




EASTERN STAR

รายงานประจำปี 2556
ANNUAL REPORT
2013



 MRT สถานีแยกติวานนท์

Eastern Star Real Estate Public Company Limited
บริษัท อีสเทอร์น สตาร์ เรียล เอสเตท จำกัด (มหาชน)

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FREE
CASH DISCOUNT

2,000,000
Bath.*

ชีวิตเหนือระดับ...
กับความเป็นส่วนตัวที่แท้จริง

คอนโดมิเนียมวิวแม่น้ำเจ้าพระยา บนถนนพระราม 3 ใกล้กับสายธุรกิจ
สีลม สาทร สุขุมวิท โดดเด่นด้วยสถาปัตยกรรมที่แตกต่าง เพื่อการใช้ชีวิต
ที่เหนือระดับเป็นแรงบันดาลใจให้คุณก้าวเข้าสู่จุดสูงสุดอย่างไร้ขีดจำกัด



สวนสวยเกือบ 5 ไร่

A woman is riding a white bicycle on a path in a lush green garden. In the background, there is a large, open area with a large orange umbrella or canopy. The garden is well-maintained with various plants and trees.

ดีกว่ารถกว่า 100%

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ก่อนใคร !!

ชีวิตเหนือระดับ ติดรถไฟฟ้าย่านวงศ์สว่าง

- * ติด MRT สถานีแยกติวานนท์
- * ใกล้โรงพยาบาลเกษมราษฎร์, โรงพยาบาลนนทเวช, มหาวิทยาลัยเกษตรศาสตร์
ใกล้ห้างสรรพสินค้าชั้นนำ เซ็นทรัลรัตนาธิเบศร์, เดอะมอลล์งามวงศ์วาน, บีทีซี
- * ใกล้ทางขึ้น-ลง ทางพิเศษศรีรัชและถนนรัชดาภิเษก
- * ดีไซน์มีระดับ มีเอกลักษณ์ สไตล์ MODERN CONTEMPORARY
- * สวนสวยเกือบ 1 ไร่ สงบ ร่มรื่น เป็นส่วนตัว
- * สระว่ายน้ำระบบเกลือ Infinity Edge
- * สวนลอยฟ้าชั้น 6 และชั้นดาดฟ้า
- * มุมมองทัศนียภาพแบบ Panoramic 270 องศา
- * ความสูงฟ้าเพดาน 2.7 เมตร



HARRISON
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* ภาพจินตนาการจากแบบแปลนสถาปัตย์เท่านั้น ไม่สามารถระบุรายละเอียดของพื้นที่และขนาดของพื้นที่ได้
โปรดดูแบบแปลนจริงและแบบแปลนที่แนบมาประกอบกันเป็นเอกสารประกอบการพิจารณา



ถนนกรุงเทพ-นนทบุรี
2 ไร่ – 2 งาน – 47.3 ตารางวา
ประมาณ 41,000 ตารางเมตร
RESIDENTIAL CONDOMINIUM สูง 37 ชั้น
MODERN CONTEMPORARY STYLE
มี 2 แบบ ทั้งหมด 563 ยูนิต
- 1 ห้องนอน ขนาด 35 - 57 ตารางเมตร จำนวน 421 ยูนิต
- 2 ห้องนอน ขนาด 55 - 76 ตารางเมตร จำนวน 142 ยูนิต
189 คัน
SWIMMING POOL , FITNESS , STEAM ROOM
GREEN AREA, ROOF GARDEN
RECEPTION & LOBBY , ห้องบิ๊ตตี้, MAIL BOX
ARCHITECT : ARCHITECTS & ASSOCIATES CO.,LTD.
INTERIOR : I WILL DESIGN STUDIO CO., LTD.
LANDSCAPE : RAFA DESIGN OFFICE CO.,LTD.
K.C.S & ASSOCIATES CO.,LTD
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ตอบโจทยความสูง...ทุกจินตนาการ

- ทำเลย่านใจกลางธุรกิจ
- ห่างจากถนนสาทร 400 เมตร
- ใกล้สถานี BTS ช่อนนนทรี
- ใกล้สถานี BRT อาคารสงเคราะห์
- ทุกห้องเป็นยูนิตหน้ากว้าง
- สัมผัส City View และ River View
- ดีไซน์เรียบหรู มีระดับ และมีเอกลักษณ์



ภาพจำลอง

EASTERN STAR

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Message from the Chairman of the Board

To Our Shareholders:

In the first to the third quarter of 2013, the real estate business has continued to grow continuously since the last year until the fourth quarter of 2013 in which many negative factors have been incurred, such as the numbers of housing launched into the market constantly in some locations, the problems on economic slowdown, the problem on household debt affecting to purchasing power of the consumers and especially the political conflict in the country. In the quarter two of 2013, the Company has started to transfer the ownership of condominiums in 2 projects in Bangkok, which were the Vintage Project and the Breeze Project. Regarding the income from those two projects together with other projects of the Company, the Company and its subsidiaries were able to recognize the income from sales of real estate and income from rental and services at the amount of 1,625 Million Baht in 2013, which was a certain satisfactory level of performance during uncertain domestic political situation and unfavorable economic condition. The Company is still responsible to put its best efforts to push forward the sale of all projects so as to make a rapid close within 2014 and to generate the income for the Company continuously.

It is expected that the overall growth of real estate business in 2014 is not much comparing to 2013 according to several negative factors; especially the political conflict in the country that is not likely when to be end. If there is still no new government, it will affect the budget spending to stimulate the economic. Also, because of the higher level of household debt, the financial institutions become tightening to grant mortgage loans to the customers, which affecting the purchasing power. However, the Company's target groups are Middle-income to High-income customers with high purchasing power and a large customer base, in which such customers may not be affected by aforementioned negative factors. The positive factor is the interest rate that is expected to remain relatively low.

Regarding several negative factors and risks in business operations in 2014, the Company has focused on risk factors that shall affect the Company's business operations as well as has continued to operate business carefully or incrementally. Meanwhile, the Company is still aware of its intention to push the Company to maintain its profit continuously so as to eliminate retained deficit and to be able to pay the dividend to its shareholders as soon as possible. Therefore, it is an obligation of the Board of Directors, management and employees of the Company who will commit and dedicate to be able to achieve the Company's target.

The Company still places the importance on the social responsibility by supporting the activities usefully to those who are disadvantaged in the society, such as giving support to the fund raising of the Special Olympic and giving support to the activities of students and youths.

Lastly, on behalf of the Board of Directors, I would like to take this opportunity to convey our sincere gratitude to all shareholders, counterparties and customers for their unflagging support and unwavering confidence. Also, I would like to thank management and employees of the Company for their dedication on strength and tenacity as well as their determination to perform at their best effort for the Company's sustainable development.



(Mr. Anand Panyarachun)
Chairman of the Board

26 March 2014

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Report From Audit Committee

Dear Shareholders of Eastern Star Real Estate Public Company Limited,

The Audit Committee was nominated at the Board of Director's assembly on March 28, 2013. In accordance with the policy stipulated by the Stock Exchange of Thailand. The Audit Committee is composed of three independent directors namely :

1. Mr. Preecha Oonchitti Chairman of Audit Committee
2. Mr. Somrit Srithongdee Audit Committee
3. Mrs. Sunanta Tiasuwan Audit Committee

The Audit Committee performed the responsibilities under the regulations prescribed by the Stock Exchange of Thailand and the duties assigned by the Board of Directors of the Company. In 2013, the Audit Committee held convened for 6 meetings with managing directors, accounting and finance director, accounting manager and certified public accountant (CPA). Attendance in the meeting of the Audit Committee is as follow:

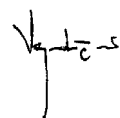
Mr. Preecha Oonchitti	attended	4	meetings
Mr. Somrit Srithongdee	attended	6	meetings
Mrs. Sunanta Tiasuwan	attended	6	meetings

Report of the Audit Committee can be summarized as follow :

1. The audit committee reviewed consolidated and separate financial statements of the company together with financial disclosure to ensure that the stakeholders will receive the proper information under the Financial Reporting Standards (IFRS).
2. The audit committee reviewed the related information disclosures in line with the rules for preventing conflicts of interest and in order to disclosure full information.
3. The audit committee reviewed the internal auditor reports and in-house control system adequacy evaluation report under the guidelines provided by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. The audit committee concluded that there is no crucial defect in the in-house control system of the company.

The audit committee concluded that during the last year, the company effectively provided proper financial statements in accordance with Financial Reporting Standard in accordance with the Accounting Professional Act B.E., disclosed sufficient information and has an effective systems of internal control and risk management without any crucial defect.

The Audit Committee has made its recommendation to the Board of Directors to propose the shareholder's approval at the next meeting to appoint Mrs. Gingkarn Atsawarangsali, Certified Public Accountant Number 4496, or Mr. Sophon Permsirivallop, Certified Public Accountant No. 3182, or Mr. Chayapol Suppasetanont, Certified Public Accountant No. 3972 from EY Office Limited, as the company's auditor for the 2013 fiscal year with an audit fee in the amount of 880,000 Baht.



Mr. Preecha Oonchitti
Chairman of the Audit Committee

March 20, 2014

Company Profiles

Name, Type of business, Location, Telephone Number, Fax, number and types of issued shares

Name	Eastern Star Real Estate Public Company Limited
Head Office	5 th Floor Ploenchit Tower, No.898 Ploenchit Road Lumpini Subdistrict, Pathumwan District, Bangkok 10330 Tel:0-2263-1010-5 Fax: 0-2263-1009
Branch Office	65/14-15 Mu 3, Sukhumvit Road Baan Chang Subdistrict, Baan Chang District, Rayong Province 21130 Tel:0-3860-2500, 0-3860-2511 Fax: 0-3860-2754 Website: www.estarpcl.com E-mail: estar@estarpcl.com
Business Type	Real Estate Development
Registered No	BorMorJhor 0107536000307
Authorized Capital	5,022,246,185 shares of common stock (1 Baht per share)
Paid-in Capital	5,022,246,185 Baht

Name, Type of Business, Location, Telephone Number, Fax, number and types of issued shares of Juristic Companies
Eastern Star holds over 10% share of.

Eastern Star Resort Company Limited

The company operates golf course, clubhouses, sport club, and seminar/banquet rooms on behalf of Eastern Star Country Club and Resort, Baan Chang District, Rayong Province.

Address	241/5 Mu 3, Pala subdistrict, Baan Chang District, Rayong Province 21130 Tel: 0-3863-0410-3 Fax: 0-3863-0418 Website: www.easternstargolfcourse.com E-mail: esr_marketing@hotmail.com
Business Type	Golf course
Registered No	0105532086493
Paid-in Capital	500,000,000 Baht (10 Baht per share)
Proportion of Investment	81.30 %

Seastar Properties Company Limited

The company operates apartment and detached house leases in the same area of Eastern Star Country Club and Resort's golf course in Baan Chang District, Rayong Province.

Address	241/39 Mu 3, Pala subdistrict, Baan Chang district, Rayong Province 21130 Tel: 0-3860-3018-9 Fax: 0-3863-0418 Website : www.seastarproperty.com Email : seastar_cs@windowslive.com
Business Type	Real estate for rent
Registered No	0105539027956
Paid-in Capital	1,150,000,000 Baht (10 Baht per share)
Proportion of Investment	99.13 %

Eastern Star Lai Sun New World Company Limited

The company operates property development.

Address	65/14-15 Mu 3, Baan Chang Subdistrict, Baan Chang District, Rayong Province 21130 Tel: 0-3860-2500 Fax: 0-3860-2754
Business Type	Real Estate development (Non commercial operation)
Registered No	0105533137636
Paid-in Capital	160,000,000 Baht (10 Baht per share)
Proportion of Investment	60 %

Name Head Office Address, Type of Business, Phone Number and Fax of the References

Registrar	Thailand Securities Depository Company Limited
Address	62 Stock Exchange of Thailand Building, Ratchadaphisek Road Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Tel: 0-2229-2800 Fax: 0-2654-5427 Website: http://www.tsd.co.th Email: TSDCallCenter@set.or.th
Auditor	Mrs. Gingkarn Atsawarangsalit Certified Public Accountant Number 4496
Address	EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Silom, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Tel: 0-2264-0777 Fax: 0-2264-0789

Financial Highlights

For the year ended December 31

Unit : Million Baht

	2013	2012 (Restate)	2011 (Restate)
Total Assets	5,910.06	5,021.26	4,752.90
Total Liabilities	1,519.43	778.68	387.75
Total Shareholders' Equity	4,390.63	4,242.58	4,365.15
Revenue from real estate sales and revenue form rental and services	1,624.87	403.71	430.95
Cost of real estate sold and cost of rental and services	(1,078.26)	(290.60)	(352.53)
Other Income	19.22	28.93	34.69
Selling and Administrative Expenses	(349.44)	(299.95)	(273.85)
Loss on diminution in value of assets	(12.25)	-	-
Reversal of loss on diminution in value of assets	14.80	12.95	8.27
Finance Cost	(27.79)	-	-
Income tax expenses			
Difference on change in fair value of available-for-sale securities transfer to profit or loss	(43.11)	22.38	90.63
	-	-	(0.72)
Total comprehensive income(loss)	148.04	(122.58)	(62.56)
Dividend per share (Baht/Share)	-	-	-
Financial Ratio			
Current Ratio (Times)	3.42	3.85	5.69
Quick current Ratio (Times)	0.19	0.36	1.56
Cash Flow from current Ratio (Times)	0.14	(0.37)	(0.24)
Receivable Turnover Ratio (Times)	188.67	32.30	31.33
Average Collection Period (Days)	2	11	11
Gross Profit Margin(%)	33.64	28.02	18.20
Net Profit Margin(%)	9.00	(28.33)	(32.90)
Return on Equity(%)	3.43	(2.85)	(3.63)
Return on Assets(%)	2.71	(2.51)	(3.38)
Debt to Equity Ratio (Times)	0.35	0.18	0.09
Fix Payment Coverage Ratio (Times)	0.06	(1.32)	(0.44)

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Type of Business

Eastern Star Real Estate Public Company Limited and its subsidiaries operate the real estate development business for sales and leasing and golf course business. Since the company was established until 2003, the company focused on its operation in Ban Chang district, Rayong province in order to support the government's Eastern Seaboard development project. The company realized that Ban Chang district is a potential area as it is far from Map Ta Phut industrial estate only 10 km in the east. and 5 km from U-Tapao Airport in the west. Since the year 2004, the company implements policy to focus on expanding the project development in Bangkok and surrounding provinces, while continuing it's project development in Ban Chang district, Rayong province. The types of development implemented by the company can be classified into such categories as follows:

1. Real estate development for sales

Project development for sales are include land plots, land plots with homes, and condominium suites. For the company's projects in Bangkok, previously operated under the name of The Star Estate such as The Star Estate @ Rama III, The Star Estate @ Narathiwas, and The Star Estate @ Pattanakarn 69 then the names were changed to suite with the prominent points of the projects such as The Breeze, Vantage, StarView and NARA 9. For projects in Ban Chang district, the Company develops such projects under the name Country Home Project, The Sinthavee Garden Project, The Sinthavee Garden 2 Project, The Star Townhouse Center, The Star Townhouse Project, The Hamlet, The Hamlet 3 Project, The Vintage Home Village Project, The Vintage Home Village 2 Project, and The Vintage Home Village 3, etc.

2. Project development for lease

- 2.1 On August 23, 2007 the company signed a lease agreement of Eastern Star Plaza and parking area with Ek-Chai Distribution System Co. Ltd., for it's Tesco Lotus department store project with a contract value of 97.26 million Baht, and a duration of 25 years, 5 months.
- 2.2 Detached houses and apartment suites for rent were operated by Seastar Properties Company Limited, a subsidiary company, such single homes and residential apartment is located in the same area as golf course of Eastern Star Country Club and Resort.

3. Golf course business:

Golf course business is operated under the name of "Eastern Star Country Club and Resort" by Eastern Star Resort Company Limited, a subsidiary of the Company. It is a 18-hole international standard golf course and designed by Robert Trent Jones, Jr. comprises with club house and restaurant as well as sport club and other activities such as tennis courts, swimming pool, fitness center, artificial sea, and seminar room with other facilities.

Company's and Subsidiary Companies Projects (as of 31st December, 2013)

1) Projects For Sale

No	Project name	Location	Type of Project	Project's Area (Rai)	Project's Value (Million baht)
1.	Country Home	T. Pala, A. Baan Chang, Rayong	Land Selling	20-2-42.70	98
2.	Sinthavee Garden III	T. Baan Chang, A. Baan Chang, Rayong	Single House	70-1-67.15	636
3.	Vintage Home Village II	T. Pala, A. Baan Chang, Rayong	Single House	29-1-71	292
4.	Vintage Home Village III	T. Pala, A. Baan Chang, Rayong	Single House	15-0-45	180
5.	Hamlet III	T. Pala, A. Baan Chang, Rayong	Single House	9-2-53	128
6.	The Star Estate@Pattanakarn 69	Pattanakarn 69 Pravej, Bangkok	Single House	23-3-30	1,083
7.	The Breeze	ChongNonsri, Yannawa, Bangkok	Condominium	2-1-15.30	1,359
8	Vantage	Latyao, Jatujak, Bangkok	Condominium	3-0-92	1,096
9.	Star View	Bang khlo, Bang Kho Laem, Bangkok	Condominium	7-0-25	3,728
10.	Nara 9	Sathorn, Bangrak, Bangkok	Condominium	3-0-45.5	2,372

2) Golf Club

No.	Project name	Location	Project 's Area (RAI)	Project's Value (Million baht)
1.	Eastern Star Country Club and Resort	T.Pala, A. Baan Chang, Rayong	409-0-93	500

3) Projects for Rent

No	Project name	Location	Type of Project	Amount (Unit)	Project's Area (Rai)	Project's Value (Million baht)
1.	Seastar Project	T.Pala A. Baan chang Rayong	Single home	66	57-1-38.80	1,150
			Apartment	84		

Marketing and Competition

1. Business on Real Estate Development for Sales

In overall, real estate business during the first quarter to the third quarter of 2013 has extended well in the area of Bangkok and surrounding provinces as well as other provinces that are transportation center and tourist attraction, especially in the area of Bangkok and surrounding provinces in which many condominium projects located along sky train line and the extension have been launched continuously. However, in the last quarter of 2013, as lots of products entered into the market so the competition in property market became more intense, sales rate started to slow as well as the risk factors affecting the purchasing power of the consumer, such as political rally, economic slowdown and increased household debt.

In 2014, it is expected that the real estate business will be extended but at a lower rate comparing to 2013, resulting from the negative factors such as remaining internal political conflicts, the extension of investment and tourism sectors that are sensitive to political situation as well as household debt problem leading to more strictly lending policy of financial institutions that affect the purchasing power. However, as the Company's target groups are middle-income customer to high-income customer, such groups of customer may get less effect, together with the positive factor of interest rate that is still expected at low rate as well as an arise of ASEAN Economic Community (AEC), resulting to the encouragement and pushing forward to the opportunity on trade, investment and real estate sector.

2. Business on Golf Course

Golf course business is operated by Eastern Star Resort Company Limited ("the Subsidiary"). The Company's marketing policy on the undertaking golf course business of Eastern Star Resort Company Limited still focuses on the strategy that makes golf course has full range of services and various facilities by maximizing the use of resources in golf course of Eastern Star Country Club and Resort such as club house and restaurant as well as sports and other activities facilities such as tennis courts, swimming pool, fitness center, artificial sea, and seminar room with other facilities.

For the management of golf course business, the Company's policy focuses on the maintenance of golf course to be in line with international standard and in good conditions throughout the year, together with the provisions of club house and restaurant, and other service areas in order to attract golfers to use services in golf course. As a result, the golf course of the Subsidiary is regularly chosen to be a place to hold competitions and recreation activities of golf clubs in vicinity areas and is used for holding charity golf competitions which are continuously contained in annual plan of the Company. Such charity golf competitions are charity golf competition for UNICEF and charity golf competition for Special Olympic which are continuously arranged every year. Moreover, there is an arrangement of golf competition for youth in Eastern region which is supported by the Subsidiary as a part of corporate social responsibility.

3. Business on Real Estate for Rent

The business on real estate for rent is operated by Sea Star Property Company Limited ("the Subsidiary"). Types of residences are fit to tenants who need residences with useable areas of 3-4 bedrooms especially middle level management to expats who work in Mab Ta Put industrial estate and vicinity areas which is a clear target group. Middle level management or above will choose their residence by focusing on quality of life, facilities, and security. Also, as golf is a famous sport among management group, thus, the marketing strategy worked with Eastern Star Resort Company Limited ("the Subsidiary") is to make residents be able to use the golf course services of Eastern Star Country Club and Resort at special price. This is consider as marketing strength to help attract more foreign customers.

Overall Revenue Structure of Company and Subsidiaries (2011 - 2013)

Project	Manage by	% Share holding	2013 Revenues		2012 Revenues		2011 Revenues	
			(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
Revenue from the sale of real estates	ESTAR		1,542.17	93.38	327.93	75.80	356.24	76.52
Golf course	ESR	81.30	49.40	3.00	45.74	10.57	42.31	9.09
Project for Rent	SEASTAR	99.13	33.30	2.03	30.04	6.94	32.40	6.96
Other revenues	ESTAR, ESR, SEASTAR		19.22	1.17	28.93	6.69	34.61	7.43
Total			1,644.09	100.00	432.64	100.00	465.56	100.00

Note:

ESTAR = Eastern Star Real Estate Public Company Limited

ESR = Eastern Star Resort Company Limited

SEASTAR = Seastar Properties Company Limited

Risk Factors

Risk on the company's operation policy

The Company previously had risk factors on the Company's business operation because of the dependence on customers around East coast area especially in the area of Baan Chang District, Rayong Province and the areas nearby. Thus, the projects of the Company had to depend only on the growth of the development projects in such areas. In 2004, the Company had expanded the investment in real estate development projects into Bangkok as it was an area that had business potential. This would help reducing risk from business operation of the Company which previously focused only on customers in East coast area and increasing channel for income generating of the Company while part of business in Baan Chang District, Rayong Province was continue operated. Regarding the development on real estate business in the area of Bangkok, the Company has focused on the condominium project located in central Bangkok or the area nearby the public transportation system that is a sky train, which is a demand of consumer, by emphasizing on middle-income to high-income customers who have a purchasing power and being a major of customer base.

In overall, real estate market in 2014 will extend continuously from 2013, especially property market in Bangkok and surrounding provinces located along sky train lines and the extensions. In 2013, there remain risk factors, which are the political crisis affecting directly to the market in Bangkok as well as oversupply has entered into the market in some areas. Also, there are risks relating to the increased costs of land and construction as well as lack of labors. In addition, the increase in household debt problem leads to more strict lending policy of financial institutions to businesses and consumers, resulting to the deceleration of property investment and business. Among those risk factors, there remain the positive factors that support the business, which is Easing Monetary Policy of Monetary Policy Committee, Bank of Thailand that remains the low level of interest rate, while the investment deceleration of real estate developers will decrease the risk of product oversupply at a certain level.

Risk on ready-built house constructions

The Company still has policy on building houses before sale in order to serve needs of the markets both for houses in Bangkok area and in Baan Chang District, Rayong Province, the company began building ready-built homes prior to sales reservations. As a result, the company required advance working capital for construction higher than usual, as there is no cash flow from the customers during the construction period. Moreover, this new marketing strategy now poses the company with the risk of the homes not being sold as expected. The company is forced to carry the cost, If such inventories were in stock too long, it would affect profitability of the Company. In addition, ready-built house construction policy can create customer confidence since customers could see finished houses or almost finished houses.

The Company has studied consumer behaviors, demand for house, preferences for house designs and facilities by conducting surveys from on the customers visiting the Company's housing projects and studying overall market conditions. This survey has enabled the Company to build houses that meet customers' needs as well as sell and transfer ownership on time. In addition, the Company is able to managed house construction lot by lot in the number consistent with market demands, finishing the houses in a timely manner without losing selling opportunities. This strategy is ideal, as it helps the Company avoid excessive inventories.

Risk related to the increased in costs of construction

Lack of labors and increasing wage have pushed up the costs of constructions. However, for many projects, Company made agreements to hire contractors at the prices including costs of construction materials and labors. Since the contract value has been fixed, the Company was able to control costs at a certain level. In additional, the company also has a policy to partner with leading contractors to complete its big projects in time which help reducing the risk of fee for overdue delivery. The company have to improve the potential construction expenses control to meet the target.

Shareholders and Management Structure

Capital Structure

1. The Company's Securities

Common Stock

As of December 31, 2013, the company has a registered capital of 5,022,246,185.00 Baht, divided into common stocks of 5,022,246,185.00 shares with par value of 1.00 Baht each. The registered paid capital is 5,022,246,185.00 Baht.

2. Major Shareholders

Following is the list of the top ten shareholders as of April 12, 2013. With the total registered paid capital is 5,022,246,185.00 Baht divided into common stocks of 5,022,246,185.00 shares with par value of 1.00 Baht each.

No.	Name of Shareholders	No. of Shares	% of TotalShare
1.	Bangkok Broadcasting & Television Co., Ltd.*	2,192,260,984	43.65
2.	BBTV Equity Co., Ltd.*	513,000,000	10.21
3.	Sunrise Equity Co., Ltd.*	279,212,609	5.56
4.	Mr.Krit Ratanarak*	131,058,500	2.61
5.	Thai NVDR Co., Ltd.	123,569,860	2.46
6.	Mr.Wirunh Wong-aphisumpo	113,328,700	2.26
7.	Mr. Wanit Dechanubeksa	100,100,000	1.99
8.	THE BANK OF NEWYORK (NOMINEE)LIMITED	68,200,000	1.36
9.	Mr.Wichit Chinwongworakul	56,818,900	1.13
10.	Mr.Thavee Harnkraivilai	47,250,000	0.94
	Total	<u>3,624,799,553</u>	<u>72.17</u>

Note:

* Sunrise Group of companies consists of

- Bangkok Broadcasting & Television Co. Ltd.	holds	2,192,260,984 shares	or 43.65 percent
- BBTV Equity Company Limited. (For Rent Property)	holds	513,000,000 shares	or 10.21 percent
- Sunrise Equity Co., Ltd.	holds	279,212,609 shares	or 5.56 percent
- GL Assets Co.,Ltd.	holds	5,746,876 shares	or 0.11 percent
- Mr.Krit Ratanarak	holds	131,058,500 shares	or 2.61 percent
Total		3,121,278,969 shares	or 62.14 percent

3. Company and subsidiary company policy on Dividend Payment

The company and subsidiaries will not pay the dividend payments if the financial statements of companies still have deficits or in case of the dividend payments caused retained earnings to become deficits. However, company and subsidiaries implement a policy for dividend payments are as follows:

Company	Dividend payment policy
Eastern Star Real Estate Public Co., Ltd.	At the rate of 50% of annual net profit.
Eastern Star Resort Co., Ltd.	Depends on General Shareholders Meeting approval.
Seastar Properties Co., Ltd.	Depending on General Shareholders Meeting approval.
Eastern Star Lai Sun New World Co., Ltd.	The remaining profit after reserve for the company's operation capital and operating capital. according to the approval of the Board of Directors or in accordance with the law. will be distributed as dividend.

Management Structure

The company's management structure consists of 3 committees: the Board of Directors, Executive Committee, and Audit Committee. The details are as follows:

A) Board of Directors

- Board of Directors as of December 31, 2013 consists of ten persons as follows:

1.	Mr. Anand Panyarachun	Chairman and Independent Director
2.	Mr. Veraphan Teepsuwan	Vice Chairman
3.	Mr. Preecha Oonchitti	Independent Director and Chairman of Audit Committee
4.	Mr. Somrit Srithongdee	Independent Director and the Audit Committee
5.	Mrs. Sunanta Tiasuwan	Independent Director and the Audit Committee
6.	Mr. Thaveepol Kongseri ¹	Chairman of the Executive Committee
7.	Mr. Chatchawin Charoen-Rajapark ¹	Executive Director
8.	Mr. Paiboon Wongjongjaihar ¹	Executive Director
9.	Mr. Ratanachai Phatinavin ¹	Executive Director
10.	Mr. Titiwut Soukpornchaikul ¹	Executive Director

Note: ¹ The director authorized to sign on behalf of the company.

- Scope of Responsibility of Board of Directors:

- Board of Directors has the right to manage the operations of company in line with the law, the company's objectives, the articles of the association, and the resolutions of the shareholders.
- Board of Directors has the duty to specify the company's directions and policies, as well as monitor the company performance through the appointed management committee.
- Board of Directors has to inform the company immediately of a conflict of interest in making any agreements with the company, or acquiring more or less shares or debentures of the company and its affiliate companies.
- Board of Directors has to set up the Board of Directors Meeting at least once every three months and call the meeting by the Chairman. If the Chairman cannot take this role the Vice Chairman will be the caller. If necessary two or more directors may request that the Chairman or authorized person nominated by the Chairman set up a meeting within 14 days from the date of request.
- Board of Directors has the right to receive remuneration from the company in the form of gratuity, attendance fee, pension bonus, or other benefits as stipulated in the Articles of the Association; or the right for consideration by the shareholders who fix the amount and set the criterion periodically as to be effective until changed. Moreover, allowance and welfare as per the company regulations are allowed as well. The above statement is not to alter the rights of the company staff or employee who is appointed as a director to receive the remuneration and benefit when performing the role of company staff or employee.
- The Board of Directors holds the authority to organize the Executive Committee and to delegate the authority of the Executive Committee and the Managing Director, in order to manage the operation in compliance with the company's policies and objectives.

The Committee and Executives of the Company (as of December 31, 2013)

Name-Last name		Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship Between executives	Related experiences in Eastern Star for the past 5 years		
Item	Position					Period	Position	Company
1	Mr. Anand Panyarachun Chairman and Independent Director	81	• University of Cambridge B.A. (Honors) (Law)	-	none	1992-present	Chairman	Eastern Star Real Estate PCL.
2	Mr. Veraphan Teepsuwan Vice Chairman Passed training course of Role of the Chairman Program (RCP)	72	• M.B.A., Northeastern University, U.S.A. Bachelor of Economics, Boston University, U.S.A.	0.02	none	2003-present 1999-present November 2006- present January 2007- present 1983-present	Vice Chairman Chairman present Chairman Chairman Director	Eastern Star Real Estate PCL. Ayudhya Insurance PCL. Siam City Cement PCL. Bank of Ayudhya PCL. Bangkok Broadcasting & T.V. Co., Ltd.
3	Mr. Preecha Oonchitti Independent Director and Chairman of the Audit Committee Passed training course of Director Certification Program (DCP) and Director Accreditation Program (DAP)	68	• Bachelor of Economics Thammasat University	-	none	2003-present 2003-present	Independent Director and Chairman of the Audit Committee Chairman	Eastern Star Real Estate PCL. Eastern Star Resort Company Limited

Related experiences in Eastern Star for the past 5 years						
Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship Between executives	Period
						Position Company
4	Mr.Somrit Srihongdee	64	• Master Degree in Public Administration, Chulalongkorn University	-	none	January-March 2010
	Independent Director and Audit Committee					Senior Consultant of Labour Relations
	Passed training course of Director Certification Program (DCP)		• Bachelor Degree in Sociology and Anthropology, Chiangmai University			Chairman of committee
	Financial Statements for Director (FSD)		• Mini MBA, Thammasat University			Chairman of committee
	Role of the Compensation Committee (RCC)					ITBC Business Consultant Group Company Limited
	Executive Development Program					Consultant of Human Resource
	Finance Executive Program-Finex					Bangkok Broadcasting & Television Company Limited
						(The Royal Thai Army Television Channel 7)
						Chief Executive Officer HR Professional Consulting and Managing Director Services Co., Ltd.
						Independent Director and Audit Committee
						Senior Assistant Managing Director/ Head of Special
						Project-Human Resource
						Head of Human Resource
						Secretariat to
						Nomination and Remuneration Committee
						Assistant Managing Director of Human Resource
						Board of Committee Member
						2010-present
						2010-present
						2009-present
						2008-2009
						2007-2008
						2002-2006
						2002-2010
						Siam Realty and Services Company Limited

Related experiences in Eastern Star for the past 5 years						
Item	Name-Last name	Position	Age (year)	Education	Family	
					Estar Shareholding (%) ¹	Relationship Between executives
5	Mrs. Sunanta Tiasuwan	Independent Director and Audit Committee	63	• Ordinary National Diploma in Business • Studies and Administration University of Westminster (U.K.)	0.03	none
		Passed training course of Director Certification Program (DCP) and Training from Capital Market Academy Class 11				2005-present
						Independent Director and Audit Committee
6	Mr. Thaveepol Kongseri ²	Chairman of the Executive Committee	72	• Bachelor degree in Mechanical Engineering Shizuoka University, Japan	-	none
		Passed training course of Director Certification Program (DCP)				2007-2012
						2005-present
						Executive Committee
						2003-present
						Executive Director
						2003-2005/present
						Director/Chairman
						1999-present
						Director
						2003-present
						Director/Chairman
						1999-2006/present
						Director /Chairman of the Executive Committee
						1998-2007/present
						KhaoKaew Country Club Co., Ltd.
						Super Assets Co., Ltd.
						Siam Purimongkol Co., Ltd.
						Eastern Star Resort Co., Ltd.
						Seastar Properties Co., Ltd.
						Siam City Cement PCL.
						Eastern Star Real Estate PCL.

Related experiences in Eastern Star for the past 5 years						
Item	Name-Last name Position	Age (year)	Education	Estar Shareholding (%) ¹	Family Relationship Between executives	Period
7	Mr.Chatchawin Charoen-Rajapark ² Executive Director Passed training course of Director Accreditation Program (DAP) Director Certification Program (DCP) Audit Committee Program (ACP) Role of the Compensation Committee (RCC)	53	• Ph.D in Management Massachusetts Institute of Technology	-	none	2007- present
						Director, member of Policy and strategy committee, and Nomination and remuneration committee, Chairman of Audit committee Executive Director Director, Audit Committee and Chairman of Nomination and Remuneration Committee Managing Director Vice Chairman of The Board of Directors Executive Director
						2005-present 2005-present 1998-present 1996-present 1992-present
						Eastern Star Real Estate PCL. Ocean Glass Public Company Limited. President Hotel and Tower Co., Ltd. Rajapark Development Co., Ltd. Pendulum Co., Ltd.
8	Mr.Titiwut Soukpornchaikul ² Executive Director Passed training course of Director Accreditation Program (DAP) Company Secretary Program (CSP) TLCA Executive Development Program (EDP) Class 6	51	• B.A.-Economics, Thammasat University • B.A.-Accounting, SukhothaiThammathirat University • M.B.A. Chulalongkorn University	-	none	April 2007- present 2006-present 2006-present 2006-present 2005-present 2003-present 2003-present 2005-present
						Director Executive Director Director Director Executive Director Account-Financial Manager Director Executive Director
						Eastern Star Lai Sun New World Co., Ltd. Eastern Star Real Estate Public Co., Ltd. Eastern Star Resort Co., Ltd. Super Assets Co., Ltd. KhaoKaew Country Club Co., Ltd. BBTV Equity Co., Ltd. Seastar Properties Co., Ltd. Siam Purimongkol Co., Ltd.

Name-Last name		Age		Education		Estar Shareholding (%) ¹		Family Relationship Between executives		Related experiences in Eastern Star for the past 5 years		
Item	Position	Year	Age (year)	Education		Shareholding (%) ¹		Relationship Between executives		Period	Position	Company
9	Mr. Paiboon Wongjongjaiham ²	49	49	Bachelor of Electrical Engineering (Honor) King Mongkut's University of Technology North Bangkok		-		none		2010-present	Director	KhaoKaew Country Club Co., Ltd.
	Executive Director									2010-present	Director	Siam Purimongkol Co., Ltd.
	Passed training course of Director Accreditation Program (DAP)									2007-present	Executive Director	Eastern Star Real Estate Public Co., Ltd.
										October 2007-present	Director	Eastern Star Lai Sun New World Co., Ltd.
										2005-present	Director	Seastar Properties Co., Ltd.
										2003-present	Director	Eastern Star Resort Co., Ltd.
										1994-present	Engineering Manager	BBTV Equity Co., Ltd.
											Building Manager	
10	Mr. Ratanachai Phatinavin ²	51	51	Master of science computer and engineering management (MS-CEM) ABAC		0.16		none		2008-present	Chief Executive office	Eastern Star Real Estate PCL.
	Chief Executive office									2004-2008	Chief Executive office	Metrostar Property PCL.
	Passed training course of Director Certification Program (DCP)									2005-2007	Director	Industrial Estate Authority of Thailand
										2003-2005	Chairman of the Audit Committee	Raimon Land PCL.
11	Mrs. Allawan Smarnsodtiwong	57	57	Bachelor Architecture Silapakorn University		-		none		2004-present	Senior Vice President- Project Development and Design Department	Eastern Star Real Estate PCL.
	Senior Vice President- Project Development and Design Department			Mini MBA 29 Thammasat University								
12	Mr. Pongsak Maison	55	55	Bachelor of Laws Thammasat University		-		none		2006-present	Vice President-Legal and Corporate Secretary	Eastern Star Real Estate PCL.
	Vice President-Legal and Corporate Secretary											
	Passed training course of Company Secretary Program (CSP)									2003-2006	Manager-Legal Division	Eastern Star Real Estate PCL.

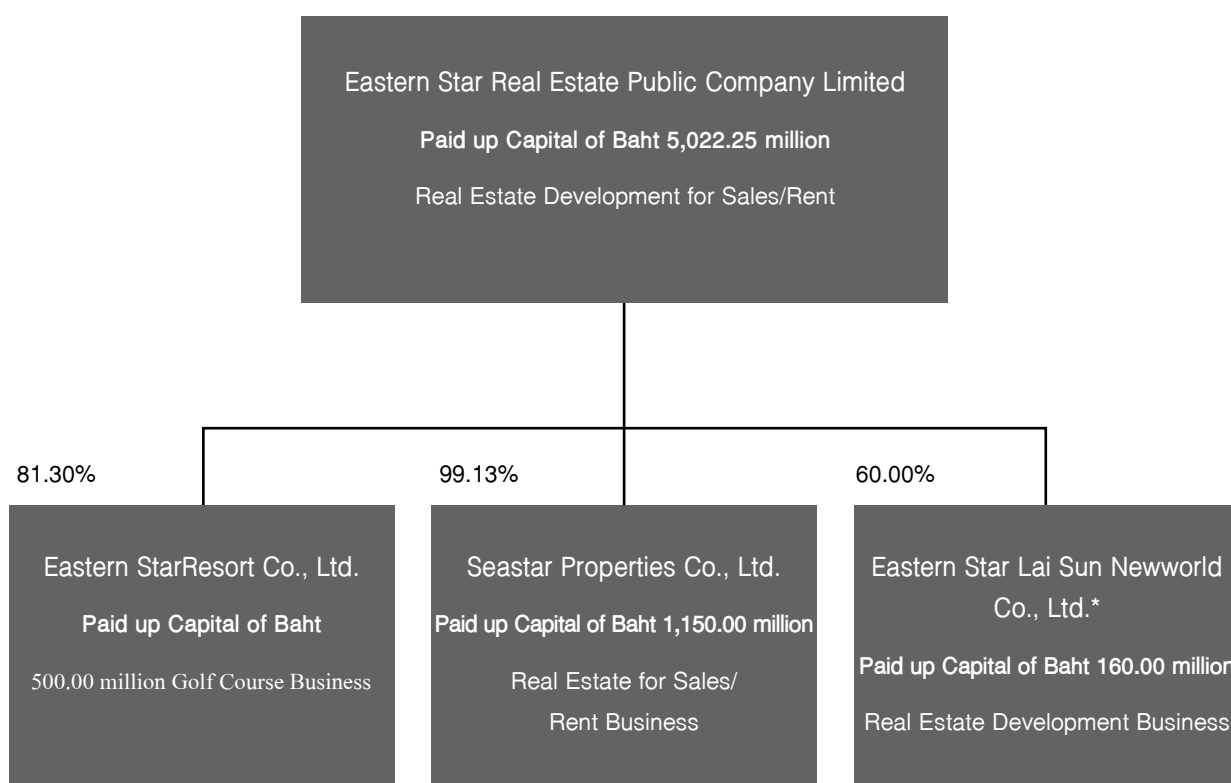
Related experiences in Eastern Star for the past 5 years											
Name-Last name		Age (year)	Education	Estar Shareholding (%) ¹	Relationship Between executives	Period	Position	Company			
Item	Position										
13	Mr. Suphaphong Amrarong	46	• MBA Kasetsart University • B.A. Accounting ThammasartUniversity	-	none	2006-present	Vice President- Accounting., Finance and Information Technology Department Manager-Accounting Division	Eastern Star Real Estate PCL.			
14	Mr. Phisith Tangkhanich	52	• Master Degree in Laws, Ramkhamhaeng University • Bachelor of Laws Thammasat University	-	none	2009-present	Vice President- Personnel and Corporate Affairs Department Director of Operations and Legal Department	Eastern Star Real Estate PCL. Metrostar Property PCL.			
15	Mr. Thanatdet Chuenrabiab	41	• Master of science in management (MSM) ABAC	0.17	none	August 2011-present	Assistant Vice President Project Development and Construction Department 2 Division Manager Senior project manager	Eastern Star Real Estate PCL.			

Related experiences in Eastern Star for the past 5 years												
Name-Last name			Age		Education		Estar Shareholding (%) ¹		Family Relationship Between executives		Company	
Item	Position	(year)								Period	Position	
16	Mr. Akekachai Paiboonphan Assistant Vice President Project Development and Construction Department 1	41	• Bachelor of Civil Engineering Rajchamangkhal Institute of Technology, Thailand	-	none	July 2013-present	Assistant Vice President Project Development and Construction Department 1	Eastern Star Real Estate PCL.				
17	Mrs. Pichapas Phowattanakul Assistant Vice President -Accounting, Finance and Information Technology Department	49	• Bachelor of Financial and Banking Ramkhamheng University	-	none	April 1997-November 2006/ present	Manager-Finance Division/Assistant Vice President-Accounting, Finance and Information Technology Department	Eastern Star Real Estate PCL.				
18	Miss Puntipa Suktippayaroj	50	• B.B.A. Bansomdejchaopraya Rajabhat University	-	none	July 2013-Present	Assistant Vice President Property Management Assistant Vice PresidentPandintong Property Development PCL of After-Sales Service Department	Eastern Star Real Estate PCL				

Note: 1 Including shareholding of spouse and juvenile children (-issued shares as of December 31, 2013 was 5,022,246,185 shares)

2 Mr.Thaveepol Kongseri, Mr. Chatchawin Charoen-Rajapark, Mr.Titiwut Soukpornchaikul, Mr. Paiboon Wongjongjaihar and Mr. Ratanachai Phatinavin-two of five signatures of this aforementioned persons and the Company stamp authorize and indicate the company Business Certificate, effective as of 21 August 2008.

Groups of Eastern Star Real Estate Public Company Limited Structure As at 31 December 2013



Remark : Eastern Star Lai Sun New world Co., Ltd.* ¹ Non-commercial operation

B) Executive Committee:

- The Executive Committee as of December 31, 2013 consists of:**

1. Mr. Thaveepo IKongseri Chairman of the Executive committee
2. Mr. Chatchawin Charoen-Rajapark Executive committee
3. Mr. Ratanachai Phatinavin Executive committee
4. Mr. Paiboon Wongjongjaiharn Executive committee
5. Mr. Titiwut Soukpornchaikul Executive committee

- Scope of Responsibilities of the Executive Committee:**

Duties of the Executive Committee

1. To screen the issues to be proposed to the Board of Directors and review the Committee Meeting Report prior to presenting it for approval.
2. To manage the company in accordance with the plan, budget, and policies that the Board of Directors has approved; as well as following up on issues that have been approved by the Board.
3. To consider the approval of various issues within their scope of responsibilities.

- **Authorities of the Executive Committee:**

1. To set up the company's principles, conditions, rules and regulations in various aspects as well as to assign work and authorities to the employee.
2. To give approval or make a decision on the issues which require no approval from the Board of Directors.
3. To give approval or make a decision on urgent issues which cannot be postponed for the Board of Directors meeting approval. In this case, the discussion with the Chairman of the Board, or the Chairman of the Audit Committee is required for screening. After the action has been carried out, it is necessary to be proposed to the Board of Directors for ratification.
4. The Executive Committee has the authority to appoint any executive manager, although not more than two persons, who is not in Executive director to be an associated Executive Committee member.

- **Scope of issues that need the approval from the Board of Directors:**

1. The company's direction and policies on planning and the annual budget. The annual budget must consist of profit and loss projections, cash budget, capital budgets, documentation of the number of employees, and the employment plan.
2. The company's property development projects.
3. Management policy, organizational structure, employee welfare, bonus, and annual salary increase plans.
4. The purchasing of land or buildings not included in the approved property development project as mentioned in clause 2.
5. The selling of land or buildings not included in the general business transaction of the company or the company's asset development project.
6. The rental or leasing of land or buildings which exceeds a time period of over three years, or a value of 10 million Baht.
7. The establishment of a loan with any financial institutions, shareholders, or related parties.
8. The increase and decrease of the capital of the subsidiaries or associated companies, as well as the cancellation or merger with these companies. The selling of investment capital of the subsidiaries and associated companies including entering into a joint venture with any company.
9. Litigation or contention with value exceeding 5 million Baht.
10. The matter defined by the law that is must be approved by the Board of Directors.
11. Other matter that the Board of Directors must approve independently.

C) Audit Committee

- **The Audit Committee as of December 31, 2013 consists of:**

1. Mr. Preecha Oonchitti Chairman of the Audit Committee
2. Mr. Somrit Srithongdee Audit Committee
3. Mrs. Sununta Tiasuwan Audit Committee

- Scope of Responsibilities of the Audit Committee:
 1. To review the Company's financial reporting process to ensure that it is accurate and adequate and also to review the unusual items, the important accounting policy and the audit adjustment.
 2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient.
 3. To review the Company's compliance with laws on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
 4. To consider, select, and nominate the Company's auditor, and to propose the auditing fee by considering the auditors' independence e.g. reviewing the other services provided to the Company by the audit firm, the rotation of the auditors, etc.
 5. To review with the auditor the material matters which may affect the reliability of the financial statement e.g. issues or conflicts the auditor may face in performing his duty, differences of opinion between the auditor and the management, the efficiency of internal control systems, and some weak point which occurred during this period and may continue in the next period, etc.
 6. To attend a non-management meeting with an auditor at least once a year and to attend a non-management meeting with the head of compliance and internal audit department at least once a year.
 7. To review the risk level and risk assessment method of the internal auditor and to assess the awareness of the Board of Directors and the management with regard to significant risk and operational risk.
 8. To consider and ensure the accuracy and completeness of the disclosure of information of the Company in the case of the Connected Transactions, or the transactions that may lead to conflicts of interests and to provide an opinion to the Board of Directors regarding the connected transaction or the transaction that may entail a potential conflict of interest before entering into such a transaction, according to the rules and regulations of the SET and SEC.
 9. To review and acknowledge the Company's compliance with the business code of conduct, ethics and corporate governance.
 10. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - 10.1 an opinion on the accuracy, completeness and creditability of the Company's financial report.
 - 10.2 an opinion on the adequacy of the Company's internal control system.
 - 10.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - 10.4 an opinion on the suitability of an auditor.
 - 10.5 an opinion on the transactions that may lead to conflicts of interests.
 - 10.6 the number of the audit committee meetings, and the attendances of such meetings by each committee member.
 - 10.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
 - 10.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.

11. To review and approve the Charter of the internal audit it at least once a year.
12. To consider and approve the annual internal audit plan and prioritize it according to risk level. To review the internal audit report and consider with the management the Company's weak points or failings and get responses from management.
13. To approve the appointment, transfer and dismissal of the head of compliance and internal audit department, as well as to determine the independence of such function.
14. The Audit Committee has the right to hire the outsources of professionals to help audit when necessary.
15. If the Board of Directors or the management division unreasonably ignores the recommendations made in the Audit Committee's report or the committee is suspicious of a transaction that might have a material impact on the financial condition or operational results of the company, the Audit Committee will report such finding to the Office of Securities and Exchange Commission or the SET.
16. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

D) The Company's independent directors as at 31 December 2013 consists of:

- | | | |
|----|------------------------|---------------------------------|
| 1. | Mr. Anand Panyarachun | Chairman |
| 2. | Mr. Preecha Oonchitti | Chairman of the Audit Committee |
| 3. | Mr. Somrit Srithongdee | Audit Committee |
| 4. | Mrs. Sununta Tiasuwan | Audit Committee |

Regulation on the Qualification of "Independent Director" according to Notification of Capital Market Supervisory Board No. TorJor. 4/2552 dated 20 February 2009 means a director who has the following qualifications:

1. Holds shares not excess 1 percent of issued shares with voting rights of the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant. For this purpose, shares held by related person of such independent director shall also be included.
2. The independent director must not be or does not use to be a director who takes part in management, an employee, an officer, an advisor who receives regular monthly salary, or a person who has control power over the applicant, parent company, subsidiary company, associated company, subsidiary company on the same level, major shareholder, or person with control power over the applicant; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board. However, such prohibited characters shall not include in case that an independent director used to be a government officer or an advisor of government agency who is a major shareholder or has control power over the applicant.
3. The independent director must not be a person who has relationship by cognate or by legally registration in form of parents, spouse, relatives, and child including child's spouse of director, major shareholder, person who has control power, or person who would be nominated as management or person with control power over the applicant or subsidiary company.

4. Does not have or use to have business relationship with the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant in the manner that would obstruct the exercise of his independent consideration; and is not or does not use to be shareholder with significant shareholding, person with control power over person who has business relationship with the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.

The relationship mentioned above shall include regular business transactions for rent to rent out real estates, any transactions related to assets, services, provision or receipt of financial supports in form of taking or granting loan, guarantee, pledging of assets as liability collaterals, including other similar forms or actions that make the applicant or counterparty have liability obligation to make settlement to the other party at the amount of 3 percent of net tangible assets of the applicant or 20 Million Baht or over, depends on which amount is lower. For this purpose, the calculation of the aforementioned liability obligation shall be in accordance with the method used for the calculation of related transactions according to the Notification of Capital Market Supervisory Board Re: Regulations on the Undertaking or Related Transactions by adaptation. However, in considering such liability obligation, liability obligation incurred during the past one year before the date that business relationship with the same person arises shall also be included.

5. The independent director must not be or does not use to be an external auditor of the applicant, parent company, subsidiary company, associated company, major shareholder, or person with control power over the applicant; and is not or a shareholder with significant shareholding, a person with control power, or a partner of audit firm of external auditor of the applicant and of parent company, subsidiary company, associated company, major shareholder, or person with control power where the applicant is a member; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.
6. The independent director must not be or does not use to be any professional service provider including services on legal consultant or financial consultant who receives service fee more than 2,000,000 Baht per annum from the applicant, parent company, subsidiary company, associated company, major shareholder, person who has control power over the applicant; and is not a shareholder with significant shareholding, a person who has control power, or a partner of such professional service provider; except for the case that such director has already passed from the aforementioned position at not less than 2 years before the date of petition submission to the board.
7. The independent director must not be a director who is appointed to be representative of the director of applicant, major shareholder, or shareholder who is a related person to such major shareholder.
8. Do not undertake business with similar nature or business that has significant competition with the applicant or subsidiary company, or is not a significant partner in partnership or a director who takes part in management, an employee, an officer, an advisor who receives regular monthly salary, or a person who holds shares more than 1 percent of issued shares with voting rights of other companies that undertake business with similar nature and with significant competition with business of the applicant or subsidiary company.

9. Does not have any other characteristics that make such director unable to independently express opinion about business operation of the applicant after getting the appointment to be an independent director with the qualifications as prescribed in Clause (1) to (9). The independent director may be assigned from the Board of Directors to make decision in business operation of the applicant, parent company, subsidiary company, associated company, subsidiary company on the same level, major shareholder, or person with control power over the applicant in form of collective decision. Regulations prescribed in Clause (2), (4), (5), and (6) in the part that requires qualification of an independent director of the applicant be considered during the past two year before the date of the petition submission to the board shall be enforced to petition submitted to the board since 1 July 2010 onwards.

For a person whose the applicant appoints to be independent director is a person that has or used to have business relationship or professional service provisions exceed the amount prescribed in Clause (4) or (6), the applicant shall receive relaxation for the prohibition on having or using to have business relationship or professional service provisions exceed the aforementioned amount only in the case that the applicant manages to have the opinion of the Board of Directors, considering under Section 89/7, that the appointment of such person would not have any effect on taking duty or on expressing independent opinion and that the applicant manages to disclose the following information in letter of appointment for shareholder's meeting that has agenda on the consideration of the appointment of independent director.

- A. Business relationship or professional service provision that makes such person unqualified according to the regulations prescribed.
- B. Reason and necessity for the appointment of such person as independent director.
- C. Opinion of the Board of Directors of the applicant in proposing to appoint such person as independent director.

In the purpose under Clause (5) and (6), "partner" means a person who is assigned from an audit firm or a professional service provider to be a signatory in audit report or professional service providing report (as the case may be) on behalf of such juristic person.

E) The Company's secretary

The Company's secretary as at 31 December 2013 was Mr. Pongsak Maision. The responsibilities are to provide suggestions regarding laws and regulations that the committee have to know as well as to arrange and facilitate meetings of directors and shareholders to ensure efficiency.

F) The company's management as of December 31, 2013 :

- | | |
|--------------------------------|--|
| 1. Mr. Ratanachai Phatinavin | Chief Executive Officer |
| 2. Mrs. Allawan Smarnsodtiwong | Senior Vice President-Project Development and Design Department |
| 3. Mr. Pongsak Maision | Vice President-Legal and Corporate Secretary |
| 4. Mr. Supphaphong Amrarong | Vice President-Accounting, Finance and Information Technology Department |
| 5. Mr. Phisith Tangkhanich | Vice President-Personnel and Corporate Affairs Department |
| 6. Mr. Thanatdet Chuenrabiab | Vice President Project Development and Construction Department 2 |
| 7. Mr. Ekachai Paiboonphan | Vice President Project Development and Construction Department 1 |
| 8. Mrs. Pichapas Phowattanakul | Assistant Vice President-Accounting, Finance and Information Technology Department |
| 9. Miss Puntipa Suktipayaroj | Assistant Vice President of After-Sales Service Department |

- **The Scope of authorities of the Managing Director:**

1. To undertake, manage, and operate routine business for the company's benefit. To comply with the company's objectives and the Articles of the Association including: regulations, resolutions, policies, action plans, and budgets as assigned by the Board of Directors.
2. Managing director has authority to perform any actions that are in normal business practice with the approval power as prescribed in table of authority stipulated by the Company. In case that managing director engages in any actions with the value exceeding the authorized scope, managing director shall grant approval from management committee and /or board of directors before undertaking such actions.
3. To propose approval by the Management Committee for any investments or developments not included in the annual policies. The scope of the Managing Directors excludes operations concerning the Connected Transaction or Assets Acquisition and Disposition of the company's assets dictated by the SET's regulations.

Committee and Executive Nomination

1. Board of Directors Nomination

The Board of Directors shall consist of not more than 10 persons; The company has no Nomination Committee to recruit the directors, and does not exercise cumulative voting where a shareholder can divide his vote to appoint the directors, as stipulated in Section 70 of the Public Company Limited Act. The appointment of the directors is decided by the majority of existing votes of shareholders present in the meeting. In order to nominate directors the shareholders may elect one or more directors to gather a committee, or use other measures subject to the discretion of the shareholders. Each shareholder is allowed one vote per share and they may not divide their vote.

2. The Audit Committee Nomination

The Audit Committee consists of one Chairman of Audit Committee member, and at least two Audit Committee member but not more than four. The company passed a resolution at the Board of Directors Meeting No.3/2013 on March 28, 2013 resolving to establish an Audit Committee consisting of:

- | | | |
|-----|------------------------|---------------------------------|
| (1) | Mr. Preecha Oonchitti | Chairman of the Audit Committee |
| (2) | Mr. Somrit Srithongdee | Audit Committee |
| (3) | Mrs. Sununta Tiasuwan | Audit Committee |

They are the committee who do not partake in the management according to the regulations and conditions of Stock Exchange of Thailand. The term of such directors is 2 years since 12 May 2013 onwards. When the term is end, the directors may be reelected to be in the position again.

3. Director and Executive Remuneration

Director and Executive Remuneration for the year 2013

- Total remuneration for 2013 of the 10 directors equaled 6,500,000.00 Baht.
- Total remuneration of the 9 members of the executive (including salary and bonus) within the year 2013 equaled 22,062,586.00 Baht.

Detail of management remuneration for the year 2013

Directors	Position	Office Period	No. of Participation	Remuneration amount (Baht)
1. Mr. Anand Panyarachun	Chairman	1992-present	6/6	1,440,000.00
2. Mr. Veraphan Teepsuwan	Vice Chairman	1 April 2003-present	6/6	480,000.00
3. Mr. Preecha Oonchitti	Independent Director and Chairman of Audit Committee	1 April 2003-present	5/6	600,000.00
4. Mr. Somrit Srithongdee	Audit Committee	26 February 2009-present	6/6	480,000.00
5. Mrs. Sunanta Tiasuwan	Audit Committee	16 February 2005-present	6/6	480,000.00
6. Mr. Thaveepol Kongseri	Chairman of the Executive Committee	16 February 2005-present	6/6	800,000.00
7. Mr. Chatchawin Charoen-Rajapark	Executive Director	7 March 2005-present	4/6	680,000.00
8. Mr. Titiwut Soukpornchaikul	Executive Director	16 November 2006-present	5/6	680,000.00
9. Mr. Paiboon Wongjongjaiharn	Executive Director	26 April 2007-present	6/6	680,000.00
10. Mr. Ratanachai Phatinavin	Executive Director	3 March 2008-present	6/6	180,000.00
Total				6,500,000.00

4. Inside Information Usage Control

The Company requires executives to report any conflicts of interest, especially when internal information was used for personal interest. The Company also requires executives to report changes in their company's shareholding at the Board of Directors Meeting. The Company informed all executives of the regulations of the Securities & Exchange Commission (SEC), and Stock Exchange of Thailand (SET), as well as the penalties for violation of these regulations.

5. Internal Control

It is the company's intention that the internal control system shall proceed to The Board of Directors, and be assigned to the Audit Committee's assessment of inspection of the internal control system. The internal control system maintains appropriate and sufficient efficiency of business operations. In addition to being used resourcefully, the properties maintain protection of erroneous reduction, damages, and dishonesty. The accounting system and the financial report are both convinced and correct, and follow practice with the regulations and laws related to business operations.

In 2013 the Audit Committee evaluated the internal control system, in order to interrogate and review the significance for administration. This summary illustrates the company's internal control system, which consists of the following divisions: organization, environment, risk management, management control activities, information and communication measures, and monitoring systems, which maintain that the company has sufficient operation control procedures. The details are as follows:

(1.) Control Environment

The company encourages the environment factor in order to sustain a sufficient organizational structure in accordance with internal control. The internal control system is divided into departments who are responsible for their own sectors. The internal control system is utilized for the purpose of inspection of operations. The major departments create a performance handbook in order to adjust insignificant jobs sufficiently, and reduce work redundancy. All departments are required to follow the same standards. The company reports business performance each year in categories such as: economics, market, and competition in order to maintain a high standard. Control environment appropriately influences the efficiency of internal control.

(2.) Risk Management

As a means of risk Assessment the company has analyzed and evaluated all risk factors of both internal and external causes, which may influence the business operations. Through the evaluated risk process the company follows a successful objective. The existence of any risk in the evaluation consistent of general indoctrination will be managed in an effective matter. Furthermore, if any risk is found, the Executive Committee will be informed at once.

(3.) Management Control Activities

The company's internal control activities are aimed at stipulating control when necessary through appropriate policy. The internal control activities such as: environment control, regulations, procedures, commands, and manual operation are clearly stated and specific to each activity. The established and related the audit committee the activities under the inspection of the Board of Directors. The related committees perform operations within the scope of their authority and responsibilities as assigned by The Board of Directors.

(4.) Internal Information and Communication

The company is required to communicate information concerning the operation system through financial reports and follow-ups on policies and regulations. The company collects and prepares information data from outside sources. The company proposes any sufficient or relevant information to the appropriate business and the executive management.

(5.) Monitoring and Evaluation System

The company's internal control operates efficiently and sufficiently to support the objectives of the business operation, and maintains ongoing monitoring and evaluation of the internal control department. In the year 2013, the company held 6 meetings with the Director Committee and the Executive Conference almost every month, in order to monitor the internal control process and operate successfully.

Good Corporate Governance

Policy on Corporate Governance

The Board realizes the importance of good corporate governance to effective performance. This is a stepping stone to success and sustainable growth. So that the company has set the following policy on corporate governance:

- Equitable and credible treatment to the stakeholders.
- The member of the Board of Directors determine to perform their duties at their best efforts for the benefit of the company. Their performance reflect leadership and management control. The Board of Directors also monitors to prevent conflict of interest.
- The Company sets ethics for the members of the board and employees to practice.
- Operation will be transparent and able to be audited. The internal control system is in place to deal with risks. There is an internal auditor to assure that the management efficiently perform under the policies of the company.

Shareholders' rights and Shareholder Meeting

The Company has a policy to disclose all information for the consideration in the Shareholder meeting. The company held one shareholder meeting, the Ordinary General Meeting of Shareholders. The meeting was convened at a hotel located in Bangkok where the public transportation system is available for the shareholders' convenience to join the meeting. The company sent an invitation letter enclosed with information of each agenda to shareholders at least 7 days before the meeting. Each agenda has the board's opinion. The Company let shareholders register at least 1 hour before the meeting. The Chairman of the Board who chaired the meeting gave opportunities to shareholders to express their questions, opinion, and suggestions freely. Besides, the Company gave shareholders an alternative to authorize an independent director as their proxy to join the meeting.

Rights of Stakeholders

The Company realized importance of stakeholders. No matter they are internal stakeholders : employees, executives and board or external stakeholders: shareholders, customers, partners, creditors, competitors and public sectors because they all encourage the company to increase competitiveness and profit. The Company will follow provision of laws and related regulations in order to protect their rights.

The Board of Directors.

The Board of December 31, 2013, there were 10 directors consisting of

- 5 executive directors
- 1 non - executive directors
- 4 Independent directors (This is 40 % of all board members)

Chairman and Managing Director are not the same person. This leads to transparency, especially in supervision and daily work, because they have separate responsibilities. Conflict of interest or Managing Director's monopolization will not happen easily because of the balance of power. Moreover, this enables Chairman to make a better independent decision for the highest benefit of company and shareholders.

The Board has involved in making decision and setting company's vision, mission, policy, goal, business plan and budget. The board has supervised the management to act in accordance with the business and budget plans. The board assigned the management to set up internal control system and to fix its authorities. The board always follow up the management operation and internal control system at the Board of Directors Meeting.

The Board holds a meeting every quarter. If necessary, an ad hoc meeting will be held with the exact date and agenda. Documents will be submitted to the board at least 5 days ahead to give the board time for consideration. In 2013, the board held 6 meetings. With the participation of each director is mentioned in Directors remuneration. as in Clause 3

The minutes of the Board of Directors Meeting is prepared and kept in file approval. They are available for the board and related people to audit.

The board realizes importance of accurate and credible financial report. The board makes a report on its responsibility for financial statements. It covers important factors in line with the Code of Best Practices for Directors of Listed Company suggested by the Stock Exchange of Thailand. This is stated in the 2013 Annual Report.

Conflict of Interest

The Company launched written principles of good corporate governance under the topic of the conflict of interest and stock trading in an effort to prevent conflict of the interests.

Business Ethics

The board launched employees' ethics for their guidance of practices. The way employees treat the company and stakeholder should be honest, fair and transparent. Employees signed to acknowledge and agree to adopt them. The Company will monitor whether they behave or not to encourage the good corporate governance.

Director and Executive Remuneration

The Company's board of directors will allocate the remuneration for directors that are approved in the ordinary shareholders' meeting 1/2013 dated 26, April 2013 which are not more than 6.5 million baht per year. In 2013, the company has paid totally 6,500,000 baht to the board of directors. And for the management team, their remunerations will depend on the company's operation results and performance of each management. Each management's remuneration will be approved by the company's executive board and / or board of directors.

Controlling System and Internal Audit

The board realizes importance of internal control system particularly in finance and operation. The company engages internal auditors to audit employees' operations. This is to ensure that main duties, financial activities, legal compliance and company's requirements have been practiced effectively. The internal auditor is granted with independence to audit. The internal auditor reports directly to the Audit Committee who then reports directly to the Board of Directors. The board will inform the management to practice and improve.

According to the 2013 internal audit reports, the Company had the policy to keep the information as well as the document form regarding the company's asset in the standard way. This is to ensure that the use of asset is in compliance with the company's principles and in such a way that maximize the company's interest. Apart from the mentioned policy, significant defects were not found. There was only daily work's error which was solved at times.

Risk Management

The Company does not appoint the risk Management Committee. However, it has analyzed risks and laid preventive measures in order to minimize the risk. The details are stated in topic of Clause 5 (2) Risk Management Measure.

Investors Relations

The Board realizes that either financial or non-financial information of the company has effect on investors and the stakeholder's decision making. Thus, the management has to reveal all accurate, credible and up-to-date information. The management always follows this rules strictly. For investor relationship, the Company has not had a particular unit because there are not many activities. In practices, CEO and Executive Director will contact investors, shareholders and analyst. For information, investors can contact at telephone no. 0-2263-1010 or email address: estar@estarpcl.com

Inter - Related Transactions

In the year 2013, the Company did not have any related transactions with major shareholders, directors, and management of the Company except for those disclosed in financial statements of the year 2013.

Policy and direction on inter - related transaction management

In the future, the company has no policy to enter into any inter - related transaction. If there are necessarily related transactions needed to operate for the company benefit, the Company will consider them circumspectly and ensure that they will cost the same value and condition with others. The Company will appoint the outside experts to present independent opinion on the fair price in compliance with the procedure of SEC and SET's regulatory principles, methodology in the disclosure of connected transaction as well as rules and regulations of related law and will take the company benefits as a priority. In addition, the Audit Committee will be responsible for following up the inter-related transaction and take action in line with related rules and regulations.

Discussion and Analysis of Finance and Overall Operation

A) Operating Performance Overall

Operating Performance

Total income from the group's business operations in 2013 increased from 2012 by 1,221.16 Million Baht or by 302.94%. An increase in income was from the revenue recognition from transferring ownership of the condominium projects in Bangkok to customers, which have started for sales and for operations since 2010 until completion in 2013. Therefore, the Company and its subsidiaries had gross profit of 546.61 Million Baht, accounted for 33.64 percent of total income, in which it was increased by 433.50 Million Baht or by 302.49 percent.

However, the Company has the policy to accelerate the construction in order to ensure that the Company will be able to deliver units to customers on time and can recognize more revenues. During the year 2013, the Company had open the sale of 1 project in Rayong province with the total sale value of the project as of 31 December 2013 at 128.47 Million Baht. There was no new project in Bangkok in 2013. For the year 2012, the Company had open 1 project in Bangkok with the total sale value as of 31 December 2012 at 2,322.21 Million Baht and 1 project in Rayong province with the total sale value of the project as of 31 December 2012 at 186.86 Million Baht.

In overall, the Company and its subsidiaries had a net profit of 148.04 Million Baht, increased by 270.61 Million Baht from 2012 as the Company has a loss of 122.57 Million Baht.

Revenue from sale and services

Presently, revenue from sales, renting and services of the Company and its subsidiaries are generated from 3 parts comprising of income from real estate development business for sale, real estate for rent, and golf club, totaling of 1,624.87 Million Baht, increasing from 2012 by 1,221.16 Million Baht or 302.48 percent. Most income was from the recognition on sale of house together with land and condominium projects in the amount of 1,542.17 Million Baht accounted for 94.91 percent of total revenue of a business on real estate for rent of Sea Star Property Company Limited at the amount of 33.30 Million Baht accounted for 2.05 percent of total revenue. Also, there was an income from a business on golf course from Eastern Star Resort Company Limited at the amount of 49.40 Million Baht accounted for 3.04 percent of total revenue.

The revenue on sale of house together with land and condominium projects were 1,542.17 Million Baht in 2013 and 327.93 Million Baht in 2012, increased by 1,214.24 Million Baht or accounted for 370.27 percent, which resulted from the transfer of property ownership of the condominium projects in Bangkok. Sales information was summarized by saleable area as the followings;

Summarized sales information by saleable area	2556			2555		
	Bangkok	Rayong	Total	Bangkok	Rayong	Total
Revenue on sale of house together with land	14.60	141.37	155.97	24.46	182.54	207.00
Revenue on sale of condominium	1,386.20	-	1,386.20	120.93	-	120.93
Total revenue	1,400.80	141.37	1,542.17	143.95	182.54	327.93

Income from real estate for rent was 33.0 Million Baht in 2013 and 31.48 Million Baht in 2012, increased by 1.82 Million Baht or accounted for 5.78 percent because the number of customers on real estate for rent was increased from previous year and a large group of customers used services in a short term.

Revenue from golf club was 49.4 Million Baht in 2013 and 45.74 Million Baht in 2012, increased by 3.66 Million Baht or accounted for 8.0 percent, which resulted from golf club improvement to maintain a good condition throughout the year leading to more customers using golf services and other services such as golf cart rental, golf membership fee as well as income from selling food and drink, etc.

Costs of sale and services

The Company and its subsidiaries had costs of property sales as well as providing rental and services at the amount of 1,078.26 Million Baht in 2013 and 290.60 Million Baht in 2012, increased by 787.66 Million Baht or accounted for 271.05 percent. Cost of sales in 2013 consisted of;

- Cost on sales of house together with land and condominium project was totaling of 1,019.16 Million Baht, increased from 2012 by 780.04 Million Baht or accounted for 326.21 percent, which was varied according to the increased income.
- Cost of real estate for rent business was 20.55 Million Baht, increased by 0.98 Million Baht or accounted for 5.0 percent, which mostly was the cost from improving house and apartment to be in a better condition.
- Cost of golf club business was 38.55 Million Baht, increased by 0.40 Million Baht or accounted for 1.05 percent, resulting from more customers using services in golf club and lead to higher cost of providing services.

Other revenues

Other revenues in 2013 was 19.22 Million Baht, which decreased from 2012 by 9.71 Million Baht or accounted for 33.56 percent, mainly resulted from a decreased amount of interest revenue from government bond redemption in early 2013 for the project development of the Company.

Selling expense

Selling expense in 2013 was 169.46 Million Baht, increased from 2012 by 39.23 Million Baht or accounted for 30.12 percent. Mostly was from sale promotion expense, which has been delivered to the customers after transferring of ownership as well as transferring of ownership fee and specific business tax from transferring of ownership in 2013.

Administrative expense

Administrative expense in 2013 was 179.98 Million Baht, increased by 10.35 Million Baht or accounted for 6.10 percent, in which mostly was from an increase of employee benefits from last year.

Reversing the impairment loss of asset

In 2013 and 2012, the Company reviewed the recoverable amount of land for development and investment property, by hiring an independent valuer to assess such assets. The assessment showed that new assessed value in 2013 was higher than the book value, so the Company reversed the impairment loss of asset at the amount of 14.80 Million Baht that increased from 2012 by 1.85 million. Also, new value of some asset items was lower than the book value so the Company recognized impairment loss of asset at the amount of 12.25 Million Baht in 2013.

Financial expense

In 2013, the Company took on loan from the commercial bank for the operations of the Company's project so the interest expense was increased by 27.79 Million Baht.

Tax expense

The Company had profit before tax in 2013 at the amount of 191.15 Million Baht and had loss before tax in 2012 at the amount of 144.96 Million Baht, so tax expense in 2013 was 43.11 Million Baht that increased by 65.49 Million Baht or accounted for 292.63 percent. Tax expense was from the reversing of temporary difference of deferred tax asset and deferred tax liability according to the difference of accounting and tax principles

Comprehensive income (loss)

The Company and its subsidiaries had comprehensive income of 148.04 Million Baht in 2013 and had comprehensive loss of 122.58 Million Baht in 2012. An increased income of 270.62 Million Baht was accounted for 220.77 percent, resulting from the transferring of ownership of 2 condominium projects in Bangkok leading to higher revenue recognition in the account. Such condominium projects have not yet completed in 2012.

B) Financial position**Asset components**

Total assets of the Company and its subsidiaries were 5,910.06 Million Baht as of 31 December 2013 and 5,021.26 Million Baht as of 31 December 2012, so increasing from 2012 by 888.80 Million Baht or 17.70 percent. The main reason was from real estate development cost and inventory, which related to main business operations so the amount of real estate development cost and inventory were high. The details of significant changes in assets of the Company are as follows:

- Cash and cash equivalent as of 31 December 2013 were 136.67 Million Baht, decreased from 237.95 Million Baht as of 31 December 2012 by 101.28 Million Baht, which resulting from government bond redemption in order to have liquidity for the construction development and general operations.
- Account receivable and other receivables as of 31 December 2013 were 11.94 Million Baht, mostly was belong to its subsidiaries, which increased by 6.66 Million Baht from 5.28 Million Baht as of 31 December 2012. The main reason was from its subsidiaries having higher sale revenue on credit leading to higher outstanding receivables than in 2012.
- Regarding the cost of real estate development and inventory, the Company and its subsidiaries had net inventory value as of 31 December 2013 at the amount of 2,616.00 Million Baht, increased by 162.37 Million Baht from 2,453.63 Million Baht as of 31 December 2012 or increased by 6.62 percent. The main reason was from the continuous construction from previous year that was completed during the year 2013, so the value of construction in 2013 was increased.
- Prepaid construction expense as of 31 December 2013 was 173.68 Million Baht, increased by 146.18 Million Baht from 27.5 million Baht as of 31 December 2012, as a result of the construction on condominium project in Bangkok while there was no construction for new project during the year 2012.
- Investment property-net as of 31 December 2013 was 697.47 Million Baht, increased by 295.47 Million Baht from 402.00 Million Baht as of 31 December 2012, resulting from transferring land and improvement for development to be the investment property according to new reclassification in 2013.
- Land and land improvement for development-net as of 31 December 2013 were 1,731.28 Million Baht, increased by 427.35 Million Baht from 1,303.93 Million Baht as of 31 December 2012, resulting from transferring land to be investment property and the situation that the Company bought more land for development at the amount of 735.53 Million Baht.
- Other non-current assets as of 31 December 2013 were 29.51 Million Baht, increased by 10.42 Million Baht from 19.09 Million Baht as of 31 December 2012, mostly resulting from higher withholding tax from higher income according to the transfer of ownership of condominium project in 2013.

Liability and Shareholder's equity components

The Company and its subsidiaries had total liabilities at 1,519.43 Million Baht as of 31 December 2013 and 778.68 Million Baht as of 31 December 2012, an increase of 740.75 Million Baht from last year or accounted for 95.13 percent. The details of significant changes in liability and shareholder's equity of the Company are as follows:

- Account payable as of 31 December 2013 was 134.35 Million Baht, increased by 22.32 Million Baht from 112.03 Million Baht as of 31 December 2012, resulting from construction work and the development of project in Bangkok and Ban Chang.
- The portion of long-term loan that shall be due within one year as of 31 December 2013 was 2.38 Million Baht, in which the whole amount was recognized in 2013 as the Company took on loan from domestic commercial bank for the project's construction. Most of loan was repaid, so the outstanding amount as stated shall be due within July 2014.
- Advance received from customers as of 31 December 2013 was 623.64 Million Baht, increased by 86.14 Million Baht from 537.50 Million Baht as of 31 December 2012, resulting from an increased sales of house together with land and condominium projects comparing to the year 2012 leading to higher amount of advance received from customers.
- Accrued expenses as of 31 December 2013 was 72.06 Million Baht, increased by 37.30 Million Baht from 34.76 Million Baht as of 31 December 2012, mostly resulting from higher accrued project cost and accrued sales promotional expense of condominium units in which the ownership was transferred in 2013.
- Long-term loan — net for the portion that will be due within one year as of 31 December 2013 was 547.10 Million Baht, increased by the whole amount of 547.10 million Baht. This was because the Company takes on loan with domestic commercial bank to use in constructing the condominium project of the Company.
- Construction retention as of 31 December 2013 was 79.21 Million Baht, increased by 38.13 Million Baht from 41.08 Million Baht as of 31 December 2012, because the Company deducted the contribution as the retention from contractors in each period and the construction of new condominium projects in 2013 increased the construction retention for the year.

The Company and its subsidiaries had shareholder's equity at 4,390.62 Million Baht as of 31 December 2013 and 4,242.58 Million Baht as of 31 December 2012, an increase of 148.04 Million Baht from last year. This was because the Company had a profit of 148.04 Million Baht in 2013, so the retained deficit was decreased from 558.97 Million Baht in 2012 to 409.50 Million Baht.

C) Liquidity**Cash flow**

The Company and its subsidiaries had net decrease in cash from operating activities, investing activities and financing activities totaling 101.29 Million Baht in 2013 and 151.58 Million Baht in 2012, which decreased from the year 2012 by 50.29 Million baht, mainly due to;

- Net cash flow from (used in) operating activities was net cash inflow of 106.68 Million baht in 2013 and net cash outflow of 193.38 Million Baht in 2012. Net increase of 300.06 Million Baht in 2013 was because of the cash receipt from the transfer of ownership of condominium project in Bangkok to customers as well as the higher sales amount of condominium project, which leading to an increased net cash inflow comparing to last year.

- Net Cash Flow (used in) the 2013 investment activities is 757.45 million baht and 41.80 million baht for 2012. The company increased the asset investment bringing the budgets for the investment activities as follows:

investment activities	Year 2013	Year 2012
Purchase of lands and land improvements awaiting for development	(747.79) Million Baht	(116.48) Million Baht
Purchase of lands, buildings and equipments	(7.75) Million Baht	(29.52) Million Baht
Purchase of investment properties	(2.16) Million Baht	(1.00) Million Baht
Obligated deposits	-	77.99 Million Baht
Temporary investment	0.40 Million Baht	110.81 Million Baht
Net cash flow from (used in)	(757.30) Million Baht	41.80 Million Baht

- Net cash flow from financing activities in 2013 of 549.48 Million Baht was from the Company withdrew long-term loan for using in constructing the condominium project in Bangkok of the Company.

Liquidity ratio

Regarding liquidity ratio as of 31 December 2013, the Company and its subsidiaries had total current assets of 2,955.68 Million Baht and total current liabilities of 863.64 Million Baht, resulting to the liquidity ratio at 3.42 times. This year's liquidity ratio was decreased by 0.43 times comparing to the liquidity ratio of 3.85 times in 2012. However, the Company's liquidity was still at good condition as the Company has sufficient capital to repay debt. In 2013, the Company had an increase of total assets by 213.03 Million Baht, resulting from an increase of real estate development cost and inventory by 162.37 million Baht, an increase of prepaid construction expense by 146.18 million Baht from constructing new projects as well as a decrease of cash and cash equivalent by 101.28 million Baht from government bond redemption. An increase of total current liabilities by 150.61 Million Baht was from an increase of account payable by 22.32 Million Baht, an increase of advance received from customers by 86.14 million Baht and an increase of accrued expenses by 37.30 million Baht.

Capital structure

Debt to equity ratio was 0.35 times as of 31 December 2013 and 0.19 times as of 31 December 2012. This was because an increase in total liabilities in 2013 by 740.75 Million Bath as aforementioned, so the ratio was increased comparing to last year. Also, the Company and its subsidiaries had capital from government bond redemption and loan from commercial banks.

Remuneration for auditor

The Company and its subsidiaries paid remuneration on the account audit (audit fee) and other services (non-audit fee) to SAM NAK-NGAN EYCompany Limited (its previous name-Ernst and Young Company Limited) for the accounting period of 2013, as the followings;

Company	(audit fee)	(non-audit fee)
Eastern Star Real Estate Public Company Limited	830,000.-Baht	17,351.-Baht
Eastern Star Resort Company Limited	180,000.-Baht	18,827.-Baht
Seastar Properties Company Limited	210,000.-Baht	19,479.-Bath
Eastern Star-Lai San New World Company Limited	30,000.-Baht	-
Total	1,250,000.-Baht	55,657.-Baht

The Board of Directors Responsibility

For Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and related financial information included in this annual report. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Thailand and necessarily include certain amounts that are based on management's appropriate estimates and judgments.

The consolidated financial statements were audited by Ms. Gingkarn Atsawarangsarit of EY Office Limited an auditor accepted by the Securities and Exchange Commission was given access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and other committees. The company believes that all representations made to the auditor during her audits were valid and appropriate.

The Board of Directors also assigns the management to establish and maintain efficient internal control systems in order to reasonably believe that the financial and accounting data for the financial statements preparation is sufficient and accurate. The internal control is continually reviewed for its effectiveness to maintain the company assets and prevent frauds in operations. To be assured that the financial statements are reliable, accurate and completed, the Board of Directors has designated the Audit Committee whose members are non-executive from the management to monitor and review the financial statements including the company's internal control systems. The Committee meets with representative of management, the auditor and the internal auditor to discuss financing reporting, accounting and internal control matters.

The Board of Directors is satisfied with the overview of internal control systems and trusts that the consolidated financial statements for the period ended 31 December 2013 is fair and reliable.

Independent Auditor's Report

To the Shareholders of Eastern Star Real Estate Public Company Limited

I have audited the accompanying consolidated financial statements of Eastern Star Real Estate Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statement 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 Eastern Star Real Estate 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 Eastern Star Real Estate Public Company Limited and its subsidiaries and of Eastern Star Real Estate Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the consolidated financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income tax. My opinion is not qualified in respect of this matter.

Other matter

The consolidated statement of financial position of Eastern Star Real Estate Public Company Limited and its subsidiaries and the separate statement of financial position of Eastern Star Real Estate Public Company Limited as at 31 December 2011 (which have been used for preparing the consolidated and separate statement of financial position as at 1 January 2012 as described in the preceding paragraph) were audited by other auditor, who express an unqualified opinion on those statements, under her report dated 24 February 2012, and after the Company's restatement of the consolidated financial statements of 2011.

Gingkarn Atsawarangsali

Certified Public Accountant (Thailand) No. 4496



EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 27 February 2014

Statement of financial position

Eastern Star Real Estate Public Company Limited and its subsidiaries

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
	Note						
Assets							
Current assets							
Cash and cash equivalents	8	136,667,084	237,953,999	389,532,941	111,845,508	209,969,029	380,292,893
Current investments	9	11,237,839	10,839,625	121,373,300	40,586	39,511	103,438,063
Trade and other receivables	10	11,941,094	5,283,729	19,710,253	12,595,994	6,267,742	19,957,783
Real estate development costs and inventories	11	2,616,004,052	2,453,628,778	1,330,732,387	2,616,403,252	2,455,645,447	1,331,467,897
Advance for construction work		173,679,037	27,494,524	58,828,223	173,679,037	27,494,524	58,828,223
Other current assets		6,153,271	7,450,310	9,581,425	4,369,413	5,564,514	8,249,100
Total current assets		2,955,682,377	2,742,650,965	1,929,758,529	2,918,933,790	2,704,980,767	1,902,233,959
Non-current assets							
Restricted bank deposits		-	-	77,991,132	-	-	77,991,132
Finance lease contract receivables	12.1	37,491,211	39,116,261	40,578,858	37,491,211	39,116,261	40,578,858
Investments in subsidiaries	13	-	-	-	915,237,746	919,485,223	919,485,223
Investment properties	14	697,467,633	402,001,308	410,547,645	348,334,694	46,986,952	46,986,952
Property, plant and equipment	15	380,976,083	393,749,980	395,028,003	108,019,820	116,961,709	113,134,440
Intangible assets	16	871,840	1,073,016	1,584,161	699,911	792,767	1,141,147
Deferred tax assets	25	76,783,187	119,648,967	98,233,517	76,378,381	119,410,433	97,960,176
Land and improvement awaiting development	17	1,731,276,201	1,303,930,317	1,779,671,968	1,568,607,019	1,141,261,135	1,610,680,702
Other non-current assets		29,508,204	19,089,552	19,510,718	23,641,345	11,930,722	12,688,594
Total non-current assets		2,954,374,359	2,278,609,401	2,823,146,002	3,078,410,127	2,395,945,202	2,920,647,224
Total assets		5,910,056,736	5,021,260,366	4,752,904,531	5,997,343,917	5,100,925,969	4,822,881,183

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

Statement of financial position (continued)

Eastern Star Real Estate Public Company Limited and its subsidiaries

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
	Note						
<u>Liabilities and shareholders' equity</u>							
Current liabilities							
Trade and other payables	18	134,354,909	112,027,602	52,762,673	129,993,315	107,979,868	50,053,554
Current portion of long-term loans	19	2,381,086	-	-	2,381,086	-	-
Advance received from customers		623,641,872	537,506,156	255,635,792	622,145,670	535,460,536	253,040,450
Accrued expenses		72,061,678	34,757,304	11,632,253	68,217,211	31,147,928	7,826,706
Other current liabilities	20	31,207,547	28,736,500	19,222,828	24,990,917	22,473,905	18,359,987
Total current liabilities		863,647,092	713,027,562	339,253,546	847,728,199	697,062,237	329,280,697
Non-current liabilities							
Long-term loans-net of current portion	19	547,100,000	-	-	547,100,000	-	-
Provision for long-termern ployee benefits	21	9,432,655	6,848,235	5,937,189	7,408,624	5,811,136	4,748,748
Retention guarantees		79,206,362	41,080,488	19,447,363	79,206,362	41,080,488	19,447,363
Advancereceivedfromlandlease	12.2	6,133,190	6,459,590	6,785,990	6,133,190	6,459,590	6,785,990
Deferred tax liabilities	25	6,878,835	6,634,667	7,604,176	6,878,835	6,634,667	7,604,176
Othernon-current liabilities		7,036,685	4,627,335	8,720,253	6,296,253	3,657,970	2,316,046
Totalnon-current liabilities		655,787,727	65,650,315	48,494,971	653,023,264	63,643,851	40,902,323
Total liabilities		1,519,434,819	778,677,877	387,748,517	1,500,751,463	760,706,088	370,183,020

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

Statement of financial position (continued)

Eastern Star Real Estate Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Shareholders' equity							
Share capital	22						
Registered 5,022,246,185 ordinary shares of Baht 1 each (1 January 2012: 10,818,493,916 ordinary shares of Baht 1 each)		5,022,246,185	5,022,246,185	10,818,493,916	5,022,246,185	5,022,246,185	10,818,493,916
Issued and paid up 5,022,246,185 ordinary shares of Baht 1 each (1 January 2012: 4,429,197,749 ordinary shares of Baht 1 each)		5,022,246,185	5,022,246,185	4,429,197,749	5,022,246,185	5,022,246,185	4,429,197,749
Advance received for ordinary share subscription		-	-	254,774,037	-	-	254,774,037
Share discount		(429,264,886)	(429,264,886)	(90,990,487)	(429,264,886)	(429,264,886)	(90,990,487)
Retained earnings							
Appropriated - statutory reserve	23	11,812,043	11,812,043	11,812,043	11,812,043	11,812,043	11,812,043
Unappropriated (deficits)		(409,504,056)	(558,970,405)	(437,340,768)	(108,200,888)	(264,573,461)	(152,095,179)
Other components of shareholders' equity		74,131,479	74,131,479	74,131,479	-	-	-
Total shareholders' equity		4,269,420,765	4,119,954,416	4,241,584,053	4,496,592,454	4,340,219,881	4,452,698,163
Non-controlling interest of the subsidiaries		121,201,152	122,628,073	123,571,961	-	-	-
Total shareholders' equity		4,390,621,917	4,242,582,489	4,365,156,014	4,496,592,454	4,340,219,881	4,452,698,163
Total liabilities and shareholders' equity		5,910,056,736	5,021,260,366	4,752,904,531	5,997,343,917	5,100,925,969	4,822,881,183

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

Statement of comprehensive income

Eastern Star Real Estate Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss:					
Revenues					
Revenue from real estate sales and revenue from rental and services		1,624,870,310	403,706,956	1,543,614,221	327,934,116
Other income		19,222,998	28,931,542	25,652,527	36,616,049
Total revenues		<u>1,644,093,308</u>	<u>432,638,498</u>	<u>1,569,266,748</u>	<u>364,550,165</u>
Expenses					
Cost of real estate sold and cost of rental and services		1,078,264,753	290,599,441	1,020,842,165	240,800,615
Selling expenses		169,456,707	130,317,284	161,856,667	123,777,922
Administrative expenses		179,981,309	169,634,167	157,430,482	146,923,586
Loss on diminution in value of assets		12,250,000	-	16,497,477	-
Reversal of loss on diminution in value of assets		(14,799,510)	(12,953,910)	(14,799,510)	(12,053,910)
Total expenses		<u>1,425,153,259</u>	<u>577,596,982</u>	<u>1,341,827,281</u>	<u>499,448,213</u>
Profit (loss) before finance costs and income tax expenses					
tax expenses		218,940,049	(144,958,484)	227,439,467	(134,898,048)
Finance costs		(27,790,675)	-	(27,790,675)	-
Profit (loss) before income tax expenses		<u>191,149,374</u>	<u>(144,958,484)</u>	<u>199,648,792</u>	<u>(134,898,048)</u>
Income tax expenses	25	(43,109,946)	22,384,959	(43,276,219)	22,419,766
Profit (loss) for the year		<u>148,039,428</u>	<u>(122,573,525)</u>	<u>156,372,573</u>	<u>(112,478,282)</u>
Other comprehensive income:					
Other comprehensive income (loss) for the year		-	-	-	-
Total comprehensive income (loss) for the year		<u>148,039,428</u>	<u>(122,573,525)</u>	<u>156,372,573</u>	<u>(112,478,282)</u>
Profit (loss) attributable to:					
Equity holders of the Company		149,466,349	(121,629,637)	156,372,573	(112,478,282)
Non-controlling interests of the subsidiaries		(1,426,921)	(943,888)		
		<u>148,039,428</u>	<u>(122,573,525)</u>		
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		149,466,349	(121,629,637)	156,372,573	(112,478,282)
Non-controlling interests of the subsidiaries		(1,426,921)	(943,888)		
		<u>148,039,428</u>	<u>(122,573,525)</u>		
Earnings per share	26				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		0.030	(0.024)	0.031	(0.022)

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

Cash flows statement

Eastern Star Real Estate Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities				
Profit (loss) before income tax expenses	191,149,374	(144,958,484)	199,648,792	(134,898,048)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate development costs as a result of transfer to cost of sales	1,022,302,693	240,800,615	1,022,302,693	240,800,615
Reversal of loss on diminution in value of assets	(14,799,510)	(12,053,910)	(14,799,510)	(12,053,910)
Reversal of loss on diminution in value of real estate development costs and inventories	(1,460,527)	-	(1,460,527)	-
Loss on diminution in value of assets	12,250,000	-	16,497,477	-
(Gain) loss on disposal of investment properties	(49)	8,522	8	-
Depreciation and amortisation	30,441,368	35,401,205	16,946,867	19,717,026
Gain on sales of current investments	-	(273,862)	-	(273,862)
Provision for long-term employee benefits	6,326,565	1,396,946	5,339,633	1,062,388
Recognised income from finance lease	(1,341,350)	(1,263,803)	(1,341,350)	(1,263,803)
Loss on sales of equipment	393,974	5,654,578	570,833	5,654,578
Finance costs	27,790,675	-	27,790,675	-
Profit from operating activities before changes in operating assets and liabilities	1,273,053,213	124,711,807	1,271,495,591	118,744,984
Decrease (increase) in operating assets				
Trade and other receivables	(6,657,365)	14,426,524	(6,328,252)	13,690,041
Real estate development costs and inventories	(958,914,469)	(616,418,902)	(957,296,998)	(617,700,061)
Advance for construction work	(211,654,801)	(21,115,532)	(211,654,801)	(21,115,532)
Other current assets	1,297,219	2,131,196	1,195,101	2,684,586
Finance lease contract receivables and advance received from land lease	2,640,000	2,400,000	2,640,000	2,400,000
Other non-current assets	6,378,949	4,670,350	4,167,566	4,576,406
Increase (decrease) in operating liabilities				
Trade and other payables	(95,485,833)	(31,502,853)	(95,295,121)	(32,786,264)
Accrued expenses	35,561,463	23,125,051	35,326,371	23,321,222
Advance received from customers	86,135,716	281,870,364	86,685,134	282,420,086
Other current liabilities	2,471,047	9,513,671	2,517,012	4,113,918
Provision for long-term employee benefits	(3,742,145)	(485,900)	(3,742,145)	-
Retention guarantees	38,125,874	21,633,125	38,125,874	21,633,125
Other non-current liabilities	2,409,351	(4,092,918)	2,638,283	1,341,924
Cash flows from (used in) operating activities	171,618,219	(189,134,017)	170,473,615	(196,675,565)
Cash paid for interest	(48,143,597)	-	(48,143,597)	-
Cash paid for income tax	(16,797,601)	(4,249,184)	(15,878,189)	(3,818,534)
Net cash flows from (used in) operating activities	106,677,021	(193,383,201)	106,451,829	(200,494,099)

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

Cash flows statement (continued)

Eastern Star Real Estate Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from investing activities				
Decrease in restricted bank deposits	-	77,991,132	-	77,991,132
Decrease (increase) in current investments	(398,214)	110,807,537	(1,075)	103,672,414
Acquisition of investment properties	(2,163,924)	(1,001,947)	-	-
Acquisition of property, plant and equipment and intangible assets	(7,752,810)	(29,521,465)	(6,990,329)	(28,700,229)
Proceed from sales of investment properties	117	-	-	-
Proceed from sales of equipment	655,036	5,482	720,195	5,482
Acquisition of land and improvement awaiting development	(747,785,227)	(116,476,480)	(747,785,227)	(122,798,564)
Net cash flows from (used in) investing activities	(757,445,022)	41,804,259	(754,056,436)	30,170,235
Cash flows from financing activities				
Cash received from long-term loan	1,477,100,000	-	1,477,100,000	-
Repayment of long-term loans	(927,618,914)	-	(927,618,914)	-
Net cash flows from financing activities	549,481,086	-	549,481,086	-
Net decrease in cash and cash equivalents	(101,286,915)	(151,578,942)	(98,123,521)	(170,323,864)
Cash and cash equivalents at beginning of year	237,953,999	389,532,941	209,969,029	380,292,893
Cash and cash equivalents at end of year	136,667,084	237,953,999	111,845,508	209,969,029
	-	0	-	-
Supplemental cash flows information				
Non-cash transactions				
Transfer advance for construction work to real estate development costs	65,470,288	52,449,231	65,470,288	52,449,231
Transfer property, plant and equipment to real estate development costs	618,016	-	618,016	-
Transfer property, plant and equipment to investment properties	242,059	-	-	-
Transfer land awaiting development to real estate development costs	29,996,423	604,272,041	29,996,423	604,272,041
Transfer land awaiting development to investment properties	289,293,840	-	289,293,840	-
Transfer advance received for ordinary shares subscription to paid up share capital and share discount	-	254,774,037	-	254,774,037
Increase in real estate development costs for which no cash has been paid	114,477,731	90,556,832	114,477,731	90,556,832
Purchases of property, plant and equipment for which no cash has been paid	2,951,802	166,496	2,830,837	155,746
Purchase of investment properties for which no cash has been paid	383,607	44,454	-	-
Transfer interest expenses to real estate development costs	13,740,514	-	13,740,514	-
Transfer interest expenses to land and improvement awaiting development	8,355,320	-	8,355,320	-
Adjusted deferred tax assets and deferred tax liabilities with beginning retained earnings	113,014,298	90,629,340	112,775,766	90,356,000

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

Statement of changes in shareholders' equity

Eastern Star Real Estate Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other comprehensive of equity				
	Issued and paid-up share capital	Advance received for ordinary share subscription	Share discount	Retained earnings		Surplus from change in the ownership interests in subsidiaries	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
				Appropriated	Unappropriated (deficits)					
Balance as at 31 December 2011										
- as previously reported	4,429,197,749	254,774,037	(90,990,487)	11,812,043	(527,922,641)	74,131,479	74,131,479	4,151,002,180	123,524,493	4,274,526,673
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	90,581,873	-	-	90,581,873	47,468	90,629,341
Balance as at 1 January 2012 - as restated	4,429,197,749	254,774,037	(90,990,487)	11,812,043	(437,340,768)	74,131,479	74,131,479	4,241,584,053	123,571,961	4,365,156,014
Increase shares capital (Note 22)	593,048,436	(254,774,037)	(338,274,399)	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year - restated	-	-	-	-	(121,629,637)	-	-	(121,629,637)	(943,888)	(122,573,525)
Balance as at 31 December 2012 - as restated	5,022,246,185	-	(429,264,886)	11,812,043	(558,970,405)	74,131,479	74,131,479	4,119,954,416	122,628,073	4,242,582,489
Balance as at 31 December 2012 - as previously reported	5,022,246,185	-	(429,264,886)	11,812,043	(671,942,108)	74,131,479	74,131,479	4,006,982,713	122,585,476	4,129,568,189
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	112,971,703	-	-	112,971,703	42,597	113,014,300
Balance as at 1 January 2013 - as restated	5,022,246,185	-	(429,264,886)	11,812,043	(558,970,405)	74,131,479	74,131,479	4,119,954,416	122,628,073	4,242,582,489
Total comprehensive income for the year	-	-	-	-	149,466,349	-	-	149,466,349	(1,426,921)	148,039,428
Balance as at 31 December 2013	5,022,246,185	-	(429,264,886)	11,812,043	(409,504,056)	74,131,479	74,131,479	4,269,420,765	121,201,152	4,390,621,917

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

Statement of changes in shareholders' equity

Eastern Star Real Estate Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Advance received for ordinary share subscription	Share discount	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated (deficits)	
Balance as at 31 December 2011 - as previously reported	4,429,197,749	254,774,037	(90,990,487)	11,812,043	(242,451,179)	4,362,342,163
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	90,356,000	90,356,000
Balance as at 1 January 2012 - as restated	4,429,197,749	254,774,037	(90,990,487)	11,812,043	(152,095,179)	4,452,698,163
Increase shares capital (Note 22)	593,048,436	(254,774,037)	(338,274,399)	-	-	-
Total comprehensive income (loss) for the year - restated	-	-	-	-	(112,478,282)	(112,478,282)
Balance as at 31 December 2012 - as restated	5,022,246,185	-	(429,264,886)	11,812,043	(264,573,461)	4,340,219,881
Balance as at 31 December 2012 - as previously reported	5,022,246,185	-	(429,264,886)	11,812,043	(377,349,227)	4,227,444,115
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	112,775,766	112,775,766
Balance as at 1 January 2013 - as restated	5,022,246,185	-	(429,264,886)	11,812,043	(264,573,461)	4,340,219,881
Total comprehensive income (loss) for the year	-	-	-	-	156,372,573	156,372,573
Balance as at 31 December 2013	5,022,246,185	-	(429,264,886)	11,812,043	(108,200,888)	4,496,592,454

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

Notes to consolidated financial statements

Eastern Star Real Estate Public Company Limited and its subsidiaries

For the year ended 31 December 2013

1. General information

Corporate information

Eastern Star Real Estate Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. Its major shareholder is Sunrise Group, which was incorporated in Thailand, and consists of:-

	Percentage of shareholding (base on paid-up capital) (as at 26 April 2013*)
1. Bangkok Broadcasting & Television Co., Ltd.	43.65
2. BBTV Equity Co., Ltd.	10.21
3. Sunrise Equity Co., Ltd.	5.56
4. GL Assets Co., Ltd.	
*The latest closing date of the shares register book	0.11

The registered office of the Company is at 898 Ploenchit Tower Building, 5th floor, Ploenchit 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 Eastern Star Real Estate Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 %	2012 %
Eastern Star Resort Co., Ltd.	Golf course	Thailand	81.30	81.30
Seastar Properties Co., Ltd.	Rental and real estate	Thailand	99.13	99.13
Eastern Star-Lai San New World Co., Ltd.	Real estate	Thailand	60.00	60.00

- b) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that 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
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(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
TFRS 2 (revised 2012)		
TAS 2 (revised 2012)	Share-based Payment	1 January 2014
TAS 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. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

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

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

(Unit: Thousand Baht)

	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in deferred tax assets	76,783	76,378	119,649	119,410	98,233	97,960
Increase in deferred tax liabilities	6,879	6,879	6,635	6,635	7,604	7,604
Increase in non-controlling interests of the subsidiaries	68	-	43	-	47	-
Decrease in deficits	69,836	69,499	112,971	112,775	90,582	90,356

(Unit: Thousand Baht)

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Profit or loss:				
Decrease (increase) in income tax expenses	(43,110)	(43,276)	22,385	22,420
Decrease (increase) in loss attributable to non-controlling interest of the subsidiaries	26	-	(5)	-
Decrease in loss attributable to equity holders of the Company (profit decrease)	(43,136)	(43,276)	22,380	22,420
Decrease in basic earnings (loss) per share (Baht)	0.009	0.009	0.004	0.004

5. Significant accounting policies

5.1 Revenue recognition

a) Sales of land, land and houses and sales of residential condominium units

Sales of land, land and houses and sales of residential condominium units are recognised as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer, whereby construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

b) Rental and services income

Rental of land and units in residential buildings and related services income are recognised on an accrual basis over the period of contract.

c) Revenue from financial lease

The Company recognises revenue from financial lease based on the effective interest rate method.

d) Revenue from golf course and sport membership

A subsidiary recognises revenue from golf course and sport memberships over the period of contracts.

e) Interest income

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

5.2 Cost of land, land and houses sold and cost of residential condominium units sold

In determining the cost of land, land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land, land and houses sold, and residential condominium units sold on the basis of the salable area and then recognised as costs in the income statement concurrently with revenue from sales.

Development costs are stated at cost, consisting of cost of land, design fees, utilities, and construction.

5.3 Cash and cash equivalents

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

5.4 Trade receivables

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

5.5 Real estate development costs and inventories

Real estate development costs are stated at cost less provision for loss on diminution in value of projects. The details of cost calculation are as follows:

- | | |
|--------------------------|---|
| Land | - Cost of land using the weighted average method, calculating it separately for each project. |
| Construction in progress | - Construction in progress consists of the cost of construction, public utility costs and interest capitalised (if any) to cost of projects by records cost of construction and public utilities based on the actual cost incurred. |

Inventories are valued at the lower of cost and net realisable value. Cost is determined by First-in First-out method.

5.6 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

5.7 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 impairment loss (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 40 - 50 years. Depreciation of the investment properties is included in determining income.

No depreciation is provide on investment properties - land.

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

5.8 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation, and less allowance for impairment loss (if any). Depreciation of building and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives as follow:

Buildings and construction	-	5 years, 40 - 50 years
Sales office	-	3 - 5 years
Machines and equipment	-	5 years
Furniture, fixtures and office equipment	-	5 - 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

5.9 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

Computer software	- 5 - 10 years
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5.10 Borrowing costs

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

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

5.11 Related party transactions

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

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

5.12 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other 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 shorter of the useful life of the asset and the lease period.

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

5.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the investment properties, property, plant and equipment, real estate development costs, land and improvement awaiting development and other intangible 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.

An impairment loss is recognised in profit or loss.

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

5.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets

are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

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

The obligation under the defined benefit plan is determined by 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 recognized immediately in profit or loss.

5.15 Provisions

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

5.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

6. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

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

Fair value of financial instruments

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

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's 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 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 cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Project development costs estimation

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

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

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Income of central service management	-	-	3	3
Other income	-	-	7	7
Purchase of land	-	-	-	12
<u>Transactions with related parties</u>				
Office rental and service expenses	5	5	5	5
Central area expenses	1	1	1	1

The pricing policies for the related parties transactions between the Company with its related parties are as follows: -

- Central service management, office rental and service charges are set on a mutually agreed basis.
- Central area expenses are charged on the same basis as the charges made by the juristic persons to outside parties.
- Other income and other expenses are based on the same basis that charge to outside parties.
- The purchase price of land is based on the appraisal value of the independent valuer.

Nature of relationship

Company's name	Relationship	Connection
Eastern Star Resort Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Seastar Properties Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Related person of Bangkok Broadcasting & Television Co., Ltd.	Related person	Direct and indirect shareholding

The balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other receivables				
Subsidiaries	-	-	2,076	2,372
Other payables				
Subsidiaries	-	-	325	325
Accrued interest				
A subsidiary	-	-	63	63
Retentions				
Related parties	1,242	1,242	1,242	1,242

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	35,568	33,715	29,307	27,890
Post-employment benefits	4,537	827	4,334	800
Total	40,105	34,542	33,641	28,690

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	1,589	1,065	229	148
Bank deposits	135,078	236,889	111,617	209,821
Total	136,667	237,954	111,846	209,969

As at 31 December 2013, bank deposits in current accounts, saving accounts and fixed deposits with an original maturity of three months or less carried interests between 0.40% and 1.55% per annum (2012: between 0.60% and 1.75% per annum).

9. Current investments

	Consolidated financial statements			
	2013		2012	
	Amount	Interest rate	Amount	Interest rate
	(Thousand Baht)	(% per annum)	(Thousand Baht)	(% per annum)
Fixed deposits 5-12 months	11,238	2.35 - 3.15	10,840	2.75 - 3.50
Total	11,238		10,840	

	Separate financial statements			
	2013		2012	
	Amount	Interest rate	Amount	Interest rate
	(Thousand Baht)	(% per annum)	(Thousand Baht)	(% per annum)
Fixed deposits 5-12 months	41	2.35	40	2.75
Total	41		40	

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - third parties				
Not yet due	57	90	-	-
Not over 3 months	1,000	968	-	-
3 - 6 months	51	47	-	-
Total trade accounts receivable	1,108	1,105	-	-
Other receivables				
Other receivables - related parties	-	-	2,076	2,372
Other receivables - third parties	7,451	611	7,035	174
Accrued income	11,480	11,510	11,399	11,371
Advanced payment	904	975	750	927
Interest receivable	3	91	3	91
Total other receivables	19,838	13,187	21,263	14,935
Less: Allowance for doubtful debts	(9,005)	(9,008)	(8,667)	(8,667)
Total other receivables - net	10,833	4,179	12,596	6,268
Total trade and other receivables - net	11,941	5,284	12,596	6,268

11. Real estate development costs and inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land	1,052,736	1,184,089	1,051,740	1,183,424
Construction under development	1,566,233	1,273,900	1,566,233	1,275,251
Total	2,618,969	2,457,989	2,617,973	2,458,675
Less: Provision for loss on diminution in value of projects	(3,521)	(4,981)	(1,570)	(3,030)
Real estate development costs - net	2,615,448	2,453,008	2,616,403	2,455,645
Other inventories	556	621	-	-
Total	2,616,004	2,453,629	2,616,403	2,455,645

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2013 of Baht 2,133 million (2012: Baht 1,982 million) as collateral for credit facilities granted by a bank.

As at 31 December 2013 and 2012, real estate development costs included Baht 6 million (the Company only: Baht 3 million) of costs of land ready-for-sale that is jointly owned by the Company and a subsidiary. The Company and the subsidiary recorded costs of land in proportion to their ownership, with half allocated to each party.

During the year 2013, the Company included borrowing costs in the cost of real estate development amounting to Baht 14 million (2012: None). Capitalisation rate was 5%.

Additional information of the Company's projects.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2013	2012
Total estimated sales value of projects on hand of which contracts have been signed	10,975	12,640
Total value of contracts signed of land and structures thereon	7,160	8,065
Percentage of total estimated sales value of projects on hand	65.24	63.81
Total value of contracts signed of land and structures thereon not yet recognised as revenue	4,669	4,950

12. Finance lease contract receivables/Advance received from land lease

On 23 August 2007, the Company entered into a contract to lease a land and plaza center building to a company. The lease tenor is for 25 years 5 months commencing from 23 August 2007 and the total contractual value of the lease is Baht 97.3 million, which the Company received the contractual lease fee on the lease registration date at Baht 24 million and for the remaining amount, the Company received the 1st lease fee for the total leasing period of 17 months at Baht 2.4 million. After which, the lease fee is payable annually. The lease fee for the 2nd - 5th year is Baht 2.4 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognises the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza center building as follows:-

- 12.1 From the total building lease fee of Baht 64.2 million, the advance of Baht 15.8 million was received on the lease registration date and the remaining amount will be receivable at 66% of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the building lease fee under financial lease contract. The remaining accounts receivable under the finance lease agreement are as follows:-

(Unit: Thousand Baht)

Consolidated and separate financial statements as at 31 December 2013				
	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,742	7,144	29,804	38,690
Unearned financial income	(112)	(401)	(686)	(1,199)
Present value of the minimum payment debtor has to pay under lease agreement	1,630	6,743	29,118	37,491

(Unit: Thousand Baht)

Consolidated and separate financial statements as at 31 December 2012				
	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,742	6,970	31,720	40,432
Unearned financial income	(117)	(421)	(778)	(1,316)
Present value of the minimum payment debtor has to pay under lease agreement	1,625	6,549	30,942	39,116

- 12.2 From total land lease fee of Baht 33.1 million, the advance of Baht 8.2 million was received on the lease registration date and the remaining amount will be receivable at 34% of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance is as follows:-

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	2013	2012
Total minimum amount which the debtor has to pay under the outstanding operating lease		
Within 1 year	898	898
1 - 5 years	3,680	3,590
Over 5 years	15,353	16,341
Total	19,931	20,829
Add: Advance received for land lease (net from recognised income)	6,133	6,460
Land lease income to be recognised in future	26,064	27,289

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
			(%)	(%)						
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	(14,984)	(11,321)	394,390	398,053
Seastar Properties Co., Ltd.	1,150,000	1,150,000	99.13	99.13	934,680	934,680	(509,832)	(509,248)	424,848	425,432
Eastern Star-Lai San New World Co., Ltd.	160,000	160,000	60.00	60.00	96,000	96,000	-	-	96,000	96,000
					1,440,054	1,440,054	(524,816)	(520,569)	915,238	919,485

As at 31 December 2013, the Company possessed 343 remaining golf-membership rights, which were not included in the financial statements because the Company obtained such rights at no cost as a result of its investment in a subsidiary.

14. 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	Building and improvements	Total	Land
31 December 2013:				
Cost	742,220	828,606	1,570,826	541,948
Less: Accumulated depreciation	-	(611,973)	(611,973)	-
Less: Allowance for impairment	(261,385)	-	(261,385)	(193,613)
Net book value	480,835	216,633	697,468	348,335
31 December 2012:				
Cost	247,260	828,345	1,075,605	46,987
Less: Accumulated depreciation	-	(605,831)	(605,831)	-
Less: Allowance for impairment	(67,773)	-	(67,773)	-
Net book value	179,487	222,514	402,001	46,987

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	402,001	410,548	46,987	46,987
Addition	2,548	1,046	-	-
Disposal - net book value at disposal date	-	(9)	-	-
Transfer in - net book value at transfer date	289,536	-	289,294	-
Reversal of diminution in value	12,054	-	12,054	-
Depreciation charged	(8,671)	(9,584)	-	-
Net book value at end of year	697,468	402,001	348,335	46,987

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	570,796	264,309	438,580	131,809
Building and improvement	265,085	265,100	-	-

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land of the Company has been determined based on market prices, while that of the land and building and improvement of its subsidiary has been determined using the force sale.

The Company has mortgaged certain plots of land with a net book value as at 31 December 2013 of Baht 43 million (2012: Baht 43 million) as collateral for credit facilities granted by a bank.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land and Buildings Machines Furniture	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>								
1 January 2012	156,234	448,104	37,526	19,352	21,298	20,028	4,093	706,635
Additions	-	703	524	322	1,601	485	25,834	29,469
Disposals	-	(34,600)	(47)	(64)	(409)	-	-	(35,120)
Transfer in (out)	-	25,202	18	2,337	226	-	(27,834)	(51)
31 December 2012	156,234	439,409	38,021	21,947	22,716	20,513	2,093	700,933
Additions	-	73	1,067	742	1,148	1,032	6,275	10,337
Disposals	(66)	(76)	(130)	(951)	(613)	(1,849)	-	(3,685)
Transfer in (out)	-	18	(42)	(2,571)	(146)	-	(24)	(2,765)
31 December 2013	156,168	439,424	38,916	19,167	23,105	19,696	8,344	704,820
<u>Accumulated depreciation</u>								
1 January 2012	803	235,094	33,009	6,630	17,159	15,232	-	307,927
Depreciation for the year	-	16,036	2,017	3,624	1,800	1,609	-	25,086
Depreciation on disposals	-	(28,955)	(45)	(50)	(409)	-	-	(29,459)
Depreciation on transfer out	-	-	(35)	-	(16)	-	-	(51)
31 December 2012	803	222,175	34,946	10,204	18,534	16,841	-	303,503
Depreciation for the year	-	13,607	1,275	3,999	1,479	842	-	21,202
Depreciation on disposals	(66)	(49)	(82)	(892)	(594)	(953)	-	(2,636)
Depreciation on transfer out	-	-	(78)	(1,715)	(112)	-	-	(1,905)
31 December 2013	737	235,733	36,061	11,596	19,307	16,730	-	320,164

(Unit: Thousand Baht)

Consolidated financial statements								
	Land and land improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
Allowance for impairment								
1 January 2012	-	3,680	-	-	-	-	-	3,680
31 December 2012	-	3,680	-	-	-	-	-	3,680
31 December 2013	-	3,680	-	-	-	-	-	3,680
Net book value								
31 December 2012	155,431	213,554	3,075	11,743	4,182	3,672	2,093	393,750
31 December 2013	155,431	200,011	2,855	7,571	3,798	2,966	8,344	380,976
Depreciation for the year								
2012 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								25,086
2013 (Baht 3 million included in cost of real estate sold and services, and the balance in administrative expenses)								21,202

(Unit: Thousand Baht)

Separate financial statements								
	Land and land improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
Cost								
1 January 2012	4,386	124,817	1,908	19,351	12,799	16,569	4,092	183,922
Additions	-	703	202	322	1,090	485	25,835	28,637
Disposals	-	(34,600)	(47)	(65)	(409)	-	-	(35,121)
Transfer in (out)	-	25,202	53	2,337	242	-	(27,834)	-
31 December 2012	4,386	116,122	2,116	21,945	13,722	17,054	2,093	177,438
Additions	-	73	603	524	984	1,032	6,237	9,453
Disposals	(66)	(76)	(128)	(1,657)	(645)	(1,849)	-	(4,421)
Transfer in (out)	-	18	-	(1,865)	6	-	(24)	(1,865)
31 December 2013	4,320	116,137	2,591	18,947	14,067	16,237	8,306	180,605
Accumulated depreciation								
1 January 2012	803	39,552	1,397	6,629	10,109	12,298	-	70,788
Depreciation for the year	-	12,870	230	3,624	1,053	1,372	-	19,149
Depreciation on disposals	-	(28,956)	(45)	(51)	(409)	-	-	(29,461)
31 December 2012	803	23,466	1,582	10,202	10,753	13,670	-	60,476
Depreciation for the year	-	10,619	256	3,845	1,105	661	-	16,486
Depreciation on disposals	(66)	(49)	(84)	(1,359)	(619)	(953)	-	(3,130)
Depreciation on transfers	-	-	-	(1,247)	-	-	-	(1,247)
31 December 2013	737	34,036	1,754	11,441	11,239	13,378	-	72,585
Net book value								
31 December 2012	3,583	92,656	534	11,743	2,969	3,384	2,093	116,962
31 December 2013	3,583	82,101	837	7,506	2,828	2,859	8,306	108,020
Depreciation for the year								
2012 (Included in administrative expenses)								19,149
2013 (Included in administrative expenses)								16,486

As at 31 December 2013, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 96 million (Separate financial statements: Baht 43 million) (2012: Baht 80 million (Separate financial statements: Baht 31 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2013 of Baht 5 million (2012: Baht 6 million) as collateral for credit facilities granted by a bank.

16. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Computer software - cost	4,908	4,540	3,952	3,584
Less: Accumulated amortisation	(4,036)	(3,467)	(3,252)	(2,791)
Net book value	872	1,073	700	793
Net book value at beginning year	1,073	1,584	793	1,141
Additions	368	220	368	220
Amortisation	(569)	(731)	(461)	(568)
Net book value at end of year	872	1,073	700	793

17. Land and improvement awaiting development

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land	1,763,736	1,543,484	1,601,000	1,380,748
Development costs	27,252	16,320	27,252	16,320
Total	1,790,988	1,559,804	1,628,252	1,397,068
Less: Provision for loss on diminution in value	(59,712)	(255,874)	(59,645)	(255,807)
Net	1,731,276	1,303,930	1,568,607	1,141,261

As at 31 December 2013, land awaiting development of Baht 8 million (separate financial statements: Baht 4 million) (2012: Baht 8 million (Separate financial statements: Baht 4 million)) was land of which ownership is jointly held by the Company and a subsidiary. The Company and the subsidiary recorded the cost of land based on their ownership of 50% each.

During the year 2013, the Company included borrowing costs in the cost of real estate development amounting to Baht 8 million (2012: None). Capitalisation rate was 5%.

The Company has mortgaged certain plots of land with a net book value as at 31 December 2013 of Baht 161 million (2012: Baht 161 million) as collateral for credit facilities granted by a bank.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts payable - unrelated parties	118,009	93,752	114,477	90,557
Other payables - related parties	-	-	325	325
Other payables - unrelated parties	16,346	18,276	15,191	17,098
Total	134,355	112,028	129,993	107,980

19. Long-term loans

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Long-term loans from banks	549,481	-
Less: Current portion	(2,381)	-
Long-term loans - net of current portion	547,100	-

Movements in the long-term loans account during the year ended 31 December 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 31 December 2012	-
Add: Additional borrowings	1,477,100
Less: Repayments	(927,619)
Balance as at 31 December 2013	549,481

Long-term loans drawn down in 2013 are the long-term loans with a local bank which had the principal terms of such credit facilities as follows:

Facilities	: Baht 3,490 million
Interest rate	: MLR - 1% or MLR - 0.5% depending on the payment schedule set out in each agreements
Interest period	: Monthly
Principal repayment schedules	: Payments of principal are to be made at 70% of the value of condominium units transferred to customers, with full repayment to be made within 48 months or 60 months (depending on the conditions sets out in each agreements) after the date of the first draw down of principal.

As at 31 December 2013, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 2,013 million (31 December 2012: Baht 3,490 million)

The loans and credit facilities are secured by mortgage of land with structures thereon as described in Notes 11, 14, 15, and 17, respectively.

20. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Retention payable	20,385	17,428	20,385	17,386
Other current liabilities	10,823	11,309	4,606	5,088
Total	31,208	28,737	24,991	22,474

21. 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 financial statements		Separate financial statements	
	2013	2012	2013	2012
Provision for long-term employee benefits at beginning of year	6,848	5,937	5,811	4,749
Current service cost	1,708	1,168	1,261	879
Interest cost	278	229	224	183
Benefits paid during the year	(3,742)	(486)	(3,742)	-
Actuarial (gain) loss	3,055	-	2,569	-
Past service costs	1,286	-	1,286	-
Provision for long-term employee benefits at end of year	9,433	6,848	7,409	5,811

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	1,708	1,168	1,261	879
Interest cost	278	229	224	183
Actuarial (gain) loss	3,055	-	2,569	-
Past service costs	1,286	-	1,286	-
Total expenses recognised in profit or loss	6,327	1,397	5,340	1,062

Such expenses are included administrative expenses in profit or loss.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2013	2012
	(% per annum)	(% per annum)
Discount rate	3.66 - 3.93	2.80 - 3.47
Average future salary increase rate	4 - 6	5
Staff turnover rate (depending on age)	6 - 36	0 - 20

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

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	9,433	7,409	(388)	(444)
Year 2012	6,848	5,811	-	-
Year 2011	5,937	4,749	-	-
Year 2010	4,793	3,776	-	-

22. Share capital

During the year 2011, the Company received payment for the exercise of 593,035,591 ESTAR-W1 warrants at an exercise price of Baht 0.424 per share and 12,845 ESTAR-W2 warrants at an exercise price of Baht 1 per share, or a total of Baht 252 million, based on the value of the warrants of Baht 3 million, and presented these amounts in the account "Advance received for ordinary share subscription" in the statement of financial position. As a result of these exercises, the number of the paid-up share and share discount increased during the year 2012, as follows:

	Number of ordinary shares	Paid-up share capital	Share discount
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
At the beginning of the year	4,429,198	4,429,198	(90,991)
Increase in capital from exercising of the rights of the warrants	593,048	593,048	(338,274)
At the end of the year	5,022,246	5,022,246	(429,265)

On 12 January 2012, the Company registered the increase in its paid-up share capital to Baht 5,022 million with the Ministry of Commerce. In addition, the Company filed an application with the Stock Exchange of Thailand (SET) to register the additional 593 million shares as listed securities. The SET approved the trading of the additional shares through the stock market to be effective from 24 January 2012.

On 27 April 2012, the Annual General Meeting of the Company's shareholders approved the reduction of registered share capital from Baht 10,818,493,916 to Baht 5,022,246,185 through the cancellation of 5,796,247,731 unissued ordinary shares. The Company registered the decrease in its registered share capital to Baht 5,022,246,185 with the Ministry of Commerce on 10 May 2012.

23. Statutory reserve

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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

24. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Purchase of land and payment of construction during the year	1,104,114	708,257	1,104,114	708,257
Changes in real estate development costs and inventories	(83,208)	(467,624)	(83,272)	(467,456)
Salary and wages and other employee benefits	116,857	95,188	83,871	65,454
Depreciation and amortisation	30,441	35,401	16,947	19,717
Marketing expenses	169,457	130,317	161,857	123,778
Cost of other goods incurred and recognised during the year	8,130	6,923	-	-

25. 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
	(Restated)		(Restated)	
Current income tax:				
Current income tax charge	-	-	-	-
Adjustment in respect of current income tax of previous year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	43,110	(23,442)	43,276	(23,477)
Income tax expense reported				
Effects of change in the applicable tax rates	-	1,057	-	1,057
Income tax expense reported in the statement of comprehensive income	43,110	(22,385)	43,276	(22,420)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit (loss) before tax	191,149	(144,958)	199,649	(134,898)
Applicable tax rate	20%	23%	20%	23%
Accounting profit (loss) before tax multiplied by applicable tax rate	38,230	(33,340)	39,930	(31,027)
Effects of changes in the applicable tax rates	-	1,057	-	1,057
Tax effects of:				
Non-deductible expenses	4,222	825	4,102	673
Additional taxable revenues	1,171	4,656	1,171	4,323
Additional expense deductions allowed	(6,685)	(8,239)	(30)	(19)
Tax losses	8,069	10,083	-	-
Others	(1,897)	2,573	(1,897)	2,573
Income tax expenses reported in the statement of comprehensive income	43,110	(22,385)	43,276	(22,420)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 31 December 2013	As at 31 December 2012	As at 31 December 2013	As at 31 December 2012
Deferred tax assets						
Allowance for doubtful accounts	1,487	-	-	1,487	-	-
Allowance for diminution in value of inventories	314	606	5,121	314	606	5,121
Allowance for diminution in value of assets	50,651	51,161	53,934	50,651	51,161	53,934
Advance received for land rental income	588	490	450	588	490	450
Provision for long-term employee benefits	1,887	1,401	1,366	1,482	1,162	1,092
Unused tax losses	21,521	65,991	37,363	21,521	65,991	37,363
Others	335	-	-	335	-	-
Total	76,783	119,649	98,234	76,378	119,410	97,960
Deferred tax liabilities						
Finance lease contract receivables	6,879	5,339	4,331	6,879	5,339	4,331
Others	-	1,296	3,273	-	1,296	3,273
Total	6,879	6,635	7,604	6,879	6,635	7,604

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

As at 31 December 2013 the subsidiaries have unused tax losses totaling Baht 230 million (2012: Baht 216 million), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

26. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit (loss) attributable to equity holders of the Company	149,466	(121,630)	156,373	(112,478)
Weighted average number of (Thousand Baht) ordinary shares (Thousand shares)	5,022,246	5,022,246	5,022,246	5,022,246
Earnings (loss) per share (Baht/share)	0.030	(0.024)	0.031	(0.022)

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 its products and services and have three reportable segments as follows:

- (1) Real estate business
- (2) Golf course business
- (3) Rental business

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Transfer prices between business segment are set out in Note 7.

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

(Unit: Million Baht)

Consolidated financial statements for the years ended 31 December								
	Real estate business		Golf course business		Rental business		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Restated)							
Revenues from external customers	1,542	326	49	45	34	32	1,625	403
Segment operating profit	523	93	11	7	13	12	547	112
Unallocated income (expenses):								
Other income							19	29
Selling expenses							(169)	(130)
Administrative expenses							(181)	(169)
Loss on diminution in value of asset							(12)	-
Reversal of loss on diminution in value of asset							15	13
Finance cost							(28)	-
Income tax expenses							(43)	22
Non-controlling interests of the subsidiaries							1	1
Profit (loss) for the year attributable to equity holders of the Company							149	(122)

(Unit: Million Baht)

Consolidated financial statements as at 31 December								
	Real estate business		Golf course business		Rental business		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Restated)							
Real estate development cost and inventories	2,611	2,448	5	5	-	-	2,616	2,453
Investment properties	305	4	-	-	392	398	697	402
Property, plant and equipment	93	102	287	291	1	1	381	394
Land and improvement awaiting development	1,727	1,300	4	4	-	-	1,731	1,304
Unallocated assets							485	468
Total segment assets							5,910	5,021
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets	758	152	1	1	3	1	762	154

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statement pertain exclusively to this geographical reportable segment.

Major customers

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

28. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, and the Company and subsidiaries contributed to the fund monthly at the rates of 3 - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company and its subsidiaries contributed Baht 2 million to the fund (Separate financial statements: Baht 2 million) (2012: Baht 2 million, Separate financial statements: Baht 2 million).

29. Commitments and contingent liabilities

As at 31 December 2013, the Company and its subsidiaries have the following outstanding commitments and contingent liabilities:

29.1 The Company has the outstanding commitments totaling Baht 1,730 million (2012: Baht 706 million) in respect of agreements to construction of projects.

29.2 The Company and its subsidiaries have entered into several lease agreements to lease buildings and equipment and services, with terms of generally between 1 and 3 years.

Future minimum payments required under these operating leases contracts are as follows:

(Unit: Million Baht)

Payable	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
In up to 1 year	17	14	13	11
In over 1 and up to 3 years	4	8	4	8

29.3 A subsidiary has obligations under a golf car service contract with a company for a period of 3 years, from 1 November 2011 to 31 October 2014, whereby a monthly service fee is charged at 50% of the income from golf car services received from customers.

29.4 Bank guarantees

There were the following outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2013	2012
Letters of guarantee for allotment of project areas	13	13
Letters of guarantee for arrangement and maintenance of public utilities	59	59
Letters of guarantee for electricity usage	9	6
Letters of guarantee for elevators	105	5
Total	186	83

Bank guarantees facilities are secured by the Company's land and structures thereon.

29.5 Litigation

In January 2011, a customer sued the Company through Bangkok South Civil Court for the refund of Baht 1 million deposit for the purchase of a condominium unit in the Company's project on the grounds that the Company had not rectified faults in the condominium unit. The Company disputed the case, claiming that the plaintiff was the party in breach of contract, and had not registered the transfer of ownership of the condominium unit in accordance with the agreement. On 1 August 2011, the Civil Court issued a judgment dismissing the case against the defendant and the plaintiff then filed an appeal to the Appeals Court, which subsequently considered the case and upheld the decision of the court of First Instance. On 21 March 2013, the plaintiffs filed a petition with the Supreme Court. This case is currently being considered by the Supreme Court and the Company's management believes that there will be no material impact to the Company.

30. Financial instruments

30.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, finance lease contract receivables, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

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

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to their cash at financial institutions, current investments, finance lease contract receivables and long-term loan with interest bearing. Most of these 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 rates are summarized 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)

	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	126	11	137	0.40 - 1.55
Current investments	-	-	-	11	-	11	2.50 - 3.00
Trade and other receivables	-	-	-	-	12	12	-
Finance lease contract receivables	2	7	29	-	-	38	0.30
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	134	134	-
Long-term loans	-	-	-	549	-	549	MLR-1

(Unit: Million Baht)

	As at 31 December 2012						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	227	11	238	0.60 - 1.75
Current investments	-	-	-	11	-	11	2.75 - 3.50
Trade and other receivables	-	-	-	-	5	5	-
Finance lease contract receivables	2	6	31	-	-	39	0.30
Financial liabilities							
Long-term loans	-	-	-	-	112	112	-

30.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term and loans denominated in Thai Baht bearing the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement 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.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's total debt-to-equity ratio was 0.35:1 (2012: 0.19:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2014.





Eastern Star Real Estate Public Company Limited
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