Million)



# FINANCIAL HIGHLIGHTS (Consolidated Financial Statements)

| | FY/2013 | FY/2012 | FY/2011 |
|---|---|---|---|
| | (in Baht Millions) (except for number of shares, value/per share and financial ratio) | | |
| Statement of Income | | | |
| Sales of residential condominium units | 5,656.43 | 5,434.82 | 1,151.40 |
| Sales of residential condominium units | 5,765.69 | 5,519.96 | 1,228.25 |
| Cost of residential condominium units sold | 3,627.26 | 3,651.03 | 818.88 |
| Total Expenses | 4,603.45 | 4,500.78 | 1,395.67 |
| Gross Profit from core business | 2,029.17 | 1,783.79 | 332.52 |
| Net Profit/(Loss) | 746.34 | 495.85 | (480.32) |
| Net Profits/(Loss) – attributable to owners of the Company | 746.27 | 495.77 | (474.31) |
| Statement of Financial Position | | | |
| Total Assets | 13,584.43 | 14,996.72 | 15,299.45 |
| Total Liabilities | 11,277.98 | 13,440.86 | 14,696.38 |
| Issued and paid up share capital | 3,575.42 | 3,575.42 | 3,250.39 |
| Total Shareholders Equity | 2,306.45 | 1,555.86 | 603.07 |
| Total Equity attributable to owners of the Company | 2,302.06 | 1,551.54 | 598.83 |
| Liquidity Ratios (Times) | | | |
| Current Ratio | 1.25 | 1.26 | 1.76 |
| Quick Ratio | 0.13 | 0.21 | 0.16 |
| (Profitability Ratios) (%) | | | |
| Gross Profit Margin (1) | 35.87% | 32.82% | 28.88% |
| Net Profit Margin | 12.94% | 8.98% | -38.62% |
| Return on Equity (2) | 38.73% | 46.11% | -47.60% |
| Return on Assets | 5.22% | 3.27% | -3.42% |
| Efficiency Ratios (Times) | | | |
| Total Assets Turnover | 0.42 | 0.36 | 0.08 |
| Leverage Ratios (Times) | | | |
| Debt to Equity Ratio | 4.89 | 8.64 | 24.37 |
| Interest-bearing Debt to Equity Ratio | 2.36 | 4.00 | 11.01 |
| Interest Coverage Ratio (3) | 6.75 | 3.91 | (1.37) |

| | FY/2013 | FY/2012 | FY/2011 |
|---|---|---|---|
| | (in Baht Millions) (except for number of shares, value/per share and financial ratio) | | |
| Growth – % per year | | | |
| Total Assets Growth | -9.42% | -1.98% | 23.34% |
| Total Liabilities Growth | -16.09% | -8.54% | 33.54% |
| Total Shareholders' Equity Growth | 48.24% | 157.99% | -56.87% |
| Total Revenues Growth | 4.45% | 349.42% | -64.83% |
| Total Expenses Growth (4) | -0.75% | 222.48% | -51.15% |
| Per Share Ratios (Baht) | | | |
| Earnings per Share | 0.21 | 0.14 | (0.15) |
| Book Value per Share (Baht) (5) | 0.65 | 0.45 | 0.19 |
| Other Financial Information | | | |
| Net Cash Flow from operating activities | (75.28) | 802.54 | (1,042.85) |
| Net Cash Flow from investments activities | (26.46) | (16.36) | (503.14) |
| Net Cash Flow from financing aactivities | (773.34) | (16.54) | 1,626.79 |

(1) Gross Profit Margin = (sales reveneues – costs of sales/total sales revenues, with total sales reveues being recognised income for sale of residential condominium units

(2) Return on Equity = Net Profit/(Loss))attributable to equity holders of the Company/ average number of equity shareholders of the Company for the current year and the previous year

(3) Interest coverage ratio = EBIT/Finance costs, whereby 'finance costs' being interest costs and other expenses relating to financing activities (ie: loans related fees and charges),

(4) Excludes the impairment loss of investment properties and reduce project development cost to net realisable value

(5) Book value excludes no- controlling interests in Subsidiary Companies

# PERFORMANCE REVIEW

Raimon Land Public Company Limited ("The Company") achieved consolidated net profit of Baht 746 million and consolidated EBITDA of Baht 1,197 million for FY/2013, compared to consolidated net profit of Baht 496 million and consolidated EBITDA of Baht 1,057 million for FY/2012.

## Profit & Loss Summary (as per the Consoldiated Financial Statements)

| PROJECTS | FY/2013 (BAHT MILLION) | FY/2012 (BAHT MILLION) | % CHANGE |
|---|---|---|---|
| Revenues from unit sales of residential condominiums | 5,656 | 5,435 | 4% |
| Cost of sales for unit sales of residential condominiums | 3,627 | 3,651 | -1% |
| **Gross Profit** | 2,029 | 1,784 | 14% |
| Other income | 109 | 85 | 28% |
| Selling and Administrative expenses | (941) | (812) | 16% |
| **EBITDA** | 1,197 | 1,057 | 13% |
| Depreciation & Amortisation | (35) | (38) | -8% |
| **EBIT** | 1,162 | 1,019 | 14% |
| Finance Costs | (172) | (260) | -34% |
| Income Tax | (244) | (263) | -7% |
| **Net Profit** | 746 | 496 | 50% |
| **Earnings per Share** | 0.21 | 0.14 | 50% |

## Revenues

In 2013, the Company achieved total consolidated revenues of Baht 5,766 million, representing an increase of Baht 246 million, or 4%, from 2012; whereby 98% of total revenues was derived from recognised sales income for 2 major property development projects – namely: The River, amounting to Baht 5,389 million (equal to 93% of total revenues); and NorthPoint, Pattaya amounting to Baht 268 million (equal to 5% of total revenues).

| PROJECTS | FY/2013 | | FY/2012 | |
|---|---|---|---|---|
| | Sales income (Baht Million) | % | Sales income (Baht Million) | % |
| The River | 5,389 | 93% | 5,008 | 91% |
| North Point, Pattaya | 268 | 5% | 427 | 8% |
| Other revenues * | 109 | 2% | 85 | 1% |
| Total | 5,766 | 100% | 5,520 | 100% |

* includes rental and services income, marketing commission income, project management fees, interest income and others

## Cost of Sales

In 2013, the Company's costs of sales decreased by 1% from the previous year, due to adjusted project costs for The River project as a result of separating out the development costs of investment properties that was previously included in The River project costs.

| PROJECTS | FY/2013 | | FY/2012 | |
|---|---|---|---|---|
| | Sales income (Baht Million) | % | Sales income (Baht Million) | % |
| The River | 3,380 | 93% | 3,327 | 91% |
| North Point, Pattaya | 247 | 7% | 324 | 9% |
| Total | 3,627 | 100% | 3,651 | 100% |

## Gross Profit

In 2013, there was an upward trend for the Company's gross profit; whereby during the year a gross profit margin of 36% was achieved while for FY/2012 and FY/2011 the gross profit margin was 33% and 29% respectively, thus indicating that the Company is still able to achieve a positive level of profits.

## Selling and Administrative Expenses

For FY/2013, total selling and administrative expenses were the second largest major expenses, accounting for 20% of total expenses and increasing from Baht 812 million in 2012 to Baht 941 million in 2013 (or equal to a 16% year-on-year increase). The primary reasons for this were the loss resulting from impairment loss of investment properties totaling Baht 121 million and reduce project development cost to net realisable value of Baht 15 million.

| SELLING AND ADMINISTRATIVE EXPENSES | FY/2013 (BAHT MILLION) | FY/2012 (BAHT MILLION) | % CHANGES YOY (2013 VS 2012) |
|---|---|---|---|
| Staff salary and benefits, and Management remuneration | 202.5 | 202.2 | 0.15% |
| Special business tax and Transfer fees | 222.5 | 241.4 | -7.83% |
| Other selling expenses | 162.7 | 189.9 | -14.32% |
| Other administrative expenses | 353.2 | 177.8 | 98.65% |
| Total | 940.9 | 811.3 | 15.97% |

## Finance Costs

Total finance costs primarily result from interest costs for borrowed funds used in the projects development activities, which are capitalised as development costs for the respective projects till their completion. Thereafter, such interest costs will be recorded as finance costs in the Statement of income, as the borrowed funds are repaid in installments based on the actual transfer of ownerships to the buyers of the respective condominium units.

Therefore, for full year 2013, the Company had lower total finance costs compared to the previous year as a result of the the loans installment repayments made during the year, which were based on the year-on-year increase in the number of condominium units ownership transfers for The River project during 2013 when compared to 2012.

# FINANCIAL REVIEW

## Summary Statements of Financial Position (as per the Consolidated Financial Satement)

| PROJECTS | FY/2013 (BAHT MILLION) | FY/2012 (BAHT MILLION) | % CHANGE |
|---|---|---|---|
| Cash and cash equivalents | 556 | 1,431 | -61% |
| Project development cost | 10,487 | 11,295 | -7% |
| Other current assets | 701 | 877 | -20% |
| Fixed asset* | 1,157 | 413 | 180% |
| Other non-current assets | 683 | 981 | -30% |
| Total Assets | 13,584 | 14,997 | -9% |
| Deposits and advance received from customers | 4,879 | 5,633 | -13% |
| Current liabilities | 4,536 | 5,179 | -12% |
| Non-current liabilities | 1,863 | 2,629 | -29% |
| Total Liabilities | 11,278 | 13,441 | -16% |
| Total Shareholders' equity | 2,306 | 1,556 | 48% |
| Total liabilities and Shareholders' equity | 13,584 | 14,997 | -9% |

* Fixed asset include investment properties, leasehold right and land awaiting development

## Assets

The value of Raimon Land Public Company Limited's total assets, as at 31 December 2013, decreased by 9% when compared to those as at 31 December 2012; whereby significant changes in the assets value are as follows:

1) Cash and cash equivalents decreased by Baht 875 million, due to repayments of loans relating to The River project.
2) The transfer of project development cost to investment properties totaling Baht 881 million, which is a primary reason for the decrease in total project development costs when compared to the previous year as well as for the transfer of project development costs to costs of sales when ownerships of the sold condominium units are transferred – especially relating to The River project.
3) The progress made by the Company relating to the development of its various projects during the year has resulted in decreases in advance payments to contractors and in deposits for land plots purchases that totaled Baht 116 million and Baht 106 million respectively; thus resulting in a significant decrease in the value of 'Other current assets'.
4) The decrease in deferred tax assets totaling Baht 255 million as a result of the decrease in the difference between the amount of recognised accountable income and taxable income relating to The River project; thus resulting in the significant decrease in the value of 'Other non-current assets'.

## Liabilities

As at 31 December 2013, the Company had total liabilities that decreased Baht 2,163 million (or equal to a YoY decrease of 16%) when compared its total liabilities as at 31 December 2012; whereby this decrease consisted of (a) interest-bearing debts decreasing by Baht 773 million, and (b) non-interest bearing debts decreasing by approximately Baht 1,390 million. This is the result of delivery of units of The River project; thus enabling the Subsidiary Company to repay loans borrowed from financial institutions as well as recognising the deposits made by its clients as income from the sale of property during 2013.

## Shareholders' Equity

As at the end of 2013, the Company had total Shareholders' Equity of Baht 2,306 million, representing an increase of Baht 750 million (or 48%YoY) when compared to the end of 2012. This is the result of the increased et profit for the FY/2013 totalling Baht 746 million.

## Cash Flows

| | FY/2013 (BAHT MILLION) |
|---|---|
| Cash and cash equivalents at the beginning of the year | 1,431 |
| Net cash flow from operating activities | (75) |
| Net cash flow form investing activities | (27) |
| Net cash flow from financing activities | (773) |
| Cash and cash equivalents at the end of the year | 556 |

During 2013, the Company had a negative net cash flow from its operating activities totaling Baht 75 million, primarily resulting from the delivery of The River project as well as the associated loans repayments made to its creditors and payments made to the contractors.

During 2013, the Company had a negative net cash flow from its investing activities totaling Baht 27 million, which is not a YoY change of any significance when compared to 2012.

During 2013, the Company had a negative net cash flow from its financing activites totaling Baht 773 million, resulting from its Subsidary Company delivering The River project, which was also a primary reason for having to repay loans borrowed from financial institutions totaling Baht 773 million.

As such, the ability to deliver units of The River project to its clients resulted in the Company reducing the overall amount of interest-bearing debts by approximately Baht 773 million, as well as enabled it to recognise a total net profit of Baht 746 million for the year. This also had a significant and positive result in achieving a decrease in its Interest-Bearing Debt to Equity Ratio – from 4.00 (times) as at 31 December 2012 to 2.36 (times) as at 31 December 2013.

# 2013 MARKET SUMMARY

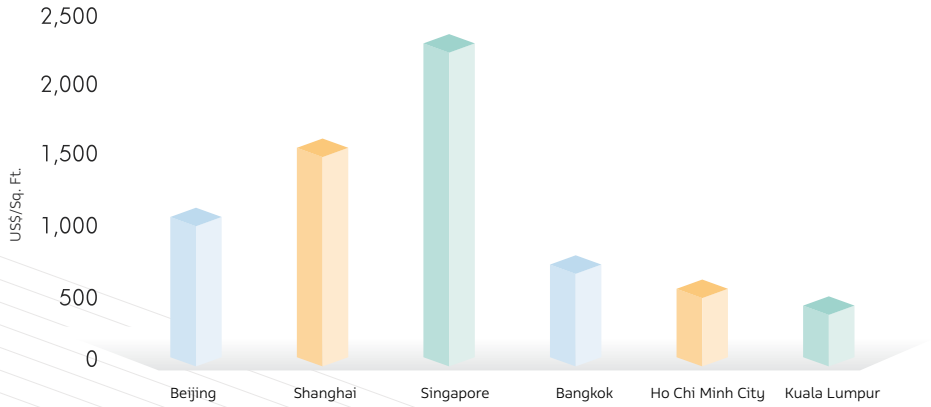
Global economic conditions, as well as those closer to home both regionally and domestically, presented Thai policy-makers and real estate industry players with a fresh set of challenges and opportunities in 2013.

The global economic outlook continued to improve slowly, led by the US, where the Federal Reserve felt confident enough in fourth quarter to implement a slight 'tapering' of its quantitative easing scheme for the first time since 2008. While an improved economic outlook in the US has positive global economic implications, a further reduction in the bond-buying program is widely viewed as potentially dangerous for emerging-market economies such as Thailand, which have benefitted from lower interest rates and yield-seeking investors looking to emerging markets for higher returns.

Regionally, the Hong Kong and Singaporean residential property markets have experienced significant slowdowns, finally feeling the impact of several rounds of property sector 'cooling measures' instituted by those governments including tougher lending requirements and higher down payments. These measures, and the fact that luxury residential real estate in these markets remains a much more expensive and lower-yielding investment than units of similar quality in Bangkok, continue to attract regional investors to the Thai capital.

Luxury Real Estate Prices in Select Asian Cities, Q3

Source : CBRE

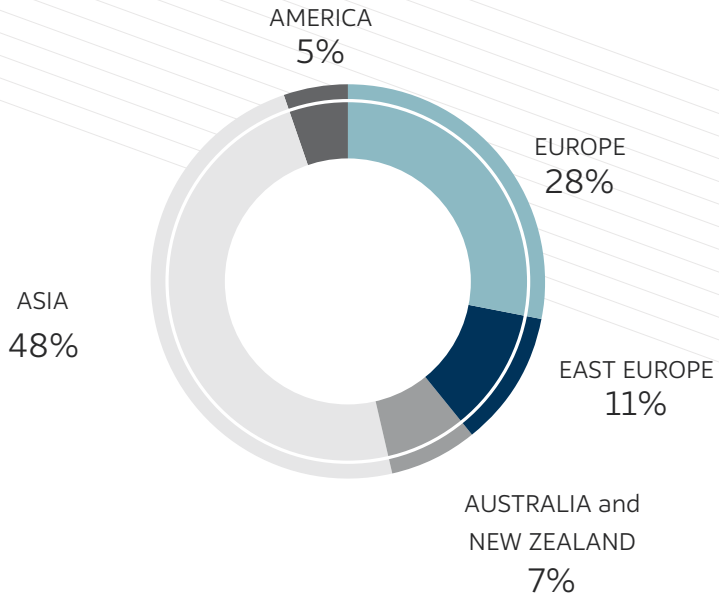



In Thailand, there were high expectations of economic growth in 2013 after government-sponsored stimulus programs such as the first-car buyer scheme led to a strong fourth quarter in 2012. However, declining private consumption (due in part to rising levels of household debt), a postponed government infrastructure spending bill, and a fresh round of political tensions later in the year, culminating in the 'Bangkok shutdown,' hampered the country's economic performance for the year. Despite this, certain sectors continued to perform well, including the buoyant tourism sector – directly constituting approximately 7% of GDP – where foreign tourist arrivals rose yet again to 26.7 million on the year, representing a growth of 19.6% year-on-year.

The domestic property sector endured many months of speculation in the media of a 'bubble' in the Bangkok condominium market as prices continued to rise market-wide; as a preventative measure, major banks tightened access to debt financing for developers without significant track records, and on the demand side, raised consumer down payment requirements for property-related borrowing and rejected 20% of housing loan applications in Q4, up from 12% earlier in 2013. In combination with record-high land prices in prime areas of Bangkok, the result was a slowdown in central Bangkok project launches in favor of midtown and suburban locations in 2013, mostly of the low-to-midrange, smaller configurations that have been popular in recent years. Take-up for all segments dropped to 67% on the year, down from 75% in 2012. Some developers also chose to raise their customer deposit amounts to around 15%, from 5-10% previously, to protect the integrity of their revenue flows by safeguarding against speculators and unqualified buyers. To Raimon Land, the Company has always typically required customer deposits in the range of 25-40%.

As the leading luxury developer in Thailand, Raimon Land continues to focus on the luxury segment of the property market, where the customer base remains significantly different from that of the low and mid-end segments and thus the performance of the sector is less-tied to domestic economic dynamics or fluctuations in bank lending practices. In 2013, the luxury sector, defined here as projects with sales prices above Baht 150,000 per square meter, continued to perform well with an average sales price of Baht 187,500 per square meter, an increase of 7.3% from 2012, and experienced a good take-up rate of 68%. The robustness of this sector in Thailand is attributed to several complementary factors: first, luxury real estate in Bangkok remains an excellent value as compared with other regional capitals, and Bangkok is still seen as a strong capital-appreciation play in advance of the upcoming Asian Economic Community. In conjunction with this, foreigners constitute a significant percentage of overall sales in the luxury sector. The evolving profile of source markets for inbound tourism to Thailand continues to bring new potential customers into the market, increasingly from Asia as compared with Europe or North America in the past. Asian buyers made up 48% of Raimon Land's sales to foreigners in 2013, up from 23% in 2012.

Raimon Land Sales to Foreigners by Source Market




## MARKET OUTLOOK & STRATEGY OVERVIEW

While we expect the greater Thai condominium market to face some headwinds over the coming year, both from global and domestic macroeconomic factors as well as ongoing political tensions, we believe the core business of Raimon Land – which remains developing luxury real estate – will continue to be a robust one, and that changing industry economics will present savvy and well-prepared market players with good opportunities in 2014. This will include opportunities in the condominium market as well as the market for recurring-revenue assets.

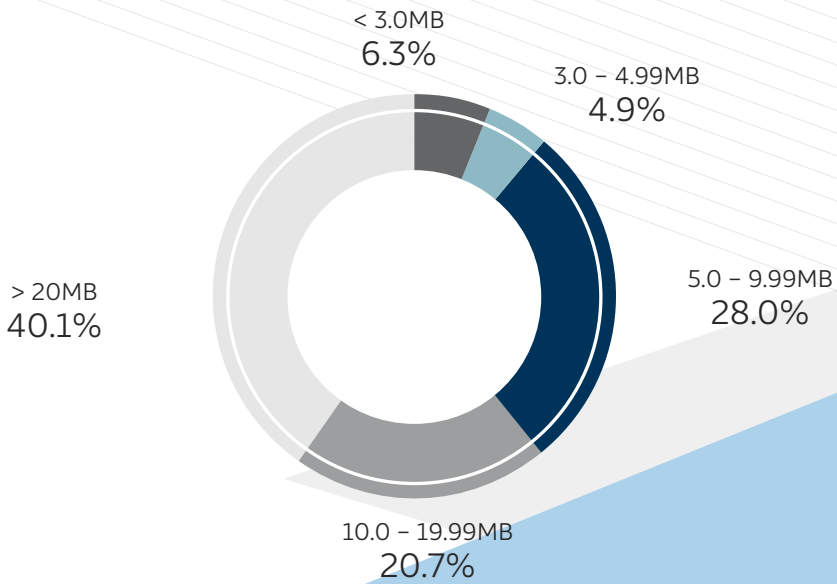
In the condominium market, we see a few trends which work to Raimon Land's advantage. First is that historically high prices for land and construction will pressure developers, if they are active at all, into launching fewer and higher-priced luxury projects. Suitable land plots in central Bangkok for this type of product are scarce; in addition, customers in this segment are very demanding regarding a developer's track record of delivering quality. In both cases, Raimon Land has a competitive advantage. As a longtime developer of luxury projects, the company's reputation affords it a strong dealflow on prime plots, and luxury consumers have become accustomed to the level of quality that Raimon Land can deliver, through successful projects like 185 Rajadamri.

We further expect that given the general slowdown in the wider condominium market, there will be good opportunities for qualified buyers when developers or land bankers who acquired plots counting on realizing their profits in a shorter period of time are potentially pressured by carrying costs into releasing quality plots back onto the market. Additionally, in an environment of uncertainty regarding funding sources and potentially rising interest rates, Raimon Land expects to continue to enjoy a competitive advantage in this area deriving from the strong banking relationships of its management and board of directors. And from a demand perspective, the majority of both Thai and foreign customers in the luxury segment are cash buyers, which are not dependent on bank financing. The higher booking deposits required by Raimon Land of these customers lends a more reliable level visibility on future revenue streams as compared to other segments, which may be left exposed when speculators or other customers fail to transfer a unit.

Finally, as the ongoing political tensions ease, we expect tourism arrivals to the Kingdom will continue to be strong in 2014 and arrivals to continue coming increasingly from Asian source markets. This is another trend that is favorable for Raimon Land, as the leading developer in Thailand in terms of sales to foreigners with sales of approximately Baht 2.2 billion in 2013. This constant influx of new visitors to Bangkok and the resort markets – most notably Pattaya, where Raimon Land has a strong presence and which has been the recipient of much new outbound beach-and-sun tourism from China – will continue to present new sales opportunities for the company.

Overall, while we expect the greater residential property market not to operate at the velocity of recent years, we believe that Raimon Land as a company and as a brand are well positioned to capitalize on the opportunities that recent shifts in the market and competitive environment have created. This is where the company will focus in 2014.

Raimon Land Revenue Split by Unit Sales Price



# PROJECTS REVIEW

Raimon Land Public Company Limited is a commercial property developer focusing mainly on the development of uniquely attractive premium residential properties in Thailand. The Company has completed and delivered premium quality residential projects that have continually satisfied its clients and garnered awards from leading property-related organisations and publications. Further, the Company has continuously been a leader in raising quality standards in terms of design and construction of projects situated both in Bangkok and key provincial travel destinations.

During the past few years, the Company has received numerous awards, reaffirming its premium quality architectural and interior design concepts. Including most recently 'Best Luxury Condo Development (Bangkok)' for 185 Rajadamri, a super-luxury project in Bangkok, at the 2013 Thailand Property Awards, as well as 'Best Condominium (Thailand)" at the 2013 South East Asia Property Awards.

Details of Raimon Land's Projects as at 31 December, 2013.

| PROJECT | FORMAT/TYPE | LAUNCH YEAR | LAND AREA (RAI-NGAN-SQ.WAH) | SALEABLE AREA (SQ.M) | NO.OF UNITS | PROJECT'S SALES VALUE (BAHT - MILLION) | AVG PRICE (BAHT/ SQ.M) | COMPLETION YEAR |
|---|---|---|---|---|---|---|---|---|
| COMPLETED PROJECTS : | | | | | | | | |
| The Lofts, Sathorn | Townhouse | Q1/2003 | 3-0-64 | 3,486 | 25 | 400 | 115,000 | 2004 |
| The Lakes Condominium | Condominium | Q3/2003 | 1-2-90.5 | 26,062 | 165 | 1,685 | 65,000 | 2005 |
| The Legend Saladeng | Condominium | Q1/2004 | 1-1-40 | 9,672 | 75 | 842 | 87,000 | 2005 |
| Northshore | Condominium | Q3/2004 | 2-1-51 | 21,271 | 193 | 1,490 | 71,000 | 2006 |
| Kata Gardens | Condominium | Q4/2004 | 5-0-59.4 | 6,767 | 33 | 447 | 66,000 | 2006 |
| The Lofts Yenakart | Condominium | Q3/2005 | 3-0-19.1 | 17,240 | 176 | 1,234 | 72,000 | 2007 |
| The Heights Phuket | Condominium | Q4/2005 | 14-0-41.2 | 13,337 | 51 | 1,205 | 90,500 | 2008 |
| Northpoint Pattaya | Condominium | Q4/2006 | 12-0-54 | 40,095 | 376 | 4,768 | 125,000 | 2010 |
| The River | Condominium | Q1/2007 | 12-3-41 | 97,441 | 806 | 13,857 | 145,000 | 2012 |

| PROJECT | FORMAT/TYPE | LAUNCH YEAR | LAND AREA (RAI-NGAN-SQ.WAH) | SALEABLE AREA (SQ.M) | NO.OF UNITS | PROJECT'S SALES VALUE (BAHT - MILLION) | AVG PRICE (BAHT/ SQ.M)) | COMPLETION YEAR |
|---|---|---|---|---|---|---|---|---|
| ONGOING PROJECTS : | | | | | | | | |
| 185 Rajadamri | Condominium | Q3/2010 | 4-1-62.9 | 39,222 | 268 | 10,228 | 260,000 | 2014 |
| Zire Wongamat | Condominium | Q1/2011 | 5-3-70 | 29,314 | 480 | 3,032 | 103,000 | 2014 |
| Unixx South Pattaya | Condominium | Q4/2011 | 7-0-16 | 45,918 | 1,200 | 3,459 | 75,000 | 2016 |
| The Lofts Ekkamai | Condominium | Q2/2013 | 1-3-83 | 13,647 | 248 | 2,195 | 160,000 | 2016 |

During the past year, the Company has been successful in completing and transferring ownership of condominium units with a total sales value of Baht 5,700 million, consisting of units at The River and Northpoint Pattaya. At present, ownership of more than 75% of the total value of The River project's condominium units has been transferred to buyers.

For 2014, the Company plans to complete and transfer ownership of the remaining units at The River, as well as 185 Rajadamri (starting Q1/2014) and also Zire Wongamat (starting Q4/2014), which will be completed and ready for ownership transfer to buyers late in H1/2014 and during H2/2014 respectively.

Currently, the Company is in the process of completing the development of a total of 4 projects, with a combined total saleable value of more than Baht 18,900 million, namely: 185 Rajadamri – a super-luxury residential condominium project situated on the available freehold land plot on Rajadamri Road in central Bangkok; the Lofts Ekkamai, a luxury project located in a trendy area of central Bangkok; Zire Wongamat, on Wongamat Beach in Pattaya; and Unixx, a project in South Pattay

# PROJECTS IN 2013

In 2013, Raimon Land had the following projects available for sale and/or for rent.

THE RESIDENCE. THE LIFESTYLE. THE ADDRESS.
THE RIVER

## The River

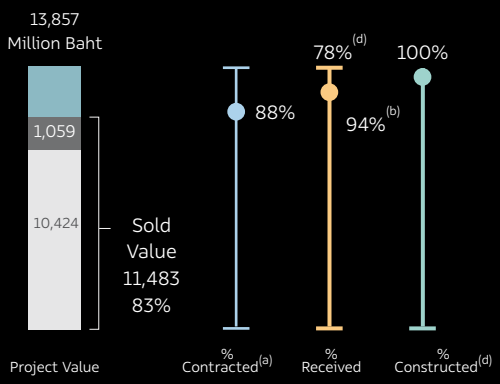
*Chareonnakorn Soi 13, Bangkok*

Situated next to the Chaophraya River in Bangkok, The River is the largest condominium project from the Raimon Land group of companies and subsidiaries, developed by Taksin Properties Co. Ltd. The project has been well received by customers and has a total combined saleable value of approximately Baht 13,857 million (not including the long lease/ rental value of the 'Klapsons Project,' or the commercial area available for rent). Currently, the project has achieved total sales of approximately Baht 11,483 million (equal to 83% of the project value or 88% of the total saleable area). As at the end of 2013, ownership transfers to buyers for units in this project have been made amounting to a total value of Baht 10,424 million.

The River is the tallest premium residential condominium project located on the river in Bangkok. In 2012, the project received the "Best Luxury Condo Development (Bangkok)" in the Development Category as well as "Best Condo (Thailand)" in the Architectural/ Interior Design Category at the 2012 Thailand Property Awards.

THAILAND PROPERTY AWARDS 2012
WINNER
Best Condo Development Thailand

THAILAND PROPERTY AWARDS 2012
WINNER
Best Luxury Condo Development (Bangkok)




Remarks :
a) Saleable area contracted/total saleable
b) Cash received from/total contracted value
c) Cash received/total project value
d) Main building work completion

- Recognized sales value
- Unrecognized sales value
- Projeect value not sold

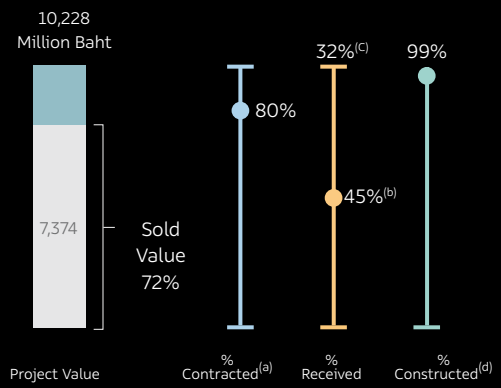
185
RAJADAMRI
Living Your Legacy

# 185 Rajadamri

*Rajadamri road, Bangkok*

185 Rajadamri a super-luxury residential condominium project, situated on the freehold plot on Rajadamri Road in central Bangkok. The location is in the central business district, nearby premium shopping malls, top schools, foreign embassies and consulates, 5-star luxury hotels, Lumpini Park with its peaceful green spaces, and the elite Royal Bangkok Sports Club. The project consists of 268 luxury residential units; at the end of 2013, the Company has sold approximately 72% of the total project value or 80% of the total saleable area of the project. As validation of the project's premium quality positioning, 185 Rajadamri project received "Best Luxury Condo Development Award (Bangkok)" at the 2013 Thailand Property Awards and also "Best Condominium Development of the Year Award - Thailand" at the 2013 South East Asia Property Awards. This super-luxury project has an average selling price of around 260,000 THB per sq.m., with plans to start transferring ownership of the units to buyers in Q1/2014.

THAILAND PROPERTY AWARDS 2013
WINNER
Best Luxury Condo Development (Bangkok)




Remarks :

a) Saleable area contracted/total saleable

b) Cash received from/total contracted value

c) Cash received/total project value

d) Main building work completion (100% of Piling works)

- Unrecognized sales value
- Projeect value not sold

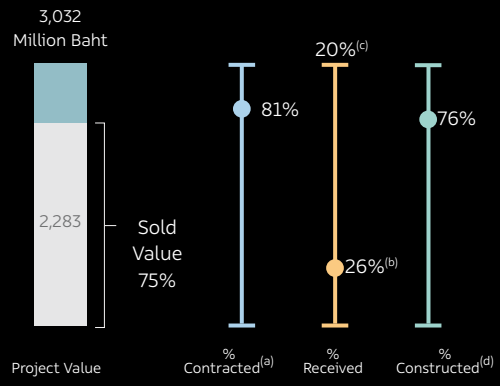
ZIRE WONGAMAT

# Zire Wongamat, Pattaya

*Wongamat, Pattaya*

Zire Wongamat is the third residential condominium project undertaken by Raimon Land in Pattaya, situated on Wongamat Beach adjacent to Northpoint, a Raimon Land project completed in 2011, and is only 90 kilometers from Bangkok.

This project is developed on a 5-rai plot of beachfront land, comprising two uniquely designed towers of 37 and 53 floors, and offers breathtaking panoramic views of the Gulf of Thailand. The project consists of a total of 480 residential condominium units in varying styles and formats – from studio units, 1-2 bed room units, and multi-level units – with an average selling price of 103,000 THB per sq.m. At the end of 2013, the project achieved total sales equal to approximately 75% of the total project value or 81% of the total saleable area of the project. In 2014, the Company plans to start transferring ownership of those units in Tower B that have been sold.




Remarks :

a) Saleable area contracted/total saleable

b) Cash received from/total contracted value

c) Cash received/total project value

d) Main building work completion (100% of Piling works)

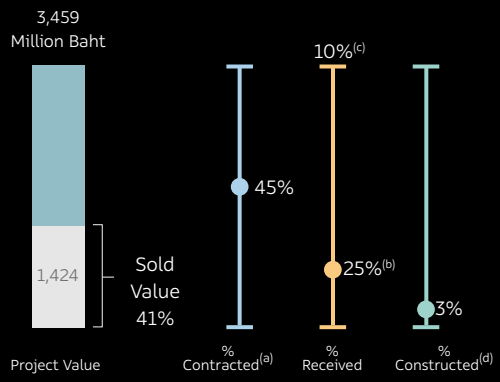
Unrecognized sales value

Projeect value not sold

# Unixx South Pattaya

*Pratumnak Rd., South Pattaya*

Unixx South Pattaya is the fourth residential condominium project undertaken by Raimon Land in Pattaya, and was conceived to meet the demands of mid-market clients, targeting both Thai and foreign buyers living in Pattaya, as well as Thai buyers living in Bangkok looking for a holiday or weekend-home outside of Bangkok. The project is situated on a land plot of more than 7 rai on the Pratumnak Road and belongs to a subsidiary company of Raimon Land. The project consists of 1,200 units with an average selling price of 75,000 THB per sq.m. and an average unit size of 40 sq.m. At the end of 2013, totals sales for this project equaled approximately 41% of the total project value or 45% of the total saleable space of the project. Completion is scheduled to be completed in 2016.




Remarks :

a) Saleable area contracted/total saleable

b) Cash received from/total contracted value

c) Cash received/total project value

d) Main building work completion (100% of Piling works)

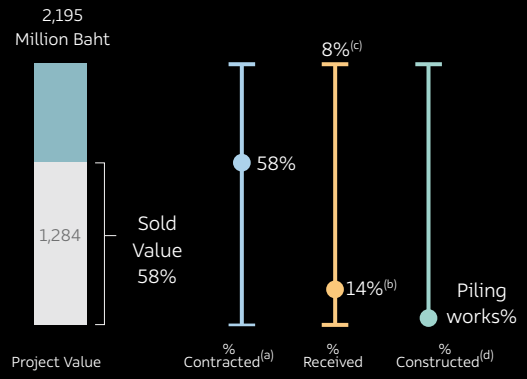
- Unrecognized sales value
- Projeect value not sold

THE LOFTS EKKAMAI

# The Lofts Ekkamai

*Sukhumvit, Bangkok*

The Lofts Ekkamai, situated only 150 meters from the Ekkamai BTS station and only a few minutes' drive from the expressway, is a residential project located right in central Bangkok. It is nearby popular shopping malls and one of the city's most frequented dining and entertainment areas, known as Thonglor–Ekkamai. The project is located on a freehold land plot of approximately 2 rai, and consists of 248 units with an average selling price of 160,000 THB per sq.m. The project, which was only launched in the middle of 2013, has already achieved total sales equal to over 60% of the total project value or 58% of the total saleable area of the project. Construction is scheduled to be complete in 2016.




Remarks :

a) Saleable area contracted/total saleable

b) Cash received from/total contracted value

c) Cash received/total project value

d) Main building work completion (87% of Piling works)

Unrecognized sales value

Projeect value not sold

Vue
Lifestyle by The River

## The Vue

*Charoen Nakorn Road, Bangkok*

Vue is a lifestyle shopping centre project of approximately 4,000 sq.m., situated in front of The River condominium project, located on Charoen Nakorn Road. It sits on a land plot approximately 3 rai in size. The building has 4 above-ground floors and one underground floor, with a MaxValu Supermarket as the 'anchor' tenant. Other tenants include the well-known Korean coffeehouse brand Tom N Tom's and King Kong Yakiniku, as well as other restaurants, coffee shops, and bakeries, light medical clinics, and banks.

Space|48

## Space 48 at Preecha Complex Office Building

This office building, situated within the Preecha Complex, has a total area of 2,200 sq.m. and is located on Rajadapisek Road approximately 100 meters from Suthisarn MRT Station. The building has 8 office floors and additional car parking floors. The Company has redesigned and refurbished the facilities in 2013, increasing the occupancy and rental rate. Currently, approximately 70% of the available space has been rented out.

klapsons
THE RIVER RESIDENCES BANGKOK

## "klapsons" Project

The Company is continually seeking recurring revenue opportunities in the property sector. As such, it has undertaken the development of some of its assets within The River Project for the purpose of offering the properties for long term lease. This project is still in the concept design and development stage, targeting a total of 92 units to be launched in 2014. The Company has already executed an agreement with Singapore hospitality brand "klapsons" to manage the property.

# CORPORATE SOCIAL RESPONSILBILITY TOWARDS SOCIETY AND THE ENVIRONMENT

The Company gives great importance to its 'corporate social responsibility' towards society and the environment. Starting from the design concepts for its residential development projects to the materials, equipments and tools used that will help conserve energy as well as taking care of society and the environment. This includes the use of double glaze glass that limits the amount of exterior heat being transferred to inside of its buildings when compared to normal plate glass, facilitating the reduction of energy usage and noise pollution which is more beneficial for the project's residents; the use of automatic control air conditioning systems that make use of chilled water reducing energy usage and more environmentally–friendly; the use of an electrical system that supports the use of LED light bulbs thus helping to save energy; the use of a system of recycling waste water for use in the common gardens and other areas (such as for watering plants, cleaning floors) together with the efficient pressure control systems for all water/plumbing outlets that help to conserve overall water usage; and also, use of wood laminated materials in the construction work that help reduce the overall quantity of solid wood material and, thus, the number of tress that are felled.

The Company also actively participates in helping its construction workers and labourers together with their children through the support association that offer direct help to these persons.

At the present, Raimon Land also continues to support various projects and activities aimed at helping society and protecting the environment, which conforms to the Company's motto of "Developing a better environment' for everyone.

2013 is the sixth consecutive year that Raimon Land had actively supported the "Plant-A-Tree-Today (PATT) Foundation", by funding a saplings or young trees nursery facility located within the Khao Yai National Park Reserve. Raimon Land's employees and clients join in an arranged trip to Nakhorn Ratchasrima Province to transplant young trees from the nursery facility, in order to reforest the park reserve area and nurture it back to its original green and luscious natural environment. This is part of the continuing cooperation with the PATT Foundation, with the aim of preserving the natural ecology and environment of the area, as well as to instill and promote, in local young people, an understanding of environmental issues, and to establish a good foundation for implementing a sustainable reforestation programme for the future.

Raimon Land also recognises the importance of education and knowledge, and thus has supported the programme to donate books to the 'Books Donations Centre of the Stang Mongkolsuk Library of the Mahidol University; whereby this Library will then redistribute the books received to libraries of needy schools or universities throughout Thailand. Raimon Land has donated more than 1,000 books to this Centre; such as, books on the various activities of HM The King, books containing the teachings of HRH the Princess Mother, and books on Thai temples, etc.

Additionally, Raimon Land has support the Mercy Centre, a foundation, established under the patronage of HRH Princess Srirasmi, that helps and gives aid to the poor living in Bangkok; whereby the Company donated the revenue from a Loykrathong event, held at The River project, to the Centre for use in activities to help improve the quality of life for the poor as well as the livelihood of those who lack opportunities.

For the future, Raimon Land will still continue to actively participate in various activities for the benefit of society and the environment, in order to help create a better society and an improved environment in Thailand.

# AUDIT COMMITTEE REPORT 2013

Dear Shareholders of Raimon Land Public Company Limited;

The Audit Committee of Raimon Land Public Company Limited comprises of 3 Independent Directors, who are fully qualified in accordance with the various requirements and regulations (relating to Independent Directors and Audit Committee members), as well as has carried out its duties and responsibilities in accordance with the established best practices guidelines for Audit Committees as announced by the SET.

For 2013, Members of the Audit Committee of the Company comprised of : Mr. Kitti Gajanandana, who is the Chairman of the Audit Committee; Mr. Pradit Phataraprasit; and Mr. Jirawud Kuvanant.

The Audit Committee has performed its duties in accordance with the scope, duties, and responsibilities, as assigned by the Board of Directors, that are consistent with the applicable regulations of the SET.

During the 2013, the Audit Committee held 4 Committee meetings, while up to the date of this Report there was also 1 Committee meeting in 2014; thus in total, there were 5 Committee meetings. Such Committee meetings were held together with the Company's Management, External Auditors, and Internal Auditors as appropriate; whereby a summary of these meetings is as follows.

**1. Review of the Quarterly (Q4/2013) and Annual FY/2013 Financial Statements**
These financial statements were reviewed, in order to propose them to the Board of Directors for consideration and acceptance; whereby questions and clarifications were discussed with the Management and Auditors in regards to the accuracy and comprehensiveness of the financial reports, as well as the sufficiency of the planned information disclosures. The Committee also acknowledged and reviewed the audit process undertaken in 2013. The Audit Committee concurs with the Auditors that these financial statements are appropriately correct, accurate and creditable in all aspects with regard to the financial and other information presented, as well as are in accordance with Generally Accepted Accounting Principles.

**2. Review of the Systems of Internal Controls**
Within the established framework and guidelines of the SEC and the SET and the principles established by COSO, as well as in accordance with the newly reviewed framework as revised in May 2013, the Audit Committee is of the opinion that an appropriate system of internal controls is in place to sufficiently and effectively oversee as well as monitor that the internal operations and activities are all in accordance with the established objectives, goals, legal requirements and regulations.

**3. Review and assess that the internal controls system is sufficient, appropriate and effective**
This review is undertaken by the Internal Audit Department, in order to assess that the existing system of internal controls will enable the Company's business operations to achieve the established goals and objectives; whereby an assessment by the Audit Committee of the internal audit reports are made, regularly on a quarterly basis, to ensure that they are in accordance with the approved internal audit plans and activities for 2013. This review covers the major operating systems of the Company as well as regular monitoring that ongoing improvements are being implemented by the Management group according to the recommendations made by the Internal Audit Department. Additionally, regular follow-ups, by the Committee, are made on the results of the internal audit exercises, together with ongoing assessments to ensure that oversight of business operations and activities of the Company and its Subsidiary Companies are sufficient, appropriate and effective.

**4. Review the Internal Audit activities**
Assessed the role, scope of work and activities, duties and responsibilities, degree of independence, manpower requirements, staff qualifications, and budget of the Internal Audit group, as well as reviewed the annual internal audit plans together with approval of the appointment, performance evaluation, and proposed transfer or termination of the Head of the Internal Audit Department.

**5. Review compliance to various laws and regulations**
Reviewed that the Company is in full compliance with all relevant legal requirements and regulations (such as: laws and rules relating to securities and the SET, regulations of the SET and any other relevant laws relating to the Company's business) as well as with any commitments and agreements made with other third parties; whereby the Audit Committee is of the opinion that no issues of irregularity or non-compliance of any significance have been found.

**6. Review of Risks Management System**
A review of the risks management system was made to ensure that it is fully synchronised with the internal controls system, so that it effectively covers every aspect of the Company's operations. Also an assessment was made of the policies and guidelines for risks management, together with the progress made to date in regards to the overall management of risks; whereby, at the present time, the Company is in the process of enhancing its risks management system to be more effective and efficient.

**7. Review of connected transactions and those that may involve a conflict of interests**
In accordance with the relevant laws as well as the requirements of the SEC and the SET in regards to information disclosures of such transactions, and based on the Auditor's opinion that those transactions of any significance with connected parties have been fully disclosed in the financial statements and associated notes; thus the Audit Committee is in agreement with the Auditors and is also of the opinion that these connected transactions are considered reasonable and to the best benefit for the Company's business operations as well as have been fully disclosed as required.

**8. Consideration of Selecting and Nominating External Auditors together with the Audit Fee for 2014.**
Consideration was made in regard to selecting qualified external Auditors, in order to nominate them for approval by the 2014 AGM; whereby the Audit Committee assessed their performance and degree of independence together with the appropriate Audit Fee and is of the opinion that the nomination of Ms.Siraporn Ouaanunkun – CPA No. 3844, or Mr. Narong Puntawong – CPA No.3315, or Mr. Supachai Phanyawattano – CPA No. 3930 of Ernst & Young Office Ltd. be made to appoint these persons as the Company's external Auditors for the 2014 financial year, together with a proposed Auditor's Fee not exceeding Baht 1,480,000 in total.

During the past financial period, the External Auditors have performed their duties with full professional abilities, have proposed various recommendations relating to the internal controls and risks management systems, and have demonstrated a high degree of independence in their activities. They have also performed in full accordance with the requirements of the SEC and SET.

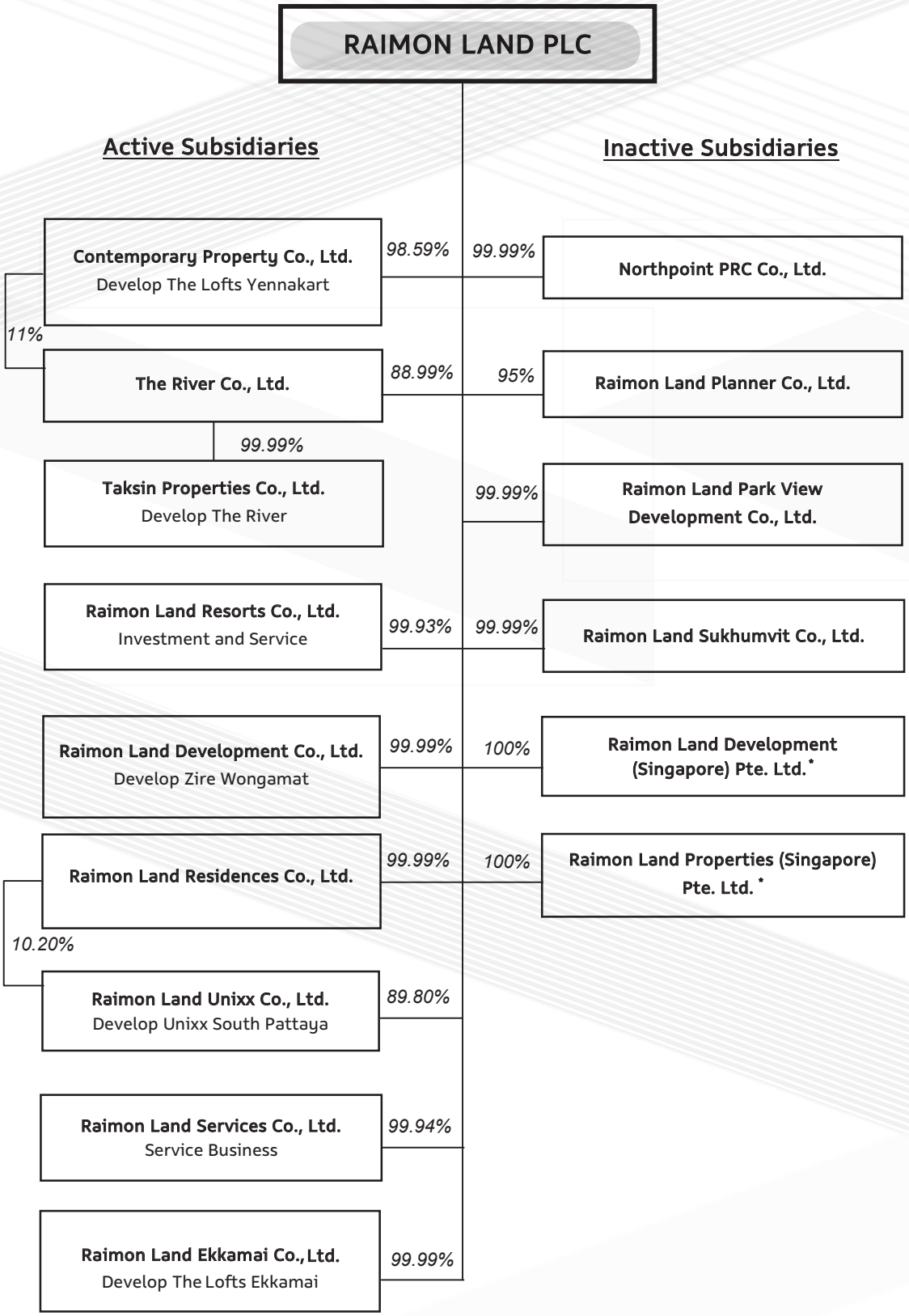
In view of the fact that listed companies are required to rotate the External Auditor, who is authorised to sign off on the Financial Statements and reports of the Company, every 5 financial years, please note that if the above Auditors are approved by the AGM for the 2014 financial it will be their fourth consecutive year as the authorized External Auditor; and please note also that these External Auditors have no relationships or connections whatsoever with the Company and its Subsidiary Companies.

**Opinion/Comments on the Performance of the Audit Committee's Duties**
In summary, the Audit Committee has fully discharged its duties and responsibilities in accordance with the Charter of the Audit Committee that has been approved by the Board of Directors; whereby the Audit Committee has reviewed the above matters and is of the opinion that the Company has made and maintained accurate and correct accounts of its operations and associated financial information; as well as has in place a good internal controls system, has continuously monitored the results of its business activities, has fully complied to all laws and regulations and other commitments made, has fully disclosed all connected transactions, and, lastly, has adhered to the principles of good corporate governance.

3 March, 2014.
On behalf of the Audit Committee,

Mr.Kitti Gajanandana
Chairman, Audit Committee.

# CORPORATE STRUCTURE OF RAIMON LAND PUBLIC COMPANY LIMITED IN 2013




Remarks

* In February 2013, the Company incorporated Raimon Land Development (Singapore) Pte. Ltd., and Raimon Land Properties (Singapore) Pte. Ltd., The Company invested 2 ordinary shares, which represents 100 percent shareholding of the registered share capital.

# GENERAL INFORMATION OF THE COMPANY, SUBSIDIARIES AND OTHER RELATED COMPANIES

| Company (Registration No.) | Address | Business | Authorised Capital (baht) | Paid-up Capital (baht) | % of Investment |
|---|---|---|---|---|---|
| 1) Raimon Land Public Co. Ltd. (0107536001508) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4 Fax : 66 (0) 2651 9614 E-mail : info@raimonland.com Website : www.raimonland.com | Property development | 4,558,280,156 | 3,575,424,125 | - |
| **Subsidiaries** | | | | | |
| 1) The River Co., Ltd. (0105534045182) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development and/or investing in subsidiary company for property project development | 1,232,030,000 | 1,232,030,000 | 99.84% |
| 2) Taksin Properties Co., Ltd. (0105530057879) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 375,000,000 | 375,000,000 | 99.84% |
| 3) Contemporary Property Co., Ltd. (0105526003476) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Investment and property development | 200,000,000 | 200,000,000 | 98.59% |
| 4) Raimon Land Resorts Co., Ltd. (0105550123958) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Investment and service | 1,000,000 | 250,000 | 99.93% |
| 5) Raimon Land Planner Co., Ltd. (0105543094441) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Business Reorganization | 2,000,000 | 2,000,000 | 95.00% |
| 6) Raimon Land Park View Development Co., Ltd. (0105549121467) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 100,000,000 | 100,000,000 | 99.99% |

| | Company (Registration No.) | Address | Business | Authorised Capital (baht) | Paid-up Capital (baht) | % of Investment |
|---|---|---|---|---|---|---|
| 7) | Northpoint PRC Co.,Ltd. (0105551107123) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 10,000,000 | 2,500,000 | 99.99% |
| 8) | Raimon Land Development Co., Ltd. (0105549013966) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 500,000,000 | 500,000,000 | 99.99% |
| 9) | Raimon Land Residences Co., Ltd. (0105551069892) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development and/or investing in subsidiary company for property project development | 10,000,000 | 10,000,000 | 99.99% |
| 10) | Raimon Land Unixx Co.,Ltd. (0105551070491) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 50,000,000 | 50,000,000 | 99.99% |
| 11) | Raimon Land Services Co.,Ltd. (0105553005034) | The Millennia Tower, 22/F, Unit 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development and/or investment and/or operation | 500,000 | 500,000 | 99.94% |
| 12) | Raimon Land Ekkamai Co.,Ltd (0105555172779) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 10,000,000 | 5,000,000 | 99.99% |
| 13) | Raimon Land Sukhumvit Co.,Ltd. (0105555182481) | The Millennia Tower, 22/F, Units 2201-3, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2651 9601-4, 66 (0) 2651 9615-6 Fax : 66 (0) 2651 9614 | Property development | 10,000,000 | 5,000,000 | 99.99% |

| | Company (Registration No.) | Address | Business | Authorised Capital (baht) | Paid-up Capital (baht) | % of Investment |
|---|---|---|---|---|---|---|
| 14) | Raimon Land Development (Singapore) Pte. Ltd. | 15 Hoe Chiang Road, #19-01 Tower Fifteen Singapore (089316) | Property development | 2 SGD | 2 SGD | 100% |
| 15) | Raimon Land Properties (Singapore) Pte. Ltd | 15 Hoe Chiang Road, #19-01 Tower Fifteen Singapore (089316) | Property development | 2 SGD | 2 SGD | 100% |
| **Other Relevant Parties** | | | | | | |
| 1) | Ernst & Young Office Ltd. | 33/F, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel : 66 (0) 2264 0777 Fax : 66 (0) 2264 0789-90 Website: www.ey.com | Auditor of Raimon Land Plc, and Subsidiaries | N/A | N/A | N/A |
| 2) | Allen & Overy (Thailand) Co., Ltd. | 22/F, Sindhorn Building III, 130-132 Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel : 66 (0) 2263 7600 Fax : 66 (0) 2263 7699 Website: www.allenovery.com | Legal Advisor of Raimon Land Plc. | N/A | N/A | N/A |
| 3) | Bangkok Jurist Ltd. | SSP Building 3, 19/F 88 Silom Road, Suriyawong, Bangrak, Bangkok 10500 Tel : 66 (0) 2267 2460 Fax : 66 (0) 2267 2464 Website: www.bangkokjurist.com | Legal Advisor of Raimon Land Plc. | N/A | N/A | N/A |
| 4) | Bunchong and Vidhya Law Office Ltd. | 33/35, 33/39-40, Wall Street Tower, 9/F Surawongse Road, Suriyawong, Bangrak, Bangkok 10500 Tel : 66 (0) 22361950, 66 (0) 22366163 Fax : 66 (0) 2236 3916 Website: www.bcvidhya.com | Legal Advisor of Subsidiaries | N/A | N/A | N/A |
| 5) | Thailand Securities Depository Co., Ltd. | 62 Stock Exchange of Thailand Building Ratchadapisek Road Klongtoey, Bangkok 10110 Tel : 66 (0) 2229 2800 Fax : 66 (0) 2654 5427 TSD Call center: 0 2229 2888 Website: www.tsd.co.th | Securities Registrar of Raimon Land Plc. | N/A | N/A | N/A |

# SHAREHOLDERS AND CAPITAL STRUCTURE

Raimon Land Public Company Limited's capital structure comprises of Equity and Debt financing.

## Equity Financing:

### *Ordinary Shares – RML*

At the Company's Extraordinary Shareholders Meeting (EGM) No. 1/2013, held on 1 November 2013, a resolution was passed to increase the registered capital of the Company from the existing Baht 4,469 million (with 4,469,280,156 ordinary shares at a par value of Baht 1.00 per share) to be Baht 4,558 million (with 4,558,280,156 ordinary shares at a par value of Baht 1.00 per share); whereby the total registered capital will be increased by Baht 89 million (with 89,000,000 ordinary shares at a par value of Baht 1.00 per share) with these new shares to be reserved for the exercise of warrants that are to be issued and offered to Executive Directors under the Company's ESOP scheme.

The Company has registered this capital increase with the Ministry of Commerce on 14 November 2013.

As at 31 December 2013, the Company had a total registered capital in the form of ordinary shares, with the following details for its total registered capital, issued and paid-up capital respectively.

| | 1 January 2013 | 31 December 2013 |
|---|---|---|
| Total registered capital (million shares)* | 4,469.3 | 4,558.3 |
| Total issued and paid up capital (million shares) | 3,575.4 | 3,575.4 |

*Remarks : * At a par value of Baht 1.00 per share*

### *Warrants (RML-W3)*

On 17 May 2012, the Company issued a total 893,840,315 of warrants of the Company (RML-W3), which can be exercised to subscribe newly issued ordinary shares of the Company at the rate of 1 warrant per 1 ordinary share with the exercise price of Baht 2.75 per ordinary share. These warrants can be exercised on the last business day of each March, June, September and December starting as of 29 June 2012 and ending on 15 May 2015.

During 2013, no warrants holders exercised their rights to purchase ordinary shares of the Company, with the following details:

| | **Warrant Units** |
|---|---|
| Total No. of warrants units as at 1 January 2013 | 893,840,315 |
| Total No. of warrants exercised during 2013 | - |
| Remaining total No. of warrants units as at 31 December 2013 | 893,840,315 |

### *ESOP - Warrants (RML-WB)*

On 1 November 2013, a resolution was passed at the EGM No 1/2013 of the Company approving the issue and offer for sale of a total of 89 million ESOP-warrant units of the Company at the offering price of Baht 0.00 per unit, with the exercisable conversion rate of 1 warrant unit per 1 ordinary shares at the exercise price of Baht 1.67 per ordinary share; whereby these warrants were offered to 2 Executive Directors of the Company at a total of 44.5 million warrant units for each Director.

On 12 November 2013, a resolution was passed at the Board of Directors meeting No.12/2013 approving the issue of 89 million Warrants of the Company (RML - WB) on 15 November 2013, whereby the holders of these warrants can exercise their rights to purchase ordinary shares of the Company on the last business day of every month at the during period of not more than 5 years, effective as of the issue date of the warrants.

As at 31 December 2013, no RML-WB warrant unit holders exercised their right to purchase ordinary shares of the Company.

| | **Warrant (Units)** |
|---|---|
| Total No. of warrant units as at 15 November 2013 | 89,000000 |
| Total No. of warrant units exercised | - |
| Remaining total No. of warrant units as at 31 December 2013 | 89,000,000 |

## Shareholders

The names of the top 10 largest Shareholders of the Company, as recorded in the Company's Share Register as at 5 March 2014 are as follows:

| Shareholder Name | % Shareholding |
|---|---|
| JS Asset Management Pte. Ltd. | 24.98% |
| Thai Prosperity Fund II | 6.99% |
| Thai NVDR Co.Ltd. | 4.88% |
| Mr. Narat Sukthinthai | 1.36% |
| Mr. Niti Vanichjiratikarn | 1.01% |
| Ms. Nongyao Mahattanarak | 0.93% |
| Ms. Walaiporn Somphakdi | 0.86% |
| Mr. Thwatchai Tantipojn | 0.75% |
| Mr. Ekachai Satbongkoth | 0.65% |
| Mr. Anan Srikuraycha | 0.61% |
| **Total :** | **43.02%** |

## Debt Financing :

The second source for the capital structure of the Company is debt financing, with the following details.

| Type of Liabilities (Baht –Million) | 31 December 2013 | 31 December 2012 |
|---|---|---|
| Short term loans from financial institutions | 725 | 250 |
| Long term loans from financial institutions* | 4,723 | 5,971 |
| **Total interest-bearing liabilities** | **5,448** | **6,221** |

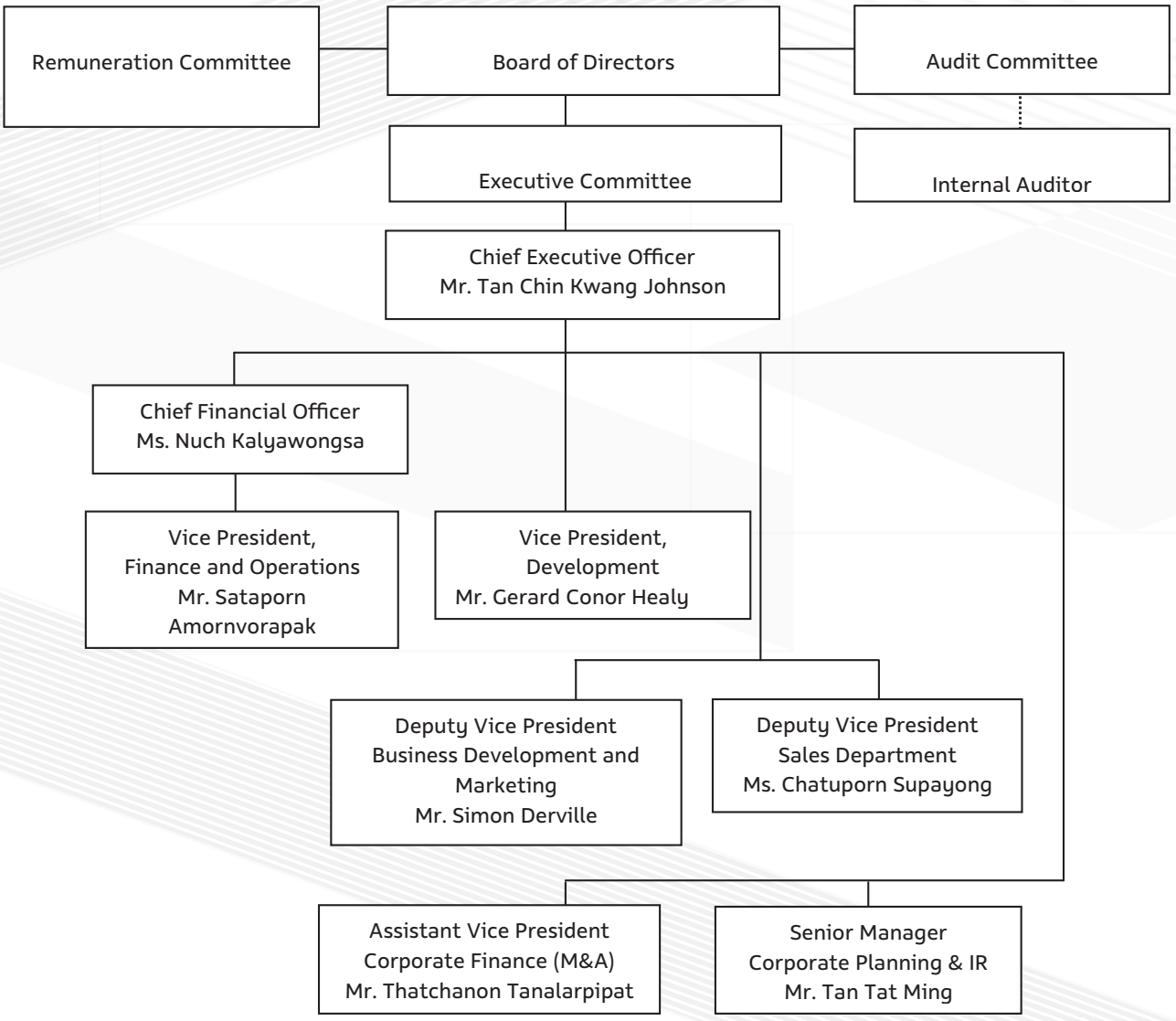
*Remarks : * includes the current portion of these loans*

## Dividend Policy

The Company has as a policy that, whenever the Company achieves a profit as well as has no accumulated loss carried forward remaining, the Company will pay out dividends, in the form of cash, at not more than 50% of the net amount of total Net Profit after tax, after the allocation for any required legal reserves.

# MANAGEMENT

**Management Structure of Raimon Land Public Company Limited**



## Board of Directors

### The Board of Directors of Raimon Land Plc. comprises of 9 Directors as follows:

| | | |
|---|---|---|
| 1. | Mr. Pradit Phataraprasit | Chairman of the Board of Directors, Independent Director, Audit Committee Member, Chairman of the Remuneration Committee |
| 2. | Mr. Lee Chye Tek Lionel | Director |
| 3. | Mr. Tan Chin Kwang Johnson | Director |
| 4. | Mr. Lee Chye Cheng Adrian | Director and Remuneration Committee Member |
| 5. | Ms. Nuch Kalyawongsa | Director |
| 6. | Mr. Jason Goh Hseng Wei | Director |
| 7. | Mr. Roland Pang Tze Vui | Director |
| 8. | Mr. Kitti Gajanandana | Director, Independent Director, Chairman of Audit Committee and Remuneration Committee Member |
| 9. | Mr. Jirawud Kuvanant | Director, Independent Director and Audit Committee Member |

### Attendance at Board of Directors Meetings in 2013

In 2013, the there was a total of 12 Board of Directors Meetings, whereby the attendance record of Board Directors are as follows.

| Name | Number of Attendances | Number of Absences |
|---|---|---|
| 1) Mr. Pradit Phataraprasit [1] | 6 | 3 |
| 2) Mr. Lee Chye Tek Lionel [1] | 8 | 1 |
| 3) Mr. Tan Chin Kwang Johnson [1] | 9 | – |
| 4) Mr. Lee Chye Cheng Adrian [2] | 5 | 3 |
| 5) Ms. Nuch Kalyawongsa [2] | 8 | – |
| 6) Mr. Jason Goh Hseng Wei [2] | 7 | 1 |
| 7) Mr. Roland Pang Tze Vui | 10 | 2 |
| 8) Mr. Kitti Gajanandana | 11 | 1 |
| 9) Mr. Jirawud Kuvanant | 8 | 4 |
| 10) Mr. Sompoch Intranukul | 2 | 1 |
| 11) Mr. Talal J M A Al Bahar | 1 | 2 |
| 12) Mr. Werner Johannes Burger | 1 | 2 |
| 13) Mr. Hubert Romary Bertrand Viriot | 3 | – |
| 14) Mr. Numan Mohamed Numan Mohamed | 2 | 1 |
| 15) Mr. Kitti Tungsriwong | 3 | – |

(1) Mr. Lionel Lee, Mr.Johnson Tan and Mr.Pradit Phataraprasit were appointed as new directors of the company according to the resolution of the Board of Directors' meeting No.3/2013 on 1 February 2013, replacing Mr. Talal J M A Al Bahar, Mr.Werner Johannes Burger and Mr.Sompoch Intranukul.

(2) Mr. Jason Goh, Mr. Adrian Lee and Ms. Nuch Kalyawongsa were appointed as new directors of the company according to the resolution of the Board of Director's meeting No.4/2013 on 4 February 2013, replacing Mr. Kitti Tungsriwong and Mr.Hubert Romary Bertrand Viriot, and Mr.Numan Mohamed Numan Mohamed.

**Director authorisation and restriction**

Any 2 of the following 5 Directors – Mr. Lee Chye Tek Lionel, Mr. Tan Chin Kwang Johnson, Mr. Lee Chye Cheng Adrian, Mr. Jason Goh Hseng Wei and Ms. Nuch Kalyawongsa – signing together with the affixing of the official company seal.

**Scope of Authority of the Company's Board of Directors**

The Company's directors are required to perform their duties in compliance with all relevant laws and regulations as well as with the Company's objectives and articles of association and the resolutions of shareholders meetings in good faith. The Company's directors are prohibited from carrying out any business of the same nature as and in competition with the Company's business and from being partners or shareholders or directors of other juristic persons carrying out a similar and competitive business, unless the shareholders are informed of such in a shareholders meeting prior to his/her appointment. If a director has direct or indirect interests in any agreements to be entered into with the Company or increases or decreases his/her shareholding or debenture holding in the Company and its affiliates or debenture, the director must inform the Company without delay.

**Executive Committee**

***Members of the Executive Committee***

| | | |
|---|---|---|
| 1. | Mr. Lee Chye Tek Lionel | Chairman of Executive Committee |
| 2. | Mr. Tan Chin Kwang Johnson | Executive Committee Member |
| 3. | Mr. Lee Chye Cheng Adrian | Executive Committee Member |
| 4. | Ms. Nuch Kalyawongsa | Executive Committee Member |
| 5. | Mr. Sataporn Amornvorapak | Executive Committee Member |

***Scope of Authority, Duties and Responsibilities of the Executive Committee***

1. To manage the company in all respects on a day-to-day basis;

2. To decide management emphasis and to draw up company policies, business plans, budget and administrative structure;

3. To submit suggested operational guidelines responsive to change in economic conditions to the Board of Directors for consideration.

4. To review the Company's operating results and monitor the operations undertaken in accordance with policy;

The Executive Committee has no authority to approve a transaction that may create a conflict of interest or approve a transaction that would benefit a member of the Executive Committee or connected person or which could conflict with the Company or its subsidiaries under Stock Exchange of Thailand regulations. Such transaction must be submitted to the Company Board of Directors and/or shareholders meeting for approval, as required by the Company's Articles of Association and relevant laws.

**Audit Committee**

***Members of the Audit Committee***

| | | |
|---|---|---|
| 1. | Mr. Kitti Gajanandana | Chairman of Audit Committee<br>(Member with Accounting background) |
| 2. | Mr. Jirawud Kuvanant | Audit Committee Member |
| 3. | Mr. Pradit Phataraprasit | Audit Committee Member |

***Scope of Authority, Duties and Responsibilities of the Audit Committee***

1. To perform joint evaluation with the auditor, internal auditor and/or management to ensure efficiency and adequacy of the internal control system and the standards of the internal audit system.

2. To review the Company's financial statements to ensure that it maintains accurate financial reports and provides for adequate disclosure prior to submission to the regulators.

3. To review the Company's compliance with all laws pertaining to its business and the regulations of the Securities Exchange Commission and the Stock Exchange of Thailand.

4. To disclose adequately and accurately all information pertaining to connected transactions or transactions that may have conflict of interest as required by rules and regulations.

5. To prepare the Audit Committee Report to be published in the company's annual report and to give an opinion on the procedures for preparing and disclosing information in financial reports and opinion concerning the company's internal control system, to be signed by the Chairman of Audit Committee.

6. To propose, to the Board of Directors, nominees for appointment as the external Auditors of the Company together with the audit fee for consideration and submitting to the Annual General Meeting of the Shareholders (AGM) for approval, as well as assess and evaluate the performance of the external Auditors. The Audit Committee must also meet, at least once per year, with the External Auditors without any members of the Management group being present.

7. To report to the Board of Directors the work carried out by the Audit Committee at least once each quarter.

8. To give a joint opinion during the consideration of the appointment, dismissal, performance of the internal auditor.

9. To perform any other tasks as assigned by the Board of Directors and agreed by the Audit Committee.

The term an Audit Committee member is 4 years. In the event that a vacancy occurs for any reason other than the expiration of the term of office, then the Board of Directors will appoint another Director, who possess all the qualifications as specified by the SET regulations and requirements, to be a replacement Member of the Audit Committee, whereby the replacement Member will only serve for the remaining duration of the term of office of the former Member being replaced.

**Remuneration Committee**

***Members of the Remuneration Committee***

| | | |
|---|---|---|
| 1. | Mr. Pradit Phataraprasit | Chairman of Remuneration Committee |
| 2. | Mr. Kitti Gajanandana | Remuneration Committee Member |
| 3. | Mr. Lee Chye Tek Lionel | Remuneration Committee Member |

***Scope of Authority, Duties and Responsibilities of the Remuneration Committee***

1 Consider and scrutinize the remuneration rate for Directors in order to propose to the Board of Director to further propose for approval by the meeting of shareholders.

2 Consider and scrutinize the remuneration rate for the Chief Executive Officer in order to propose for approval by the Board of Directors.

3 The Remuneration Committee has the authority to invite the executives or related persons to attend the meeting to provide additional explanation and information.

4 The Remuneration Committee may seek advice from experts at the expense of the Company in order to be able to perform their duties in accordance with the Charter efficiently.

5 The Remuneration committee's duties are assigned by the Board of Directors.

The term of Remuneration Committee shall have a term of office of 3 years. The Remuneration Committee members who complete the term of office may be reappointed. In case of vacancy of the Remuneration Committee due to the reason other than the expiration of the term, the Board of Directors shall appoint a director who is qualified according to the requirement of the Stock Exchange of Thailand to fill in the vacancy to serve the remaining term of the position.

**Management Team**

***List of the Company's management***

| | | |
|---|---|---|
| 1) | Mr. Tan Chin Kwang Johnson | Chief Executive Officer |
| 2) | Ms. Nuch Kalyawongsa | Chief Financial Officer |
| 3) | Mr. Sataporn Amornvorapak | Vice President, Finance and Operations |
| 4) | Mr. Gerard Conor Healy | Vice President, Development |

***Scope of Authority of the Chief Executive Officer***

According to the resolution of the Board of Directors of Raimon Land Plc. at the 9/2006 Shareholders Meeting held on 11 August 2006, the Chief Executive Officer has the following scope of authority:

The Chief Executive Officer is authorised to carry out normal business practice in approving the investment budget, operating expenses, purchase of fixed assets, sale of inventory and other operation including delegating administrative authority to the responsible persons at a lower level which is approved by the Board of Directors. The administrative power and delegation will not include the administration and authorisation which gives the power to the Chief Executive Officer and the authorised person to approve a transaction in which the Chief Executive Officer and the authorised person or possible person may have a conflict of interest or interest or other type of conflict of interest with the Company and/or its subsidiaries.

**Selection of Directors and Executives**

***Selection of Directors***

An appointment of directors must be approved by the general shareholders' meeting except when the appointment is made necessary by a reason expiration of term. In that case, the Board of Directors will appoint a person to fill the vacancy. The replacement may only serve the remaining term.

The selection of directors does not require a nominating committee process. The Board of Directors has the responsibility of selecting an individual who is qualified, knowledgeable, capable, and experienced in relevant fields. In addition, the person will have no prohibited traits as defined in the Public Companies Act and notifications of the Securities and Exchange Commission. The requirements and procedures for selection of company directors are given below.

According to Section 4 of the Company's Articles of Association, the Board of Directors comprises at least 5 directors and at least half of the directors must reside in Thailand.

The appointment of directors must be carried out at the shareholders' meeting in accordance with the following requirements and procedures:

1. Each shareholder has one vote to one share.

2. In appointing directors, each shareholder may exercise the votes to elect one or more candidates to be the director(s) and the voting requirement in item no. 1 above must apply. However, the votes are indivisible (the voting for appointment of directors shall be non-cumulative voting).

3. The directors will be selected based on the total number of votes; in the case of a tie, the Chairman will cast the deciding vote.

4. At every Annual General Shareholders' Meeting, one-third of the directors – or the number nearest to one-third – must retire from the board. The retiring directors may be re-elected.

5. There must be drawing by lots to determine the directors retiring by rotation on the first and second years following a conversion into a public company. In each subsequent year, the directors who have been directors for the longest period must retire.

   In addition to the retirement by rotation, director vacates from the post upon:

   a. Passing away
   b. Resignation
   c. Disqualifications or possessing prohibited traits according to the Public Companies Act
   d. Removal by a resolution of the shareholders at the general shareholders' meeting
   e. Dismissal by a court order

6. Any director wishing to resign is required to submit a resignation letter to the Company.The resignation is effective immediately upon the letter being received by Company. The director may notify the registrar of the resignation.

***Selection of Independent Directors***

The Company realises the importance of independent directors, who are in charge of auditing and supervising the transparency and the performance of the Executive Committee under appropriate internal control systems, laws and regulations of relevant regulators as well as improving the Company's operational efficiency. An independent director must be knowledgeable, competent and experienced. Independent directors are selected according to criteria set by the Company in having a committee set up by the Board of Director to submit a short-list of candidates to the Board for consideration. Once approved, the selections are proposed to the shareholders for approval at a shareholders' meeting, as outlined in the Company's Articles of Association. To qualify as an independent director, an individual must meet the following criteria:

1. Holding less than 1% of the Company's total voting shares;

2. Having no involvement in Company management, nor being an employee or a consultant on the Company's payroll or must not have power to exert control in the Company, its affiliates, associated companies or connected person. The individual may not possess a potential conflict of interest for at least 2 years prior to appointment. In addition, an independent director must not have any juristic relationship with the legal consultant or external auditor of the Company or its affiliates;

3. Having no involvement in any business relationship in terms of financial and management with the Company, affiliates, joint venture or connected person of the amount equal to or more than 3 percent total net tangible assets. This includes relationship as a customer, a supplier, a trade creditor/debtor, or a financial creditor/debtor without receiving benefits from the Company; and

4. Not having close family relationship with management, major shareholders of the Company or its affiliates and associated companies nor someone that may create a conflict of interest; and shall not be appointed to represent interests of particular directors or major shareholders.

**Director and Management Remuneration**

**Monetary Remuneration**

***Directors' Remuneration***

| Name | | Remuneration in 2013 (Baht) |
|---|---|---|
| 1) | Mr. Pradit Phataraprasit | 1,185,000 |
| 2) | Mr. Kitti Gajanandana | 730,000 |
| 3) | Mr. Sompoch Intranukul | 85,000 |
| **Total** | | **2,000,000** |

***Management's remuneration***

| Type of Remuneration | For 2013 (Baht) |
|---|---|
| Salary | 48,132,201 |
| Bonus | 22,531,993 |
| Terminate Benefits | 21,250,483 |
| Contribution to Provident Fund | 1,349,647 |
| Others | 4,106,433 |
| **Total** | **97,370,757** |

**Summary of Warrants to the Directors, Management and/or the Employees of the Company, under the ESOP Plan (RML-WB)**

**Objective of program**

(a) retain key personnel within the organisation and to maintain a high level of work motivation
(b) allow Directors to participate in the ownership of the Company, and
(c) retain personnel with high capability and effectiveness working for the Company on the long-term basis, and also to support the Directors' willingness and innovativeness to work for the benefit of the Company and Shareholders for the future

**The key details of the ESOP – Warrants to be issued and allocated to the Directors of the Company**

- The term of the ESOP-Warrants shall be 5 years, from the date of first issue and allocation
- The total number of ESOP-Warrants to be issued and offered is 89,000,000 units, or representing 2.49% of the Company's paid-up shares
- Offering price, Baht 0 per unit
- The ESOP-Warrants shall be allocated as follows:

| Name | Position | Allotted units | Per cent of total issue |
|---|---|---|---|
| Mr. Tan Chin Kwang Johnson | Chief Executive Officer and Executive Director | 44,500,000 | 50.00 |
| Mr. Lee Chye Cheng Adrian | Executive Director | 44,500,000 | 50.00 |

- Each unit of the ESOP–Warrants shall be entitled to purchase 1 (one) Ordinary Share
- The exercise price of Baht 1.67 per share, which is 25% higher than the weighted average closing price of the Company's ordinary shares trading on the SET during 15 consecutive business days until the approval date of the Board of Directors on this matter, ie:between 5 – 25 September 2013, which equalled to Baht 1.34 per share

**Corporate governance policy**

Raimon Land Plc has set out policies for corporate governance that adhere to the Principles of Good Corporate Governance for Listed Companies promoted by the Stock Exchange of Thailand. The Company ensures transparency, integrity and accountability in line with international standards by setting up an Audit Committee with 3 qualified individuals who are tasked with the independent auditing and monitoring performance of the Board of Directors. To further ensure good corporate governance, it appointed an internal auditor at the end of 2003 to improve the supervision. The Audit Committee and internal auditor are structured in a way to ensure their independence from the Company's Executive Committee. The Board has committed itself to compliance with the Code of Best Practice for Directors of Listed Companies and the 5 principles of Good Corporate Governance 2003 as follows:

**(1) Rights of shareholders:**

- The Board of Directors holds that good corporate governance is vital both for its business operations and its investors and thus has set up policies and procedures to ensure transparency under relevant laws and business ethics for its business operation bearing in mind the best interests of shareholders and preventing conflicts of interest, exerting appropriate risk management, and having proper internal control systems in place as well as having internal audit system reviewed by Independent Directors/Audit Committee Members.

- The Company discloses up–to–date information to the public via its corporate profile, corporate website and company newsletter, all of which are in both English and Thai. Shareholders are notified at least 7 days in advance of each shareholder' meeting in a letter that specifies the date, time and venue of the meeting, and also provided with a detailed agenda (For Year 2013, shareholder was given before 14 days in advance of shareholder' meeting and the Company will comply the same in Year 2014). The Board of Directors' opinion is provided on each item on the agenda in order to ensure shareholders receive adequate and timely information for decision making at each meeting.

- The Company has fully complied with the right of shareholders to access information and the Company is open in receiving comments and ideas from shareholders. The Company arrange for representatives of the Executive Committee, management, Audit Committee and auditors to attend each meeting. Complete and accurate minutes are taken at each meeting and shareholders are given access to the minutes, a copy of which is filed with the Stock Exchange of Thailand within 14 days following the meeting. The minutes of the last meeting will be presented to shareholders for acceptance at the next meeting.

**(2) Equitable treatment of shareholders**

- All shareholders have equal rights to attend and vote at meetings as specified in the Articles of Association. Should a shareholder be unable to attend a meeting, the shareholder is encouraged to appoint a proxy to attend the meeting or assign an independent director to voice his/her opinions. All shareholders are treated equally with respect to their rights.

- The chairman at the shareholders' meeting provides shareholders an opportunity during the meeting to express opinions and ask questions related to the agenda items or the Company as a whole.

- The Board of Directors provides an opportunity for shareholders to elect directors on an individual basis.

- The Board of Directors uses voting cards for important agenda items such as election of directors, related party transactions, acquisitions or disposals of core assets, etc.

**(3) Role of stakeholders**

- The Company values to the rights of all stakeholders who are involved with the Company, e.g., employees, management, suppliers, creditors, joint venture partners, and auditors, as well as the community and government sector. Upon the occurrence of events that concern the right of those parties, the Company will take into account fair treatment for all parties concerned within the scope of the law and regulations of relevant regulators.

- The Board of Directors has established clear policies on fair treatment to each group of stakeholders for implementation and measurement of policy effectiveness in order to prevent infringement of stakeholder right and to redress violations of stakeholders' legal rights.

**(4) Disclosure and transparency**

- The Company recognises the importance of accurate, complete, transparent and timely disclosure financial reporting, general information as well as other information that may affect the price of the company's securities. Further, the company has set up Investors Relation Unit in order to handle communication with investors and analysts with an emphasis on complete, transparent and timely disclosures.

- The Company's Board of Directors is responsible for the accuracy of the Company's and its subsidiaries' consolidated financial statements and related information as shown in the annual reports, which are prepared in accordance with generally accepted Thai accounting principles. Conservative judgments and best estimates have been used to prepare the financial statements to ensure adequate and proper disclosure in the notes to the financial statements.

- The Company's Board of Directors has arranged for an efficient internal control system to ensure that financial information is recorded accurately, completely and adequately in order to maintain the Company's assets and to help identify deficiencies to enable preventive measures in relation to fraud and material operation irregularities.

- The Board is satisfied with the overall effectiveness of its internal control system and that it ensures the reliability of the financial statements of the Company and its subsidiaries as at 31 December, 2013.

- The Company determines directors' remuneration clearly, transparently and appropriately by comparison with other companies in the same industry. Directors' remuneration is approved by shareholders at the general meeting and management remuneration is discussed and approved by the Board of Directors or the Executive Committee, which will take into account the Company's operating results and achievements of the management.

**(5) Responsibilities of the Board of Directors**

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

| | | |
|---|---|---|
| a) | Directors | 6 persons |
| b) | Independent Directors | 3 persons |

There are 3 independent directors, the Audit Committee Chairman, and 2 audit committee members, representing for at least one-third of the Board of Directors,

which is considered appropriate. The Independent Directors/Audit Committee are encouraged to express their views and maintain an independent review of the operations and transactions and are also involved in evaluating audit and internal control systems.

The Company has made a clear outline defining the authority and responsibility of its Board of Directors, Executive Committee, Audit Committee and the CEO. Chairman of the Board of Directors also acts as an independent director and has no relationship with management nor is a representative of major shareholders or is the same person with the CEO.

- Raimon Land's directors perform their duties in the best interests of the Company, all stakeholders and shareholders as detailed below:
  - a) Review and approve key business matters such as the vision and mission, strategy, financial targets, risks and company master plan
  - b) Monitor implementation by management to ensure efficiency and effectiveness.
  - c) Set and approve a written corporate governance policy and review the policy to ensure consistency at least annually.
  - d) Ensure that an internal control system and financial control is consistent with policy control and review the system at least annually.

**Supervision of the usage of inside information**

The Company is conscious of the importance of protecting sensitive internal information. It has established policies and procedures to supervise management with regard to the misuse of inside information for their own benefit, and will take legal action against any individual, who misuses inside information to the extent of criminal prosecution. The Company also limits the access to such information by management and officers to the extent possible. The Company ensures that relevant management and officers adhere to the restrictions on trading the Company's shares using inside information and/or forbids any inappropriate use of information in case the Company enters into a transaction which may have impact on security price. The management and officers are fully aware that they must not trade the Company's securities or cause others to trade on non-public information. Such information must not be disclosed to any other party prior to notification to the Stock Exchange of Thailand.

In addition, the Company also requires management to report any changes in their holdings in the Company's securities to the Securities and Exchange Commission, as outlined in Section 59 of Securities and Exchange Act B.E. 2535. An executive is required to provide a copy of the report to the Company on the date that the executive reports it to the Securities Exchange Commission

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# HUMAN RESOURCES

## Number of Employees :

As at 31 December 2013, the Company had a total of 187 employees not including the 9 Directors, divided in the various Business Departments as follows.

| Departments | No. of employees |
|---|---|
| Research & Business Development | 4 |
| Customer Relations Management | 29 |
| Construction | 5 |
| Design | 2 |
| Project Development & Design | 5 |
| Direct Sales | 9 |
| Executive Office | 2 |
| Facilities Maintenance Management | 9 |
| Finance & Accounting | 26 |
| HR Management | 4 |
| Administration | 13 |
| Internal Audit | 1 |
| Information Technology | 3 |
| Legal | 1 |
| Marketing | 8 |
| Property Management | 3 |
| Property Management (Raimon Land Services Co. Ltd.) | 25 |
| Sales | 25 |
| Serviced Residences (Klapsons) | 13 |
| **Total** | **187** |

## Employee Remuneration

| Types of Remuneration | Total Remuneration in 2013 (Baht) |
|---|---|
| Salaries and Overtime payments | 77,907,859 |
| Bonus | 12,692,034 |
| Sales Commission | 10,974,987 |
| Contribution to the Employee provident fund | 2,881,620 |
| Others | 4,261,650 |
| **Total :** | **108,718,150** |

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# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 1 | Mr. Pradit Phataraprasit | 59 | Master's Degree in Political Science Thammasat University<br><br>Bachelor's Degree in Economics Franklin Pierce University, USA | - Ordinary Shares (RML) None | - | Present<br><br>Present<br><br>Present<br><br>Present<br><br>2001 – 2004<br><br>1993 – 2007<br><br>1988 – 2007<br><br>1988 – 1995<br><br>1988 – 1995<br><br>1985 – 1988 | Chief Executive Officer<br><br>Chairman<br><br>Chairman of the Board<br><br>Chairman of the Board<br>Independent Director/<br>Audit Committee Member /<br>Chairman of Remuneration Committee<br>Chief Executive Officer<br><br>Chairman<br><br>Chief Executive Officer<br><br>Managing Director<br><br>Chief Executive Officer<br><br>Vice Chairman | Winvestment Co.,Ltd.<br>– Investment<br>Patra Porcelain Co.,Ltd.<br>– Porcelain Tableware<br>Thai Argo Exchange Co.,Ltd.<br>– Wholesale Agricultural Product Market<br><br>Raimon land Co.,Ltd.<br>– Property development<br><br>Sangsom Co., Ltd.<br>–Alcohol Beverages<br>Phataraprasit Holdings Co.,Ltd.<br>– Investment<br>Patra Porcelain Co.,Ltd.<br>– Porcelain Tableware<br>Siam Chao Pra Ya Holdings Co.,Ltd.<br>– Investment<br>Bank of Asia Co.,Ltd.<br>– Banking<br>The Mall group Co.,Ltd.<br>– Department store |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 2 | Mr. Lee Chye Tek Lionel (Authorized Director) | 41 | Graduate Diploma in Business Administration, Western Sydney International College | - Ordinary Shares (RML) 893,000,000 shares (24.98%) | Older Brother of Mr.Lee Chye Cheng Adrian | 1996 – Present | Managing Director | Ezra Holdings Limited, Group – Investment |
| | | | | | | Present | Director | Macquarie Limited – Investment |
| | | | | | | Present | Director/ Remuneration Committee Member | Raimon Land Plc. – Property development |
| | | | | | | Present | Director | The River Co., Ltd. – Property development |
| | | | | | | Present | Director | Taksin Properties Co., Ltd. – Property development |
| | | | | | | Present | Director | Contemporary Property Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Resorts Co., Ltd – Investment and services |
| | | | | | | Present | Director | Raimon Land Planner Co., Ltd. – Business reorganization |
| | | | | | | Present | Director | Raimon Land Park View Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Northpoint PRC Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Residences Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Unixx Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Development Co., Ltd. – Property development |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 2 (Continued) | Mr. Lee Chye Tek Lionel (Authorized Director) | 41 | | | | Present | Director | Raimon Land Services Co., Ltd. – Property development and/or investment |
| | | | | | | Present | Director | Raimon Land Ekkamai Co.,Ltd – Property development |
| | | | | | | Present | Director | Raimon Land Sukhumvit Co.,Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Development (Singapore) Pte. Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Properties (Singapore) Pte. Ltd. – Property development |
| 3 | Mr. Tan Chin Kwang Johnson (Authorized Director) | 53 | Bachelor of Arts and Social Science Economics, National University Singapore (Honors)<br><br>Directors Certification Program (DCP 175/2013) | - Ordinary Shares (RML) 14,282,900 shares (0.40%) | – | 2009 – Present | Director | IB Partners Pte. Ltd. – Investment (Private Equity Investor) |
| | | | | | | Present | Director | Raimon Land Plc. – Property development |
| | | | | | | Present | Director | The River Co., Ltd. – Property development |
| | | | | | | Present | Director | Taksin Properties Co., Ltd. – Property development |
| | | | | | | Present | Director | Contemporary Property Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Resorts Co., Ltd. – Investment and services |
| | | | | | | Present | Director | Raimon Land Planner Co., Ltd. – Business reorganization |
| | | | | | | Present | Director | Raimon Land Park View Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Northpoint PRC Co., Ltd. – Property development |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 3 (Continued) | Mr. Tan Chin Kwang Johnson (Authorized Director) | | | | | Present | Director | Raimon Land Residences Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Unixx Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Services Co., Ltd. – Property development and/ or investment |
| | | | | | | Present | Director | Raimon Land Ekkamai Co.,Ltd – Property development |
| | | | | | | Present | Director | Raimon Land Sukhumvit Co.,Ltd. – Property development |
| | | | | | | 2009 | CEO & /Regional Head of Corporate Finance South East Asia | BNP Paribas Capital (S) Pte. Ltd. – Investment |
| | | | | | | 2006–2009 | Managing Director | Macquarie Limited – Investment |
| 4 | Mr. Lee Chye Cheng Adrian (Authorized Director) | 34 | Bachelor's Degree in Finance University of Strathclyde Glasgow | - Ordinary Shares (RML) None | Younger Brother of Mr. Lee Chye Tek Lionel | Present | Managing Director | Jit Sun Investment Pte. Ltd. – Investment |
| | | | | | | Present | Director | Raimon Land Plc. – Property development |
| | | | | | | Present | Director | The River Co., Ltd. – Property development |
| | | | | | | Present | Director | Taksin Properties Co., Ltd. – Property development |
| | | | | | | Present | Director | Contemporary Property Co., Ltd. – Property development |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 4 (Continued) | Mr. Lee Chye Cheng Adrian (Authorized Director) | 34 | | | | Present | Director | Raimon Land Resorts Co., Ltd. – Investment and services |
| | | | | | | Present | Director | Raimon Land Planner Co., Ltd. – Business reorganization |
| | | | | | | Present | Director | Raimon Land Park View Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Northpoint PRC Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Residences Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Unixx Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Services Co., Ltd. – Property development and/ or investment |
| | | | | | | Present | Director | Raimon Land Ekkamai Co.,Ltd – Property development |
| | | | | | | Present | Director | Raimon Land Sukhumvit Co.,Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Development (Singapore) Pte. Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Properties (Singapore) Pte. Ltd. – Property development |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname<br>Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 5 | Miss Nuch Kalyawongsa<br>(Authorized Director) | 61 | Masters of Science in Accounting<br>Thammasat University<br><br>Bachelor's Degree in Accounting<br>Chulalongkorn University | - Ordinary Shares (RML) None | – | Present<br><br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present<br><br>Present | Director/<br>Chief Financial Officer<br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director<br><br>Director | Raimon Land Plc.<br>– Property development<br>The River Co., Ltd.<br>– Property development<br>Taksin Properties Co., Ltd.<br>– Property development<br>Contemporary Property Co., Ltd.<br>– Property development<br>Raimon Land Resorts Co., Ltd.<br>– Investment and services<br>Raimon Land Planner Co., Ltd.<br>– Business reorganization<br>Raimon Land Park View Development Co., Ltd.<br>– Property development<br>Northpoint PRC Co., Ltd.<br>– Property development<br>Raimon Land Residences Co., Ltd.<br>– Property development<br>Raimon Land Unixx Co., Ltd.<br>– Property development<br>Raimon Land Development Co., Ltd.<br>– Property development<br>Raimon Land Services Co., Ltd.<br>– Property development and/ or investment<br>Raimon Land Ekkamai Co.,Ltd<br>– Property development<br>Raimon Land Sukhumvit Co.,Ltd.<br>– Property development |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 5 (Continued) | Miss Nuch Kalyawongsa (Authorized Director) | | | | | 2012 – Feb 2013 | Finance and Accounting Manager | K2 Shipping Asia Limited – Sea freight Forwarder |
| | | | | | | 2006 – 2009 | Director, Group of Finance and Accounting | Thoresen & Company (Bangkok) Limited – Sea freight Forwarder |
| | | | | | | 1990 | General Manager, Finance and Accounting | Thoresen & Company (Bangkok) Limited – Sea freight Forwarder |
| 6 | Mr. Jason Goh Hseng Wei (Authorized Director) | 38 | BSC (Double Honors) in Law(Second Upper) and Accounting (First Class) University of Southampton | - Ordinary Shares (RML) None | – | Feb 2014 – Present | CFO | EOC Limited –Investment holding and provision of ship management services |
| | | | | | | 2009 – Present | General Manager | Ezra Holding Limited –Investment |
| | | | | | | Present | Director | Raimon Land Plc. – Property development |
| | | | | | | Present | Director | The River Co., Ltd. – Property development |
| | | | | | | Present | Director | Taksin Properties Co., Ltd. – Property development |
| | | | | | | Present | Director | Contemporary Property Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Resorts Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Planner Co., Ltd. – Business reorganization |
| | | | | | | Present | Director | Raimon Land Park View Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Northpoint PRC Co., Ltd. – Property development |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 6 (Continued) | Mr. Jason Goh Hseng Wei (Authorized Director) | | | | | Present | Director | Raimon Land Residences Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Unixx Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Development Co., Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Services Co., Ltd. – Property development and/or investment |
| | | | | | | Present | Director | Raimon Land Ekkamai Co.,Ltd. – Property development |
| | | | | | | Present | Director | Raimon Land Sukhumvit Co.,Ltd. – Property development |
| 7 | Mr. Kitti Gajanandana | 63 | Master Degree in Business Administration (MBA) North Texas State University<br><br>Bachelor's Degree in Accounting Chulalongkorn University | - Ordinary Shares (RML) None | - | 2004 – Present | Independent Director/ Chairman of Audit Committee/ Remuneration Committee | Raimon Land Plc. – Property Development |
| | | | | | | 2001–Present | Advisor | Fiscal Policy Research Institute –Research and consulting business |
| | | | | | | 2004 – 2011 | Director/ Audit Committee | CINMIT Co., Ltd. –Financing advisory services |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 8 | Mr. Jirawud Kuvanant | 55 | Master's Degree(MBA) , The College of Insurance, New York City, USA<br><br>Bachelor of Business Administration, Marketing Thammasat University<br><br>Directors Certification Program (DCP 43/2004) | - Ordinary Shares (RML) None | - | 2002 – Present<br><br><br><br><br><br>1987– Present | Independent Director/Audit Committee Independent Director<br><br><br><br>Executive Director | Raimon Land Plc.<br>– Property development<br><br><br><br><br>Kowyuha Motor Group<br>–Automobile |
| 9 | Mr. Roland Pang Tze Vui | 37 | Master's Degree in Finance University of Manchester, UK<br><br>Bachelor's Degree in Economics London School of Economics, UK<br><br>Director Certification Program (DCP 165/2012) | - Ordinary Shares (RML) None | – | 2012 – Present<br><br>2004 – Present<br><br>2003 –2004<br><br>2000 - 2003 | Director<br><br>Investment Manager<br><br>Manager (International Division<br><br>Corporate Client Management | Raimon Land Plc.<br>–Property development<br>Thai Prosperity Advisory Co.,Ltd.<br>– Investment<br>Brunei Economic Development Board<br>– National Development Agency of Brunei<br><br>Darrussalam<br>Baiduri Bank, Brunei Darussalam<br>– Banking |

# DETAILS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

| No | Name/Surname<br>Position | Age | Education | Shareholding Proportion (%) | Family's relationship between management | Working experiences | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Period | Position | Company/Type of business |
| 10 | Mr. Sataporn Amornvorapak | 42 | Master's Degree of Business Administration Major Finance Kasetsart University<br><br>Bachelor's Degree of Business Administration Major Accounting Rajamangala University of Technology – Centre | - Ordinary Shares (RML) None | – | 2013 – Present<br><br>2011 – 2013<br><br>2008 – 2011<br><br>2006 – 2008<br><br>2003 – 2006<br><br>1994 – 2003 | Vice President of Finance and Operation<br>Chief Financial Officer<br>Chief Financial Officer<br>Senior Accounting Manager<br>Internal Audit Manager<br>Senior Audit Manager | Raimon Land Plc.<br>–Property Development<br>Univentures Plc.<br>–Property Development<br>Mermaid Maritime Plc.<br>–Offshore and Drilling Services<br>Thoresen Thai Agencies Plc.<br>–Shipping Business<br>Thoresen Thai Agencies Plc.<br>–Shipping Business<br>PricewaterhouseCoopers Co., Ltd.<br>–International Audit Firm |
| 11 | Mr. Gerard Conor Healy | 53 | Bachelor Degree in Architecture ( B.Arch ) University College Dublin, Ireland | - Ordinary Shares (RML) 96 Shares<br>RML– R 49 Shares<br>RML– W3 5,924 Share<br>RML– W3–R 12 Share | - | 2002 – Present<br><br>1996–2002 | Vice President Development<br><br>Research Manager | Raimon Land Plc.<br>–Property development<br><br>Wood Bagot (Thailand) Co.,Ltd.<br>–Design and decoration |

# INTERNAL CONTROL AND RISKS MANAGEMENT

Raimon Land Plc. ("The Company") fully and constantly recognises that internal controls system is one of the key and vital processes within the organization, and that effective internal controls will ensure the correctness, transparency and accountability of the Company's business activities as well as will protect (or minimise) any potential damages from occurring. As such, the Company has continuously developed a system of internal controls that is both effective and efficient, as well as has established an Internal Audit Department responsible for assessing the sufficiency and effectiveness of such internal controls system.

The Internal Audit Department is a fully independent from the Management Group and is charged with the responsibility of reviewing and auditing the activities of all business departments within the Company and its Subsidiary Companies, in order to ensure that the various business departments comply with the established internal controls procedures. The Internal Audit Department focuses on prevention through implementing various internal control procedures that are effective and appropriate for the Company's business operations; and also gives useful recommendations or relevant information to support those undertaking the business activities, so that they can work more efficiently and productively as well as still fully comply with all established internal control procedures together with full transparency and accountability in accordance with the principles of good corporate governance. The AVP– Internal Audit is required to report the results of any audit exercises directly to the Audit Committee on a quarterly basis, with the Audit Committee will then brief the Board of Directors on these matters every quarter also.

At the Audit Committee meeting No 1/2014 held on 28 February 2014, the Audit Committee and the Internal Audit Department together assesses the sufficiency of the existing internal controls system for the 2013 financial year, in accordance with the assessment framework that the SEC has establish within the established guidelines of COSO (The Committee of Sponsoring Organisations of the Treadway Commission) and as revised in May 2013, consisting of these key elements : Control Environment; Risks Assessment; Control Activities; Information and Communications Systems; and Monitoring Activities.

As such, having in place a good system of internal controls will help prevent and manage risks as well as effectively prevent any damages occurring that will negatively impact the Company and its Stakeholders. Based on its review and assessment, the Audit Committee is confident that the Company has an effective internal controls system that is both sufficient and appropriate to effectively oversee and ensure that the operations and business activities of the Company are in accordance with the established objectives, goals, associated legal requirements and relevant regulations, as well as able to protect the Company's assets from any unlawful actions and resultant damages. Further, the Audit Committee considers that the accounting records are fully correct and creditable.

Additionally, so that an effective internal controls system and procedures are implemented and to ensure that the various business departments within the Company all comply to these procedures as appropriate and on an ongoing basis, the Company has appointed Mr. Jakkalin Kornkul as the AVP – Internal Audit and concurrently as the Secretary of the Audit Committee, with responsibility for overseeing that all the operations of the Company and its Subsidiary Companies conform to established internal control procedures. The Audit Committee considers that Mr. Jakkalin Kornkul is academically well–qualified, has sufficient relevant experience relating to the duties and activities of an Internal Auditor, and has regularly received training and knowhow development in this profession on an ongoing basis; and therefore it endorses the appropriateness of appointing Mr. Jakkalin Kornkul to this position.

As such, the consideration of and approval for the appointment, discharge or transfer of the AVP – Internal Audit and Secretary of the Audit Committee is required to have the formal concurrence and endorsement of the Audit Committee.

# CONNECTED TRANSACTIONS

For the financial year ended 31 December 2013, apart from those transactions already disclosed in the Note No. 6 to the Financial Statements, the Company and Subsidiary Companies did not undertake any transactions with any parties who may have a possible conflict of interests; namely: the majority Shareholder, Directors, and those related or connected to these parties.

**Necessity and Reasonableness of Transactions**

In undertaking such connected transaction, the Company takes into consideration the necessity and reasonable of such transactions as well as whether they are in line with normal business practices, in order to achieve maximum benefit and be in the best interests for the Company; whereby other key considerations taken into account include: the appropriateness of the fees charged and compensation relative to current fair market process and conditions that are comparable to the normal transactions undertaken by the Company with other non-related parties or businesses, and the associated general terms and conditions.

As such, undertaking such connected transactions should not unfairly transfer of any benefits from the Company to another party who may have a conflict of interests or vested interests in regards to the proposed transaction. During 2013, the Audit Committee has acknowledged and given its concurrence to all proposed connected transactions as well as decisions and actions by the Board of Directors/the Management in such matters, taking into account the appropriateness of proceeding with such connected transactions.

**Procedures for the approval of 'Connected Transactions'**

Approval for undertaking any such connected transactions by the Company has been fully in accordance with the Securities and Exchange Act as well as any notifications, rules and regulations of the SET; whereby those Directors or persons involve and with a vested interest in the proposed connected transaction will not participate in the consideration and approval of such transactions, unless it is considered as being a valid exception and waiver according to the Securities and Exchange Act as well as any notifications, rules and regulations of the SET regarding 'Disclosures of Information and Other Acts of Listed Companies in regards Connected Transactions B.E. 2546'.

**Policies and Potential for undertaking future 'Connected Transactions'**

For the future, the Company may undertake further connected transactions if it is considered to be of maximum benefits for and best interests of the Company; whereby the Company has established associated policies for undertaking such connected transactions that are in line with normal business practices, at fair market prices and comparable to those transactions undertaken by the Company with non-related parties. The Company is determined to full comply with the Securities and Exchange Act as well as any notifications, rules and regulations of the SET, together with any requirements on the disclosures of information on connected transactions or any acquisition or disposal of any assets of the Company and its Subsidiary Companies. Additionally, the Audit Committee will participate with the Board of Directors in meetings to consider and approve any proposed connected transactions, so as to gives its opinion as to the appropriateness of the transaction price and the reasonableness in undertaking such transactions.

# RISK FACTORS

**Business Risks**

***Risks relating to land acquisitions for use in projects development***

Raimon Land's strategy in its property development projects is to acquire land plots that have high development potential through careful consideration of key property dynamics. Plots must have a strongly desirable location as judged by proximity to important lifestyle amenities and accessibility to transportation whether key roads/expressways or public transit. However, land plots that meet these criteria highly sought after and therefore the market for them can be very competitive. Raimon Land reduces the risk of a limited land pipeline by maintaining strong relationships with landowners in prime areas as well as the various key members of the property community including brokers, consultants, lawyers, etc. Sourcing prime plots is a top priority for the Company and all employees are encouraged to actively engage their personal and professional networks; top management at the Company is consistently bringing plots for consideration. Furthermore, the Company is also a leader in the development community in terms of producing in-house market research that keeps its business development team and top management supplied with up-to-date market knowledge and trends to inform their deal sourcing efforts and decision-making.

***Risks relating to project development***

Prices of construction materials fluctuate significantly, impacting the costs of developing property projects. Raimon Land minimises such risks through by employing only one construction contractor in the development of a project, and through utilising a 'Turnkey Construction Contract,' which allows the Company to more effectively control overall construction costs. Further, in order to minimise overall costs, the Company sources construction materials directly from manufacturers and suppliers, as well as through agreeing to a fixed delivery-price of major materials in advance so as to reduce potential price fluctuations that may have an impact on the Company's overall costs for its projects.

Additionally, in undertaking each property development project, the Company employs outside advisors who are knowledgeable, experienced, and have specific relevant expertise. Selection of these third-parties is based on their knowhow, capabilities, expertise, and market reputation and track record. Use of the latest technology, applications or special equipment is ensured to enhance the quality of their work and effectively control overall construction costs to be within the Company's requirements, together with improving the efficiency and productivity of the Company's construction work processes and procedures.

The Company has expanded its property development business into provincial markets over the past 10 years, focusing on projects in major provinces and destinations, such as Phuket and Pattaya. Nevertheless, in expanding to these markets beyond Bangkok, there are inherent risks, including varying demands relating to housing requirements, varying levels of recognition and acceptance of the brand by local consumers, as well as local laws and regulations that vary from province to province. Therefore, in order to minimise such risks, the Company undertakes detailed research and market surveys in each location before deciding to invest in new projects, to ensure a deep understanding of the varying local consumer groups and property markets in each province.

However, undertaking new projects in various locations and different provinces is also a means to spread business risk, and enables the establishment of the brand within a larger market and client base.

***Risks relating to increasing sales and collecting payments due***

Deploying a 'pre-sales' strategy both reduces marketing risks and allows the Company to be more flexible in adapting the products to be more appropriate to market demands that can sometimes change within a short period of time. It also allows the Company make use of down payments received as working capital. However, such pre-sales strategy introduces risks relating to the effective control of construction costs, since selling prices are fixed even before construction of the project begins and sales activities have already started, and after construction is completed, overall costs may exceed expectations. Therefore, in order to minimise such risks, the Company executes Turnkey Construction

Contracts with contractors and purchases selected construction materials in advance directly from the suppliers/manufacturers. Thus it is able to more effectively control construction costs and maintain the targeted gross profit margins, preventing them from being eroded by fluctuating construction material process. Additionally, the Company can always deploy the presales strategy in phases, so as to be able to set selling prices appropriately to cost fluctuations during each phase of the sales activities.

Raimon Land minimises the risks relating to the full collection of sales revenues by requiring a relatively high down payment from customers of approximately 25–40% of the selling price of the unit. Industry averages are less than 20%. This decreases the likelihood that customers may fail to transfer for whatever reason, as they have already transferred a higher percentage of the total funds. Additionally, the Company implements various measures to ensure collection of follow-up payments from clients is done in a systematic manner: the Client Relations Management group will establish a close connection and look after with each new client carefully, as well as report to senior management in a timely manner in the event that a collections issue arises.

Raimon Land is well-known in the market as a leading premium residential property developer and its many projects are well received both in Thailand and in regional markets. This is a direct result of a track record of delivering projects that offer a good value-for-money to buyers, and consistently meeting and exceeding consumer expectations. This has enabled Raimon Land to have a large 'repeat customer' base, who recognise the good value of the Company's projects both in terms of purchasing for their own residence or for investment purposes.

Currently, the Company places great importance on all its clients – whether from neighboring regional markets or within Thailand. Catering to both customer bases mitigates risks that any one market will decline from a demand perspective. It also allows the Company to continue to launch and develop new projects, which keeps the company in a position to lead and/or respond to market trends, which ensures that the company is not perceived to be 'behind' any market trends. The Company is able to adapt its key business strategies as appropriate to the market and economic environment in which it operates and to develop various project formats that meet consumer demands. Additionally, the Company is confident that by expanding its client base in Thailand, it will reduce the risk of being impacted by volatile regional or global economic climates

***Risks relatng to changes in the relevant legal and regulatory requirements***

There are also risks relating to ongoing changes in the relevant legal as well as regulatory requirements on the part of involved government agencies (such as City & Town Planning Acts, Building Acts, as well as various building design regulations like Open Space Ratio, Floor Area Ratio, etc., and including the BMA Code, the Treasury Department Code, the Land Department Code, and regulations on the required environmental permits), especially those covering tall and/or large buildings. The Company has continually mimimised these risks by closely monitoring any imminent amendments or changes in the legal and regulatory environment, establishing close contacts with the relevant government agencies and undertaking detailed feasibility assessments for each project within the framework of all relevant currently applicable laws, rules and regulations. As such, the Company is confident that its various projects are rigorously reviewed in light of legal and regulatory considerations required by the involved Government agencies or other organisations.

**Financial and Other Potential Risks**

***Risks relating to interest rates fluctuations***

The majority of borrowings of the Company carry either a floating interest rate or MLR, which is based on the financial market conditions. Thus, fluctuations in the applicable interest rate may impact the Company's operations and cash flows. However, to minimise risks, the Company enjoys close relationships with the bank and various lending institutions, and is always seeking out the most appropriate source of borrowing at the best rates.

*Risks relating to warrants issued – both RML –W3 and RML-WB*

As at 31 December 2013, the Company has issued RML-W3 and RML-WB totaling 893,840,315 and 89,000,000 units respectively. As such, in the event that the warrant holders, who are non-existing Shareholders, exercise their rights in full, there will be an Earnings Per Share Dilution impact as well as a Control Dilution impact (of not more than 22%) to the Company, which is based on the amount of 4,469,280,156 shares (Paid-up capital after all warrants were exercised and additional shares were offered to private equity).

*Risks relating to shortage of qualified and capable human resources*

The Company is part of the property development business sector, which requires a capable management team and people who are knowledgeable, highly capable, and well-experienced. Thus, since the Company recognizes the value and importance of such people, it has always recruited well-qualified and high-potential individuals to join the Company.

Given the fact that this business sector is currently a highly-competitive one, members of Senior Management are consistently approached in attempts to entice them to move and work in other companies. Thus, there is always the risk of a high-level departure or a shortage of well-qualified and capable people in the Company to replace those who may be motivated to leave. The Company, therefore, has in place various motivation and incentive schemes, together with ongoing opportunities for career advancement and continuing professional and personal development programmes, that are aimed at retaining well-qualified people to remain working with the Company.

As such, through offering appropriately competitive compensation plans and associated benefits schemes together with ongoing opportunities for training and development, the Company is confident that it is able to minimise such human resources-related risks of losing well-qualified and capable individuals.

*Risks relating to the economic slowdown in Thailand*

During the past year, there has been a significant decline in consumer demand and private consumption in Thailand, resulting from the increasing level of household debt and a slowdown in investments for various transportation megaprojects on the part of the government, together with the increasingly tense political situation and the resultant 'Bangkok Shutdown.' Such negative situations and factors have had a direct and adverse affect on the overall economic environment of Thailand.

Nevertheless, there are also positive factors that still help support the country's economy, e.g. the robust tourism sector (accounting for 7% of GDP), which still achieved a total of 26.7 million international tourist and foreign visitor arrivals in 2013, equal to a 19.6% year on year increase compared to the previous year.

At the same time, various projections were made last year by media and institutional researchers/analysts that the property development business sector would be impacted by the apparent warning signs of an emerging property market 'bubble' due to the continuing upward trend of property prices.

However, due to measures taken by the Bank of Thailand to enforce stricter credit lending regulations to property developers and requirements of higher down payments from borrowers for home purchases, together with an increase in banks declining home purchase credit applications (totaling to 20% in Q4/2013 compared to only 12% for the same period in 2012), and land prices in central Bangkok increasing to record breaking levels, there was a decline in new property development projects being launched in central Bangkok locations. Prime Bangkok locations have not suffered any market event or downturn akin to a 'bubble' burst.

At the same time, many property developers have started asking for higher down payments – increasing from 5-10% to 15% – in order to reduce both the number of speculative as well as 'poor- quality' buyers. In the case of Raimon Land, it has maintained a policy to require deposits of as much as 25-40% from clients, so as to focus on acquiring only top quality and reliable buyers.

# FINANCIAL STATEMENT

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raimon Land Public Company Limited

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

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
(Formerly known as Ernst & Young Office Limited)
Bangkok: 28 February 2014

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF FINANCIAL POSITION
# AS AT 31 DECEMBER 2013

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2013 | 2012 | 2013 | 2012 |
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 7 | 555,929,053 | 1,431,262,404 | 188,777,543 | 771,785,858 |
| Restricted bank deposits | 7 | 28,900,000 | 25,100,000 | 28,900,000 | 25,100,000 |
| Trade and other receivables | 8 | 12,534,938 | 35,247,416 | 483,905,813 | 701,450,476 |
| Short-term loans to related parties and interest receivable | 6 | - | - | 2,657,939,086 | 609,083,657 |
| Project development cost | 9 | 10,486,687,566 | 11,294,866,636 | 5,085,622,737 | 3,897,402,759 |
| Advance payment to contractors | | 511,998,393 | 628,438,464 | 34,284,254 | 273,833,572 |
| Deposits for purchase of land | | - | 106,360,010 | - | 106,360,010 |
| Withholding tax deducted at source | | 45,947,021 | 3,641,260 | 7,275,071 | - |
| Other current assets | | 101,324,528 | 78,275,254 | 16,096,704 | 12,883,814 |
| **Total current assets** | | 11,743,321,499 | 13,603,191,444 | 8,502,801,208 | 6,397,900,146 |
| **Non-current assets** | | | | | |
| Investments in subsidiaries | 10 | - | - | 1,763,964,176 | 1,763,964,176 |
| Land awaiting development | | 14,670,181 | 14,670,181 | 13,715,589 | 13,715,589 |
| Investment properties | 11 | 1,025,111,392 | 269,275,088 | 42,113,373 | 36,430,961 |
| Property, plant and equipment | 12 | 41,939,029 | 49,939,951 | 23,122,411 | 40,296,843 |
| Deferred tax assets | 13 | 603,653,319 | 859,080,036 | 313,585,474 | 309,730,679 |
| Leasehold right | 14 | 75,833,333 | 79,166,667 | - | - |
| Deposits | | 3,168,132 | 15,368,112 | 2,325,732 | 2,454,913 |
| Withholding tax deducted at source | | 65,648,221 | 76,781,379 | - | 14,651,807 |
| Other non-current assets | | 11,087,410 | 29,248,173 | 5,992,622 | 8,969,890 |
| **Total non-current assets** | | 1,841,111,017 | 1,393,529,587 | 2,164,819,377 | 2,190,214,858 |
| **Total assets** | | 13,584,432,516 | 14,996,721,031 | 10,667,620,585 | 8,588,115,004 |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF FINANCIAL POSITION (CONTINUED)
# AS AT 31 DECEMBER 2013

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2013 | 2012 | 2013 | 2012 |
| **Liabilities and shareholders' equity** | | | | | |
| **Current liabilities** | | | | | |
| Short-term loans from financial institutions | *15* | 725,000,000 | 250,000,000 | 725,000,000 | 250,000,000 |
| Trade and other payables | *16* | 519,260,044 | 997,695,403 | 58,433,276 | 312,377,302 |
| Accrued expenses | | 93,237,488 | 108,639,117 | 43,164,393 | 54,487,490 |
| Retention payables | | 167,153,402 | 124,810,452 | 78,785,865 | 51,411,877 |
| Current portion of income tax payable | *13* | 49,182,722 | 95,216,218 | - | - |
| Deposits and advance received from customers | | 4,879,382,451 | 5,632,446,656 | 3,322,521,430 | 2,514,856,612 |
| Current portion of long-term loans from financial institutions | *17* | 2,938,006,566 | 3,494,547,376 | 2,708,690,710 | 20,000,000 |
| Short-term loan from related party and accrued interest | *6* | - | - | 248,712,855 | 243,237,855 |
| Accrued income tax | *13* | 351,830 | 57,974,010 | - | 27,919,720 |
| Other current liabilities | | 43,490,458 | 50,322,442 | 30,933,932 | 31,335,637 |
| **Total current liabilities** | | 9,415,064,961 | 10,811,651,674 | 7,216,242,461 | 3,505,626,493 |
| **Non-current liabilities** | | | | | |
| Income tax payable, net of current portion | *13* | 2,400,096 | 27,172,493 | - | - |
| Long-term loans from financial institutions, net of current port | *17* | 1,784,905,874 | 2,476,700,866 | 461,720,549 | 2,028,544,607 |
| Deferred tax liabilities | *13* | 61,116,251 | 102,914,366 | - | - |
| Provision for long-term employee benefits | *18* | 9,343,651 | 16,913,731 | 9,343,651 | 16,913,731 |
| Other non-current liabilities | | 5,150,534 | 5,507,750 | 4,341,520 | 4,934,404 |
| **Total non-current liabilities** | | 1,862,916,406 | 2,629,209,206 | 475,405,720 | 2,050,392,742 |
| **Total liabilities** | | 11,277,981,367 | 13,440,860,880 | 7,691,648,181 | 5,556,019,235 |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF FINANCIAL POSITION (CONTINUED)
# AS AT 31 DECEMBER 2013

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | Note | 2013 | 2012 | 2013 | 2012 |
| **Shareholders' equity** | | | | | |
| Share capital | *19* | | | | |
| Registered | | | | | |
| 4,558,280,156 ordinary shares of Baht 1 each | | | | | |
| (31 December 2012: 4,469,280,156 ordinary shares | | | | | |
| of Baht 1 each) | | 4,558,280,156 | 4,469,280,156 | 4,558,280,156 | 4,469,280,156 |
| Issued and paid up | | | | | |
| 3,575,424,125 ordinary shares of Baht 1 each | | 3,575,424,125 | 3,575,424,125 | 3,575,424,125 | 3,575,424,125 |
| Share premium | *22* | – | 131,900,646 | – | 131,900,646 |
| Excess of investment in subsidiary arising as a result | | | | | |
| of additional purchase of investment in the subsidiary | | | | | |
| at a price higher than the net book value of | | | | | |
| the subsidiary at the acquisition date | | (564,048,205) | (564,048,205) | – | – |
| Capital reserve for share-based payment transactions | *21* | 4,503,854 | – | 4,503,854 | – |
| Retained earnings (deficits) | | | | | |
| Appropriated – statutory reserve | *22* | – | 36,131,233 | – | 36,131,233 |
| Unappropriated | | (713,566,280) | (1,627,867,875) | (603,955,575) | (711,360,235) |
| Other components of shareholders' equity | | (254,139) | – | – | – |
| Equity attributable to owners of the Company | | 2,302,059,355 | 1,551,539,924 | 2,975,972,404 | 3,032,095,769 |
| Non-controlling interests of the subsidiaries | | 4,391,794 | 4,320,227 | – | – |
| **Total shareholders' equity** | | 2,306,451,149 | 1,555,860,151 | 2,975,972,404 | 3,032,095,769 |
| **Total liabilities and shareholders' equity** | | 13,584,432,516 | 14,996,721,031 | 10,667,620,585 | 8,588,115,004 |
| | | – | – | – | – |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF COMPREHENSIVE INCOME
# FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| **Profit or loss:** | | | | | |
| **Revenues** | | | | | |
| Sales of residential condominium units | | 5,656,427,213 | 5,434,819,851 | 261,215,270 | 426,895,924 |
| Rental and service income | | 24,778,302 | 13,741,090 | 7,547,392 | 8,869,671 |
| Other income | | | | | |
| Project management fee income | *6* | 8,793,742 | – | 83,257,749 | 52,478,183 |
| Marketing commission income | *6* | 11,447,508 | 6,568,589 | 75,848,809 | 86,915,018 |
| Guarantee fee income | *6* | – | – | 27,334,773 | 49,936,351 |
| Interest income | *6* | 6,144,756 | 11,076,626 | 106,059,030 | 41,959,615 |
| Others | | 58,100,586 | 53,754,703 | 12,197,909 | 16,112,984 |
| **Total revenues** | | 5,765,692,107 | 5,519,960,859 | 573,460,932 | 683,167,746 |
| **Expenses** | | | | | |
| Cost of residential condominium units sold | | 3,627,258,363 | 3,651,031,783 | 242,120,434 | 323,868,777 |
| Selling expenses | | 389,724,013 | 445,095,777 | 53,584,316 | 89,844,254 |
| Administrative expenses | | 586,466,735 | 404,657,403 | 288,496,120 | 307,370,846 |
| **Total expenses** | | 4,603,449,111 | 4,500,784,963 | 584,200,870 | 721,083,877 |
| **Profit (loss) before finance cost and income tax expenses** | | 1,162,242,996 | 1,019,175,896 | (10,739,938) | (37,916,131) |
| Finance cost | | (172,125,855) | (260,604,140) | (53,742,076) | (75,137,915) |
| **Profit (loss) before income tax expenses** | | 990,117,141 | 758,571,756 | (64,482,014) | (113,054,046) |
| Income tax expenses | *13* | (243,775,858) | (262,724,067) | 3,854,795 | 5,290,056 |
| **Profit (loss) for the year** | | 746,341,283 | 495,847,689 | (60,627,219) | (107,763,990) |
| **Other comprehensive income for the year** | | | | | |
| Exchange differences on translation of financial statements in foreign currency | | (254,139) | – | – | – |
| **Other comprehensive income for the year** | | **(254,139)** | **–** | **–** | **–** |
| **Total comprehensive income for the year** | | **746,087,144** | **495,847,689** | **(60,627,219)** | **(107,763,990)** |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
# FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 2013 | 2012 | 2013 | 2012 |
| **Profit (loss) attributable to:** | | | | | |
| Equity holders of the Company | | 746,269,716 | 495,770,854 | (60,627,219) | (107,763,990) |
| Non-controlling interests of the subsidiaries | | 71,567 | 76,835 | | |
| | | 746,341,283 | 495,847,689 | | |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of the Company | | 746,015,577 | 495,770,854 | (60,627,219) | (107,763,990) |
| Non-controlling interests of the subsidiaries | | 71,567 | 76,835 | | |
| | | 746,087,144 | 495,847,689 | | |
| **Earnings per share** | *24* | | | | |
| Basic earnings (loss) per share | | | | | |
| Profit (loss) attributable to equity holders of the Company | | 0.21 | 0.14 | (0.02) | (0.03) |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
# FOR THE YEAR ENDED 31 DECEMBER 2013

| | | Equity attributable to owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Other components of equity | | | | |
| | | | | | | | | Other comprehensive income | | | | |
| | Note | Issued and paid-up share capital | Share premium | Excess of investment in subsidiary arising as a result of additional purchase of investment in the subsidiary at a price higher than net book value of the subsidiary at the acquisition date | Capital reserve for share-based payment transactions | Retained earnings (deficits) Appropriated | Retained earnings (deficits) Unappropriated | Exchange differences on translation of financial statements in foreign currency | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity |
| **Balance as at 1 January 2012** | | 3,250,385,569 | - | (564,048,205) | - | 36,131,233 | (2,123,638,729) | - | - | 598,829,868 | 4,243,092 | 603,072,960 |
| Increase share capital | | 325,038,556 | 131,900,646 | - | - | - | - | - | - | 456,939,202 | - | 456,939,202 |
| Total comprehensive income for the year | | - | - | - | - | - | 495,770,854 | - | - | 495,770,854 | 76,835 | 495,847,689 |
| Increase in investments in subsidiaries | | - | - | - | - | - | - | - | - | - | 300 | 300 |
| **Balance as at 31 December 2012** | | 3,575,424,125 | 131,900,646 | (564,048,205) | - | 36,131,233 | (1,627,867,875) | - | - | 1,551,539,924 | 4,320,227 | 1,555,860,151 |
| | | | | | | | | | | | | - |
| **Balance as at 1 January 2013** | | 3,575,424,125 | 131,900,646 | (564,048,205) | - | 36,131,233 | (1,627,867,875) | - | - | 1,551,539,924 | 4,320,227 | 1,555,860,151 |
| Offset share premium and statutory reserve against deficits | *22* | - | (131,900,646) | - | - | (36,131,233) | 168,031,879 | - | - | - | - | - |
| Capital reserve for share-based payment transactions | *21* | - | - | - | 4,503,854 | - | - | - | - | 4,503,854 | - | 4,503,854 |
| Total comprehensive income for the year | | - | - | - | - | - | 746,269,716 | (254,139) | (254,139) | 746,015,577 | 71,567 | 746,087,144 |
| **Balance as at 31 December 2013** | | 3,575,424,125 | - | (564,048,205) | 4,503,854 | - | (713,566,280) | (254,139) | (254,139) | 2,302,059,355 | 4,391,794 | 2,306,451,149 |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
# FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

| | | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|---|
| | | Issued and paid-up | | Capital reserve for share-based payment | Retained earnings | | |
| | Note | share capital | Share premium | transactions | Appropriated | Unappropriated | Total |
| **Balance as at 1 January 2012** | | 3,250,385,569 | - | - | 36,131,233 | (603,596,245) | 2,682,920,557 |
| Increase share capital | | 325,038,556 | 131,900,646 | - | - | - | 456,939,202 |
| Total comprehensive income for the year | | - | - | - | - | (107,763,990) | (107,763,990) |
| **Balance as at 31 December 2012** | | 3,575,424,125 | 131,900,646 | - | 36,131,233 | (711,360,235) | 3,032,095,769 |
| **Balance as at 1 January 2013** | | 3,575,424,125 | 131,900,646 | - | 36,131,233 | (711,360,235) | 3,032,095,769 |
| Offset share premium and statutory reserve against deficits | *22* | - | (131,900,646) | - | (36,131,233) | 168,031,879 | - |
| Capital reserve for share-based payment transactions | *21* | - | - | 4,503,854 | - | - | 4,503,854 |
| Total comprehensive income for the year | | - | - | - | - | (60,627,219) | (60,627,219) |
| **Balance as at 31 December 2013** | | 3,575,424,125 | - | 4,503,854 | - | (603,955,575) | 2,975,972,404 |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# CASH FLOW STATEMENT
# FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Cash flows from operating activities** | | | | |
| Profit (loss) before tax | 990,117,141 | 758,571,756 | (64,482,014) | (113,054,046) |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 35,302,856 | 38,569,614 | 17,434,621 | 27,269,934 |
| Loss (gain) on disposal/ written – off of building and equipment | 9,414,583 | (1,134,609) | 9,389,418 | (1,084,610) |
| Gain on sales of land awaiting development | – | – | – | (525,408) |
| Expenses from provision for long–term employee benefits | 20,011,053 | 2,816,225 | 20,011,053 | 2,816,225 |
| Reduce project development cost to net realisable value | 15,497,085 | – | 15,497,085 | – |
| Impairment loss of investment properties | 120,844,421 | – | – | – |
| Share–base payment transactions | 4,503,854 | – | 4,503,854 | – |
| Interest income | (6,144,756) | (11,076,627) | (106,059,030) | (41,959,615) |
| Interest expenses (consist of interest expenses for operating and interest capitalised as part of project development cost) | 347,235,894 | 493,930,870 | 182,756,253 | 170,892,147 |
| Profit from operating activities before changes in operating assets and liabilities | 1,536,782,131 | 1,281,677,229 | 79,051,240 | 44,354,627 |
| Operating assets decrease (increase) | | | | |
| Trade and other receivables | 22,712,478 | (35,247,416) | 217,544,663 | (365,795,036) |
| Project development cost | 18,210,643 | 1,092,395,607 | (1,203,717,063) | (550,098,092) |
| Advance payment to contractors | 116,440,071 | (114,413,340) | 239,549,318 | 31,070,936 |
| Deposits for purchase of land | – | (106,360,010) | – | (106,360,010) |
| Other current assets | (15,284,521) | (17,065,455) | 4,551,863 | (1,355,481) |
| Deposits | 12,199,980 | 8,586,611 | 129,181 | 2,268,120 |
| Other non–current assets | 17,122,774 | 135,596 | 1,939,280 | 4,933 |

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

# RAIMON LAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
# STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
# FOR THE YEAR ENDED 31 DECEMBER 2013

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (414,574,051) | (29,041,683) | (212,060,282) | (140,376,362) |
| Accrued expenses | (16,190,390) | 55,548,803 | (12,539,783) | 15,130,641 |
| Retention payables | 42,342,950 | 35,170,714 | 27,373,988 | 1,000,929 |
| Deposits and advance received from customers | (753,064,205) | (737,635,736) | 807,664,818 | 988,510,953 |
| Provision for long-term employee benefits | (27,581,133) | - | (27,581,133) | - |
| Other current liabilities | (6,831,984) | 2,016,591 | (401,705) | (2,633,658) |
| Other non-current liabilities | (357,216) | 4,426,323 | (592,885) | 4,381,475 |
| Cash flows from (used in) operating activities | 531,927,527 | 1,440,193,835 | (79,088,500) | (79,896,024) |
| Cash received from interest income | 6,144,756 | 11,076,627 | 26,234,291 | 24,103,485 |
| Cash paid for interest expenses | (423,604,718) | (447,740,990) | (231,244,588) | (157,054,926) |
| Cash refund from withholding tax deducted at source | 14,651,807 | 36,789,492 | 14,651,807 | 36,789,492 |
| Cash paid for corporate income tax | (204,399,738) | (237,778,910) | (35,194,791) | (8,311,828) |
| **Net cash flows from (used in) operating activities** | (75,280,366) | 802,540,054 | (304,641,781) | (184,369,801) |
| **Cash flows from investing activities** | | | | |
| Increase in restricted bank deposits | (3,800,000) | - | (3,800,000) | - |
| Increase in short-term loans to related parties | - | - | (1,862,670,679) | (152,221,653) |
| Cash received from sales of land awaiting development | - | - | - | 1,480,000 |
| Cash paid for acquisition of investment properties | (1,795,001) | - | (1,795,001) | - |
| Cash paid for acquisition of equipment | (23,798,924) | (18,438,952) | (9,900,034) | (12,358,815) |
| Cash received from sales of equipment | 2,930,881 | 2,079,709 | 2,932,528 | 2,029,709 |
| Cash paid for purchase of investments in subsidiaries | - | - | - | (49,999,700) |
| **Net cash flows used in investing activities** | (26,463,044) | (16,359,243) | (1,875,233,186) | (211,070,459) |
| **Cash flows from financing activities** | | | | |
| Increase in short-term loans from financial institutions | 475,000,000 | 220,000,000 | 475,000,000 | 220,000,000 |
| Decrease in short-term loan from related party | - | - | - | (315,000,000) |
| Increase (decrease) in long-term loans from financial institutions | (1,248,335,802) | (635,981,449) | 1,121,866,652 | 424,484,859 |
| Cash paid for purchase of investment in subsidiary payable | - | (57,494,746) | - | (57,494,746) |
| Proceed from increase in share capital | - | 456,939,202 | - | 456,939,202 |
| **Net cash flows from (used in) financing activities** | (773,335,802) | (16,536,993) | 1,596,866,652 | 728,929,315 |
| **Decrease in translation adjustment** | (254,139) | - | - | - |
| Net increase (decrease) in cash and cash equivalents | (875,333,351) | 769,643,818 | (583,008,315) | 333,489,055 |
| Cash and cash equivalents at beginning of the year | 1,431,262,404 | 661,618,586 | 771,785,858 | 438,296,803 |
| **Cash and cash equivalents at end of the year** | 555,929,053 | 1,431,262,404 | 188,777,543 | 771,785,858 |
| | | | | |
| **Supplemental disclosure of cash flows information** | | | | |
| Non-cash transactions: | | | | |
| Transferred project development cost to investment properties | 880,831,352 | 232,844,127 | - | - |

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

## 1. General information

Raimon Land Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is JS Asset Management Pte. Ltd. (formerly known as "JS Oil Pte. Ltd."), a company existing under Singapore laws. The Company is principally engaged in the property development. The registered office of the Company is at 62 The Millennia Tower, 22nd Floor, Unit 2201–3, Langsuan Road, Lumpini, Pathumwan, 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 a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Raimon Land Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|---|---|---|---|
| | | | 2013 | 2012 |
| | | | Percent | Percent |
| Contemporary Property Company Limited | Ceased operations | Thailand | 98.59 | 98.59 |
| Raimon Land Planner Company Limited | Plan and planner administrator | Thailand | 95.00 | 95.00 |
| The River Company Limited and its subsidiary (Held by the Company 88.99% and indirect held by Contemporary Property Company Limited 10.85%) | Property development | Thailand | 99.84 | 99.84 |
| Raimon Land Park View Development Company Limited | Ceased operations | Thailand | 99.99 | 99.99 |
| Raimon Land Resorts Company Limited | Investment and service | Thailand | 99.93 | 99.93 |
| Northpoint PRC Company Limited | Property development | Thailand | 99.99 | 99.99 |

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|---|---|---|---|
| | | | 2013 | 2012 |
| | | | Percent | Percent |
| Raimon Land Residences Company Limited | Property development | Thailand | 99.99 | 99.99 |
| Raimon Land Unixx Company Limited (Held by the Company 89.8% and indirect held by Raimon Land Residences Company Limited 10.2%) | Property development | Thailand | 99.99 | 99.99 |
| Raimon Land Development Company Limited | Property development | Thailand | 99.99 | 99.99 |
| Raimon Land Services Company Limited | Services | Thailand | 99.94 | 99.94 |
| Raimon Land Ekkamai Company Limited | Property development | Thailand | 99.99 | 99.99 |
| Raimon Land Sukhumvit Company Limited | Property development | Thailand | 99.99 | 99.99 |
| Raimon Land Development (Singapore) Pte. Ltd. | Property development/ Investment | Singapore | 100.00 | - |
| Raimon Land Properties (Singapore) Pte. Ltd. | Property development | Singapore | 100.00 | - |

In February 2013, the Company incorporated Raimon Land Development (Singapore) Pte. Ltd. and Raimon Land Properties (Singapore) Pte. Ltd. and invested in 100 percent of the registered share capital of these subsidiaries.

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

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

d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statements of changes in shareholders' equity.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

## 3. New accounting standards

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

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

Accounting standards:

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

Financial Reporting Standard:

| | |
|---|---|
| TFRS 8 | Operating Segments |

Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements. However, the Company and its subsidiaries have early adopted TAS No. 12 "Income Taxes" before the effective date.

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

| | | Effective date |
|---|---|---|
| Accounting Standards: | | |
| TAS 1 (revised 2012) | Presentation of Financial Statements | 1 January 2014 |
| TAS 7 (revised 2012) | Statement of Cash Flows | 1 January 2014 |
| TAS 12 (revised 2012) | Income Taxes | 1 January 2014 |
| TAS 17 (revised 2012) | Leases | 1 January 2014 |
| TAS 18 (revised 2012) | Revenue | 1 January 2014 |
| TAS 19 (revised 2012) | Employee Benefits | 1 January 2014 |
| TAS 21 (revised 2012) | The Effects of Changes in Foreign Exchange Rates | 1 January 2014 |
| TAS 24 (revised 2012) | Related Party Disclosures | 1 January 2014 |
| TAS 28 (revised 2012) | Investments in Associates | 1 January 2014 |
| TAS 31 (revised 2012) | Interests in Joint Ventures | 1 January 2014 |
| TAS 34 (revised 2012) | Interim Financial Reporting | 1 January 2014 |
| TAS 36 (revised 2012) | Impairment of Assets | 1 January 2014 |
| TAS 38 (revised 2012) | Intangible Assets | 1 January 2014 |
| Financial Reporting Standards: | | |
| TFRS 2 (revised 2012) | Share–based Payment | 1 January 2014 |
| TFRS 3 (revised 2012) | Business Combinations | 1 January 2014 |
| TFRS 4 | Insurance Contracts | 1 January 2016 |

| | | |
|---|---|---|
| TFRS 5 (revised 2012) | Non-current Assets Held for Sale and Discontinued Operations | 1 January 2014 |
| TFRS 8 (revised 2012) | Operating Segments | 1 January 2014 |
| Accounting Standard Interpretations: | | |
| TSIC 15 | Operating Leases – Incentives | 1 January 2014 |
| TSIC 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | 1 January 2014 |
| TSIC 29 | Service Concession Arrangements: Disclosures | 1 January 2014 |
| TSIC 32 | Intangible Assets – Web Site Costs | 1 January 2014 |
| Financial Reporting Standard Interpretations: | | |
| TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | 1 January 2014 |
| TFRIC 4 | Determining whether an Arrangement contains a Lease | 1 January 2014 |
| TFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | 1 January 2014 |
| TFRIC 7 | Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies* | 1 January 2014 |
| TFRIC 10 | Interim Financial Reporting and Impairment | 1 January 2014 |
| TFRIC 12 | Service Concession Arrangements | 1 January 2014 |
| TFRIC 13 | Customer Loyalty Programmes | 1 January 2014 |
| TFRIC 17 | Distributions of Non-cash Assets to Owners | 1 January 2014 |
| TFRIC 18 | Transfers of Assets from Customers | 1 January 2014 |

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

## 4. Significant accounting policies

### 4.1 Revenue recognition

*Sales of residential condominium units*

Revenues from sales of residential condominium units are recognised as revenues when significant risks and rewards are transferred to the buyer.

*Rental and related service income*

Rental and related service income of units in office buildings, residential condominium and community mall are recognised on a time proportion basis.

*Interest income*

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

**4.2 Cost of residential condominium units sold**

In determining the cost of residential condominium units sold, the total development costs are attributed to units sold on the basis of the sale value.

**4.3 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.

**4.4 Trade accounts receivable and allowance for doubtful accounts**

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

**4.5 Project development cost**

Project development cost is valued at the lower of cost and net realisable value. The details of cost calculation are as follows:

| | | |
|---|---|---|
| Land | – | The Company and its subsidiaries record cost of land separately for each project. |
| Construction in progress | – | Construction in progress consists of the cost of design, cost of construction, public utility costs and interest capitalised to cost of projects. The Company and its subsidiaries record cost of design, construction and public utilities based on the actual cost incurred. |

**4.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended sale are capitalised as part of the cost of the respective projects and will be ceased when the projects are completed or when the construction is suspended until active development resumes. 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.

**4.7 Investments**

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

**4.8 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives and the leasehold remaining period:

| | |
|---|---|
| Land and office building for rent | 20 years |
| Community mall | 27 years |
| Residential condominium units for rent | 20 years |

Depreciation of the investment properties is included in determining income.

No depreciation is provided on investment properties in progress.

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.

### 4.9 Property, plant and equipment and depreciation

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

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings and building improvement | 20 years |
| Temporary show building | 3 years |
| Furniture, fixtures and office equipment | 3, 5 years |
| Motor vehicles | 5 years |

Depreciation is included in determining income.

No depreciation is provided on land and land improvement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

### 4.10 Leasehold right and amortisation

Leasehold right is stated at cost less accumulated amortisation. Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

### 4.11 Related party transactions

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

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

### 4.12 Long-term leases

Leases of 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 asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of 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.

### 4.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

### 4.14 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 assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

### 4.15 Employee benefits

***Short-term employee benefits***

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

***Post-employment benefits***

*Defined contribution plans*

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

*Defined benefit plans*

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

### 4.16 Equity-settled share-based payment transactions

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

### 4.17 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 recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

## 5. Significant accounting judgments and estimates

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

**Project development costs estimation**

In recognising revenue from real estate sales, the Company and its subsidiaries need to estimate all project development costs, including land costs, land improvement costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

**Investment properties/ Property plant and equipment/ Depreciation**

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

In addition, the management is required to review investment properties, property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is

determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Deferred tax assets**

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

**Post-employment benefits under defined benefit plans**

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

**Cost of share-based payment transactions**

Estimating the cost of share-based payment transactions requires the determination of the fair value of the options granted under the transactions which involves appropriate assumptions, including but not limited to the expected life of the share options, share price volatility and dividend yield.

**Litigation**

The Company and its subsidiaries have 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. Related party transactions

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

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer Pricing Policy |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | |
| Transactions with subsidiaries (Eliminated from the consolidated financial statements) | | | | | |
| Project management fee income | - | - | 83 | 52 | As stipulated in agreements |
| Marketing commission income | - | - | 67 | 80 | At prices charged to the third parties |
| Guarantee fee income | - | - | 27 | 50 | At 1% of average outstanding guarantee per annum |
| Interest income | - | - | 104 | 35 | Interest rate of 3.0-7.5% per annum and average MLR-0.5 to -1.75% per annum (2012: Interest rate of 3.0-10.0% per annum) |

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer Pricing Policy |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | |
| Interest expenses | – | – | 5 | 14 | Interest rate of 3.0% per annum (2012: Interest rate of 3.0% per annum and average MLR–0.75% per annum) |
| Service fee expenses | – | – | 6 | – | As stipulated in agreements |
| Transactions with related company (Related by directors) | | | | | |
| Service fee expenses | 2 | 9 | – | 1 | Similar to market price |
| Transactions with directors and employees | | | | | |
| Sales of residential condominium units | 12 | 15 | – | – | Similar to market price |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Amounts due from related parties (Note 8)** | | | | |
| Subsidiaries | | | | |
| – Taksin Properties Company Limited | – | – | 439,813 | 669,972 |
| – Raimon Land Development Company Limited | – | – | 35,413 | 28,808 |
| – Raimon Land Unixx Company Limited | – | – | 1,028 | 2,670 |
| – Raimon Land Ekkamai Company Limited | – | – | 6,242 | – |
| – Raimon Land Development (Singapore) Pte. Ltd. | – | – | 1,238 | – |
| Related companies (related by directors) | 378 | – | – | – |
| | 378 | – | 483,734 | 701,450 |
| **Amounts due to related parties (Note 16)** | | | | |
| Subsidiaries | | | | |
| – Taksin Properties Company Limited | – | – | 161 | – |
| – Raimon Land Development (Singapore) Pte. Ltd. | – | – | 6,000 | – |
| Major shareholders | | | | |
| – JS Asset Management Pte. Ltd. | 7,021 | – | – | – |
| – IFA Hotels & Resorts 3 Ltd.* | – | 29,983 | – | – |
| Related companies (related by directors) | 2,375 | 5,850 | – | 135 |
| | 9,396 | 35,833 | 6,161 | 135 |
| **Deposits and cash received from customers – related parties** | | | | |
| – Directors and employees | 6,181 | 15,294 | 3,216 | 10,111 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| – Related companies (related by directors) | – | 11,808 | – | 11,808 |
| | 6,181 | 27,102 | 3,216 | 21,919 |

*As at 31 December 2013, this company was no longer the related party, the balances were therefore presented in "Other payables – unrelated parties".

Loans to related parties and loan from related party

As at 31 December 2013 and 2012, the balance of loans to and related interest receivable, and loan from and related accrued interest between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Balance as at 31 December 2012 | Increase during the year | Decrease during the year | Balance as at 31 December 2013 |
| **Short-term loans to related parties and interest receivable** | | | | |
| Subsidiaries | | | | |
| – Raimon Land Property Company Limited | | | | |
| Loans | 285,500 | – | (285,500) | – |
| – Raimon Land Park View Development Company Limited | | | | |
| Loans | 15,000 | 50 | – | 15,050 |
| Interest receivable | 1,977 | 752 | – | 2,729 |
| – Raimon Land Resorts Company Limited | | | | |
| Loans | 10,400 | – | (5,800) | 4,600 |
| Interest receivable | 1,033 | 307 | – | 1,340 |
| – Raimon Land Development Company Limited | | | | |
| Loans | 205,578 | 115,000 | – | 320,578 |
| Interest receivable | 65,462 | 16,646 | – | 82,108 |
| – Taksin Properties Company Limited | | | | |
| Loans | – | 1,425,000 | (55,000) | 1,370,000 |
| Interest receivable | – | 46,656 | (9,714) | 36,942 |
| – Raimon Land Unixx Company Limited | | | | |
| Loans | 300,000 | 304,721 | (90,000) | 514,721 |
| Interest receivable | – | 17,015 | (14,628) | 2,387 |
| – Raimon Land Residences Company Limited | | | | |
| Loans | 256,899 | – | – | 256,899 |
| Interest receivable | 87,850 | – | – | 87,850 |
| – Raimon Land Ekkamai Company Limited | | | | |
| Loans | – | 625,000 | (349,940) | 275,060 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|---|---|---|---|
| | Balance as at 31 December 2012 | Increase during the year | Decrease during the year | Balance as at 31 December 2013 |
| Interest receivable | – | 22,790 | – | 22,790 |
| | 1,229,699 | 2,573,937 | (810,582) | 2,993,054 |
| Less: Allowance for doubtful debts | (620,615) | – | (285,500) | (335,115) |
| Net | 609,084 | 2,573,937 | (525,082) | 2,657,939 |

**Short-term loan from related party and accrued interest**

| | | | | |
|---|---|---|---|---|
| Subsidiary | | | | |
| – Contemporary Property Company Limited | | | | |
| Loan | 182,500 | – | – | 182,500 |
| Accrued interest | 60,738 | 5,475 | – | 66,213 |
| | 243,238 | 5,475 | – | 248,713 |

**Directors and management's benefits**

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

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Short-term employee benefits | 76 | 107 | 69 | 97 |
| Post-employment benefits | 2 | 1 | 2 | 1 |
| Terminate benefits | 21 | – | 21 | – |
| Share-based payment transactions (Note 21) | 5 | – | 5 | – |
| Total | 104 | 108 | 97 | 98 |

**Guarantee obligations with related parties**

The Company and the subsidiaries have outstanding guarantee obligations with their related parties, as described in notes 17 and 26.3 to the financial statements.

**Short-term loans to subsidiaries**

During the current year, the Company wrote off short-term loans to Raimon Land Properties Company Limited (filed for deregistration since 2010), which had already recorded full allowance for doubtful accounts, as bad debt totaling Baht 286 million.

Loans to subsidiaries are unsecured loans carrying interest at rates of 3.0 to 7.5 percent per annum and average MLR-0.5 to -1.75 percent per annum and due at call.

During the current year, the Company entered into short-term loan agreements with subsidiaries as follows:

Raimon Land Ekkamai Company Limited

On 31 January 2013, the Company entered into a loan agreement to provide a loan facility of Baht 700 million to Raimon Land Ekkamai Company Limited. The unsecured loan carries interest at a rate of the average MLR-0.5 percent per annum and is due at call.

Taksin Properties Company Limited

On 1 February 2013, the Company entered into a loan agreement to provide a loan facility of Baht 700 million to Taksin Properties Company Limited.

On 23 May 2013, the Company entered into a loan agreement to increase loan facilities to be Baht 1,200 million. On 15 November 2013, the Company entered into a loan agreement to increase loan facilities to be Baht 1,700 million.

These unsecured loans carried interest at the rate of the average MLR-0.75 percent per annum and are due at call.

**Short-term loan from subsidiary**

Loan from subsidiary is unsecured loan carrying interest at a rate of 3 percent per annum and due at call.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Cash | 466 | 290 | 65 | 105 |
| Bank deposits | 555,463 | 1,430,972 | 192,513 | 771,681 |
| Total | 555,929 | 1,431,262 | 192,578 | 771,786 |

As at 31 December 2013, bank deposits in saving accounts and fixed deposits carried interests between 0.50 and 2.25 percent per annum (2012: between 0.50 and 2.25 percent per annum).

Restricted bank deposits represent saving accounts pledged with banks to pay for interest of the Company's loans from bank amounting to Baht 25 million and to secure letters of guarantee of the subsidiary issued by bank amounting to Baht 4 million. The interest rate of these deposits is 0.7 percent per annum.

## 8. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Trade accounts receivable - unrelated parties | - | 10,266 | - | - |
| Other receivables - related parties | 378 | - | 483,734 | 701,450 |
| Other receivables - unrelated parties | 12,157 | 24,981 | 172 | - |
| Total trade and other receivables | 12,535 | 35,247 | 483,906 | 701,450 |

## 9. Project development cost

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Land and construction under development | 7,874,497 | 4,639,472 | 4,914,727 | 3,463,281 |
| Developed land and construction | 2,627,688 | 6,655,395 | 186,393 | 434,122 |
| Total | 10,502,185 | 11,294,867 | 5,101,120 | 3,897,403 |
| Reduce cost to net realisable value | (15,497) | – | (15,497) | – |
| Net | 10,486,688 | 11,294,867 | 5,085,623 | 3,897,403 |

During 2013 and 2012, the Company and its subsidiaries capitalised interest of approximately Baht 216 million and Baht 275 million, respectively (the Company only: Baht 139 million and Baht 105 million, respectively) as part of project development cost. The capitalisation rate on project development cost is approximately 6 percent per annum (2012: 7 percent per annum).

The Company and its subsidiaries have mortgaged their land and construction thereon with banks and financial institutions to secure the Company and its subsidiaries' loans from these banks and financial institutions.

## 10. Investments in subsidiaries

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

(Unit: Thousand Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 (%) | 2012 (%) | 2013 | 2012 |
| Contemporary Property Company Limited | 200,000 | 200,000 | 98.59 | 98.59 | 196,126 | 196,126 |
| Raimon Land Planner Company Limited | 2,000 | 2,000 | 95.00 | 95.00 | 1,900 | 1,900 |
| Raimon Land Park View Development Company Limited | 100,00 | 100,000 | 99.99 | 99.99 | 100,000 | 100,000 |
| The River Company Limited and its subsidiary (Held by the Company 88.99% and indirect held by Contemporary Property Company Limited 10.85%) | 1,232,030 | 1,232,030 | 99.84 | 99.84 | 1,121,994 | 1,121,994 |
| Raimon Land Resorts Company Limited | 250 | 250 | 99.93 | 99.93 | 250 | 250 |
| Northpoint PRC Company Limited | 2,500 | 2,500 | 99.99 | 99.99 | 2,500 | 2,500 |
| Raimon Land Residences Company Limited | 10,000 | 10,000 | 99.99 | 99.99 | 5,099 | 5,099 |
| Raimon Land Unixx Company Limited (Held by the Company 89.8% and indirect held by Raimon Land Residences Company Limited 10.2%) | 50,000 | 50,000 | 99.99 | 99.99 | 40,000 | 40,000 |

(Unit: Thousand Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 (%) | 2012 (%) | 2013 | 2012 |
| Raimon Land Development Company Limited | 500,000 | 500,000 | 99.99 | 99.99 | 390,694 | 390,694 |
| Raimon Land Services Company Limited | 500 | 500 | 99.94 | 99.94 | 500 | 500 |
| Raimon Land Ekkamai Company Limited | 5,000 | 5,000 | 99.99 | 99.99 | 5,000 | 5,000 |
| Raimon Land Sukhumvit Company Limited | 5,000 | 5,000 | 99.99 | 99.99 | 5,000 | 5,000 |
| Raimon Land Development (Singapore) Pte. Ltd. | - | - | 100.00 | - | - | - |
| Raimon Land Properties (Singapore) Pte. Ltd. | - | - | 100.00 | - | - | - |
| Total | | | | | 1,869,063 | 1,869,063 |
| Less: Allowance for loss on diminution in value of investments in subsidiaries | | | | | (105,099) | (105,099) |
| Investments in subsidiaries, net | | | | | 1,763,964 | 1,763,964 |

The Company pledged the ordinary shares of The River Company Limited and Raimon Land Development Company Limited as collateral of subsidiaries' long-term loans from banks.

**Raimon Land Development (Singapore) Pte. Ltd.**

On 18 February 2013, the Company incorporated Raimon Land Development (Singapore) Pte. Ltd., with a registered capital of 2 Singapore Dollars, comprising 2 ordinary shares with a par value of 1 Singapore Dollars each. The Company invested 2 ordinary shares, which represents 100 percent shareholding of the registered share capital.

**Raimon Land Properties (Singapore) Pte. Ltd.**

On 26 February 2013, the Company incorporated Raimon Land Properties (Singapore) Pte. Ltd., with a registered capital of 2 Singapore Dollars, comprising 2 ordinary shares with a par value of 1 Singapore Dollars each. The Company invested 2 ordinary shares, which represents 100 percent shareholding of the registered share capital.

## 11. Investment properties

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | Separate financial statements | |
|---|---|---|---|---|---|---|
| | Land and office building for rent | Community mall | Residential condominium units for rent | Total | Land and office building for rent | Total |
| As at 31 December 2013 | | | | | | |
| Cost | 60,804 | 232,844 | 880,831 | 1,174,479 | 60,804 | 60,804 |
| Less Accumulated depreciation | (18,691) | (9,833) | – | (28,524) | (18,691) | (18,691) |
| Less Allowance for diminution in value | – | (120,844) | – | (120,844) | – | – |
| Net book value | 42,113 | 102,167 | 880,831 | 1,025,111 | 42,113 | 42,113 |
| As at 31 December 2012 | | | | | | |
| Cost | 53,478 | 232,844 | – | 286,322 | 53,478 | 53,478 |
| Less Accumulated depreciation | (17,047) | – | – | (17,047) | (17,047) | (17,047) |
| Less Allowance for diminution in value | – | – | – | – | – | – |
| Net book value | 36,431 | 232,844 | – | 269,275 | 36,431 | 36,431 |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Net book value at beginning of year | 269,275 | 38,076 | 36,431 | 38,076 |
| Acquisition of assets | 7,327 | – | 7,327 | – |
| Transferred assets from project development cost | 880,831 | 232,844 | – | – |
| Allowance for loss on impairment | (120,844) | – | – | – |
| Depreciation charged | (11,478) | (1,645) | (1,645) | (1,645) |
| Net book value at end of year | 1,025,111 | 269,275 | 42,113 | 36,431 |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Land and office building for rent | 76 | 72 | 76 | 72 |
| Community mall | 178 | – | – | – |
| Residential condominium units for rent | 1,005 | – | – | – |

The fair values of the above investment properties have been determined based on valuations performed by the accredited independent valuer. The fair values of the land and office building for rent and residential condominium units for rent have been determined using the market approach, while that of the community mall has been determined using the income approach. The main assumptions used in the valuation of the community mall were yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The community mall of a subsidiary is located on leasehold land, the subsidiary therefore assessed the impairment by using the net book value of both community mall and leasehold rights compared with the fair value performed by the independent valuer. Total net book value was higher than the fair value approximately Baht 121 million, the subsidiary therefore recorded allowance for impairment of the community mall amounting to Baht 121 million in the profit and loss for the year ended 31 December 2013.

The Company and its subsidiaries have pledged their investment properties with banks and financial institution to secure the Company and its subsidiary's loans.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Land and land improvement | Building and building improvement | Furniture and fixtures | Office equipment | Motor vehicles | Total |
| **Cost:** | | | | | | |
| 1 January 2012 | 13,388 | 58,369 | 72,835 | 23,505 | 28,071 | 196,168 |
| Additions | – | – | 4,564 | 6,126 | 7,749 | 18,439 |
| Disposals/ Written-off | – | – | – | (523) | (4,867) | (5,390) |
| 31 December 2012 | 13,388 | 58,369 | 77,399 | 29,108 | 30,953 | 209,217 |
| Additions | – | – | 10,065 | 10,290 | 3,444 | 23,799 |
| Disposals/ Written-off | – | (41,402) | (903) | (581) | (5,025) | (47,911) |
| 31 December 2013 | 13,388 | 16,967 | 86,561 | 38,817 | 29,372 | 185,105 |
| **Accumulated depreciation:** | | | | | | |
| 1 January 2012 | – | 25,860 | 50,471 | 17,457 | 19,168 | 112,956 |
| Depreciation for the year | – | 13,799 | 9,516 | 3,327 | 5,928 | 32,570 |
| Depreciation on disposals/ written-off | – | – | – | (510) | (3,934) | (4,444) |
| 31 December 2012 | – | 39,659 | 59,987 | 20,274 | 21,162 | 141,082 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Land and land improvement | Building and building improvement | Furniture and fixtures | Office equipment | Motor vehicles | Total |
| Depreciation for the year | – | 4,536 | 7,950 | 3,742 | 3,226 | 19,454 |
| Depreciation on disposals/ written-off | – | (32,135) | (880) | (400) | (2,150) | (35,565) |
| 31 December 2013 | – | 12,060 | 67,057 | 23,616 | 22,238 | 124,971 |
| **Allowance for impairment loss:** | | | | | | |
| 1 January 2012 | 13,288 | 4,907 | – | – | – | 18,195 |
| 31 December 2012 | 13,288 | 4,907 | – | – | – | 18,195 |
| 31 December 2013 | 13,288 | 4,907 | – | – | – | 18,195 |
| **Net book value:** | | | | | | |
| 31 December 2012 | 100 | 13,803 | 17,412 | 8,834 | 9,791 | 49,940 |
| 31 December 2013 | 100 | – | 19,504 | 15,201 | 7,134 | 41,939 |
| **Depreciation for the year:** | | | | | | |
| 2012 (all included in selling and administrative expenses) | | | | | | 32,570 |
| 2013 (all included in selling and administrative expenses) | | | | | | 19,454 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Land and land improvement | Building and building improvement | Furniture and fixtures | Office equipment | Motor vehicles | Total |
| **Cost:** | | | | | | |
| 1 January 2012 | 13,388 | 58,369 | 51,169 | 16,452 | 13,535 | 152,913 |
| Additions | – | – | 1,296 | 3,314 | 7,749 | 12,359 |
| Disposals/ Written off | – | – | – | (267) | (4,867) | (5,134) |
| 31 December 2012 | 13,388 | 58,369 | 52,465 | 19,499 | 16,417 | 160,138 |
| Additions | – | – | 3,161 | 3,539 | 3,200 | 9,900 |
| Disposals/ Written off | – | (41,402) | (903) | (423) | (5,025) | (47,753) |
| 31 December 2013 | 13,388 | 16,967 | 54,723 | 22,615 | 14,592 | 122,285 |
| **Accumulated depreciation:** | | | | | | |
| 1 January 2012 | – | 25,860 | 34,035 | 12,353 | 8,983 | 81,231 |
| Depreciation for the year | – | 13,799 | 5,829 | 1,955 | 3,021 | 24,604 |
| Depreciation on disposals/ written off | – | – | – | (254) | (3,935) | (4,189) |
| 31 December 2012 | – | 39,659 | 39,864 | 14,054 | 8,069 | 101,646 |
| Depreciation for the year | – | 4,536 | 5,246 | 2,506 | 2,464 | 14,752 |
| Depreciation on disposals/ written off | – | (32,135) | (879) | (266) | (2,150) | (35,430) |
| 31 December 2013 | – | 12,060 | 44,231 | 16,294 | 8,383 | 80,968 |
| **Allowance for impairment loss:** | | | | | | |
| 1 January 2012 | 13,288 | 4,907 | – | – | – | 18,195 |
| 31 December 2012 | 13,288 | 4,907 | – | – | – | 18,195 |
| 31 December 2013 | 13,288 | 4,907 | – | – | – | 18,195 |
| **Net book value:** | | | | | | |
| 31 December 2012 | 100 | 13,803 | 12,601 | 5,445 | 8,348 | 40,297 |
| 31 December 2013 | 100 | – | 10,492 | 6,321 | 6,209 | 23,122 |
| **Depreciation for the year:** | | | | | | |
| 2012 (all included in selling and administrative expenses) | | | | | | 24,604 |
| 2013 (all included in selling and administrative expenses) | | | | | | 14,752 |

As at 31 December 2013, certain equipment and motor vehicles items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 96 Million (2012: Baht 60 million) (the Company only: Baht 59 million, 2012: Baht 45 million).

## 13. Income tax

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Current income tax:** | | | | |
| Current income tax charge | 20,862 | 140,481 | – | 36,232 |
| Adjustment in respect of current income tax of previous year | 9,285 | 346 | – | – |
| **Deferred tax:** | | | | |
| Relating to origination and reversal of temporary differences | 213,629 | 79,796 | (3,855) | (50,656) |
| Effects of changes in the applicable tax rates | – | 42,101 | – | 9,134 |
| **Income tax expenses (income) reported in the statement of comprehensive income** | 243,776 | 262,724 | (3,855) | (5,290) |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Accounting profit (loss) before tax | 990,117 | 758,572 | (64,482) | (113,054) |
| Applicable tax rate | 20% | 23% | 20% | 23% |
| Accounting profit (loss) before tax multiply by applicable tax rate | 198,023 | 174,472 | (12,896) | (26,002) |
| Adjustment in respect of current income tax of previous year | 9,285 | 346 | – | – |
| Difference in tax rates of subsidiaries | (194) | – | – | – |
| Effects of changes in the applicable tax rates | – | 42,101 | – | 9,134 |
| Effects of: | | | | |
| Elimination of related transactions | – | 10,704 | – | – |
| Deferred tax assets which were not recognised during the year | | | | |
| - Tax losses of subsidiaries | 12,730 | 12,756 | – | – |
| - Others | 663 | – | – | – |
| Non-deductible expenses | 23,269 | 22,345 | 9,041 | 11,578 |
| **Total** | 36,662 | 45,805 | 9,041 | 11,578 |
| **Income tax expenses (income) reported in the statement of comprehensive income** | 243,776 | 262,724 | (3,855) | (5,290) |

As of 31 December 2013 and 2012, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Deferred tax assets** | | | | |
| Unused tax loss | 99,668 | 85,579 | 18,895 | – |
| Allowance for diminution of investments | 21,020 | 23,020 | 21,020 | 23,020 |
| Allowance for doubtful accounts | 70,805 | 135,723 | 69,154 | 135,723 |
| Allowance for diminution in value of project development cost | 3,099 | – | 3,099 | – |
| Allowance for investment properties impairment | 24,169 | – | – | – |
| Provision for long-term employee benefits | 1,869 | 3,383 | 1,869 | 3,383 |
| Cash received from customers and project development cost from the difference between tax and accounting of revenue recognition | 377,002 | 611,375 | 199,548 | 147,605 |
| Others | 6,021 | – | – | – |
| **Total deferred tax assets** | 603,653 | 859,080 | 313,585 | 309,731 |
| **Deferred tax liabilities** | | | | |
| Surplus of project development cost | 61,116 | 102,914 | – | – |
| **Total deferred tax liabilities** | 61,116 | 102,914 | – | – |

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

As at 31 December 2013, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 293 million (2012: Baht 306 million) (the Company only: Baht 19 million, 2012: Baht 12 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

A subsidiary's corporate income tax for the year 2011 is payable in installments until May 2014, corporate income tax for the half-year of 2012 is payable in installments until April 2014, and corporate income tax for the year 2012 is payable in installments until January 2015. The liabilities are presented as "Income tax payable" in the statements of financial position as at 31 December 2013 and 2012.

## 14. Leasehold right

(Unit: Thousand Baht)

| | 2013 | 2012 |
|---|---|---|
| Leasehold right | 100,000 | 100,000 |
| Less: Accumulated amortisation | (24,167) | (20,833) |
| Leasehold right – net | 75,833 | 79,167 |
| Amortisation expenses included in administrative expenses | 3,334 | 3,333 |

## 15. Short-term loans from financial institutions

As at 31 December 2013, the Company has balance of bill of exchanges and promissory notes amounting to Baht 725 million (2012: Baht 250 million) from the financial institutions, which carry interest at rates similar to market price and are due between February 2014 and July 2014.

The short-term loans from the financial institutions are secured by the mortgage of the Company's land with structures thereon.

## 16. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Trade payables – unrelated parties | 440,137 | 655,313 | 48,582 | 157,630 |
| Other payables – related parties | 9,396 | 35,833 | 6,161 | 135 |
| Other payables – unrelated parties | 69,727 | 306,549 | 3,690 | 154,612 |
| Total trade and other payables | 519,260 | 997,695 | 58,433 | 312,377 |

## 17. Long-term loans from financial institutions

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Long-term loans | 4,722,912 | 5,971,248 | 3,170,412 | 2,048,545 |
| Less: Current portion | (2,938,006) | (3,494,547) | (2,708,691) | (20,000) |
| Long-term loans, net of current portion | 1,784,906 | 2,476,701 | 461,721 | 2,028,545 |

The Company and its subsidiaries have credit facilities from banks totaling Baht 10,811 million (2012: Baht 12,088 million) (the Company only: Baht 4,505 million, 2012: Baht 4,992 million) under numerous agreements, carrying interest rates reference to MLR. Loan repayments are due when condominium units are transferred to customers, as specified in the loan agreement, and full settlement due within dates between March 2014 to April 2017 (2012: June 2013 to June 2016) (the Company only: March 2014 to June 2016 (2012: June 2013 to June 2016)).

These loans are secured by the mortgage of the condominium units of the projects, the land and construction thereon of the projects, the land and investment properties thereon, the transfer of beneficiary rights under purchase and sale agreements for the project's condominium units, the transfer of beneficiary rights under insurance policies for the projects, the transfer of the beneficiary rights under the performance bonds of construction agreements with the major project contractors, the pledge of a saving account of Baht 25 million, the transfer of rights in bank accounts, leasehold

rights, the pledge of share certificates of the subsidiaries and guarantee provided by the Company and the subsidiaries.

The loan agreements of the Company contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio according to the agreements.

As at 31 December 2013, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 1,926 million (2012: Baht 5,349 million) (the Company only: Baht 1,300 million, 2012: Baht 2,852 million).

**Raimon Land Public Company Limited**

On 26 November 2013, the Company entered into an amendment long-term loan agreement with a local bank, to increase the loan facilities from Baht 1,365 million to Baht 1,598 million for the construction of the subsidiary's project.

**Raimon Land Ekkamai Company Limited (the subsidiary)**

On 25 April 2013, Raimon Land Ekkamai Company Limited, a subsidiary, entered into a long-term loan agreement with a local bank, granting the loan facilities of Baht 880 million for development of the subsidiary's project, carrying interest rate reference to MLR. The loan of Baht 400 million is to be used to repay the existing long-term loan from another bank for purchase of project land and the remaining is to be used to fund construction of the project.

**Taksin Properties Company Limited (a subsidiary of The River Company Limited)**

On 14 June 2013, Taksin Properties Company Limited, a subsidiary, entered into an amendment long-term loan agreement with two local banks, to decrease the loan facilities from Baht 6,026 million to Baht 4,226 million.

## 18. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

| | Consolidated and separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| Defined benefit obligation at beginning of year | 16,914 | 14,098 |
| Current service cost | 2,504 | 2,252 |
| Interest cost | 676 | 564 |
| Benefits paid during the year | (27,581) | - |
| Actuarial gain | (4,008) | - |
| Past service costs | 20,839 | - |
| Defined benefit obligation at end of year | 9,344 | 16,914 |

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

(Unit: Thousand Baht)

| | Consolidated and separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| Current service cost | 2,504 | 2,252 |
| Interest cost | 676 | 564 |
| Actuarial gain recognised during the year | (4,008) | - |
| Past service cost recognised during the year | 20,839 | - |
| **Total expense recognised in profit or loss** | 20,011 | 2,816 |

All expenses are included in administrative expenses.

Principal actuarial assumptions at the valuation date were as follows:

| | Consolidated and separate financial statements | |
|---|---|---|
| | 2013 | 2012 |
| | (% per annum) | (% per annum) |
| Discount rate | 4 | 4 |
| Future salary increase rate | 3 | 4 |
| Staff turnover rate (depending on age of employee) | 0 - 20 | 0 - 20 |

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

(Unit: Thousand Baht)

| | Consolidated financial statements and Separate financial statements | |
|---|---|---|
| | Defined benefit obligation | Experience adjustments on the obligation |
| Year 2013 | 9,344 | (2,441) |
| Year 2012 | 16,914 | - |
| Year 2011 | 14,098 | - |
| Year 2010 | 10,712 | - |

## 19. Share capital

On 1 November 2013, the Extraordinary General Meeting of the Company's shareholders No. 1/2013 passed the approval for the Company to increase its registered share capital from the existing amount of Baht 4,469 million (4,469,280,156 ordinary shares with a par value of Baht 1 each) to Baht 4,558 million (4,558,280,156 ordinary shares with a par value of Baht 1 each). The increasing of the registered share capital of Baht 89 million (89,000,000 ordinary shares with a par value of Baht 1 each) shall be reserved to accommodate the exercise rights to buy ordinary shares of the holders of Warrants, which will be issued and offered to the Executive Directors of the Company under ESOP Project (Note 21).

The Company registered the increase in its share capital with the Ministry of Commerce on 14 November 2013.

## 20. Warrants to purchase new ordinary shares of the Company issued to the Company's shareholders

On 25 April 2012, the 2012 Annual General Meeting of the Company's shareholders passed the approval to issue and offer up to 894 million warrants to the shareholders, free of charge. These warrants are exercisable for a period of 3 years from the issued date in a ratio of 1 warrant for 1 ordinary share and at an exercise price of Baht 2.75 each.

On 17 May 2012, the Company issued the warrants (RML-W3) of 894 million warrants. The warrants can be exercised to subscribe to newly issued ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 2.75 each, and exercised on the last business day of each March, June, September and December which start first period on 29 June 2012 and the final period is on 15 May 2015.

As at 31 December 2013, there was not exercised for these warrants (RML-W3).

## 21. Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company

On 1 November 2013, the Extraordinary General Meeting of the Company's shareholders No. 1/2013 passed the approval for the Company to issue and offer 89 million units of warrants to purchase the Company's ordinary shares ("ESOP-Warrants") at the rate of Baht 0 per unit and at the exercise ratio of 1 unit per 1 ordinary share and at the exercise price of Baht 1.67 per share to two Executive Directors of the Company, 44.5 million units each.

On 12 November 2013, the Board of Directors' Meeting of the Company No. 12/2013 passed the approval for the date of issue warrants (RML-WB) of 89 million units on 15 November 2013. The holders of the warrants are able to exercise their rights to purchase the Company's ordinary shares on the last business day of each month at the agreed option for a term of 5 years from the issue date.

As at 31 December 2013, there was not exercised for these warrants (RML-WB).

The expenses recognised from share-based payment transactions for the year ended 31 December 2013 of the Company were Baht 5 million.

The fair value of the warrants (RML-WB) was measured based on Binomial option pricing model as presented below.

| | RML-WB |
|---|---|
| Fair value of warrants at grant date | 0.22 – 0.48 Baht per share |
| Share price at grant date | 1.32 Baht per share |
| Exercise price | 1.67 Baht per share |
| Expected dividend yield | 0 % |
| Expected stock volatility* | 45.51 % |
| Risk-free interest rate | 2.83 % |

*The expected volatility of the share options is based on historical data of the Company's stock price during the period 16 November 2011 to 15 November 2013.

## 22. Statutory reserve/ share premium

On 25 April 2013, the 2013 Annual General Meeting of the Company's shareholders passed a resolution regarding the offset of the legal statutory of Baht 36.1 million and the share premium of Baht 131.9 million against the Company's deficits. During the second quarter of current year, the Company recorded this offset transaction as a result to decrease in the deficits totaling Baht 168 million.

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

## 23. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Cost of residential condominium units sold | 3,627,258 | 3,651,032 | 242,120 | 323,869 |
| Salary and other employee benefits | 202,472 | 194,397 | 187,046 | 191,159 |
| Depreciation and amortisation expenses | 35,303 | 38,570 | 17,435 | 27,270 |
| Special business tax and transfer fees | 222,454 | 241,426 | 10,772 | 17,049 |
| Other selling expenses | 162,733 | 189,870 | 38,276 | 58,996 |
| Impairment of investment properties | 120,844 | – | – | – |
| Impairment of project development cost | 15,497 | – | 15,497 | – |

## 24. Earnings per share

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

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, warrants was not included in calculation of diluted earnings (loss) per share for the year 2013 since the exercise price plus the balance of fair value of each warrants is higher than the average market price for the year.

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Profit (loss) attributable to equity holders of the parent (Thousand Baht) | 746,270 | 495,771 | (60,627) | (107,764) |
| Weighted average number of ordinary shares (shares) | 3,575,424,125 | 3,468,103,057 | 3,575,424,125 | 3,468,103,057 |
| Earnings (loss) per share (Baht/share) | 0.21 | 0.14 | (0.02) | (0.03) |

## 25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3 percent or 5 percent of their basic salaries, and by the Company at the rate of 5 percent of employees' basic salaries. The fund, which is managed by Kasikorn Thai Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company contributed Baht 4 million (2012: Baht 5 million) to the fund.

## 26. Commitments and contingent liabilities

### 26.1 Capital commitments

As at 31 December 2013, the Company and its subsidiaries had capital commitments of approximately Baht 2,358 million (2012: Baht 2,970 million) (the Company only: Baht 464 million, 2012: Baht 1,520 million) relating to design and construction contracts of their projects.

### 26.2 Long-term service commitments

The Company and its subsidiaries had commitment in respect of agency fees of the projects to pay under the "Agency Agreement" at the rate of 1 to 4 percent of project units' gross sale price.

### 26.3 Guarantee

26.3.1 As at 31 December 2013, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 2,188 million (2012: Baht 7,096 million).

26.3.2 As at 31 December 2013, the Company and its subsidiary had outstanding back guarantees to guarantee electricity use approximately Baht 13 million (the Company only: Baht 4 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

### 26.4 Tax assessment

During the year 2012, a subsidiary received letters of corporate income tax and special business tax assessment from the Revenue Department, whereby significant tax was assessed on the mortgage value to be included in value of land sales of the subsidiary. The subsidiary submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. The Company's management believes that the subsidiary will be able to oppose this assessment and that there will be no significant effect to the consolidated statement of financial position and consolidated statement of comprehensive income.

Even if the subsidiary loses the case, the Company's management believes that losses resulting from this tax assessment will be incurred only by the subsidiary, which ceased its operations in 2010 and

has total assets amounting to Baht 21.8 million included in the consolidated financial statements as at 31 December 2013, of which Baht 21.6 million is withholding tax that the subsidiary has requested for refund.

### 26.5 Litigations

As at 31 December 2013, the Company and its subsidiaries have pending litigation cases, relating to allegations of breaches of agreements to purchase and to sell from some customers and torts. However, the Company and its subsidiaries are defending the lawsuits, and since the Company's lawyers and management believe that the Company and its subsidiaries will not have a material effect from the litigation, no addition entries have been made in respect of these cases beyond provision already recorded.

## 27. 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.

For management purposes, the Company and its subsidiaries are organised into business units based on their project property development.

The Company and its subsidiaries have aggregated all operating segments and presented them as the reportable segment (property development). The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the financial reporting standard. The operation of the Company and its subsidiaries is carried out from the single geographic area of Thailand. As a result, all of the revenues, operating profits (losses) and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

## 28. Financial instruments

### 28.1 Financial risk management

The Company and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, loans to, investments, trade and other payables, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

*Credit risk*

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

*Interest rate risk*

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

Significant financial assets and liabilities classified by type of interest rate 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 statement | | | | |
|---|---|---|---|---|---|
| | As at 31 December 2013 | | | | |
| | Fixed interest rates within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | | | | | (% p.a.) |
| Financial Assets | | | | | |
| Cash and cash equivalent | - | 560 | - | 560 | 0.50 - 2.25 |
| Restricted bank deposits | - | 25 | - | 25 | 0.70 |
| Trade and other receivables | - | - | 13 | 13 | - |
| | - | 585 | 13 | 598 | |
| Financial Liabilities | | | | | |
| Short-term loans from financial institutions | 530 | 195 | - | 725 | 5.50 - 5.60 and Reference to MLR |
| Trade and other payables | - | - | 519 | 519 | - |
| Long-term loans from financial institutions | - | 4,732 | - | 4,732 | Reference to MLR |
| | 530 | 4,927 | 519 | 5,976 | |
| Financial Assets | | | | | |
| Cash and cash equivalent | - | 1,431 | - | 1,431 | 0.50 - 2.25 |
| Restricted bank deposits | - | 25 | - | 25 | 0.70 |
| Trade and other receivables | - | - | 35 | 35 | - |
| | - | 1,456 | 35 | 1,491 | |
| Financial Liabilities | | | | | |
| Short-term loans from financial institutions | 250 | - | - | 250 | 5.50 |
| Trade and other payables | - | - | 998 | 998 | - |
| Long-term loans from financial institutions | - | 5,971 | - | 5,971 | Reference to MLR |
| | 250 | 5,971 | 998 | 7,219 | |

(Unit: Million Baht)

| | Consolidated financial statement | | | | |
|---|---|---|---|---|---|
| | As at 31 December 2012 | | | | |
| | Fixed interest rates within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | | | | | (% p.a.) |
| Financial Assets | | | | | |
| Cash and cash equivalent | - | 1,431 | - | 1,431 | 0.50 - 2.25 |
| Restricted bank deposits | - | 25 | - | 25 | 0.70 |
| Trade and other receivables | - | - | 35 | 35 | - |
| | - | 1,456 | 35 | 1,491 | |
| Financial Liabilities | | | | | |
| Short-term loans from financial institutions | 250 | - | - | 250 | 5.50 |
| Trade and other payables | - | - | 998 | 998 | - |
| Long-term loans from financial institutions | - | 5,971 | - | 5,971 | Reference to MLR |
| | 250 | 5,971 | 998 | 7,219 | |

(Unit: Million Baht)

| | Separate financial statement | | | | |
|---|---|---|---|---|---|
| | As at 31 December 2013 | | | | |
| | Fixed interest rates within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | | | | | (% p.a.) |
| Financial Assets | | | | | |
| Cash and cash equivalent | - | 193 | - | 193 | 0.50-1.55 |
| Restricted bank deposits | - | 25 | - | 25 | 0.70 |
| Trade and other receivables | - | - | 484 | 484 | - |
| Short-term loans to related company and interest receivable | 2,510 | - | 148 | 2,658 | 3.00 - 7.50 and MLR-0.50 to - 1.75 |
| | 2,510 | 218 | 632 | 3,360 | |
| Financial Liabilities | | | | | |
| Short-term loans from financial institutions | 530 | 195 | - | 725 | 5.50 - 5.60 and Reference to MLR |
| Trade and other payable | - | - | 58 | 58 | - |
| Short-term loan from related parties and accrued interest | 183 | - | 66 | 249 | 3.00 |
| Long-term loans from financial institutions | - | 3,170 | - | 3,170 | Reference to MLR |
| | 713 | 3,365 | 124 | 4,202 | |

(Unit: Million Baht)

| | Separate financial statement | | | | |
|---|---|---|---|---|---|
| | As at 31 December 2012 | | | | |
| | Fixed interest rates within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | | | | | (% p.a.) |
| Financial Assets | | | | | |
| Cash and cash equivalent | - | 772 | - | 772 | 0.70 - 1.40 |
| Restricted bank deposits | - | 25 | - | 25 | 0.70 |
| Trade and other receivables | - | - | 701 | 701 | - |
| Short-term loans to related company and interest receivable | 531 | - | 78 | 609 | 3.00 - 7.50 and MLR-0.75 |
| | 531 | 797 | 779 | 2,107 | |
| Financial Liabilities | | | | | |
| Short-term loans from financial institutions | 250 | - | - | 250 | 5.50 |
| Trade and other payable | - | - | 312 | 312 | - |
| Short-term loan from related parties and accrued interest | 183 | - | 60 | 243 | 3.00 and MLR-0.75 |
| Long-term loans from financial institutions | - | 2,049 | - | 2,049 | Reference to MLR |
| | 433 | 2,049 | 372 | 2,854 | |

***Foreign currency risk***

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiaries consider themselves not to be exposed to foreign currency risk because the majority of financial transactions are in Baht currency.

**28.2 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 statements of financial position.

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

## 29. Capital management

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

## 30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2014.

# GENERAL INFORMATION

| | | |
|---|---|---|
| Name | : | Raimon Land Public Company Limited |
| Type of Business | : | Property Development |
| Address | : | 62 The Millennia Tower, 22/F, Units 2201–3,<br>Langsuan Road, Lumpini<br>Pathumwan, Bangkok 10330 |
| Company Registration | : | 0107536001508 |
| Homepage | : | www.raimonland.com |
| Email | : | info@raimonland.com |
| Telephone | : | 66 (0) 2651 9601–4, 66 (0) 2651 9615–6 |
| Facsimile | : | 66 (0) 2651 9614 |
| Capital as at 31st December 2013 | : | Registered Capital Baht 4,558,280,156<br>Paid–up Capital Baht 3,575,424,125 |

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