

noble  
development  
public  
company  
limited

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annual report  
2012

19<sup>th</sup> fl., tonson tower,  
900 ploenchit rd., pathumwan,  
bangkok 10330, thailand.

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t + 66 2 251 9955

f + 66 2 251 9977

# Message from Chairman

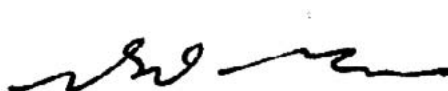
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For the year 2012, the global economy has continued to fluctuate and slow down due to the debt crisis of the western countries such as Europe and the United States which intensely affected to the international investment so that many countries strictly use the monetary policies including injecting liquidity into the economy. After the flooding in 2011, Thailand's economy began to recover significantly due to the increase of domestic demand from the stimulus measures for the public investment. Although the export sector has been affected by the slowdown of the global economy and the flooding, year 2012 is the huge adjustment year of real estate developers after the flooding. The developers must focus on the customer's buying behavior to formulate strategies to keep pace with changing circumstances.

Although the real estate sector has continued to be affected by the confidence of consumers from flooding in the past year, in 2012, the Company continued to maintain its growth rate of revenue, driven by sales of the low-rise and condominium projects with sales valued over 2,800 million baht. As of 2013, there are factors that drive the growth of the real estate business, including the investment in public transportation, the current trends of interest rates remained low and the inflow of the foreign capital to support the ASEAN Economic Community. The Company is planning to launch at least 4 projects worth more than 10,000 million baht to support its continuous expansion. The projects are located in the central location and close to the communities with easy accessibility.

Business goals of the Company, in addition to create the new innovation for different living under the appropriate and effective risk management policy including administration and fund management with transparency and honest, the Company is to do business on the basis of ethics and responsibility to society as well as to build credibility with investors and all stakeholders for the sustainable growth in the long term.

Finally, on behalf of Noble Development PCL, I would like to thank our shareholders, customers, financial supports, business partners and the colleagues who work to support the Company's operations and drive the Company's success. The Company will carry on our work to offer the new innovation of living with better quality to assure the customer's demand for sustainable growth and the satisfaction of all parties.



**Mr. Kittit Thanakitamnuay**  
Chairman and Chief Executive Officer

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## Message from Chairman

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# 01

**noble development  
public company limited**

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**about the company**

# Financial Highlights

	2012	2011	Unit : THB Million 2010
Operating Performance			
Revenue from Real Estate Development Business	2,478	2,823	5,029
Revenue from Rental and Services	81	88	75
Total Revenues	2,657	2,969	5,194
Gross Profit from Real Estate Development Business	989	1,137	1,897
Revenue from Rental and Services	(8)	(2)	43
Net Profit	325	346	998
Financial Status			
Total Assets	14,679	12,611	10,847
Total Liabilities	10,621	8,740	7,116
Issued and Paid-up Share Capital	1,369	1,369	1,369
Shareholders' Equity	4,059	3,871	3,731
Financial Ratio			
Gross Profit Margin from Real Estate Development Business	39.90	40.28	37.71
Gross Profit Margin from Rental and Services	(9.86)	(2.56)	56.89
Net Profit Margin	12.22	11.64	19.22
Return on Assets	2.38	2.95	10.21
Return on Equity	8.19	9.09	30.13
Debt to Equity Ratio	2.62	2.26	1.91
Net Debt to Equity Ratio	1.86	1.86	1.62
Book Value per Share (Baht)	8.89	8.48	8.17
Earning per Share (Baht)	0.71	0.76	2.19

# Company Structure

## Noble Development Public Co., Ltd.

Paid-up Capital THB 1,369.41 M.

Type of Business : Property Development  
and Housing Construction

100%	<b>Ban Suk Sabai Co., Ltd.</b> Paid-up Capital THB 2 M. Type of Business : Property Development and Housing Construction
100%	<b>S&amp;P Property Management Co., Ltd.</b> Paid-up Capital THB 2 M. Type of Business : Housing Construction and Property Management
100%	<b>Continental City Co., Ltd.</b> Paid-up Capital THB 440 M. Type of Business : Property Development
65%	<b>Research &amp; Consultant Co., Ltd.</b> Paid-up Capital THB 10 M. Type of Business : Housing Construction
50%	<b>N.K. Energy Conservation Co.,Ltd.</b> Paid-up Capital THB 6.5 M Type of Business : Light Weight Wall Panel

# Company Overview

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## Type of Business

The core business of Noble Development Public Company Limited and its subsidiaries is property development, composed of various types of residential projects such as land plot, single detached houses, townhouses, low rise and high rise condominiums. The Company aims to offer exceptional-design living and creative innovation to satisfy customers' various desires as an alternative option.

The Company has launched total 36 residential projects. Eight of these projects were developed and launched before year 2002 with the total value of THB 4,877 million while 28 of these projects were developed and launched between year 2002 and 2012 with the total value of THB 46,729 million. The project consists of single detached house, condominium, townhouse, and land plot. The single detached house projects include Noble Tara Ekamai-Rama 9, Noble Tara Ngamwongwan, Noble Tara Pattanakarn, Noble Tara Ngamwongwan 2, Noble Wana Pinklao, Noble Wana Watcharapol, Noble Anawana Pinklao, Noble Geo Watcharapol, and Noble Geo Rama 5. The condominium projects include Noble Ora Condo, Noble Lite, Noble 09, Noble Ambience Sarasin, Noble Remix, Noble Solo, Noble Reflex, Noble Reveal, Noble Reform, Noble Refine, Noble RED, Noble Revent, Noble Remix 2, Noble Ploenchit and Noble Revolve. The townhouse and land plot project are First Home and Noble Satorn Thapra, Noble Residence and Noble Cube respectively.

Besides the residential projects, the Company also operates other business that is core business-related such as property rental and service, property management services, property services after transfer of ownership, asset or debt management service offering to investors, financial institutions and asset management companies.

**Type of Business** (Cont'd)

The Company has a policy to divide the operation to subsidiaries and associated companies for developing, and managing the projects as shown in the following detail:

	Company/Address	Type of Business	Project	Number of issued and paid up shares
1.	Ban Suk Sabai Company Limited 19th Fl., Tonson Tower, 900 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Property Development and Housing Construction	Noble Park Noble Tara Ngamwongwan 2	20,000
2.	S&P Property Management Company Limited 19th Fl., Tonson Tower, 900 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Housing Construction and Property Management	Noble Neo City	20,000
3.	Continental City Company Limited 19th Fl., Tonson Tower, 900 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Property Development	The Noble Noble Remix Noble Remix 2	4,400,000
4.	Research and Consultant Company Limited 19th Fl., Tonson Tower, 900 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Housing Construction	Noble Choice Pinklao Noble Choice Vibhavadee	100,000
5.	N.K.Energy Conservation Company Limited 54/4 Moo 7, Bang Saethong, Samutprakarn	Light Weight Wall Panel	Noble Choice Pinklao Noble Choice Vibhavadee	6,500



# Noble Development Projects

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Every Noble Development project is a reflection of the creativity and the conviction of Noble. The mind-set to create innovation to satisfy needs and enhance quality of life which bring happiness to homeowners beyond their expectations are all the Noble's mission.

## Projects developed and launched before 2002

### Noble Park Project

Noble Park was unveiled in December 1991 as the first horizontal condominium in Thailand. The concept of a "Condo house" combines the benefits of living as part of a community and the precepts of condominium residence to the familiar features of Thai ways of living within the development.

### Noble Home Project

Noble Home comprises single dwelling houses with architectural designs aimed to give a different perspective and individuality including the curved roof, all of which enhanced quality and offered more useable floor space than the average home. The project launched in August 1992.

### Noble Neo City Project

Noble Neo City is the visual proof of the innovation development that is taking place within Noble. Here, the concept of a life of freedom is catered to. Owners can expand living space within their detached homes in four different steps. They can start with 2 floors 2 bedrooms and, if so wish, they can later add to that and end up with 3 floors 5 bedrooms.

### The Noble Project

Prestigious detached residences comparable to a contemporary art form. Built right in the heart of Bangkok, The Noble has been designed to offer maximum floor space, resulting in practicality and privacy. The design concept also brings the green-ness of the garden right into the home.

### Noble House Phayathai Project

Noble's high-rise residential development with 30 storey tower located in central business district, special design offer convenience in terms of commuting and amenities for today's lifestyle. The project consists of 300 residential units and commercial area.

### Noble Choice Project

Noble Choice is the innovation from Noble Development, one spawned from the marriage of state-of-the-art technology and an old-fashioned commitment to service. The success of Noble Choice is evident from all of our satisfied customers who have exercised their freedom of choice to express a wide variety of contemporary lifestyles, all of whom were delighted beyond their expectations. Durable yet flexible, Noble Steel Tech has a proven track record of success overseas where it has been utilized for more than a decade. Noble Choice projects are located in two different areas -- Noble Choice Pinklao and Noble Choice Vibhavadee.

### Noble House Ruamrudee Project

Possibly occupying the best location in Bangkok, the key concepts behind this development are privacy and peace. Hence, there are a total of only 23 units designed to give maximum space for the families of those executives who are looking for convenience in traveling.

## Projects launched since 2002

### **Noble Tara Ekamai – Rama 9 / Noble Tara Ngamwongwan / Noble Tara Pattanakarn / Noble Tara Ngamwongwan 2 Project**

“Tara” means “stream” which implies the concept of the project to bring peace of recreation with tall fences covered by floras surrounding the project to maximize the enjoyment from nature together with the private swimming pool. The Noble’s differentiated concept of C-shape housing keeps every corner of the house close to nature surrounding. The projects are in the best location according to the concept of “Special privacy in the city center”, which located on Rama 9, Ngamwongwan and Pattanakarn.

### **Noble Wana Pinklao / Noble Wana Watcharapol Project**

The concept of this project is to bring resort feeling to the home, which can be presented in its name: “Wana” means “Forest”. This is a place to take a rest with nature everyday. Every living space links with nature, both view and sensibility by balancing oriental and western philosophy. The project is unique from others in the market with the clubhouse and swimming pool decorated to maximize the privacy. Two Wana projects are Noble Wana Pinklao and Noble Wana Watcharapol.

### **Noble Ana Wana Pinklao Project**

Noble Ana Wana Pinklao builds on the success of the previous Noble Wana Pinklao project. Utilizing the popular Wana design on the same Pinklao site, this new development offers a resort-style living experience 365 days a year. Each house has a plot of 100 square wah or more to give each resident that much more exposure to the area’s natural charms.

### **Noble Satorn Thapra Project**

Noble Satorn Thapra is a project with a very different approach to modern housing. Plots varying in size from 78 to 168 square wah offer havens of security and serenity in small communities served by common facilities. Customers who wish to design their own homes are given every help and encouragement in selecting the concepts and details that they and their families prefer.

**Projects launched since 2002 (Cont'd)****Noble Ora Thonglor Project**

Noble Ora Condominium comprises of two 21-storey condominiums towers with 223 units at one of Bangkok's prime locations, the center of Soi Thonglor. The project has 60's design that provides Condominium facilities but feeling of spacious single house from the large floor-to-ceiling and a tropical style swimming pool.

**Noble Geo Watcharapol / Noble Geo Rama 5 Project**

Noble Geo is designed under the Planning & Function concept to enable free-style arrangement of furniture. The box-shape houses maximize useable area, larger living room and bedroom. The beautiful natural landscape lawns and gardens can be accessible from every angle of the houses, located in Watcharapol and Rama 5.

**First Home Project**

First Home is a townhouse project under the strategies to expand the market base to cover all tiers of customers, located near the city but economical pricing. The project consists of 2-storey townhouses and 3-storey commercial units, located in Soi Watcharapol.

**Noble 09 Project**

Noble 09 is a luxurious condominium located in Soi Ruamrudee, only 100 meters away from the Ploenchit BTS station, gives a cozy feeling in modern style. Designed to have serene beige color elegantly combined with naturally formed stone, it goes up to 8 floors and provides more open area with its two towers. Enjoy total privacy with only three units per floor, and spacious interior benefited from airy floor-to-ceiling glass windows.

**Noble Lite Project**

Near Aree BTS Station, Noble Lite is located only 150 meters from business center on Phaholyothin Road. With Crash-Pads concept – living near BTS route with no red lights traffic to spare up hours for pleasure and relaxation. The project offers 24 storeys with one to three bedrooms. Each unit is designed for multi purpose activities. The project also provides facilities area, fitness and a swimming pool.

**Noble Ambiance Sarasin Project**

It is the condominium for the perfect relaxation of city life and offers the peaceful privacy surrounded by various moods with Perfect Contrast architecture. The exterior is designed to be simple but exciting and amusing with color of the buildings, whereas the interior is designed for spaciousness and airiness with tall glasses from the floor to the ceiling, allowing the natural touches surrounded by beautiful gardens, pools and gyms. Noble Ambiance Sarasin is located in the middle of the city, Sarasin soi 2.

**Noble Remix Project**

The project is the answer for a different kind of lifestyle, especially for people who love extreme's life and freedom in city life, surrounding with this new style condominium project offering conveniences from the transportation via BTS sky train and many facilities along Sukhumvit 36 road.

**Noble Solo Project**

It is the condominium in Soi Thonglor that is suitable for freedom lifestyle, releasing from rules and bustling from works and environment by giving more space. These allow residents to find new inspiration to fulfill their lives. It offers a various type of rooms from 1 bedroom to 3 bedrooms.

**Noble Reflex Project**

Around 200 meters to Aree BTS station, we can reach the 20-floor condominium stylishly designed by plain architecture with the explicit color of the exterior. This is the real concept of "A Pad for Metropolitan" making Reflex to be condominium for more time to play, sit back and relax. Every square inch is designed to maximize usable area and to be the perfect place for rest. The size varies from 1-bedroom and 2-bedroom, starting from 2.9 million baht.

**Noble Reveal Project**

With 27-storey condominium stylishly designed for city living life style and the concept of "Help stop global warming, Drive less". Noble Reveal is just 200 meters away from Ekamai BTS station, on Sukhumvit 63 road. The size varies from 1-bedroom and 2-bedroom.

**Projects launched since 2002** (Cont'd)**Noble Residence Project**

Development of land plot, on Pattanakarn road, one of the most elegant locations in center of Bangkok, with 3 kms from Soi Thonglor and just 2 minutes from Airport Link Sky Train, Ramkamhaeng station. The Project allots total of 70 land pieces from 99 sqw. size, for customers to build every masterpiece by their own. In addition, the entire electricity network is grounded, with the peaceful living of parks, swimming pool, club house and gym.

**Noble Cube Project**

New concept of town home in the city center for more private living space with designed to magnify the sight with wide mirror. Noble Cube divides useable area by life style. The Project is located in prime area, 3 kms from Soi Thonglor, between Pattanakarn soi 24-26 and just 2 minutes from Airport Link Sky Train, Ramkamhaeng station. The price starts from THB 4.5 million.

**Noble Reform**

Condominium located on Phaholyothin Road, business center of Bangkok, only 30 meters away from Aree BTS station. 22-storey condominium designed to maximize usable area and to be the perfect place for rest. The project also provides facilities area, fitness and a swimming pool. The size varies from Studio, 1-bedroom and 2-bedroom.

**Noble Refine**

Condominium located in Sukhumvit Soi 26, 180 meters away from Phromphong BTS station. 25 storey condominium embedded in the very inside of its own premise away from the entrance encourage the ultimate peace and privacy. The panoramic greenery tree line delicately placed on the drive way special treating in and out traffic a touch of green nature. L-shape and earth tone building designed for keeping the perfect harmony with natural surroundings and decent view sharing among every unit. The size varies from Studio, 1-bedroom and 2-bedroom.

**Noble RED**

Condominium 23-storey height located in Aree Soi 1, prime area in the middle of Bangkok closed to BTS station; ready to service you to go to many key business areas. Together with ideal facilities, fitness, swimming pool, ready to fulfill and comfort your life. The size varies from 1-bedroom and 2-bedroom.

**Noble Revent**

Condominium 30-storey height located on Sri-Ayutthaya Road, closed to Phayathai BTS station and airport link station, in the center of Bangkok surrounding by educational institutions and prime business areas. Together with ideal facilities, fitness, swimming pool, ready to fulfill and comfort your life. The size varies from 1-bedroom and 2-bedroom.

**Noble Remix 2**

Condominium 11-storey height with the slogan "Walk above it all" at Noble Remix 2. The Project is located on Soi Sukhumvit 36, with ideally located for easy access to Thonglor Station by skylink between the station and the building. The residence unite provide excessive view and great atmosphere with the very high 3-meter and large 2-layer laminate windows. Together with ideal facilities, ultimate fitness sport club, swimming pool, and stream room, ready to fulfill and comfort your modern lifestyle. The Project offers a various type of rooms from 1 bedroom to 3 bedrooms.

**Noble Ploenchit**

Condominium with 3 buildings, height 51, 45, and 14-storeys, nestled among 4 rais of lush and serene garden. With the concept of Vertical Garden City, metropolitan in the heart of Bangkok's business district, adjacent to many shopping malls and 5-stars Hotels including BTS Ploenchit station. The Project offers a various type of rooms from 1 bedroom to 3 bedrooms and Penthouses, together with private Lift to each individual room.

**Noble Revolve**

Condominium 38-storey with the slogan concept of reject to the old idea that size is really count, "Less is more", happiness in the perfect revolve living. The New Project is adjacent to BTS, convenient to everywhere, so that we enjoy spare time with swimming pool and sky fitness. The Project offers a various type of rooms from 1 bedroom to 2 bedrooms.

# Revenues Structure

Unit: THB Million

Revenues Structure	Operated By(1)	Shares holding %	2012		2011		2010	
			Value	%	Value	%	Value	%
Revenue from Real Estate Development								
Single Detached House and Land	NOBLE	-	464.53	17.48	1,273.48	42.89	791.46	15.24
Condominium	NOBLE	-	1,654.11	62.25	984.83	33.17	1,870.76	36.02
	CC	100%	356.72	13.43	561.83	18.92	2,367.17	45.58
	S&P	100%	-	-	2.54	0.09	-	-
	BSS	100%	2.95	0.11	-	-	-	-
Total Revenue from Real Estate Development			2,478.31	93.27	2,822.68	95.07	5,029.39	96.84
Revenue from Rental and Services								
Service Apartment	NOBLE	-	61.15	2.30	59.21	1.99	54.60	1.05
Department Store	NOBLE	-	0.04	0.00	9.52	0.32	17.02	0.33
Condominium	NOBLE	-	12.02	0.45	10.42	0.35	3.71	0.07
	CC	100%	8.03	0.30	8.43	0.28	0.15	0.00
Total Revenue from Rental and Services			81.24	3.06	87.58	2.95	75.48	1.45
Total Revenue from Core Businesses			2,559.55	96.33	2,910.26	98.02	5,104.87	98.29
Other Revenues								
Gain from cancelled contracts	(2)	-	6.45	0.24	2.10	0.07	11.90	0.23
Interest Income	(2)	-	71.15	2.68	49.65	1.67	22.62	0.44
Others Income	(2)	-	19.98	0.75	7.10	0.24	54.30	1.05
Total Other Revenues			97.58	3.67	58.85	1.98	88.82	1.71
Total Revenues			2,657.13	100.00	2,969.12	100.00	5,193.68	100.00
Increase (Decrease) in Revenue from Core Businesses			(350.72)	(12.05)	(2,194.60)	(42.99)	3,167.19	163.45

Remark (1) NOBLE = Noble Development Public Company Limited.

CC = Continental City Company Limited, S&amp;P = S&amp;P Property Management Company Limited, BSS = Ban Suk Sabai Company Limited

(2) Revenues of the Company and its subsidiaries.

# Industrial Situation and Competition

In 2012, the global economy has relatively high volatility and slowed down significantly due to the European sovereign debt crisis in the European Union (EU), including the economic downturn in Asia such as China and Japan. In the past year, many countries have revised their estimated economic growth and continued to use stimulus monetary measures. Some of which are ineffective because of the large amount of the budget deficit and public debt. However, during the last quarter of 2012, the economy of ASEAN and the United States' growth rate are quite good, especially the United States because of the progress of Fiscal Cliff solution and the monetary measures of major countries in 2012.

Thailand's economy in 2012 was fast recovery and continued to grow after flood crisis in 2011. In 2012, Thailand's economic growth rate rose 6.4%. The main causes were the government budget that had been injected into the system to encourage the domestic investment, the foreign capital inflows transferred to invest in developing countries and the investment from the private sector which could operate as same as it's level before the flood.

Real estate sector grew significantly in 2012 compared to the previous year due to the high rate of domestic economic growth and various factors which support real estate sector directly such as transport construction projects, rail transport system and the awareness of the ASEAN Economic Community (AEC) which will result in investment across the country. The interest rate is expected to decline. However, there were still factors that affected the real estate sector which were the increasing of the construction costs, land costs and the shortage of labor.

**Table 1 : Residential units registered in Bangkok Metropolis and Vicinity.**

	2005	2006	2007	2008	2009	2010	2011	2012
Developer-Built								
Single House, Twin House, Townhouse, Shop House	35,935	32,201	32,757	27,513	21,634	24,476	26,994	23,662
Condominium	10,534	18,607	17,432	34,049	53,725	59,919	34,734	64,716
Change from previous year	24.1%	76.6%	(6.3%)	95.3%	57.8%	11.5%	(42.0%)	86.3%
Total Developer-Built	46,469	50,808	50,189	61,562	75,359	84,395	61,728	88,378
Change from previous year	(5.6%)	9.3%	(1.2%)	22.7%	22.4%	12.0%	(26.9%)	43.2%
Self-Built	25,244	28,949	25,341	24,017	19,618	22,498	20,128	23,497
Change from previous year	27.1%	14.7%	(12.5%)	(5.2%)	(18.3%)	14.7%	(10.5%)	16.7%
Total Residential Units Registered	71,713	79,757	75,530	85,579	94,977	106,893	81,856	111,875
Change from Last Year (%)	3.8%	11.2%	(5.3%)	13.3%	11.0%	12.5%	(23.4%)	36.7%

Source : Bank of Thailand

From Table 1, the number of completed and registered housing units in Bangkok and vicinity in 2012 was 111,875 units which increased from the previous year by 36.7% mainly due to an increase in the number of condominiums, which increased 86.3%, from 34,734 units to 64,716 units and self-built house was up 16.7%, from 20,128 units to 23,497 units. Meanwhile single house, semi-detached house, townhouse and commercial building built by developers decreased 12.3% from 26,994 units to 23,662 units. This shows that the incline in the housing units is caused mainly by the incline in the number of condominiums. Due to the impact of the recent flood, consumers were more interested in the high-rise residential and a slowing down of the low-rise residential projects including the delivery of land and houses, which was delayed. So the number of single house, semi-detached house and commercial building decreased.

**Table 2 : House Price Index**

	2008	2009	2010	2011	2012
Single-detached house (including land)	96.2	100.4	101.4	104.5	105.8
Growth (% Y-O-Y)	....	4.4	1.0	3.1	1.2
Town house (including land)	98.6	100.5	103.7	109.8	112.9
Growth (% Y-O-Y)	....	1.9	3.2	5.9	2.8
Condominium	96.3	113.7	115.9	127.1	134.5
Growth (% Y-O-Y)	....	18.0	2.0	9.8	5.8
Land	96.3	108.3	113.1	121.7	126.9
Growth (% Y-O-Y)	....	12.5	4.4	7.6	4.3

Source : Bank of Thailand

From Table 2, the housing price index, in 2012, the condominium price index has risen to 5.8% mainly due to the increase of condominiums at price lower than 50,000 baht per square meters while the single house with land price index rose 1.2%, the townhouse with land price index rose 2.8% and the land price index increased 4.3%. In 2012, this could be seen that all housing prices had increased including single house, townhouse, condominium and land. In 2013, it can be predicted that housing prices will go up at least 5%-10% as well. The main reasons are the increase of land price which rise 17.13%, the increase of the construction costs, material costs, utilities and the higher wages because of the shortage of labor.

From Tables 1 and 2, it can be seen that the condominium has been very popular due to the number of completed condominiums and the rising price especially condominiums along the public transportation route which increased dramatically in the past 3-4 years. But many believe that the real estate buying habits will change in the future. The real residential buyers will choose to buy or invest in single house or townhouse home more although those types of housing are outside the city. Due to the first vehicle policy of the government, consumers have more opportunity or ability to buy cars. In addition, there is an alternative energy that helps alleviate the rising cost of fuel which reduces the consumer burden. With the expansion of public transportation, the purchasing decision of consumers is consistent with the growth direction of towns and the development of public transport systems. The developers will focus on the development of open spaces to accommodate the important routes of transportation especially those that connect to neighbor countries such as Laos which are the strategic route (East - West Economic Corridor), highways or new motorways and the high speed train systems, etc. Moreover, there are several positive factors worth mentioning as follows:

**Policies of the government and related agencies:** The government has determined that residential projects where the number of residents is 80 units or more must file the Environmental Impact Assessment or EIA for approval to the Committee of Natural Resources and Environmental Policy and Planning (ONEP) to perform construction. This is to control the environmental impacts of the project both during construction and opening the project to meet the standard and to avoid causing any damage and suffering to the neighbor residents. Many developers are affected by this policy because the criteria for determining are altered by physical characteristic and purpose of the projects or the information of the project is not clear or not exhaustive, etc. Therefore, the developers cannot determine the exact amount of construction time so the projects will be delayed. For solving the problem, ONEP has prepared the guide for the preparation of EIA so that developers can follow the correct and the same standard and set an exact time plan. Moreover, ONEP is planning to decentralize to the regions to reduce procedures and the time of requesting permission.

### Policies of the government and related agencies (Cont'd)

In addition, there is also the Office of Consumer Protection Board (OCPB) which plans to control housing prices due to the current housing prices rise rapidly and excessively. However, it is difficult to do so in the free market economy which the sales price or the purchasing decision is based on the satisfaction and the ability to purchase of individual consumers. However, the agency that has the responsibility to oversee the sale of goods and services, such as the Office of Consumer Protection Board, is preparing to use the Act of the Department of Internal Trade to consider whether the developers set the exorbitant prices of housing from 2008-2012 or not. In the past, it was found that consumers have complained about the failure to comply with the standard contract and to perform as advertised including the defect of the construction of buildings and utilities. OCPB will seriously enforce the Section 29 of the Act of the Department of the Internal Trade which controls the exorbitant price to be fair to consumers. The policies of the related agencies mentioned above focus on the mutual benefit to both consumers and developers which will make the real estate sector grow persistently and build consumer confidence.

**Marketing strategy and marketing promotion:** The real estate business is extremely competitive. Developers have various marketing promotions both directly and indirectly. In recent years, Developers have clearly changed their strategies. Some developers pay attention to the high-rise housing (Condominiums) instead of the low-rise housing (Housing) as a result of the flood crisis. But competition in the high-rise residential housing market, the major developers will get more advantage because high-rise residential housing projects require a high investment and developer's reputation. Additionally, many developers release the promotional campaign such as low down payment or low installment of down payment and the total amount of down payment is 5-10% of the property value which is less than the amount of the down payment in the past which was relatively high, about 25%. The lower down payment is an important factor in the competition due to lower down payment will make it easier to buy. However, there is the risk that customers may abandon down payment when some situations occur such as depression or there are better offers from other projects. Due to the low amount of the down payment, developers must be careful and cautious of the potential risks. The major developers with ability and strong financial position that invest in projects in good locations will not worry about such a problem. But for the minor developers, it is a major obstacle in the competition and it is quite difficult for new developers to enter into the real estate business.

In addition, in the past year, many real estate companies listed on the stock market began to expand their business to other provinces. This opens a new market starting at the major cities which are the tourist destinations such as Chiang Mai, Phuket, Nakhon Ratchasima, Khon Kaen, etc. Besides, there are also the areas along the transportation route to The Lao People's Democratic Republic which have high potential and opportunities for development. The developers who occupy these areas first will take advantage of other competitors.

**Cost Management :** In the last several years, the cost of the real estate business is increasing every year. It is estimated that, in 2013, the cost of production in the real estate business is to rise at least 5% due to the labor cost, which the government sets the minimum wage to 300 baht a day nationwide that make some construction workers return back home or find jobs closer to home to be with family over work remotely, the construction materials costs, which rise 24.7% from that in 2005 and the land price increases as a result of a new appraised land price from 2012 to 2015 which is expected to rise about 15-30% on average. Although the cost of real estate business increases indeed, income and purchasing power of consumers increase as well due to the government policy on rising people's income and investment plans of the government which diversify investment to increase the flow of cash. Developer should manage the cost of production, prepare materials or finished products that are used to reduce dependence on labor, forward contact on major materials and maintain the level of prices or to raise prices accordingly to achieve a competitive advantage and continuous growth.



Thailand's economy in 2013 is expected to continue growing at 4.5-5.5% with the support of the global economic recovery, disbursement of public funds, the growth of domestic demand. Additionally, the political direction and policies of the government are vital to the economy. The policies of the government aims to increase people's income and opportunities for low-income people to access to credit and capital including invest in infrastructure. All these policies will support and drive the growth of Thailand's economy in 2013.

In 2013, the company forecasts that the real estate business growth rate is relatively high because of the support of the government budget that is injected into the system to encourage investment and the inflow of foreign capital for investment. Moreover, the ASEAN Economic Community (AEC) that will be established in 2015 will bring awareness to investment. In the real estate sector which is expected to be more competitive. The developers who have a strong financial position, expertise in project development and outstanding in marketing will expand into new areas of the market. However, the company strives to develop a variety of housing to accommodate the needs of consumers. The company is confident that it can maintain its market share. In recent years, the company has proposed both high-rise and low-rise housing projects. For low-rise housing projects, the company focuses on the hi-end market which the proposed housing prices are starting at 5 million baht or more and located around the city with convenient transportation and unique design. For high-rise housing projects, the company focuses on the proposed housing prices which are in the mid to upper price range from 3 million baht and located along public transportation route that is responsive to the needs of its consumers. Recently, the company has been successfully with high-rise housing projects and the company has great confidence in the share market including expands the market with the expertise and the reputation of the company which has gain public acceptances.

3 4 5 6 7 8 9 10 mb

## Condominium

before 2008	NOBLE SOLE	
2008	noble REVEAL	
2009	noble REFINE	
	NOBLE REFORM	
2010	NOBLE RE:D	noble REMIX2
	NOBLE REVENT	
2011		NOBLE PLOENCHIT
2012	noble REVOLVE	

## Residencial Low Rise

before 2008	NOBLE GSO	
2008	NOBLE CUBE	NOBLE RESIDENCE

# Risk Factors

The risk factors that may affect the Company's operation are:

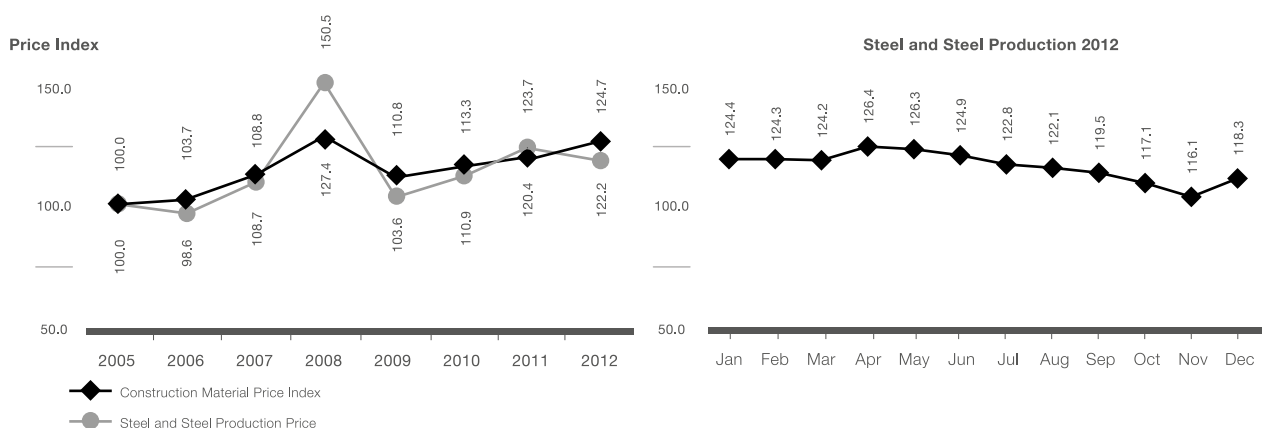
## Risk from the price of construction materials and construction cost

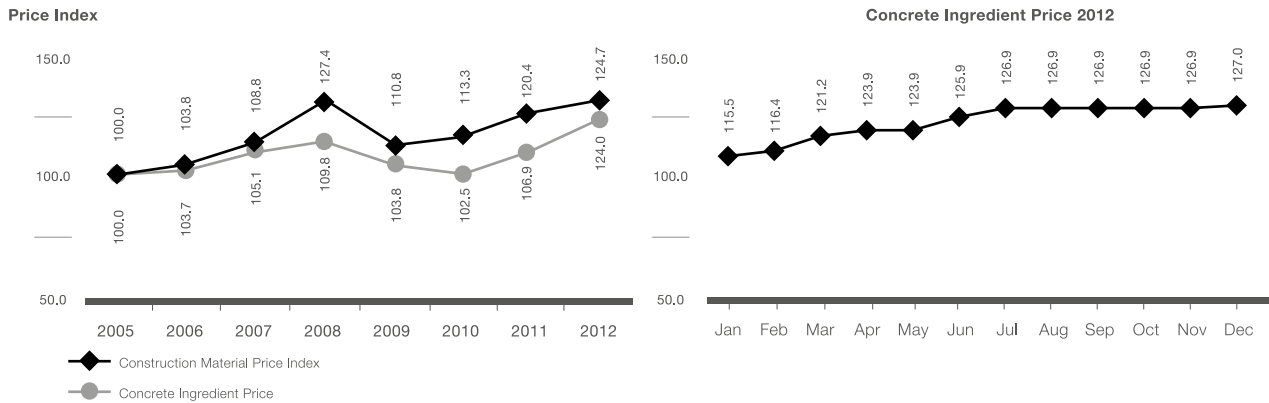
From Table 1, construction materials average price index, the price of overall construction materials in 2012 has increased 3.5% compared to that in 2011. The main cause was the index price of concrete ingredient and other construction materials increased by 16% and 9.4% consecutively. Because, in 2012, the demand of concrete ingredient for example, aerated concrete block, concrete pile and other construction materials including bricks, sand, crushed stone and asphalt increased steadily, to repair homes and roads damaged by flooding last year. In addition, manufacturers are unable to produce at full capacity and the price of sand rose because resources of sand mining have been affected by flooding. Besides, the costs of raw materials which are oil and gas have risen as well. The price of Iron and steel products and cement are adapted in the opposite direction, that is, down by 1.2% and 1.8% respectively, mainly as a result of global steel prices decline due to excess supply from China and iron and steel products demand slowdown in the back half year when entering the rainy season.

**Table 1: Construction Materials Average Price Index**

GROUP	2005 BASE	2006	2007	2008	2009	2010	2011	2012	Change (%)	
									2011	2012
ALL COMMODITIES INDEX	100.0	103.7	108.8	127.4	110.8	113.3	120.4	124.7	6.3%	3.5%
LUMBER AND WOOD PRODUCTS	100.0	105.4	109.7	118.8	133.3	135.8	139.8	143.0	3.0%	2.3%
CEMENT	100.0	104.6	106.7	114.2	112.8	104.2	115.1	113.1	10.5%	-1.8%
CONCRETE INGREDIENT	100.0	103.8	105.1	109.8	103.8	102.5	106.9	124.0	4.3%	16.0%
STEEL AND STEEL PRODUCTS	100.0	98.6	108.7	150.5	103.6	110.9	123.7	122.2	11.5%	-1.2%
TILES	100.0	103.0	106.6	109.1	110.7	110.6	109.4	111.5	-1.1%	1.9%
PAINTS	100.0	103.0	102.2	105.8	113.2	113.8	116.6	119.5	2.5%	2.5%
SANITARY WARE	100.0	112.7	123.6	131.8	148.9	144.5	149.9	152.3	3.8%	1.6%
ELECTRIC AND PLUMBING	100.0	109.8	113.9	114.7	108.2	110.4	113.6	114.9	2.9%	1.1%
OTHERS	100.0	108.8	110.3	118.3	119.2	122.8	129.8	142.0	5.7%	9.4%

**Chart 1 : Index of construction material price and steel and steel products price**



**Risk from the price of construction materials and construction cost (Cont'd)****Chart 2 : Index of construction material price and concrete ingredient price**

Source: Bureau of Trade and Economic Indices, the Office of Permanent Secretary, Ministry of Commerce

Considering the price of construction materials in 2012, which did not change significantly compared to that in 2011. The expected trend in the price of the construction materials in 2013 will be increased by the expansion of the construction sector begun to recover from the floods. Moreover, the minimum wage was increased to 300 baht per day across the country at the beginning of this year. As a result, some construction workers returned to their own homeland. The shortage of labor especially skilled workers, such as plaster painters, painters, etc. occurred. Currently, the Department of Skill Development, Ministry of Labor has developed a professional construction training to meet the needs of the labor market which may alleviate this problem and also raise the labor standard to equal to the ASEAN and international labor standards for the ASEAN Economic Community (AEC).

Although the price of construction materials and wages are likely to rise which may affect the construction costs of the company's projects, The company's hedging policy in forward contract on major raw materials, such as iron and steel products as well as the written agreement with contractor and effective construction plan, enable the company migrates the risk of shortage and price volatility in raw materials and an increase in wages to a comfort level.

### **Risk from the land price and the principle city plan**

On July 1, 2012, a new appraised land price from 2012 to 2015 issued by The Treasury Department was announced officially. The announcement was delayed from the beginning of the year to midyear of 2012 to alleviate the suffering of people affected by floods in the fee of the land price increase. According to data from the Government Housing Bank, an appraised land price in overall Bangkok rose 17.13% on average. The branches which the rate of change is highest are Phrakhanong, Bangkoknoi, etc. An overview of regional appraised land price increased 21.40% on average. The country's highest appraised land price areas are still Silom and Rajdamri Road like the past.

In addition, the Bangkok Principle City Plan (Revision 3) is to be used instead of the Bangkok Principle City Plan 2006, which expired in May 2013. This is a more stringent plan. In particular, the size of the road is the basis for the construction of residential buildings. And also consider traffic congestion and conflagration, reducing global warming by adding more green space, restricting the development of the city. To adjust the density of the community by modifying the color zone of the principle city plan. The new principle city plan will probably affect the cost of the land.

For the company, most of the projects are located in the heart of the city especially condominium projects. The company pays its most attention to invest in projects along the public transportation route. This is consistent with the expansion policy to facilitate the connection between Bangkok and vicinity. The price of land is likely to rise which may affect the company's cost of land. However, given the fact of the company's business experience, feasibility study and cautious investment in land, the company will not be affected by the risk of the land price or land holding problem.

### **Risk from the world economic crisis and the domestic economy**

For the year 2012, the global economy continued to face the problem of economic fluctuations, conflict of racism, territorial disputes and natural disasters. The Public debt problems of the European Union continued to spread. It was still dependent on financial measures to revive the economy. The United States continued to solve Fiscal Cliff problem which is the turning point of the United States economy. By the end of the year, several tax measures have been completed. The most important tax measures are measures to reduce personal income tax and measures to reduce the expenditure of the government. Therefore, in the second half of the year, there is liquidity injection or Quantitative Easing (QE) into the economy in many countries especially the United States. The U.S. Federal Reserve has approved a third round of Quantitative Easing (QE 3) and a fourth round of Quantitative Easing (QE 4) to lower the unemployment rate until the economy improves and at the end of last year, the Congress approved the renewal of tax cut measures (Bush Tax Cut) so the concerns of the Fiscal Cliff began to unravel. There are also quantitative easing of the European Central Bank (ECB), Bank of Japan (BOJ) and the U.S. Federal Reserve (Fed). Besides, in 2012, there are changes of the political leaders of the countries which impact on the global economy including Japan, China, South Korea, Russia and the United States. President Barack Obama has won the presidential election to serve second term.

For Thailand in 2012, the first half of the year continued to be affected by a major flood that occurred at the end of 2011 which has seen by a slowdown in the housing market. It was also the country's export sector has been hit hard because the production of electronic products was unable to be produced at full capacity. For the export of agricultural products, especially rice and rubber were continuing to shrink. Because of rice pledging policy by the government, Thailand's rice export prices are higher than other countries such as India and Vietnam. The total exports of rice and rubber in 2012 fell 28% and 31.1% respectively.

However, the domestic economy began to recover from flooding in the second half of the year. Consumer confidence began to return due to stimulus measures from the government such as assisting victims of the flood with the loan (soft Loans) at the interest rate of 3% at 5 years and other stimulus economic policies such as policies to reduce the corporate income tax, measures to reduce car tax by consumers receive refunds up to one hundred thousand Baht for the purchase until December 31, 2012, which makes auto sales rose 80.9% higher compared to the previous year. There was also the policy of the public revenue. This will increase the minimum wage of workers and civil servants and policy that support the recovery of the housing market which is the first house policy. Consumers receive income tax refunds by 10% of the home that are worth less than 5 million baht. With all such factors, the gross domestic product (GDP) expanded 6.4% in 2012 compared to that in 2011 which grew only 0.1% because the manufacturing sector, industrial sector, investment and consumption have grown exceptionally. Stock Exchange of Thailand index closed at the end of the last quarter of 2012 at 1,391.9 points, up 35.8%, the highest in Asia. Thai Baht moves in the direction of strengthening in the last quarter of the year at an average level of 30.68 Baht/US\$ due to the rounds of Quantitative Easing (QE3 and QE4) of the U.S. Federal Reserve. These cause funds to transfer to the capital markets and money markets in other regions.

The global economy in 2013 is expected to improve due to economic recovery of the countries especially the United States, China and Asian countries. Many countries continue to use further monetary measures, quantitative easing policy and policies to keep interest rates low. As a result, finance costs decrease, consumption and investment are stimulated. The economy and employment rate are expected to rise significantly. However, the political situation in Europe and the U.S. economy are still volatile.

### **Risk from the world economic crisis and the domestic economy (Cont'd)**

The Thai economy in 2013 is expected that during the first half of the year, consumer's purchasing power remains calm due to the result of the floods and the money is spared to repair homes. On February 20, 2013, the Monetary Policy Committee has decided to maintain the policy rate at 2.75% per year to help mitigate flood impacts, to support economic growth and to prevent capital inflow which is one of the factors that put pressure on the baht appreciation at the beginning of this year. The baht appreciation is the potential impact on the export sector. However, the SET index has made a new record in the 17 years. It breaks 1500 points in February and total buying and selling Value is more than 72 billion Baht. Many institutional investors forecast that Thailand's stock market index is likely to reach 1,700 points.

The factors that contribute to positive growth in 2013 are still the investment of the private sector and the government economic stimulus measures, such as investment in infrastructure over 2.3 trillion baht, long-term water management plan, measures in farm debt including the government's urgent policy implemented by The National Housing Authority which is housing and working areas around the mass transit station. The National Housing Authority has signed a Memorandum of Understanding (MOU) with the Mass Rapid Transit Authority of Thailand (MRTA) to develop residential projects along the public transportation route for people who live in areas of the National Housing Authority along the 10 lines in Bangkok and vicinity. The initial three pilot projects include the development of residential areas at Park & Ride of Purple Line (Bang Yai - Bang Sue) and maintenance depot at Bang Pai, the development of residential areas at Park & Ride of Pink Line (Khae Rai - Min Buri) and the development of residential areas at Park & Ride of Green Line (Lam Luk Ka - Samut Prakan). In addition, the government should adjust the rules of trade and investment to ensure consistency and to fully benefit from free trade under the terms of the ASEAN Economic Community (AEC) in 2015 which is a part of driving forces that make the tourism sector's growth rate is quite high and makes a lot of income.

### **Risk regarding Company's Income**

Main source of Company's income is from real estate development business which depends upon development of projects and triumphs of projects once go on sale. With aspiration and determination to become the leader in real estate modernization, the Company focuses on researching of consumer behavior and surrounding factors when it comes to buying a home and finds that they are adjusted with respect to economic and social factors along with individual needs. The research actually helps the Company to apply various strategies suiting different needs of customers as can be seen from past projects. Moreover, the Company is in the process of doing analysis to look for more suitable lands and expand its development projects into different areas to mitigate severe flooding threats. The Company's goal is to have a continuous growth while maintaining its financial strength, be cautious on investment, careful and transparent management according to the commitment to corporate good governance. To accomplish that, the Company is planning to launch at least four new projects in 2013 valued over 10,000 Million Baht, all of which are situated in prime locations, with accessibility and complete facilities.

### **Risk from the ability to settle debt and actions to be taken on debenture regulation**

As of December 31, 2012, the Company has short term borrowings and bill of exchanges valued 641.47 Million Baht, long term borrowings valued 7,164.82 Million Baht. The liquidity ratio reaches 3.89, an increase from 3.49 from that of last year. In addition, a regulation to issue debenture states that a corporate should maintain its Net Interest Bearing Debt ratio at no more than 2.2 at the end of account closing day of each quarter. As of December 31, 2012, the Company's Net Interest Bearing Debt ratio stands according to the regulation, at 1.16.

From a continuous success in developing various projects along with an appropriate repayment period of commercial banks borrowings which is in line with project ownership transfer, the Company is confident in its ability to repay back both principle and interest. Besides, the Company still has an untouched financial amount worth 4,805 Million Baht. The Company still has ongoing projects which have not completed the transfer of ownership to its customers, a total value over 12 Billion Baht of which is the Company's source of fund for repayment and debenture.

### **Risk from loans to subsidiaries, associates and other ex-associates**

As of December 31, 2012, the total amount of loans to subsidiaries and associates including outstanding interest stands at 52.78 Million Baht. Consequently, the Company has recorded an allowance for doubtful accounts and written-off the whole amount. As for the amount of long term loans to other ex-associates together with outstanding interest as of December 31, 2012 sums up to 122.40 Million Baht and the Company has already recorded an allowance for doubtful accounts and written-off in the amount of 33.21 Million Baht.

The amount of loans to subsidiaries, of which the Company holds 100% of shares, resides at 45.98 Million Baht and for those subsidiaries, of which the Company holds 65% of shares, the amount of loans to them is 6.80 Million Baht. Nevertheless, the Company has put in place policies to manage unexpected risk resulted from the lending to its subsidiaries and associates by closely monitoring their businesses and following up with their continuous repayment of loans. Moreover, the Company has disclosed detail information of the loans in Connected Transactions section.

# Shareholders

The First Ten Major Shareholders at closing date of share registered book, May 10, 2012 are as the following:

Shareholders' Name	Number of Shares	% of Paid up Capital
1 Thanakitamnuy Group	52,667,879	11.54
Mr. Kitti Thanakitamnuy	36,330,919	7.96
Mr. Piya Thanakitamnuy	16,336,960	3.58
2 Mr. BIENVENIDO A.III TAN	35,884,100	7.86
3 SKANDINAVISKA ENSKILDA BANKEN A/S	35,079,300	7.68
4 Thai NVDR Company Limited	31,217,200	6.84
5 Mr. Vichien Chirakranont	21,221,000	4.65
6 Mr. ANTONIO JOSE JR. PERIQUET	20,263,600	4.44
7 Mr. Nawee Sribhadung	15,214,855	3.33
8 Mrs. Manee Prasobboonmeechai	12,440,854	2.73
9 Miss. Chansri Umpornsuwan	9,320,861	2.04
10 Viravan Group	19,304,099	4.23
Dr. Amnuay Viravan	12,136,703	2.66
Samvest Company Limited	4,778,265	1.05
Amvest Company Limited	2,389,131	0.52
Total	252,613,748	55.34

"Investors can acquire updated shareholders information from the Website [www.noblehome.com](http://www.noblehome.com)"

## Dividend Policy

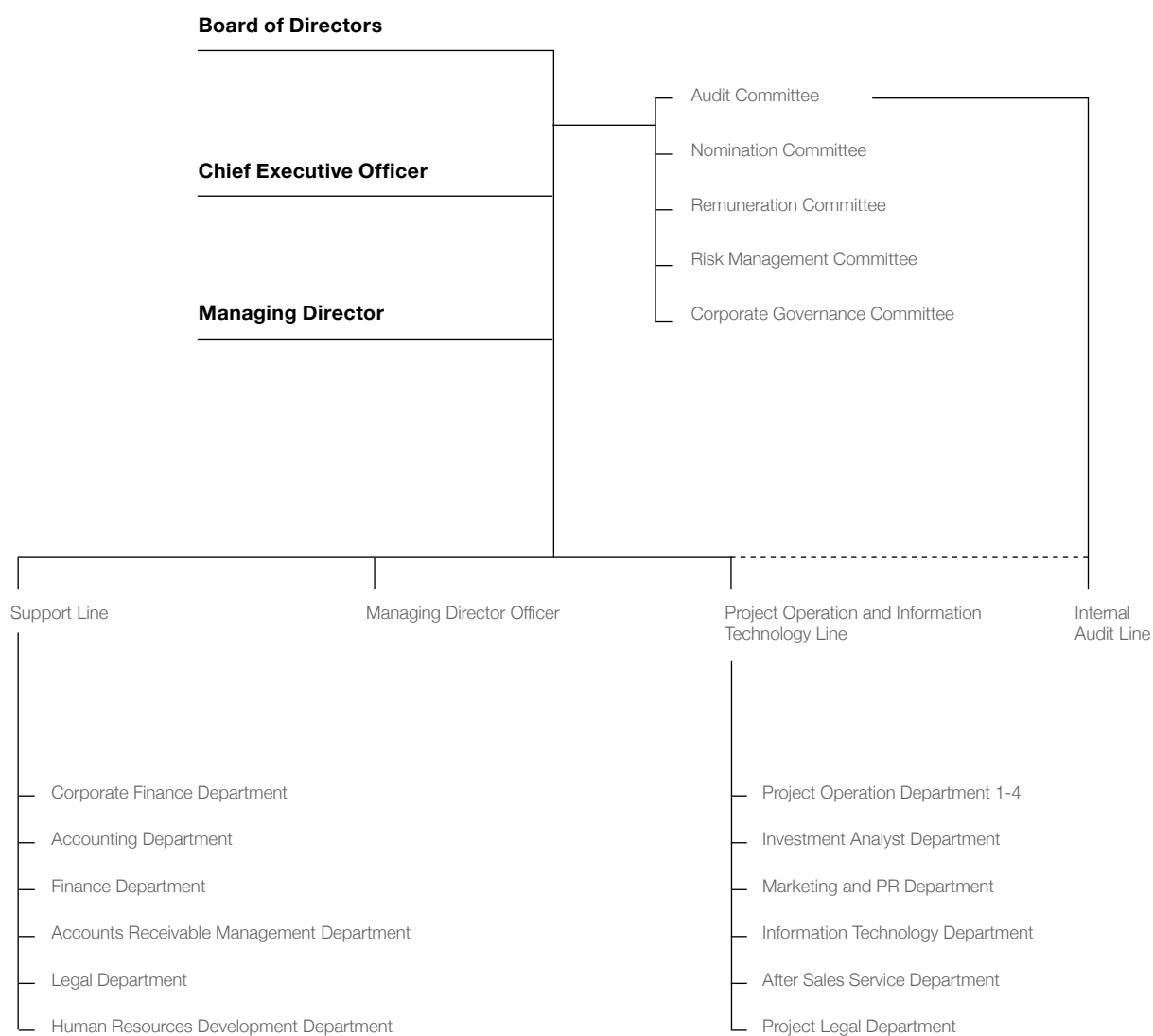
The Company has a dividend policy to pay dividend to shareholders by considering Company's operating result, business expansion and other related factors. The Company's minimum dividend payout ratio is not less than 25% of the net profit. However, the aforementioned policy shall be in accordance with the resolutions of shareholders' meeting.

Regarding the Company's operating result in 2012, the Board of Directors passed the resolution to propose at the annual general shareholders' meeting held on April 26, 2013 to approve the 2012 annual dividend payment of Baht 0.30 per share.

## Dividend Policy of Subsidiaries

- None -

# Organization Chart



# The Board of Directors

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## The structure of the Company's directors consists of the followings:

• The Board of Directors	7	persons
• The Audit Committee	4	persons
• The Nomination Committee	5	persons
• The Remuneration Committee	5	persons
• The Risk Management Committee	3	persons
• The Corporate Governance Committee	3	persons

## The Board of Directors

As of December 31, 2012 the Company has 7 directors as follows.

• Executive Directors	3	persons
• Independent Directors	4	persons

57 % of the members of the Board are Independent Director.

1. Mr. Kitti	Thanakitamnuay	Chairman
2. Mr. Sitti	Leelakasamelerk	Vice Chairman, Member of the Nomination Committee and Member of the Remuneration Committee
3. Miss Vasana	Thieansirisak	Director, Member of the Corporate Governance Committee and Member of the Risk Management Committee
4. Mrs. Boonperm	Jamtiranat	Independent Director, The Chairman of the Audit Committee, The Chairman of the Corporate Governance Committee, Member of the Nomination Committee and Member of the Remuneration Committee
5. Mr. Narong	Taychachaiwong	Independent Director, Member of the Audit Committee, The Chairman of the Nomination Committee, Member of the Remuneration Committee and Member of the Risk Management Committee
6. Mr. Surachet	Suboonson	Independent Director, Member of the Audit Committee, The Chairman of the Remuneration Committee, Member of the Nomination Committee and Member of the Corporate Governance Committee
7. Asst. Prof. Dr. Somchai	Supattarakul	Independent Director, Member of the Audit Committee, The Chairman of the Risk Management Committee, Member of the Nomination Committee and Member of the Remuneration Committee

**The Company's Secretary:** Miss Ketsaraporn Yanasarn



### The Qualifications of the independent Directors.

- (1) Holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office.
- (3) Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.
- (4) Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (5) Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
- (8) Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

### The Board of Directors' scope of duties and responsibilities:

- (1) To perform their duties cautiously and faithfully in compliance with laws, under the scope of the Company's objective and Articles of Associations, together with the shareholders' resolutions for the maximum benefits of the shareholders
- (2) To set the Company's business plan, strategies, goals, policies and budget together with the Management
- (3) To supervise, monitor and assess the Management to effectively and transparently perform their duties in accordance with the Company's policy and business plan
- (4) To review and ensure the efficiency of the internal control system to ensure that the Company's Financial Statements is reliable, accurate and correct, and to prevent the fraudulence in using the Company's properties and improper transaction between the related parties
- (5) To establish the appropriate structure of the Board of Directors in order to create the balance of power, adequate and appropriate management monitoring

**The Board of Directors' scope of duties and responsibilities:** (Cont'd)

In 2012, the Board of Directors held 42 meetings; 14 regular meetings and 28 sub-meetings, details of attendance is as follows:

			No. of meeting attended (Times)	
			Regular meeting	Sub-meeting*
1.	Mr. Kitti	Thanakitamnuy	14	26
2.	Mr. Sitti	Leelakasamelek	14	26
3.	Miss Vasana	Thieansirisak	14	22
4.	Mrs. Boonperm	Jamtiranat	14	7
5.	Mr. Narong	Taychachaiwong	14	5
6.	Mr. Surachet	Suboonson	14	28
7.	Asst. Prof. Dr. Somchai	Supattarakul	14	2

\* Sub-meetings are arranged to consider the operation issues that do not affect the Company's management policy, e.g. the request of projects' utilities, house registration numbers, bank accounts opening etc. Thus, the Board of Directors has assigned 4 directors composing Mr. Kitti Thanakitamnuy, Mr. Sitti Leelakasamelek, Miss Vasana Thieansirisak and Mr. Surachet Suboonson to attend the meetings. If any of the 5 directors is unavailable for any meeting, the Company will invite other directors to constitute the meeting.

# The Audit Committee

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As of December 31, 2012, the Company has the Audit Committee as follows.

1. Mrs. Boonperm	Jamtiranat	The Chairman of the Audit Committee
2. Mr. Narong	Taychachaiwong	Member of the Audit Committee
3. Mr. Surachet	Suboonson	Member of the Audit Committee
4. Asst. Prof. Dr. Somchai	Supattarakul	Member of the Audit Committee

**The Audit Committee's Secretary:** Mrs. Angkana Intravichien

The Audit Committee is consisted of 3 members of the Audit Committee who have adequate knowledge and experiences to review creditability of the financial reports, who are Mrs. Boonperm Jamtiranat as The Chairman of the Audit Committee, Mr. Surachet Suboonson as a member of the Audit Committee and Asst. Prof. Dr. Somchai Supattarakul as a member of the Audit Committee. The Company indicates the committee background qualifications in the certificate and biography of the audit committee which already been submitted for SET.

**The Audit Committee's scope of duties and responsibilities:**

- (1) To review the Company's financial reporting process to ensure that it is accurate and adequate
- (2) To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
- (3) To review the Company's compliance with the law on securities and exchange, the Stock Exchange's regulations, and the laws relating to the Company's business
- (4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
- (5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company
- (6) 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 to ensure that they are in compliance with the Stock Exchange's regulations
- (7) To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee

# The Nomination Committee

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As of December 31, 2012, the Company has the Nomination Committee as follows:

1. Mr. Narong	Taychachaiwong	The Chairman of the Nomination Committee
2. Mrs. Boonperm	Jamtiranat	Member of the Nomination Committee
3. Mr. Surachet	Suboonson	Member of the Nomination Committee
4. Asst. Prof. Dr. Somchai	Supattarakul	Member of the Nomination Committee
5. Mr. Sitti	Leelakasamelek	Member of the Nomination Committee

## **The Nomination Committee's scope of duties and responsibilities:**

- (1) To set the qualification requirements of directorial candidates in accordance with the balance of knowledge, experience and expertise, to consider independent directors, and devoting the time to board duties
- (2) To determine the selection process for candidates that best suites the Company's unique characters. For example, the committee may proposed the current directors be reappointed, or inquire the directors to nominate suitable candidates
- (3) To select persons whose qualifications best meet the criteria prescribed by laws and regulations to the board and the board then considers the selected candidates in the notice of the shareholders' approval

# The Remuneration Committee

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As of December 31, 2012, the Company has the Remuneration Committee as follows:

1. Mr. Surachet	Suboonson	The Chairman of the Remuneration Committee
2. Mrs. Boonperm	Jiamtiranat	Member of the Remuneration Committee
3. Mr. Narong	Taychachaiwong	Member of the Remuneration Committee
4. Asst. Prof. Dr. Somchai	Supattarakul	Member of the Remuneration Committee
5. Mr. Sitti	Leelakasamelek	Member of the Remuneration Committee

## The Remuneration Committee's scope of duties and responsibilities:

- (1) Consider the forms of and criteria for the remuneration of directors and Chief Executive Officer. To construct an appropriate and fair remuneration package, the Committee should go through the following steps:
  - Review the forms and criteria of the existing remuneration package by referring to other remuneration packages of other companies in the same industry
  - Review each form of remuneration packages by considering the appropriate amount and proportion of each form. For instance, the remuneration may take in to account from performance and size of the company, including knowledge, capabilities and experience required from directors and Chief Executive Officer. The Remuneration to the Directors should be appropriated and sufficient enough that encourages the directors to limit the number of directorship in other companies, so that directors will have sufficient time to attend board meetings and perform their duties effectively
- (2) Establish the criteria for evaluating the performance of Chief Executive Officer and propose those criteria to the Board of Directors for approval
- (3) Determine the annual remuneration packages of Directors and Chief Executive Officer in accordance with established criteria, while the performance of the Chief Executive Officer is also part of the remuneration criteria, and then propose the established criteria to the Board of Directors for approval. For the Director's remuneration, the Board of Directors must propose to the Shareholder's meeting for considering and approval
- (4) If the Company wishes to reward its directors and employees with ESOP, the committee should consider and determine how the term and conditions of the program will encourage directors and employees to devote themselves to create long-term value for shareholders and retain high quality personnel. However, the committee should ensure that directors and employees are not overpaid and the scheme is fair to shareholders

Moreover, according to SEC regulations, should any director or employee be entitled to more than 5% of the total securities being distributed, the committee has to consider to suitability of the program in this case and give approval

# The Risk Management Committee

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As of December 31, 2012, the Company has the Risk Management Committee as follows:

1. Asst. Prof. Dr. Somchai	Supattarakul	The Chairman of the Risk Management Committee
2. Mr. Narong	Taychachaiwong	Member of the Risk Management Committee
3. Miss Vasana	Thieansirisak*	Member of the Risk Management Committee

\* Miss Vasana Thieansirisak has been the member of the risk management committee since Feb 22, 2013.

## **The Risk Management Committee's scope of duties and responsibilities:**

- (1) Determine the overall risk management policy of the Company for the Board of Directors approval
- (2) Determine guidelines and strategies of the risk management in consistency with risk management policy to maintain acceptable risk levels
- (3) Analyze and monitor risk factors, both external and internal including finance risks, operating risks, investment risks, business risks and external situation risks
- (4) Ensure the risk management policy to be fully communicated and acknowledged in the organization
- (5) Review the adequacy of the overall risk management policy as well as the system's effectiveness and the implementation of the prescribed policy
- (6) Support and enhance the risk management in consistency of the universal standard
- (7) Other issues as per the Board of Directors assigned

# The Corporate Governance Committee

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As of December 31, 2012, the Company has the Corporate Governance Committee as follows:

1. Mrs.Boonperm	Jamtiranat	The Chairman of the Corporate Governance Committee
2. Mr. Surachet	Suboonson	Member of the Corporate Governance Committee
3. Miss Vasana	Thieansirisak	Member of the Corporate Governance Committee

## **The Corporate Governance Committee's scope of duties and responsibilities:**

- (1) Study and formulate the Corporate Governance Policy and the Code of Conduct within the law and regulations of up to date regulatory agencies, i.e. Securities and Exchange Commission Thailand as well as guidelines for good corporate governance consistent with the universal standards
- (2) Advise the Board of Directors and directors to practice appropriately and continuously in compliance with Corporate Governance Policy as expectation of shareholders and stakeholders
- (3) Review the Corporate Governance Policy and the Code of Conduct regularly to comply with universal standards as well as laws, regulations and recommends of internal corporate governance
- (4) Encourage the public announcement of the good Corporate Governance and participate the environmental and social responsibility
- (5) Follow up and evaluate the practice of the Board of Directors and directors in compliance with the Corporate Governance Policy yearly
- (6) Arrange the yearly evaluation report of Corporate Governance Policy as clause 5 and propose to the board of directors as well as give recommends as deemed appropriate
- (7) Other assignment as per the Board of Directors assigned

# The Executives

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As of December 31, 2012 the Company's Executives are as follows:

1. Mr. Kitti	Thanakitamnuay	Chief Executive Officer
2. Mr. Sitti	Leelakasamelerk	Executive Vice President : Support Line
3. Miss Vasana	Thieansirisak	Senior Vice President : Corporate Finance Department
4. Mrs. Angkana	Intravichien	Vice President : Accounting and Finance Department



# Nomination of the Board of Directors and Remuneration

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The nomination of the Board of Directors will be approved by the shareholder's meeting. The Nomination Committee will consider and determine the qualifications of directorial candidates that best suits with the Company and propose the candidates to the Company's directors. The Company's directors will propose the candidates in the Shareholders' meeting for elect the Board of Directors via the following manners:

- (1) In every Annual General Shareholder's meeting, one-third of the total number of directors will complete their term, if number of directors is not divisible by one-third, the closest number is acceptable. A drawing process is used to determine who will end their term in the first and second year after the registration of the company. For the following year, directors who have served the longest period will resign. The resigning directors could be selected again and could therefore return to their positions as the director.
- (2) In other case of clause 1, whenever there is a vacancy for the position of director, the resolution of the Board of Directors not less than three-fourths of the remaining directors can select a person who meets all the relevant qualifications and who abides by the public limited company regulations as a replacement director in the next Board of Directors' meeting, except in case when the remaining term of service is less than two month, a replacement director's term is limited to the remaining term of the director he is replacing.
- (3) The shareholders' meeting will elect the Board of Directors via the following manners:
  - Each shareholder shall have a number of votes equal to the number of shares held.
  - Each shareholder shall use his entire vote as prescribed in previous clause to nominate one, or several persons as director but the shareholder cannot allot his votes to any person in any number.
  - The candidates with the highest vote, ranked in descending order shall be appointed as directors until all of the director positions are filled. In case of a tie vote, the Chairman of the meeting shall have an additional casting vote.

Regard of the Company's articles of association, the shareholders' meeting may pass a resolution removing any of directors prior to the expiration of the director's term office, by the vote of not less than three quarters of the number of shareholders attending the meeting, having the right to vote with the share held in total not less than half of the total shares held by the shareholders attending the meeting and having the right to vote.

To comply with good corporate governance practice and to portray equitable and fairness treatment of all shareholders, the Company provides the opportunity for all shareholders to propose candidate to be nominated as the director prior to the Annual General Shareholders' Meeting. To consider, scrutinize, and select the qualified candidate to be nominated as the director and able to perform duty effectively for the Company's maximum benefit, the Company specified details and criteria announced on Company's website [www.noblehome.com](http://www.noblehome.com)

**Remuneration for the year 2012****Remuneration in Monetary Value****- Board of Directors**

The Board of Director of the Company and Subsidiaries are the same board. The remuneration of each director is included in the Company's remuneration. The directors receive yearly remuneration as followed:

			(Unit : Baht/Year)		
			Board of Directors	The Audit Committee	The Nomination Committee
1.	Mr. Kittti	Thanakitamnuay	55,000	-	-
2.	Mr. Sitti	Leelakasamelek	50,000	-	50,000
3.	Miss Vasana	Thieansirisak	50,000	-	-
4.	Mrs. Boonperm	Jiamtiranat	50,000	430,000	50,000
5.	Mr. Narong	Taychachaiwong	50,000	340,000	50,000
6.	Mr. Surachet	Suboonson	50,000	340,000	50,000
7.	Asst. Prof. Dr. Somchai	Supattarakul	50,000	340,000	50,000

**- Executive Officers**

Total Remuneration for the Company's executive officers (4 persons) was Baht 34,031,200 comprised of salary, bonus, and contributions to the provident fund.

The Remuneration Committee of the Company considers the remuneration forms and criteria for the directors and the executive officers to be clearly, transparently and fairly determined based on the identical and comparable firms in same industry. Remuneration for the directors and the Audit Committee are then determined and approved by the Board of Directors and the shareholders' meeting, respectively. To promote fairness, motivation, and Company's maximum benefits, the executive officers' remuneration is set to correspond with the Company's performance and each director's performance.

**Other Remuneration**

-None-

# Board of Directors and Executive Officers

## Mr. Kitti Thanakitamnuay

Position	Chairman and Chief Executive Officer
Education	B.A., Political Science, Chulalongkorn University
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 71/2008
Number of Shares	36,330,919 shares
Number of Shares Changed in 2012	No
Experience	Present - Chairman and Chief Executive Officer Noble Development Public Company Limited - Managing Director Continental City Company Limited Research and Consultant Company Limited Ban Suk Sabai Company Limited - Director Ban Siam Holdings Company Limited

## Mr. Sitti Leelakasameerak

Position	Vice Chairman, Member of the Nomination Committee, Member of Remuneration Committee and Executive Vice President: Support Line
Education	B.A., Accounting, Chulalongkorn University
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 11/2004
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Vice Chairman, Member of the Nomination Committee and Member of the Remuneration Committee Noble Development Public Company Limited - Director Continental City Company Limited Research and Consultant Company Limited Ban Suk Sabai Company Limited N.K.Energy Conservation Company Limited - Executive Vice President: Support Line Noble Development Public Company Limited - Independent Director, The Chairman of the Audit Committee and Member of Risk Management Committee Khon Kaen Sugar Industry Public Company Limited

**Miss Vasana Thieansirisak**

Position	Director, Member of the Corporate Governance Committee, Member of the Risk Management Committee and Senior Vice President: Corporate Finance Department
Education	Master of Science, Managerial Accounting and Master of Science, Economic Law Chulalongkorn University
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 45/2005
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Director, Member of the Risk Management Committee and Member of the Corporate Governance Committee Noble Development Public Company Limited - Director Continental City Company Limited Ban Suk Sabai Company Limited - Managing Director S&P Property Management Company Limited - Senior Vice President: Corporate Finance Department Noble Development Public Company Limited

**Mrs. Boonperm Jiamtiranat**

Position	Independent Director, The Chairman of the Audit Committee, The Chairman of the Corporate Governance Committee, Member of the Nomination Committee and Member of the Remuneration Committee
Education	B.A., Accounting, Chulalongkorn University
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 13/2004 Director Certification Program (DCP) Class 81/2006
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Independent Director, The Chairman of the Audit Committee, The Chairman of the Corporate Governance Committee, Member of the Nomination Committee and Member of the Remuneration Committee Noble Development Public Company Limited - Independent Director, Member of the Audit Committee and The Chairman of the Corporate Governance Committee Surapon Foods Public Company Limited - Director Noble Estate Company Limited

**Mr. Narong Taychachaiwong**

Position	Independent Director, Member of the Audit Committee, The Chairman of the Nomination Committee, Member of the Remuneration Committee and Member of the Risk Management Committee
Education	B.FA., Fine Art, University of Central Florida, USA.
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 2/2003
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Independent Director, Member of the Audit Committee, The Chairman of the Nomination Committee, Member of the Remuneration Committee and Member of the Risk Management Committee Noble Development Public Company Limited - Chairman and Chief Executive Officer Inter-Far East Engineering Public Company Limited

**Mr. Surachet Suboonson**

Position	Independent Director, Member of the Audit Committee, The Chairman of the Remuneration Committee, Member of the Nomination Committee and Member of the Corporate Governance Committee
Education	B.A., Accounting, Thammasat University
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 64/2007
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Independent Director, Member of the Audit Committee, The Chairman of the Remuneration Committee, Member of the Nomination Committee and Member of the Corporate Governance Committee Noble Development Public Company Limited

**Asst. Prof. Dr. Somchai Supattarakul**

Position	Independent Director, Member of the Audit Committee, The Chairman of the Risk Management Committee, Member of the Nomination Committee and Member of the Remuneration Committee
Education	Ph.D.in Accounting, University of Texas at Austin, U.S.A.
Training from Thai Institute of Directors Association	Director Accreditation Program (DAP) Class 96/2012
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Independent Director, Member of the Audit Committee, The Chairman of the Risk Management Committee, Member of the Nomination Committee and Member of the Remuneration Committee Noble Development Public Company Limited - Assistant Professor of Faculty of Commerce and Accountancy, Thammasat University

**Mrs. Angkana Intravichien**

Position	Vice President: Accounting and Finance Department
Education	Master of Business Administration, NIDA
Training from Thai Institute of Directors Association	-
Number of Shares	-
Number of Shares Changed in 2012	No
Experience	Present - Vice President: Accounting and Finance Department Noble Development Public Company Limited

\* Remark : All of the company's executive officers do not hold the Company and its subsidiaries' debentures

# Corporate Governance

Realizing the importance of good corporate governance, the primary factor in enhancing effective management system, reflecting high standard and transparent management, leading the Company to achieve a sustainable growth, and building up confidence to shareholders, foreign and domestic investors, stakeholders including customers and creditors; hence, the Company adopt the corporate governance principles set by the Stock Exchange of Thailand as the guideline in operation and consider as the core business policy.

In the Board of Director's meeting no.2/2008 on 26 February 2008, the Board of Director approved the Company's corporate governance and acknowledged to the Board of Directors, Management, and employees. The Company reviews the corporate governance policy annually. The Company received a score of 91, ranking as "excellent" from evaluation of Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors. The Company's corporate governance covers area of

- Equalities of Shareholders
- Roles of the Stakeholders
- Information Disclosure and Transparency
- Board of Directors
- Internal audit and Risk Management

The Company publicizes the operations and activities in 2012 regarding corporate government through [www.noblehome.com](http://www.noblehome.com), summarized as follows:

## 1. Rights of the Shareholders:

The Company embraces the importance of all shareholders' rights. All of Company's shareholders shall have these following rights:

- Rights to receive and transfer shares.
- Rights to receive the adequate information on timely basis.
- Rights to share Company's profit under the equality ground.
- Rights to attend the meeting and vote for the significant policy or decision of the Company and the right of shareholders that the Board of Directors must address and gain vote from the shareholders' meeting.
- Rights to appoint and discharge Company directors, and to approve the independent auditors.
- Rights to voice their opinions and make joint decision making as well as to raise the question during the shareholders' meeting.
- Other legal rights.

### 1.1 Shareholders' meeting

Noble Development organizes an Annual General Shareholders' Meeting within four months after closing date of its fiscal year according to the law. In some urgent cases, the Company may call for an irregular shareholders' meeting, whose agenda shall affect the interest of shareholders or the change of rule, regulations, and legal aspect that must be approved by shareholders. This irregular shareholders' meeting will be conducted on case by case basis.

The Company shall give notice before calling the meeting and distribute both Thai and English version of an agenda, supplementary documents, and the opinion from Audit Committee, if any, to all shareholders at least 7 days in advance, including three consecutive days of notice on newspaper at least three days prior to the meeting. All the meeting agenda details will be available on the Company's website, [www.noblehome.com](http://www.noblehome.com), 30 days prior to the meeting date, so that the shareholders may have sufficient time for investigation before making their decisions. Time and location of the meeting will be base on the utmost respect to shareholders convenient.

The Company provides an opportunity to shareholders to propose subject matters to be included as the agenda and to propose candidate to be nominated for director (Please refer to "Equality of the shareholders" section). The Company also encourages every shareholder to submit their questions through the Company's website prior to the meeting.

The Company arranges the meeting at the appropriate time, date, place to be convenient for shareholders. The Company also allows the shareholders register at least 1 hour and 30 minutes prior to the meeting which is adequate of time. Additionally, the Company employs the barcode system to make it easy for registration.

At least 6 directors from the Board of Directors shall attend the shareholders' meeting, including at least 2 from the Audit Committee. Chairman of the Board of Directors shall attend every shareholders' meeting to answer questions and concerns posed by shareholders. Allocating enough time for the meeting and discussion, the Chairman conducts each meeting suitably and transparently, allowing thorough expression of views and queries before each ballot round under the free vote atmosphere.

The Company determines that the minutes of a meeting will be recorded and clearly state the resolution of the meeting, the number of votes received in each session, and the minutes will be stored for, being inspected, and sent to the Stock Exchange of Thailand afterward for shareholders and investors information. The Company received the good score from the 2012 Annual General Meeting evaluated by Thai Investors Association and Listed Companies Association. The Company received 100 points which is considered Excellent from 450 companies that have been evaluated. The average score of the companies listed on the Stock Exchange of Thailand is 89.43 points.

## 1. Rights of the Shareholders: (Cont'd)

### 1.2 Shareholding Structure

Shareholding structure of the company is clear and simple. There is no cross or pyramid shareholding. The company publicizes shareholding structure that represents the majority of the first 10 shareholders in the company website in 2012. The Board of Directors and the management hold shares which equal to 7.96% of the paid-up capital of the Company and the Free Float of the Company is 92.04% of the paid-up capital of the Company. (Details provided in, the Board of Directors and Executive Officers).

## 2. Equality of the Shareholders:

### 2.1 Right to attend shareholders' meeting

Other than Rights of the Shareholders, the Company values and treats all shareholders fairly procedures to propose subject matters to be included as the agenda and to propose candidate to be nominated for director. To promote transparency, criteria to propose subject matters to be included as the agenda is clearly defined according to the information publicized on the Company's website. The same concept apply to propose candidate to be nominated as the director, the criteria is posted on the website. [www.noblehome.com](http://www.noblehome.com)

Before each meeting, the Company will send notice before calling the meeting and distribute both Thai and English version of agenda, supplementary documents, and the opinion from Audit Committee (if any) to all shareholders at least 7 days in advance, including three consecutive days of notice on newspaper at least three days prior to the meeting. All the meeting agenda details will be available on the Company's website, [www.noblehome.com](http://www.noblehome.com), 30 days prior to the meeting date, so that the shareholders may have sufficient time for investigation before making their decisions.

In case the shareholders cannot self-attend the meeting, the Company proposes that the shareholders can appoint the independent director as the proxy. The Company use proxy form according to Department of Business Development's 5th notification 2007, which has 3 different form; Type A, Type B and Type C. All kind of form is applicable at shareholder's option and can be downloaded at the Company's website. However the Company had sent Type B proxy form accompanying with invitation letter for shareholder meeting. Type B proxy form is the restricted form in which all the voting agendas are specific, for example shareholder can use this form to nominate director one by one. In case the shareholders cannot self-attend the meeting, the Company proposes that the shareholders can appoint the independent director as the voting representative.

The meeting will be conducted in sequence of agenda as specified in the invitation and no additional agenda without prior notice to shareholders. The Company uses voting tickets to allow each shareholder equal opportunity and for transparency and inspection issues. For appointing the Board of Directors, each director will be elected in each ballot round and the Company gives the opportunity to the shareholder to elect the individual directors as one share one vote. In case of conflict of interest that might occur in any given voting, the decision of the people who is considered as interested party will not be counted.

### 2.2 Monitoring the utilization of internal information

The company has set up the measure to prohibit directors, executives, and employees from using internal information for personal benefit or abusive self-dealing. For instance, insider trading, open unpublicized information to person relates to directors and executives which can cause damage to shareholders. The Company set the policy to avoid the abuse of the Company's internal information for personal benefit including engaging in any transaction of the Company shares within one month before the financial statements are disclosed to the public. (Please refer to "Monitoring the utilization of internal information")

During 2012, neither the Company received any petition regarding violation basic rights of shareholder nor the Directors and executives pursued insider trading case, proving the effectiveness of misconduct control in this regard.

### 2.3 Conflict of interest and connected transaction

The Company has the conflict of interest policy. The Audit Committee is responsible for the connected transactions or transactions that may have conflict of interest in accordance with the law and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. This is to ensure that the transactions are appropriate and most beneficial to the Company.

In 2012, the Company has connected transactions with subsidiaries and conflict of interest persons. The Company gives short-term loans to its subsidiaries and long-term loans to other companies, which had been a subsidiary. (Details provided in 10, transactions) However, in 2012, the Company has no connected transactions in violation of or non-compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.



### 3. Role of the Stakeholders:

The Company has the policy to serve mutual benefits among itself, and internal and external stakeholders e.g. shareholder, management, employee, customer, creditor, competitor, government, and all relevant agency related to human rights and intellectual property including society, community, and environment. The Board of Directors determines the clear policy and discipline which is notified in Corporate Governance and Business Code of Conduct for stakeholders to coordinate between the Company and stakeholders. By cooperating among itself and interested party to benefit business operation and build up confidence as well as enhance potential, we, therefore, promote the coherence and trust among every party in order to sustain our competitiveness and stability in expansion.

- Shareholders: In order to be the best representative of our shareholders to achieve a sustainable growth and competency, under a transparent code of conduct, the Company publishes all the relevant information through Company's website, organize analyst meeting quarterly, and has the road show for international investors. (Please refer to "Information Disclosure and Transparency")
- Customers: As our most important supporters and stakeholders, we value our customers and do our best to protect their benefit. The Company aims and acknowledges all employees that after sale service as its best, the doorstep, is not the end of relationship but it is where the relationship, and responsibility starts. We develop not only the design, the quality and the standard of our houses, but also the after-sale project management division to maintain a pleasant environment and offer maintenance service to the customer before condominium juristic person or house juristic person is established. Moreover, we offer the information about our house's designs and materials, so that the customer can compare our quality and standard with others. The Company also emphasizes on preservation of customer's information for misused dealing.
- Employee: the most important human resource to the Company, the key drives to success. The Company's business ethical code of conduct has been written that employees are treated equally and fairly, including appropriate compensation, welfare and fringe benefit including
  - The establishment of the provident fund as security for employees and to secure the job.
  - Life insurance, group accident insurance, group health insurance (Out-patient and in-patient) which employees will receive benefits under the health insurance policy.
  - Provision of emergency loans as welfare for employees at all levels.
  - Loans to buy a car as welfare for manager level and above employees.
  - Financial support for various occasions such as childbirth, patient visiting, death of parents, etc.
  - "Noble Champion Cup" sport event to encourage relationship in the workplace. In addition, the Company pays attention to security, sanitation and working environment such as arranging 24 hour security personnel, implementing fingerprint scanning procedure before entering the office and setting up hand sanitizer terminals for employees at head office and at individual project sale offices. The Company also encourages training and development to enhance competency for present responsibility and line of works. Moreover, the employees are able to participate with the executive officers to establish goals of the Company.
- Competitors: We promote the free-trade policy and fair competition under the legal regulation and business ethic and avoid unfair competition to defeat competitors.
- Partners: For mutual benefit between the Company and our partners, we transparently and fairly select our contractors (partners), and follow every contract strictly. Generally, the contract already includes the labor and the material cost. In the situation of material shortage while the Company has better negotiation position, we offer our hand in negotiating for a better solution in order to support our contractors.
- Creditors: Although we have a strong financial status and liquidity, we value the importance of the financial support from our investors and financial institutions. Therefore, we will maintain our financial status and adhere to the strict policy as best as we have done so far.
- Government and Relevant Agency: The Company respects and follows the relevant laws and regulations strictly. We emphasize and understand the intention and objective of each of every related land and building Act e.g. Land Allocation Act, Condominium Act, Building Construction Control Act in order to advantage our customer, environment, community and society.
- Human rights: The Company honors rights and freedom of human being. The Company encourages management and employee to respect basic human rights to conform to Universal Declaration of Human Rights (UDHR) and carry on this principle to be part of daily operation. The Company is against all activities that may violate the rules of law and human rights.

### 3. Role of the Stakeholders: (Cont'd)

- Intellectual property and copyrights: The Company honors the merit of intellectual property and copyrights, so that every computer or internet operation will have to conform to “Computer-Related Crime Act” B.E. 2550 (2007). The Company hereby discourages management and employee in use of pirate software and other products that violate intellectual property and copyrights. The Company only use products, computer and software that has copyrights and abided by every related law.
- Community, Society and Environment: As a Thai Company, we realize that although profit is the ultimate goal but it should not base on unfair or disturbance basis but responsible to community, society and environment by complying to policies, rules, and regulations. Therefore, we develop our after-sale project management division to maintain a pleasant environment and offer maintenance service to the customer even after the proprietorship is transferred. For social activities, the Company created the new community namely “Noble ID” to bring a whole new experience and share a good thing to Noble ID members and also to non-Noble Development clients with no expense.

In 2012, the Board of Directors, management and together with company staffs successfully implemented number of Corporate Social Responsibility (CSR) projects to give back to the communities, they are as follows:

- Project: “1 for 1 from a Giver to a Receiver Project” The Company, as a part of the Kon-Kont-Kon project by TV Burapa Company Ltd., has continued to help out the flood victims since 2011. The Company donated fund to repair and recover buildings, houses and make a living for flood affected families around the area of Khao Samerkhon of Ta-Woung district in Lopburi province.
- Project: “Noble gives the book, the King of Thailand and Buddhism,” The Company handed out 350 books to the Thai Library Association. Due to the year 2012 is the auspicious year which is the 2,600th anniversary of the Enlightenment of the Buddha.
- Project: “Noble joins the Ploenchit City” The group of five partners which consists of The Noble Development Public Company Limited, Central Embassy Project, Krungsri Bank, The Park Ventures the Eco duplex on radio by Uni Ventures Public Company Limited and Nai Lert group of companies has made 24 giant bright balloons placed on the overpass at Ploenchit intersection to welcome a new era and reflect on the leadership of the Ploenchit City. They also add more light for pedestrians as well.
- Project: “Mangrove forest afforestation” The management and employees have joined mangrove planting activity to restore natural resource at Klong Klone mangrove conservation center, Samut Songkhram province.

In addition, the Company has established policies to be measures and support the operations of the Company which cover the following:

#### Educating and training employees in environmental matters policy

For environmental and energy preservation, the Company provides understanding and encourage executives and employee to save energy by turn off air conditioner when not use, turn off electricity during the lunch break. The Company tries its best effort and most possible way to reduce global warming. The Company has launched the campaign to motivate consciousness of management and employee in using available resource wisely. The allocation of resource must be effective and efficient for instance, recycling the office paper, the repair and reuse computer appliance and office supplies.

#### Operating to meet the environmental standards policy.

The company commits to grow and develop with environmental responsibility. The Company emphasizes the implementation of defined environmental policies such as the selection of a contractor which uses environmental management system, such as ISO14000 and ISO14001, the provision of an assessment of the environmental risk, safety and health in all of the housing construction projects to prevent and reduce the potential impacts and prepare for emergency situations, the preparation of emergency protection plan including the potential impacts mitigation, The preparation of the guideline for management of sewage and waste materials and Monitoring and evaluating the environmental management system on a regular basis to improve and develop and accept complaints from within and outside the Company.

### 3. Role of the Stakeholders: (Cont'd)

Policies and guidelines of anti-corruption and anti-bribery

The Company has strong determination to pursue clean and transparent business. The Company prohibits management and employee from bribery and corruption with any related parties. The Company forbids all illegal activities, such as prohibiting employees from lending or soliciting money from customers or business partners, no bribing or giving other benefits to government officials, customers, partners, competitors, or other third parties in order to influence their actions that are contrary to law, no discrimination against customers, prohibiting executives and employees from having private transactions or activities related to the Company's business. The Board of Directors, management and employees at all levels are responsible for overseeing the company's assets to maximize the benefits to the company and not applying to their own benefits or other people and so on.

The Company gives the opportunities for the conflicted or related persons to express their opinions regarding the Company's operation or complain on unfair treatment, unlawful and unethical actions through [www.noblehome.com](http://www.noblehome.com). The central division will then pass these matters to executive afterward.

### 4. Information Disclosure and Transparency:

Other than disclosure according to criteria of the Stock Exchange of Thailand, the Company emphasizes on the importance of the correctness, transparency, up-to-date and accessibility of financial, project progress, and performance to shareholders, investors, and related parties through every SET's channel, mass media, and [www.noblehome.com](http://www.noblehome.com), both in Thai and English version. Those who have inquiries, comments, and suggestions can post them via the earlier website. Moreover, the Company also distributes the information, project details and development, and real estate interested tips, shareholder structure, Company structure, invitation and minutes of the shareholder's meeting, investor relation information, and annual report which can be downloaded from the website.

The Company regularly set up the analyst meeting quarterly to open a forum where our management attends to answer the inquiries from the investors, analysts, and interested parties. In addition, the Company has a roadshow program in order to update the Company's information and progress to the foreign investors.

The Company additionally provides investor relations division to be responsible for providing information impacting in the company's stock price. This division is under control of Ms.Vasana Thieansirisak. The investors and interested person can contact us through

- The Company's website at [www.noblehome.com](http://www.noblehome.com) in investor relation section or reach us via email: [ir@noblehome.com](mailto:ir@noblehome.com)
- Phone: 02-251-9955 ext. 1402

Directors realizes their great responsibility of financial statement disclosure. Financial statement must present with correction, consistency, and completion of financial status and performance and sufficient notes. The Company must employ appropriate accounting policy, exercise it regularly and has the audited financial statements and comply with generally accepted accounting principles and related rules and regulations. The Company's financial statement was audited by Pricewaterhouse ABAS, expressing its opinion in the auditor's report in the annual meeting already expressing unqualified. Also, the Board of Directors is responsible for the accuracy of all material information in annual report. The Board of Directors has the duty to attend the meetings. There were 42 meetings held in 2012. (Please refer to "The Board of Directors" section)

The Company's board of directors has set up the audit committee who are independent directors to review quality of financial statement, internal control, and, risk management control. Please see in "The Audit Committee's Report" section.

To prevent and avoid the conflict of interests, the Company does not allow its directors and management, their spouses and children under legal age, to use inside and nonpublic information to take advantage for their own interest. The directors and executives have duty to submit the report regarding any security holding and change on their security holding on the same day as submit to Securities and Exchange Commission and inform matter of security holding once a year including report of change in security holding every time any changes occur. (Please refer to "Monitoring the utilization of internal information" section).

In addition, the Company determines in the code of conduct that directors and executives including spouses to reveal their stake-holding and related parties'. The Company set the very strict policy regarding the approval of transactions between the related parties. Their decision will not be counted as they are considered as interested party.

## 5. Board of Directors' responsibilities:

### 5.1 Board of Directors' structure

Board of Directors consists of 7 directors, as of 31 December 2012,

- 3 executive directors
- 4 independent directors

The number of independent directors represents 57 percent of the entire board. All directors are characterized by reputable, knowledgeable, experienced, and unbiased. They are not under management's authority, capable of investigation, able to balance other director's power and exercises independent objection. It is confident that operation of the company is managed freely, clearly, and transparently.

To comply with the Corporate Governance by clearly separating the role, power, and responsibility for balancing business operation, the Board of Directors determines that the Chairman must not be the same person as Managing director. The 1/2 structure of independent director creates the appropriate balancing of power and transparent checking and monitoring.

#### 5.1.1 Term of board of directors

Under the Company's articles of association, in every annual shareholders meeting, at least one third of board of directors must resign. In the case that three cannot be divided evenly, the closet number is accepted. For the first and second year after the company has set up and registered, the resigned directors are determined by randomly drawing, after that the directors who stay longest must resign. However, the resigned director can be re-elected. The term of director is detailed in corporate governance.

When director's term has come to the end, the Nomination committee will select the reputable, knowledgeable, and experienced as a candidate director and presenting to the shareholder's meeting for approval. (Please see in Nomination of the Board of Directors)

#### 5.1.2 Appointment of Company's director in other company

According to the Company's articles of association, the Company's director is not allowed to be appointed in any board of directors or shareholder or partner of either the company or the other kind of business entity, whose business activity is the same with the Company or can be a direct competitor with the Company except giving notice to the shareholders meeting prior to the appointment. The same rules apply to subsidiaries, to completely conform the good corporate governance concept set forth by Stock Exchange of Thailand,

In 2012, none of Company's directors was the directors in subsidiaries or other companies more than 6 companies. Those who are directors of subsidiaries and other company per se, according to the Board of Directors, have no significant effect on Company's operations and that companies are appropriate for the Directors. (Please refer to "Board of Directors and Executive Officers" section)

#### 5.1.3 The corporate secretary

The Board of Directors had a resolution to appoint the corporate secretary who will manage the Shareholders' meeting and management's meeting and following up their resolutions as well as encourage and manage the directors to operate under the law and related rules and regulations.

Moreover, the corporate secretary duties include managing and storing the meeting's supplementary documents as follows: Director registration, Invitation letter for Board of Directors' meeting, minute of Board of Directors' meeting and Company annual report, invitation letter for Shareholders' meeting, keeping the related-transaction and conflict of interest report submitted by directors and executives, and other duties as specified by SET and SEC.

## 5. Board of Directors' responsibilities: (Cont'd)

### 5.2 Subcommittee

The Company appointed 5 subcommittees in order to follow up and control the company's operation and report to the Board of Directors regularly. This is consisted of The Audit Committee, The Nomination committee, The Remuneration Committee, The Risk Management Committee, The Corporate Governance Committee.

#### 5.2.1 The Audit Committee

The Company's Board of Directors has set up the Audit Committee with 2 years term, fully-experienced in internal control and financial statement to achieve complete, adequate, and transparent financial report. The Chairman of the Audit Committee does the report in order to disclose in annual report and 56-1 report.

#### 5.2.2 The Nomination Committee

The Company's Board of Directors has set up the Nomination Committee with 3 years term consisting of President and independent directors represents 80 percent to consider the criteria and process to select the appropriate qualified person to be a director and executives. The Nomination Committee reports to the Board of Directors at least once a year or when significant change arises.

#### 5.2.3 The Remuneration Committee

The Company's Board of Directors has set up the Remuneration Committee with 3 years term consisting of President and independent directors represents 80 percent to consider the criteria and form of remuneration paid to the directors and executives including the Chief Executive Officer. The Remuneration Committee reports to the Board of Directors at least once a year and report to the shareholders in the Shareholders' meeting.

#### 5.2.4 The Risk Management Committee

In meeting no. 10/2011 on August 9, 2011, the Board of Directors came to an agreement to setup a Risk Committee with 3 years term to analyze and examine risk factors, to lead company's path applying risk management strategy and implementing measures to control overall risks. The committee, then, needs to present its findings to the Board of Directors for an approval by taken into account that company policies are strictly followed and the outcome is the most effective. The Risk Committee reports to the Board of Directors at least once a year or whenever a significant change arises.

#### 5.2.5 The Corporate Governance Committee

In meeting no. 10/2011 on August 9, 2011, the Board of Directors came to an agreement to setup a Corporate Governance Committee with 3 years term to analyze and draft out corporate governance policies along with corporate ethics, internal auditing and give advices to committee and managements in how to perform their duties according to corporate procedures with good corporate governance. The committee also needs to revisit corporate governance and ethics on a regular basis as well as follow up and evaluate actions of the Board of Directors to stay in line with company's good governance policies. Corporate Governance Committee reports to the Board of Directors at least once a year or whenever a significant change arises.

The elements of all subcommittee including scope of work, role and responsibility are aligned with policies specified by The Stock Exchange of Thailand.

## 5. Board of Directors' responsibilities: (Cont'd)

### 5.3 Roles, duties, and responsibilities of Board of Directors

#### 5.3.1 Leadership and Vision

Board of Directors has the knowledge, leadership, capability, and business experience. Board of Directors is determined to represent shareholders to set forth policies, vision, strategies, target, mission statement, business plan, budget, risk management policy, good governance, and monitoring management. The segregation of Board and management allows maximum goodwill and best interest of the Company and shareholders as well.

#### 5.3.2 Corporate Governance and Code of Conduct

Under moral and ethical code of conduct, written and approved by the Company's Board of Directors meeting, the Company clearly determined Corporate Governance and code of conduct in the website, including the rights of shareholders, roles of stakeholder, information disclosure and Transparency, internal audit and risk management, transaction with relating persons, policy of conflict of interest, policy of anti-corruption, company policy under environment standard, monitoring the assets and utilization of internal information, to guideline and direct Board of Directors, management, and employee. According to corporate governance principle, there will be the re-assessment of business code of conduct every year by the Company's Board of Directors.

In order to comply with the Company policy, the Company's corporate governance policies are reviewed annually and guidelines for business ethics are reviewed every two years. For the year 2012, Corporate Governance Committee has reviewed the corporate governance policies and business ethics and reported the results of that reviews in the Board of Directors meeting No. 3/2013 on February 22, 2013 before implementing and letting employees know.

The Company determines the codes for executives and employees and monitor the result of the code continuously as well as penalty set up to prevent violation.

#### 5.3.3 Internal Control System and Risk Management

Internal Control system

The Company's Board of Directors insists on intensive, internal control, internal audit, and proper risk management. Clear segregation of Board of Directors, Audit Committee, the management, and their authority and duties together with independent control system, reciprocal check-and-balance power permit the ultimate interest to the organization. The internal control team reports directly to managing director and Audit Committee (Please refer to "Monitoring the utilization of internal information" section).

Risk management

In order that the risk management is appropriate and beneficial to the Company, the Board of Directors commits the Risk Management Committee to be responsible for setting the overall risk management policies which are as follows.

- The Company determines that risk management is the responsibility of the directors, management and employees to be aware of the risks in their own and company's operations by participating and paying more attention to risk management adequately and appropriately.
- Provide effective risk management processes at all stages of the operations to follow the corporate governance policy and integrate risk management and information technology management for better management to reduce the chance and impact of the risk, the uncertainty in the operations and increase the opportunity of success.
- Risk management measures affecting the Company must be handled systematically to reduce the risk to an acceptable level and to be consistent with the changing conditions. Measures that manage risk to an acceptable level must be approved by the Risk Management Committee prior to implement.
- Support risk management to be successful throughout the Company by using limited resources effectively to identify, evaluate and manage risks appropriately.

On February 22, 2012 the Company's Board of Directors assessed the internal control and risk management system and had them reported to the Company's Audit Committee.

## 5. Board of Directors' responsibilities: (Cont'd)

### 5.3 Roles, duties, and responsibilities of Board of Directors (Cont'd)

#### 5.3.3 Internal Control System and Risk Management (Cont'd)

##### Conflict of interest policy

To prevent and avoid conflict of interest, the Company has strict corporate policy. The policy and guideline are clearly specified in the corporate governance policies and business ethics of the Company. The Company does not allow directors and management including spouses and minor children to use inside and undisclosed information for their own interest. The directors and executives are required to submit the report regarding any security holding and change on their security holding on the same day as submit to Securities and Exchange Commission and inform the report of security holding in the Board of Directors meeting once a year including the report of change in security holding every time any change occurs. (Details provided in "Monitoring the utilization of internal information.")

### 5.4 Board of Directors' meeting

On the regular but appropriately and necessity basis, the Company organizes Board of Directors' meeting at least once in every three months in which the agenda generally involves the operating results presided by Chairman and meetings are organized in appropriate time.

There are 2 categories of meeting

As for the meeting of Subcommittee: involves agenda of normal daily operation that do not affect the Company's policy for instance, water meter request, home address acquiring, and bank account opening/closing. Four directors have been assigned from Board of Directors to attend subcommittee meeting namely, Mr.Kitti Thanakitamnuy, Mr. Sitti Leelakasamelerk, Ms.Vasana Thieansirisak, and Mr. Surachet Suboonson. In case of absentee, other directors will be invited and minutes of meeting will be reported to Board of Directors' meeting for approval. (Please see the attendance of Subcommittee in the "Board of Directors" section)

As for the meeting of Board of Directors: involves agenda of Company policy, investment, financial statement, corporate governance, and other non-routine decision. At least 7 days prior to every meeting, the directors will receive the materials consisted of the meeting agenda and relevant information. Chairman and directors are free to propose matters to be included as the agenda for the meeting. Each director is required to attend every board meeting, unless the proper excuse, and freely to raise and screen the agenda. Directors preserve the rights to obtain more relevant information, if needed.

In every meeting, the Chairman shall allocate considerably enough time for deliberate discussion and allow the executive management who involves in any given agenda to attend. The minutes will be recorded in detail and retained for the Board of Directors and related person to be later inspected. (Please see the attendance of Board of Directors in the "Board of Directors" section)

Other than 2 meetings above, the Company insists on every subcommittee's meeting.

The Audit Committee meeting was attended by non-management directors and non-management members. The Audit Committee held at least 4 meetings a year and occasionally extra meeting on a proper time basis. The meeting does not limited to reviewing the Financial Statements but also being acknowledged the internal audit and suggestion from external auditor for more efficient management including consideration adequateness of risk management control and review of conflict of interests, e.g. connected transactions.

As for the meeting of the Nomination Committee: The board of directors has set forth the nomination committee to have a meeting at least once a year or base on necessary and emergency basis. In every meeting, the usual agenda including, qualification of director, nomination procedure, and consider individual who fits the criteria. The result will be sent to the board of directors and therefore shareholder meeting for final decision.

## 5. Board of Directors' responsibilities: (Cont'd)

### 5.4 Board of Directors' meeting (Cont'd)

As for the meeting of the Remuneration Committee, the Board of Directors specifies the Remuneration Committee to conduct the meeting at least once a year and at times when there is an urgent need. In each of the meeting, not only considering the criteria and form of remuneration paid to the directors and executives, but the committee also needs to consider the amount of remuneration to be paid to the directors and executives to align with the regulations. Then, the committee is to present the amount of remuneration to be paid to the Board of Directors for an approval. As for the amount of remuneration to be paid to the committee, the Board of Directors is to further present that to the shareholders for consideration and approval.

As for the meeting of the Risk Management Committee, the Board of Directors specifies the Risk Management Committee to conduct the meeting at least once a year and at times when there is an urgent need. In each of the meeting, not only performing analysis on significant risk factors as well as applying risk management strategy, but the committee also needs to consider reviewing policy currently in place and its effectiveness.

As for the meeting of the Corporate Governance Committee, the Board of Directors specifies the Corporate Governance Committee to conduct the meeting at least once a year and at times when there is an urgent need. In each of the meeting, not only reviewing corporate governance policies along with corporate ethics in order to synchronize with international standards in terms of legal and related procedures, but the committee also need to follow up and evaluate actions of the Board of Directors to stay in line with company's good governance policies.

Before each of the subcommittee meeting, the Company is to issue out a formal invitation, meeting agenda along with other supplementary documents to all subcommittee at least seven days in advance before the day of the meeting. Moreover, the Company is to put together minutes of each meeting in written format to sum up and later present to the Board of Directors.

Additionally, the Company encourages meetings among non-management committee to freely express and discuss any topic of interests without the presence of management; feedback of the meeting could be useful and beneficial to further improve the Company's management.

### 5.5 Self-assessment

The Board of Directors conducts the self-assessment test annually, using the assessment form based on the Stock Exchange of Thailand's regulation. Consider by the structure and properties of the Board of Directors, strategy and strategic planning, the meeting, the duty of the Chairman, the duty of the Board of Directors, relationship with the management, self-development and development of management and so on. The self-assessment test reflects the director's the obstacles and challenges and evaluates the performance in that regard for the previous year. The Board of Directors did the self-assessment test in the meeting 3/2013 on February 22, 2013 and received a score of 98.78 percent ranking excellent.

The Company has arranged an assessment on operations according to its corporate governance. The Corporate Governance committee was in charge of conducting its self-assessment accordingly on the topic of Good Corporate Governance considering from responsibility of directors, equalities of shareholders, roles of the stakeholders, and information disclosure and transparency, and presented to the Board of Directors in meeting no. 3/2013 on February 22, 2013 and received a score of 97.85 percent.

Not only the self assessment of directors and the self corporate governance assessment but as well, on February 22, 2013, the Board of Directors' meeting No. 3/2013, the Board of Directors has set up performance assessment of Chief Executive Officer for the year 2012 which received 100 percent ranking excellent, whereas the assessment criteria is determined by The Remuneration Committee. The assessment criteria is for instance, strategic planning, implementation, business planning, leadership, company's financial result, business transaction monitoring, succession planning. Hence, the remuneration committee will hand in all these information to the Board of Directors to determine chief executive officer's compensation.



## 5. Board of Directors' responsibilities: (Cont'd)

### 5.6 Remunerations

The Company has clearly determined the policy controlling remuneration of directors which was approved at the shareholders' meeting. Since the Company has the same Board of Directors for subsidiaries, the remuneration of directors in subsidiaries is already included in the parent company. Remunerations for the Board of Directors in 2011 are detailed in the "Director Nomination and Director Remuneration" section.

The Board of Directors appointed the Remuneration committee to consider the criteria and form of remuneration paid to the directors and Chief executive officer before presenting to the Board of Director. The remunerations depend on the Company's operating results and their individual performances and comparing to the equivalent industry. The objective is to motivate and create a competitive strength. Remuneration of the Chief Executive Officer is considered from performance, which is detailed in the "Nomination of the Board of Directors and Remuneration" section.

### 5.7 Directors and management training

The Company arranges the meeting between Board of Directors and each project executives every year, so that the Board of Directors can have a site visits with the respective project executive and share vision and opinion that leads to a good coherence, business direction, policy, and strategy afterward. Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. In 2012, Asst. Prof. Dr. Somchai Supattarakul, the Company's independent director, was trained in Director Certification Program (DCP) Class96/2012 held by the Thai Institute of Directors Association (IOD) on May 14, 2012. All the Company's directors have attended important training courses that are available such as Director Certification Program (DCP), and every directors have passed the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD). Besides, Board of Directors continuously emphasis in enhancing knowledge development of directors by encourages at least 1 director to attend Director Certification Program (DCP) or related training. (Please refer to "Board of Directors, Audit Committee and Executive Officers" section)

#### 5.7.1 Directors' orientation

Whenever the new director is appointed, the corporate secretary will provide the document indicating roles, duties, and responsibilities of the Company's director.

The Company arranges an orientation program for the new director regarding its business and other related topics including:

- Vision and goal
- Management structure
- Operating and activity
- Roles, duties and responsibility of director
- Corporate governance
- Personal profile of directors and executives
- Director compensation and qualification

#### 5.7.2 Succession planning

To prepare for the retirement of senior management and in order to avoid disruption in operation, the Company plans and works on in each area for instance, new project development, marketing, and sales. Each working group consists of top management and top line managers to determine working plans and coordinate together. For instance, the working group of new investment project, whose job includes acquiring a new land, consists of Managing Director, Deputy Managing Director of support line, senior vice president and other executive in that department. The Company believes that this method can be a tool to develop the potential of junior management as well as to empower responsibility of senior management. The encouragement of participation from top to bottom will enhance the transfer of skill and experience step by step and also obligation and responsibility at the same time.

## 5. Board of Directors' responsibilities: (Cont'd)

### 5.8 Law, regulation, and rule

The company communicates to its directors, executives and employees to strictly follow law, regulation and rule of the Company, and also monitor regularly. In 2012, the Company was not incompatible with the law and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

### Monitoring the utilization of internal information

The Company set the policy to avoid the abuse of the Company's internal information for personal benefit including engaging in any transaction of the Company shares within one month before the financial statements are disclosed to the public, that may affect the securities' trading prices, as follows

- The Company prohibits directors and executives including their spouses and dependents from abusing the unpublicized internal information for their personal benefits,
- The Board of Directors and executives have the duty to submit the report on any changed regarding their securities holding to the Company, SET and SEC. The Company also informed its executives of their duties and obligations in preparing such report and disclosure of securities holding, including the stipulations on penalties in Article 275 of the Securities and Exchange Act B.E.2535 (A.D.1992), which are maximum THB 500,000 fine and maximum THB 10,000 fine per day until the report in question has been filed. They must as well report same matter to the Company in the same day.
- The executives will be punished if they use the internal information for their personal benefits.
- According to Article 59 of the Securities and Exchange Act B.E.2535 (A.D.1992), the executives must report any change regarding their securities holding, SET and SEC. They must as well report same matter to the Company in the same day.

### Internal control

The Company's Board of Directors has set up the audit committee who are independent directors to review quality of internal control which in turn secure the Company's assets and best interest of shareholders constant. The internal audit unit is endeavoring to control and diagnose all business operations for its own excellence. The noteworthy issue will be deliberately fixed, especially the issue that relates to risk management and connected transaction that can lead to conflict of interest.

The scope of internal audit can be divided into 3 workflows: construction, sales, and ownership transfer. Above all, the internal audit must ensure that every workflow correspond with law and good corporate governance. The internal control must be adequate, appropriate and effective. The internal control including, the assessment of policies, procedures, job allocations and submitting the useful report to management in timely manner.

On February 22, 2013, the Board of Directors' meeting No. 3/2013, including the Board of Directors and Audit Committee, reviewed and assessed the Company internal control and agreed that the year 2012 internal control is adequate and appropriate as per detail below:

#### 1. Organization and its surroundings

The structure of organization is well organized, so that can support the effective internal control. Also the flexibility of structure and practice of related functions were revised to suit the ever-changing business environment and further expansion. The company encourages the clear work plan with measurable goal, alongside with the good corporate governance and ample internal control. Business operations base on the fair treatment to employee, customer, competitor, shareholders, society, and environment. Create awareness as well as providing written guideline in business transaction, to management and employee to avoid fraud, conflict of interest, and abusive behavior.

#### 2. Risk management

The Company's Board of Directors realize the importance of risk management greatly. Therefore the necessary measures are set out and implemented to mitigate and manage the risk associated to business operations (More detail in "Risk factors")

The company's risk management is under supervisory of the Audit Committee. On the other hand, the Board of Directors provides the policy, set of rules, as well as the guidelines, in case of changing situation. The policies of risk management are:

- The Board of Directors and management shall responsible, examine, and facilitate an effective and efficient risk management.
- The Company shall set forth the scheme and self-assessed risk management, in regular basis. With at least once a year, the effort to adjust risk management in question to cope with change in business environment.
- The Risk Management committee are deemed to assess the risk management performance and report to the Board of Directors

**Internal control** (Cont'd)**2. Risk management** (Cont'd)

The Risk Management Committee has the apprehensive and comprehensive scheme to regularly manage both internal risk and external risk associated with business operation, to be at a comfortable level. The entire staff member involved are advised and monitored under the scheme in order to achieve the satisfactory stage of risk management.

**3. The internal control over management**

The scope and responsibilities for each level of management has been set forth, in written format. The duty of decision making, book keeping, transaction authorization, information data, and treasury are independent to enable proper checking and balance.

Any transaction, whose business term and condition is normal practice, engage between the Company and directors/management. That transaction must be done under the rights of employee, although requires the approval of management or the Board of Directors or shareholders voting, whichever applicable, base on SET's rules. All of these transactions must be publicly disclosed according to SET's rules. The transactions per se must be done under the condition that would have been the same with the otherwise general counter party, without involvement of director or management in question.

The Company constantly supervises the operations of its subsidiaries and associated companies. Policies and implementations are carried forward by the Company's delegates to ensure the Company's framework and law abiding operation, to mitigate the risk and secure the Company's good image.

**4. Information technology**

The Company will provide important data and information to every level of management in sufficient and timely manner to assist decision making. Also ensure the information distribution and communication throughout every level in organization.

The Company shall give notice before calling the board of directors meeting and distribute an agenda and supplementary documents with the minimum time span indicated by law, unless emergency case. The minutes of a meeting will be recorded, stored for, and inspected by shareholders and investors.

The Company's accounting-related documents are well organized and completely being stored. Never have any complaints from auditor in this aspect. And the accounting policy using are comply with generally accepted accounting principles and suitable for the business type.

**5. Monitoring system**

To oversee the business operation whether it is on track to achieve the target. In case of discrepancy, the Company will take necessary step to overcome the obstacle and analyze the cause of failure in order to prevent the future failure. Similarly, the internal control will be regularly examined its effectiveness. In case of error detected, the Board of Directors and Audit Committee must be informed. The management is entitled to report wrong doing, illegal activities, and other violations that may significantly affect the reputation and financial status of the Company, to the Board of Directors.

With the supportive assessment from management, the Audit Committee agrees that the Company has an adequate and effective internal control. Significantly, flawless, and no violation of related law/rules/regulations are found.

## Connected Transaction

In 2012, The Company has connected transaction with subsidiaries and conflict of interest person and disclosed these subjects in the notes no.9 and no.14 of consolidated and Company financial statements as of December 31, 2012.

As of December 31, 2012, the Company declares short term borrowings to and amount due from its subsidiaries and debtors in the amount of 52.78 Million Baht and long term borrowing to and amount due from ex-subsidiaries in the amount of 122.40 Million Baht; details are as follows:

	Share Holding %	Loans	Adjustment	Accrued Interest	Other A/R	Allowance for Doubtful
S&P Property Management Company Limited	100%	13.08	(1.66)	3.39	-	16.47
Ban Suk Sabai Company Limited	100%	21.15	(0.75)	8.36	-	29.51
Research & Consultant Company Limited	65%	3.55	0.13	3.24	-	6.80
Bangplee View Company Limited	0%	80.65	(2.35)	41.75	-	33.21
Total		118.44	(4.63)	56.74	-	85.99

The Relationships between the Company and related companies as follow:

	Relationship with the Company
S&P Property Management Company Limited	- A subsidiary company which the Company holds 100% of shares. - The Director of the Company (Miss Vasana Thieansirisak) is the director of S&P Property Management Company Limited
Ban Suk Sabai Company Limited	- A subsidiary company which the Company holds 100% of shares. - The Directors of the Company (Mr. Kitti Thanakitamnuy, Mr. Sitti Leelakasamelek and Miss Vasana Thieansirisak) are the director of Ban Suk Sabai Company Limited
Research & Consultant Company Limited	- A subsidiary company which the Company holds 65% of shares. - The Directors of the Company ((Mr. Kitti Thanakitamnuy and Mr. Sitti Leelakasamelek) are the director of Research & Consultant Company Limited
Bangplee View Company Limited	- Other company.

The above loans are aimed to help subsidiaries in developing projects and business expansion as well as to boost up their liquidation. They are necessary and reasonably considering the Company's group wide benefits. In order that, the Company charges an interest at the rate not lower than that of the market standard and closely monitor the subsidiaries' repayments. As for the loan for Research & Consultant Company Limited, of which the Company holds 65% of shares, it was a transaction since 1998 and since company does not perform any business nowadays; the additional borrowing is granted only for necessary expenses such as accounting auditors, etc.

Long term borrowing to and amounts due from other debtors in the amount of 122.40 Million Baht is for Bangplee View Company Limited which was booked before 2006, as a result, the Company has already recorded an allowance for doubtful accounts and written-off in the amount of 33.21 Million Baht. Initially, Bangplee View Company Limited was a subsidiary of the Company holding 100% of shares, the lending was aimed for the company to acquire priority claims in debts of which land and some of its real estate projects are guarantees. As a result, the Company has given up its shares to outsiders who are specialists in managing debt not associating with the Company. With careful consideration, the Company feels that Bangplee View Company still has ability to repay its debt with its pending assets from Legal Execution Department. Moreover, the Company charges an interest at the rate not lower than that of the market standard and closely monitor its loan repayments. Even since 2006, the Company stopped given out any additional borrowings to Bangplee View Company.

In meeting no. 1/2013 on February 22, 2013, the Audit Committee endorsed 2012 annual financial statement which covers information disclosure in the Notes to the Consolidated and Company Financial Statement by it certified public accountant. The committee found that the financial statement was adequately accurate and in accordance with generally accepted accounting principles as well as its connected transactions which were suitable and purposely for normal business use.

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**Connected Transaction** (Cont'd)

In the future, the following connected transaction between the Company or subsidiaries and director or executives or related person can be approved by the management and doesn't require the approval of the Board of Directors or Shareholder's meeting resolution, regarding the rules and regulations of SET and SEC.

- 1) Ordinary transaction whose business term and condition is done in normal practice and would have been the same with the otherwise general counter party, without negotiation power from director, executive., or related person.
- 2) The transaction has been done under the rights of employee, given that rights are not a special treat for particular person.

Regarding the policy toward connected transaction and conflicted of interest person, it has been done strictly under the rules and regulations of SET and SEC. In addition, price, compensation, and fee of connected transactions are determined based on market price and best interest of the Company.

In case there were doubtful items in connected transactions which require opinions from a specialist, the Company would arrange one for its Audit Committee, either a specialist or its certified accountant, in order to fulfill its need as necessary. Then, the feedback would be part of the decision making by the Board of Directors or the shareholders depending on the situation and the Company will disclose related information in the Notes to the Consolidated and Company Financial Statement.

# The Audit Committee's Report

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The Audit Committee of Noble Development Public Company Limited comprises of 4 independent directors. The chairman of the Audit Committee is Mrs. Boonperm Jiamtiranat and members of the Committee are Mr. Narong Taychachaiwong, Mr. Surachet Suboonson and Asst. Prof. Dr. Somchai Supattarakul. The 4 independent directors are neither involved with management nor hired by Company. The chairman of the Audit Committee and two of the independent directors has knowledge and experiences in accounting field.

The Audit Committee of the Company has the scope of duties and responsibilities to the Board of Director to ensure that the Company has established appropriate and effective internal control system and internal audit system and review that the Company abides by the law and the regulations of the Stock Exchange of Thailand or any relevant laws governing the Company's business. In 2012, the Audit Committee held 6 meetings and 1 meeting in 2013, adding together 7 meetings until the day of issued report to review and regulate the operations in accordance with assigned scope of duties and responsibilities and report to the Board of Directors. The details can be summarized as follows:

## 1) Review of quarterly and annual financial statements:

The meetings with the Company's auditor, PricewaterhouseCoopers ABAS Ltd, were held in order to acknowledge the matters and exchange opinions, to evaluate the quality and accuracy of the 2012 quarterly and annual Financial Statements prepared by the Management, and also to assess the adequacy of disclosure in financial statement information. In conclusion, the Audit Committee agreed with the Company's auditor that the financial statement per se present fairly in all material respects in accordance with generally accepted accounting principles.

## 2) Review of internal audit assessment:

The Audit Committee reviewed the internal control system to evaluate the efficiency, adequacy, and appropriateness of the Company's internal control system, which could affect the reliability and accuracy of the financial statements. The meetings with the internal audit team were also held to acknowledge the result of the Company's internal control system, as well as suggestions to improve the Company's internal control system to be sufficient and more efficient and to comply with the announcement of SEC and SET. The Audit Committee agreed with the Company's auditor that the Company had a decent internal audit system as well as internal control for subsidiaries both adequate and effective.

## 3) Review of rules and regulation conformity:

The Audit Committee had verified the Company's compliance with the Securities and Exchange Act of the Stock Exchange of Thailand, and also laws, rules, and regulations related to the Company's operation. Significantly, no violation of related law, rules and regulation were found.

## 4) Review of risk management:

The Audit Committee reviewed and revised the connection between internal audit and risk management from all of the Company's operations, including the re-assessment of policy risk, risk management, risk management framework, and the progress of risk management. The Audit Committee concluded that the Company had efficiency and effective risk management and constantly adjustment to the changing situation.

## 5) Review of connected transactions:

The Audit Committee reviewed and revised the Company's disclosure of connected transactions or conflict of interest transactions. According to rules and regulations set by SET and SEC, The Audit Committee found that the Company's financial statement disclosure of that transactions were adequately and suitable.

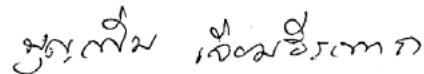
#### 6) Review of related party transactions:

The Audit Committee reviewed and revised the Company's disclosure of related party transactions. According to rules and regulations set by SEC, The Audit Committee found that the Company's financial statement disclosure of that transactions were adequately and suitable.

#### 7) Reappointment of external auditor:

The Audit Committee considered and proposed to reappoint PricewaterhouseCoopers ABAS Ltd. as the Company's auditor for another year in 2013. The auditor reappointment and auditing fee would be considered and proposed to the Board of Directors and afterward it would be proposed to the 2013 Annual General Shareholders' Meeting.

From the acts of auditing independently and thoroughly within the appointed scopes and responsibilities, the Audit Committee concluded that the Company had an sufficient and efficient internal control system that was appropriate to the Company's operation and no significant transaction or situation related to internal control system that could become significant weakness which might affect the Company's financial status and operating performance. The Company's financial statements were disclosed adequately and properly regarding related transactions and conflict of interest transactions. In addition, the Audit Committee found no situation that the Company operated against the laws, rules and regulations significantly. Furthermore, the Company's operation and good governance framework worked together in a perfect harmony making the operation itself better and fit to the business environment.



Mrs. Boonperm Jiamtiranat  
Chairman of the Audit Committee  
February 22, 2013

# Business code of conduct

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Noble Development Public Company Limited as a real estate developer, operates business under good ethics and decent integrity, one philosophy the company always holding on is “Corporate Social Responsibility” (CSR). The company continuously applies that concept to achieve the sustainable growth for the best interest of shareholder in long run.

All members including Board of Directors, Management, and employees are guided by business code of conduct written by the company. The relentless pursuit of integrity and justify treatment to all the parties involved, including all of stakeholders, communities, and societies. The business code of conduct comprise of:

1. Set of rules
2. Compliance monitoring

## 1) Set of rules

### 1.1 Policy on conflict of interest

- Directors, Management and employees shall avoid the self-connected transaction that may raise the issue of conflict of interest with the company. In necessarily case, the transaction per se must be done as if it is the typical business practice.
- Directors, Management and employees are prohibited from taking advantage of the opportunity given or information derived from company to gain personal interest or compete with the company itself.

### 1.2 Policy on secure and utilize the company's assets

- Directors, Management and employees are entitled to protect the company's assets but forbidden to utilize the company's assets for personal gain.
- No insider information for personal gain allowed.

### 1.3 Policy on computer and information technology

- Employees shall use computer and information technology related work according to Computer- Related Crime Act B.E. 2550 (2007)
- Computer, information technology and all system network is the Company's asset. One shall not use for own interest.
- Without permission, employees must not duplicate, erase, dispose, forward, or any kind of violation of the Company's data.
- Employees shall keep to it to personal; username and password.
- Employees shall use internet for work only and try to avoid the unfamiliar, unlawful, and immoral website, and prohibit using website that may cause damage to the computer and the Company's network and must not use the Company's computer and network to download non-work related file.
- Employees are prohibited from sending e-mail that relate to threat, sexual harassment, non-decency subject matter, privacy violation, and the like.

### 1.4 Policy on intellectual property and copyrights

- Any reward and copyrights received from the assignment/work given by the Company or any byproduct assignment/work that originated or result from training/tutoring by the Company, must belong to the Company.
- Any reward and copyrights received from the press release/paperwork/artwork/book given by the Company or any by product as such that originated or result from training/tutoring by the Company, must belong to the Company.
- Employees shall not use pirate computer software and prohibit from installation the illegal computer software in the office.
- Employees shall not encourage the use of any product that violates intellectual property and copyrights.

### 1.5 Policy on complimentary from others

- On common decency and good traditionally ground, employees are allowed to give/take a gift to/from others, if only if that gift doesn't affect the business decision making, and must be done in general public.
- The complimentary shall not be valuable, nor cash/cash equivalent. In case of unusual high value gift, one must report to superintendent.



**1) Set of rules** (Cont'd)**1.6 Policy on anti corruption and bribery.**

- Directors, Management and employees must not initiate or request, money, gift, and other form of bribery to any related parties.
- Directors, Management and employees must not offer money or other kind of benefit to government officer, client, supplier, competitors, and other related parties to involve in illegal activity.
- Directors, Management and employees avoid any financial engagement or relationship with external parties. When it is necessary to decide or approve an item with potential conflicts of interest, they must report to the Company and withdrawing from any involvement in such as item.

**1.7 Policy on the company's securities trading and insider information**

- Directors, Management and employees must not use insider information to trade the Company's securities. Especially, one month period before financial statement become publicly disclosed.
- Directors and management are responsible for preparing personal securities-holding portfolio report and submit to the Stock Exchange of Thailand and the Securities and Exchange Commission and also send a copy to the Company.
- According to Article 59 of the Securities and Exchange Act B.E.2535 (A.D.1992), Directors and management are obliged to report the change in his/her personal securities-holding portfolio to the Stock Exchange of Thailand and the Securities and Exchange Commission.
- Directors and management are obliged to report the change in his/her personal securities-holding portfolio to the board of director meeting.
- Directors and management are obliged to report stake-holding report to the Company.

**1.8 Policy on internal control, internal audit, and financial statement**

Board of directors has given the following responsibilities to management

- Preparing quarter and annual financial statements which accuracy, adequacy, and timeliness must be attained. Also the financial statements per se must conform to generally accepted accounting principles.
- Set up the effective internal control/audit system under the assessment and monitoring from internal auditor and audit committee.

**1.9 Policy over shareholder rights**

- The Company shall treat every shareholder equally.
- The Company shall operate with cautious and honesty that will lead to maximum value to shareholders.
- The Company shall provide accurate, adequate, and timely financial statements.

**1.10 Policy over customer care and quality product**

- The Company shall treat customer using equity basis, holding on the mutual benefit for both parties, as well as the delivery of quality product and service under justified price.
- The Company shall provide accurate and sufficient advice to customer; entertain customer satisfaction in no time. Customer's confidentiality must be top priority without any misuse of customer's information.
- The Company shall provide the effective system or channel for customer to file their complaints regarding quality of product and service.

**1.11 Policy on how to treat business partner and creditor**

- The Company shall treat business partner and creditor using equity basis, holding on the mutual benefit for both parties. Competition must be conducted under leveled playing field and perfect information.
- The Company has set up the criteria to select and assess business partner and creditor, and make a contract agreement.
- The Company shall set up the compliance system to ensure the contract conformity and to protect fraud/ misconduct.
- The Company does not initiate or request any kind of unfaithful benefit to partner and creditor.

**1) Set of rules** (Cont'd)**1.12 Policy over competition**

- The Company shall promote and operate business strictly under good business code of conduct and prohibit from indecent data mining.
- The Company will not defame/discredit the competitor.

**1.13 Policy over employee care**

- The Company shall hold on to equality and justice to every employee and also provide fair compensation.
- The Company shall assign human resource to their positions base on knowledge and ability, without bias.
- The Company shall facilitate the window of opportunity for enquiry, feedback, and complain from employee, and all of these must be appropriately addressed to obtain the optimal solution for everyone involved.

**1.14 Policy of employee behavior**

- Employees serve the Company with integrity and keen effort, respect co-worker and management, abided by organization rules, regulations, and common decency.
- Superintendent shall behave themselves in respectable way. On the other hand, subordinate shall not speak or behave or react in a way that shows lack of respect for a supervisor.
- Employees shall promote the unity spirit within organization and try to avoid the wrong-doing that may result in adverse consequence/bad reputation of the Company.

**1.15 Policy on educate and train employees in environmental matters.**

- The company shall educate and train employees to understand the value of natural resources.
- The Company shall constantly cultivate an awareness of environmental responsibility in the company and among the workforce.
- The Company shall support employees activities that is performs environmental responsibility, including reduction of energy and natural resources consumption.

**1.16 Policy on human rights**

- Employees shall respect human rights and shall not support the activities that violate law and human rights.
- The Company shall educate employees to understand the concept of human rights, and encourage them to operate/work under that concept.

**1.17 Policy on political preference**

- Employees shall be law abiding citizen, and use their own political rights according to constitutional law and other related law.
- Employees has a right to participate political activities under their own name outside the working hours. And shall not use the Company resource and reputation to take side or grant direct/indirect support to any political group. The Company does not allow any political group to use any resource, area and other facilities of the Company in organizing political activities.
- Employees is prohibited from using their authorized power to force/manipulate other to support any particular political group directly or indirectly.

**1.18 Policy on safety, occupational health, and environment**

- The Company shall conform any law and regulation in the regard of safety, occupational health, and environment.
- The Company shall create a decent working environment, by enhancing a safety to life and personal property of employee. The Company shall design a preventive system and try, on best effort basis, to control all the damage that may cause by accident or operational malfunction.
- Employees shall participate in all activities organized by the Company in regard of safety, occupational health, and environment.
- The Company shall launch the intra communication to build the knowledge and understanding about policy/procedure/precaution on safety, occupational health, and environment to management, employees, and other related parties. In order to avoid harmful operating result.
- The Company shall pursue social responsibility regarding safety, occupational health, and environment. The Company shall make a good use of natural resource in a non harmful way to every stake holder. The Company will continuously support the social activity to protect environment and improve quality of living of people in society for the sustainable growth.

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**1) Set of rules** (Cont'd)**1.19 Policy on operations under environmental standards.**

- The Company shall election of contractor management system standards such as ISO14000 and ISO14001.
- The Company shall to assess the environmental risk, occupational safety, and health in residential construction projects to prevent and reduce the impact of potential.
- The Company shall provide protection plan, emergency suspension, and mitigation potential.

**1.20 Policy on social and environmental responsibilities**

- The Company shall create social and environmental awareness of management and employee, through the regular charity event that giving something back to society. Besides, the Company will provide the communication and understanding to society of the information that appropriately can be publicly disclosed regarding social and environmental responsibilities of the Company.
- In order to prevent environmental damage and mitigate the adverse consequences to people quality of life, the Company will use the only resource that completely necessary for its operation.

**2) Compliance monitoring**

The Company makes compulsory that board of directors, management, and employees are assumed the duty to recognize and apply the above business code of conduct, without exception. There will be a constant compliance monitoring to ensure accordingly. These set of rules will be reassessed in every two year and subject to change for a better fit with the dynamic business climate.

The Company gives the opportunities for the conflicted or related persons to express their opinions regarding the Company's operation or complain on unfair treatment, unlawful and unethical actions through the Company's website: [www.noblehome.com](http://www.noblehome.com). The central division will then pass these matters to the board of director and executive afterward.

# Responsibility to Society and Environment

Noble Development Public Company Limited puts emphasis on doing real estate development business in conjunction with the principles of social and environmental responsibility to build a sustainable society. The Board of Directors integrates the social and environmental policies into corporate governance policies and business ethics and announces to the public. This includes the monitoring of compliance with such policies strictly.

## Responsibility to society

Being the Company of Thailand, the company realizes that even if profit seeking is a business goal, the Company makes profits truly based on fair, noninterference and responsibility to society. The Company provides social policies to be a framework for social work as follows.

1. Support and encourage the management and employees at all levels to have a responsibility to society by strictly adhering to the policies and regulations of social care.
2. Maintain a good living environment for every project by setting up the unit to be responsible for managing this issue.
3. Create valuable activities in regular basis to return a goodwill back to people and society
4. The Company integrity is the main priority without taking an advantage of people and society, the Company provides the effective system or channel for people to comment or file their complain regarding quality of product and service, or any kind of unlawfully action through the Company's website: [www.noblehome.com](http://www.noblehome.com)

In addition, the Company is also carrying out the following social responsible activities

- The Company has created the new community namely "Noble ID" to bring a whole new experience and share a good thing to Noble ID member. This offer is not limited to Noble Development client, general public can participate this fun activities without any fee. One can follow up through the website: [www.nobleid.com](http://www.nobleid.com).
- The Company supports and encourages management and employee of the Company to create the activities to improve society and environment regularly. One who interested in participation can follow up through the website: [www.nobleid.com](http://www.nobleid.com).
- The company had continuously supported and encouraged social responsible activities. In 2112, the social responsible activities, which are implemented by the Company, are Project: "Noble Relieving Flood Victims" Since 2011, the Company has continued to support funds to help the families of the flood victims in Lop Buri province, Project: "Noble gives the book, the King of Thailand and Buddhism," the Company handed out books to the Thai library Association, Project: "Mangrove forest afforestation" The management and employees have joined mangrove planting activity to restore natural resource at Klong Klone mangrove conservation center, Samut Songkhram province. The above activities which are considered as a part of the CSR, namely After Process has been publicized through the company's website, [www.noblehome.com](http://www.noblehome.com)

## Responsibilities to environment

The Company is aware of the importance of participation in the environment conservation. Therefore the environmental policies are provided to be a framework for all of the Company's operations as follows:

1. Strictly being the law-abiding business unit, understand the good intention of and conform to law governing real estate sector for example, The Enhancement and Conservation of National Environmental Quality Act, Land Code Act, Condominium Act, and other related law for the sake of customer, home buyer, and environment.
2. Promote the conservation of the environment and conduct the applicable procedures. The Company emphasizes the implementation of the environmental policies such as the selection of a contractor which uses environmental management system, such as ISO14000 and ISO14001, the provision of an assessment of the environmental risk, safety and health in all of the housing construction projects and monitoring and evaluating the environmental management system on a regular basis to improve and develop.
3. Provide education and training in environmental issues for the employees as defined in the policy. Giving the knowledge and awareness to management and employees including new employees on environmental conservation, energy savings. They are also encouraged to make a best effort to reduce the impacts of climate change and global warming as well.
4. Encourage to use natural resource efficiently and support the energy preserving project. The company specifically creates the perfect combination of living space, energy saving and environmental friendly. The design mainly relies on the raw materials that can alleviate the heat from building.

## Responsibilities to environment (Cont'd)

5. Giving knowledge and create awareness to management and employees in environmental issue and energy preservation. With its best effort and most possible way to reduce global warming
6. Encourage management and employee to be aware of effective and efficient allocation of resources to make it last long and reach it highest potential

In addition, the Company also provides a variety of activities to promote and support the sustainable environmental development.

The Company realizes the participation of environmental conservation and reduces energy consumption. The environmental consciousness of the Company can be categorized by using variety of projects as follows

### Single detached houses and townhouses projects

The following projects are all under natural concept to protect environment:

- Noble Tara Ekamai – Rama 9 / Noble Tara Ngamwongwan/ Noble Tara Pattanakarn / Noble Tara Ngamwongwan 2; the concept of the project to bring peace of recreation with tall fences covered by floras surrounding the project to maximize the enjoyment from nature. The Noble's differentiated concept of C-shape housing keeps every corner of the house close to nature surrounding.
- Noble Wana Pinklao / Noble Wana Watcharapol Project/ Noble Ana Wana Pinklao Project; the concept of “resort at home”, this is a place to take a rest with nature everyday. Every living space links with nature, no exception for bathroom whose one side is open to green garden through a floor-to-ceiling glass window.
- Noble Geo Watcharapol / Noble Geo Rama 5 Project, Noble Geo is designed under the Planning & Function concept to enable free-style arrangement of furniture. The beautiful natural landscape lawns and gardens can be accessible from every angle of the house.
- Noble Cube Project: The townhouse project in the city center for more private living space with designed to magnify the sight with wide mirror. Noble Cube divides useable area by life style. The project is located in the center of business area.

### Condominium projects

The appreciation of energy conservation and reducing global warming simply reflect in condominium projects of the Company, under the concept of “Crash-pads”. The projects are located in downtown close to business area and transportation network, therefore increase happiness and no time and energy wasted to commute. The following projects are all built close to BTS station:

- Noble Revolve Aree Project: This project is located at the entrance of Soi Aree 1, closed to Aree BTS station.
- Noble Ploenchit Project: Condominium 51-storey height nestled among 4 rais of lush and serene garden in Ploenchit metropolitan at the heart of Bangkok's business district. With the concept of Vertical Garden City, the resident can inhale with fresh air.
- Noble Remix2 Project: Condominium 11-storey height with the slogan “Walk above it all” at Noble Remix 2. The Project is located on Soi Sukhumvit 36, with ideally located for easy access to Thonglor Station by skylink between the station and the building.
- Noble Revent Project: The Project is closed to Phayathai BTS station and airport link station, in the center of Bangkok surrounding by educational institutions and prime business areas.
- Noble Refine Project: the Condominium is located in Sukhumvit Soi 26, embedded in the very inside of its own premise away from the entrance encourage the ultimate peace and privacy. The panoramic greenery tree line delicately placed on the drive way special treating in and out traffic a touch of green nature.

Beside of the above projects, the Company has many other projects closed to BTS station, such as Noble Remix Project, Noble Reflex Project, Noble Reveal Project, Noble Reform Project, Noble ReD Project, and Noble Lite Project.

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**Responsibilities to environment** (Cont'd)**Condominium projects** (Cont'd)

The Company realizes that the sustainable coexistence is needed to be implemented as a sequence of correlation from large to tiny. Each level has its own mechanism, which is consistent with the natural mechanisms, to preserve the natural equilibrium by using natural as a role model to integrate both horizontally and vertically. So the Company brings this idea to design a green building and also clearly integrates with the appropriate technology and concept design, namely Passive Design. Green building is the application of appropriate technology that helps to derive benefits from the natural environment, which consists of three major components, including the relevance of weather, cozy living and uses of natural energy. The design principles are as follows.

- The design of energy efficiency and green spaces.
- The selection of low-power construction materials.
- The usage of the Modular system to minimize waste materials
- The control of pollution that building may be released.
- The management of water usage, wastewater treatment system, drainage and effectively flood protection.
- The preservation of the ecology of the area.
- The design is focused on the residents' comfort from outdoor green space.
- The safety and health of the residents.

In addition to the housing design concept which is in accordance with the nature concept and the condominium construction along the public transportation route which is the environmental conservation and reduces global warming, the Company also selects the products that can truly save energy to install in all of the residential projects. In order to prevent and reduce pollution caused by the housing such as air pollution, water pollution, the Company installs wastewater treatment system to every house and condo projects including plants garden and trees in the project which make it shady and pleasant.

The concept that reflects the intention of creativity to offer the value-add innovation can respond to customer's needs and lifestyle in accordance with environmental conservation and energy saving. The Company can seamlessly operate business in conjunction with social and environmental responsibility which leads to sustainable development.

For more information please visit the Company's website: [www.noblehome.com](http://www.noblehome.com)

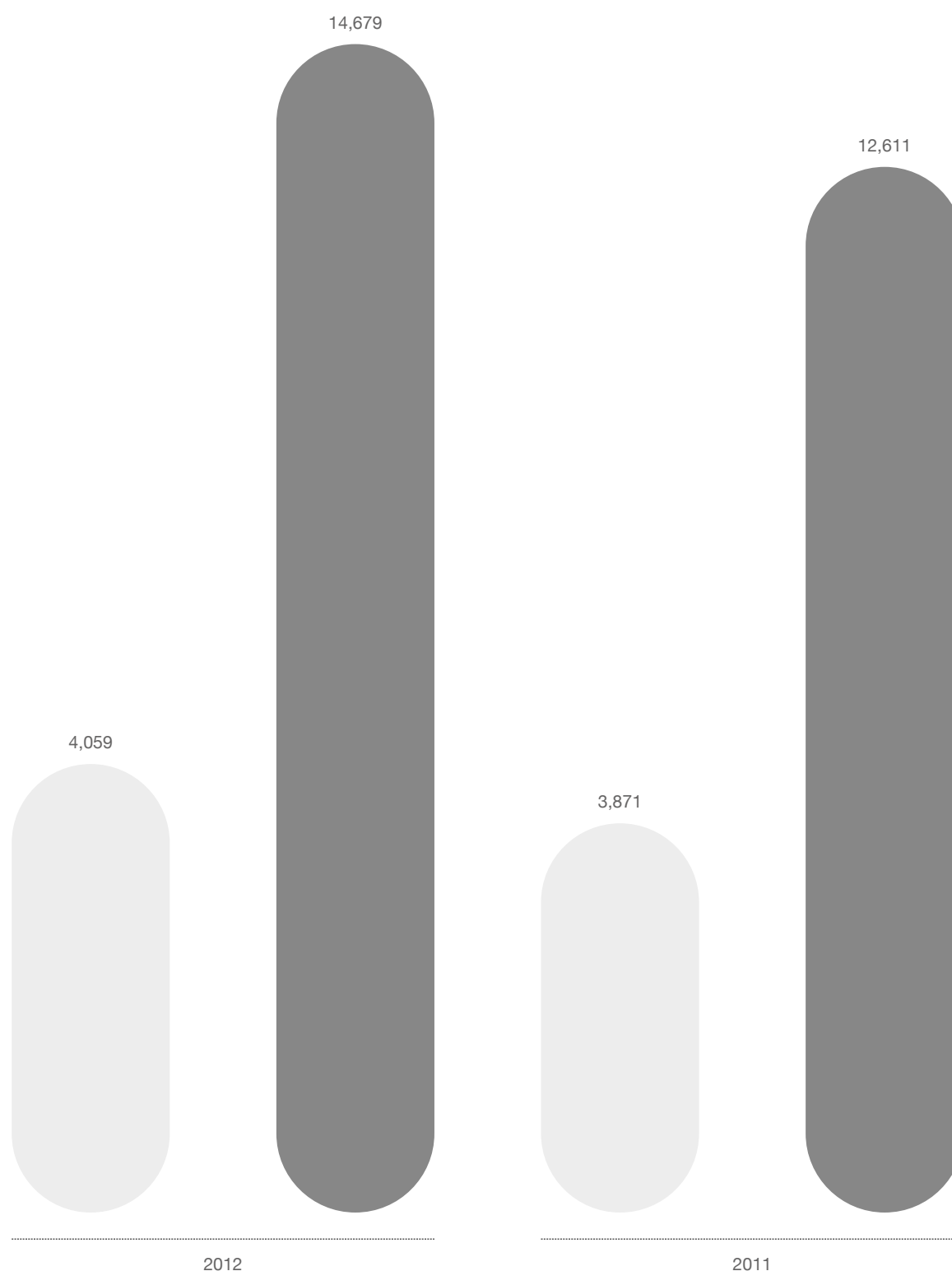
# Charts of Operating Performance and Revenue Structure

## Total Assets and Shareholders' Equity

Unit: Million baht

Total Assets

Shareholders' Equity



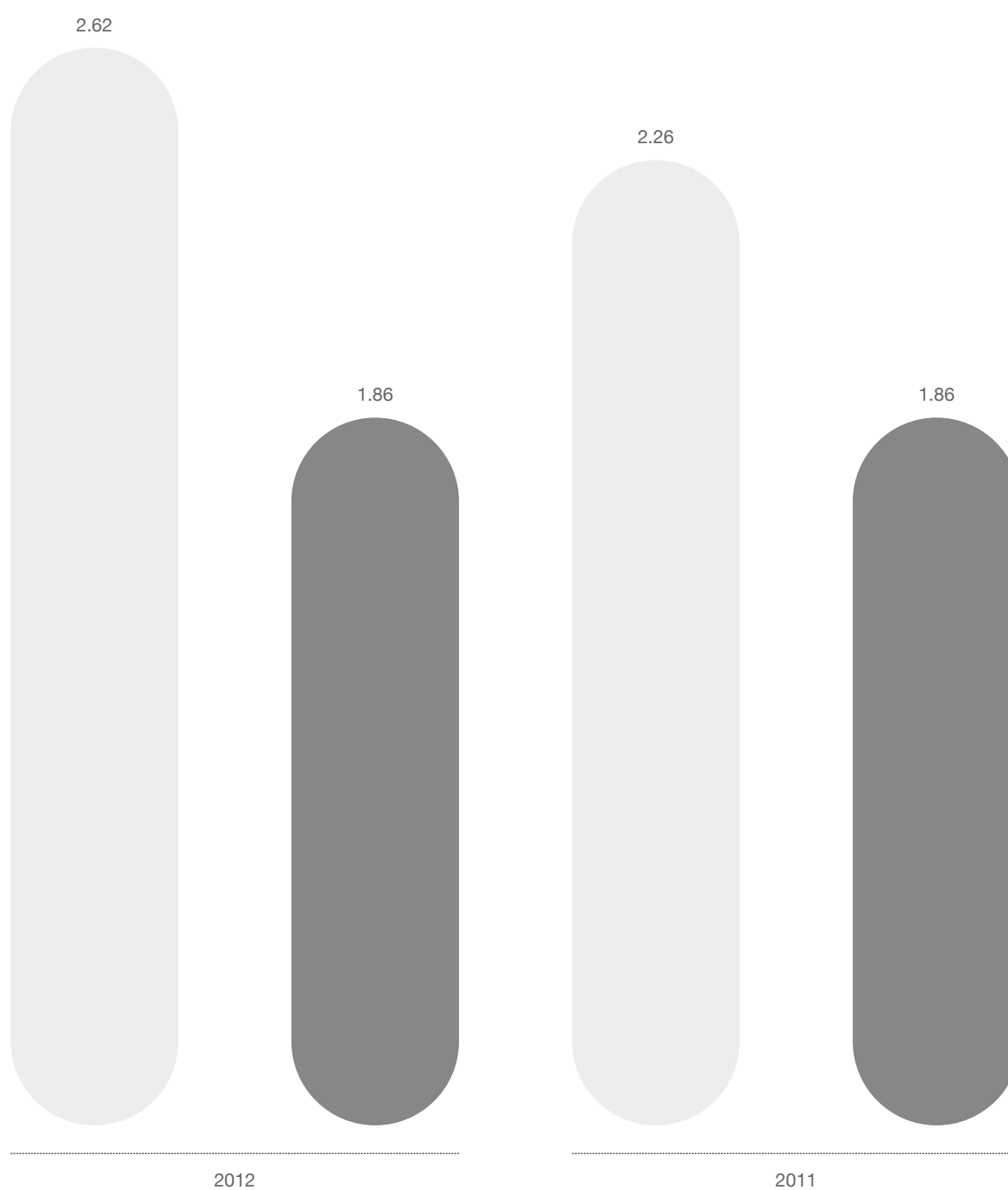
### Debt and Net Debt to Equity Ratio

Unit: Million baht

Net D/E Ratio





D/E Ratio

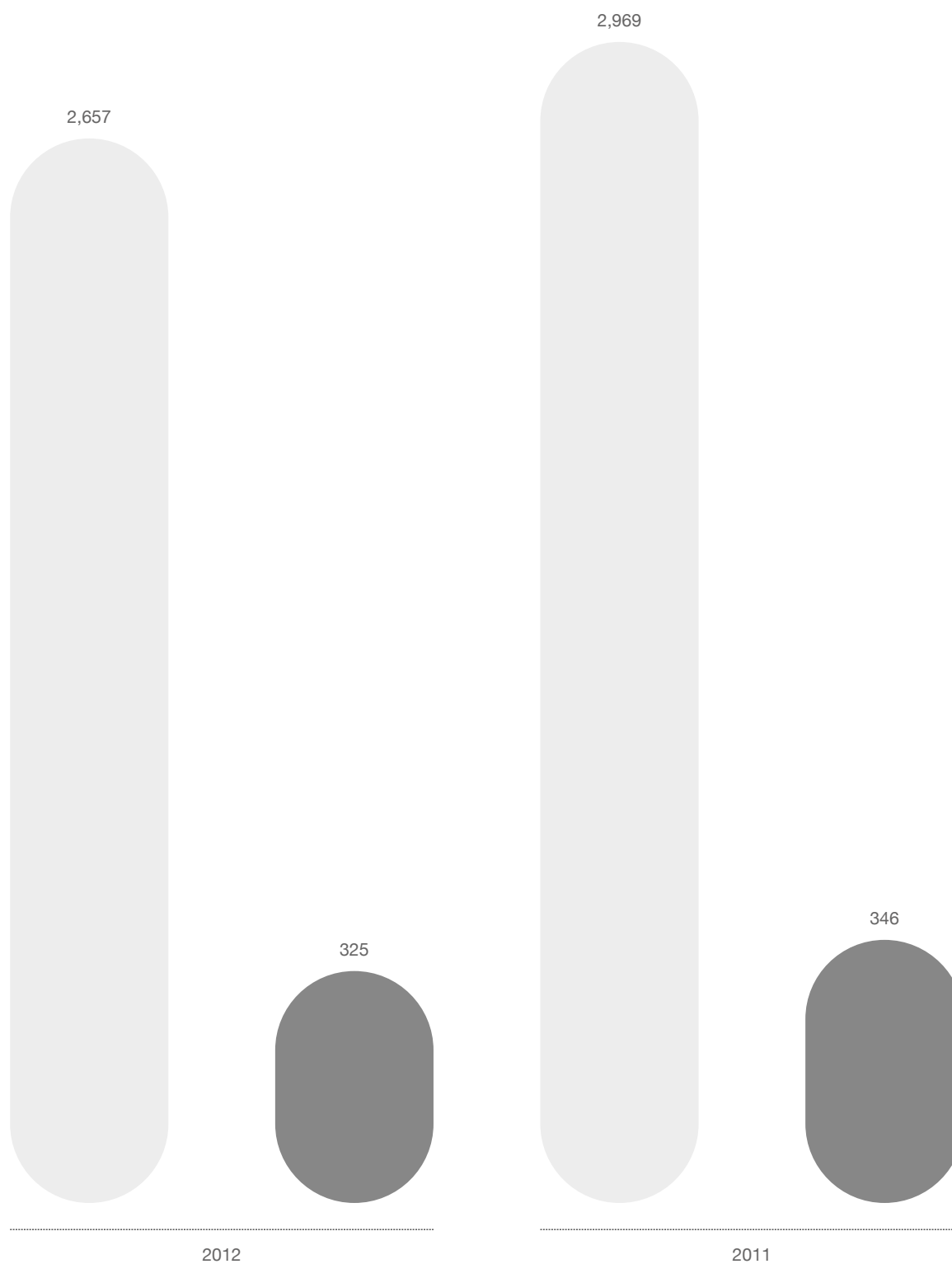




### Total Revenues and Net Profit

Unit: Million baht

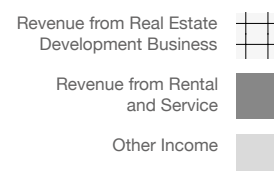
Net Profit   
Total Revenues 



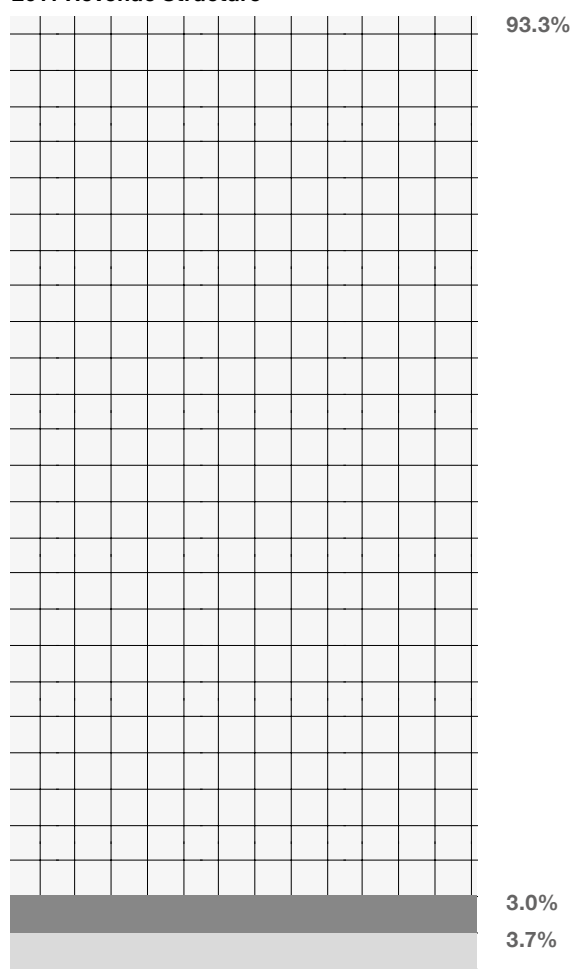
## Charts of Revenue Structure

Unit : Million  
Baht

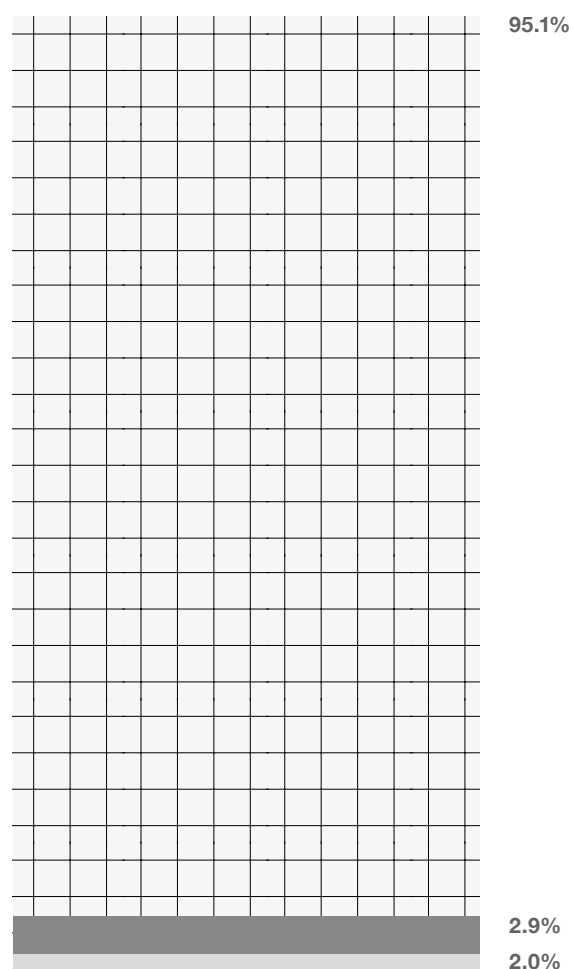
	2012	2011
Revenue from Real Estate Development Business	2,478	2,823
Revenue from Rental and Service	81	88
Other Income	98	59
Total	2,657	2,969



### 2011 Revenue Structure



### 2010 Revenue Structure



# Analysis of Financial Status and Operating Results

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## Operating results

As for the Company's operation result in 2012, net profit was 324.64 million baht which decreased from 345.65 million baht in 2011. The operating result breakdown was as follows:

- In 2012, the Company's revenue from transfer of ownership was 2,478.31 million baht, which was merely down from that in 2011. The Company completed constructions and transfers of ownership for two projects which were Noble Refine Project, which has started to transfer since August, and Noble Reform Project, which has started to transfer since December. However, as of December 31, 2012, the Company had sales which are not yet transferred of ownership (backlog) about 12,000 million baht.
- The Company's gross profit margin in 2012 was 38.3%, decreased from 39.0% comparing to the previous year, while the gross profit margin from real estate development business was 39.9%, decreased from 40.3% comparing to the previous year.
- Total expense for 2012 was 567.42 million baht, a decrease of 40.73 million baht compared to that of 2011 which was 608.15 million baht as a result of a decrease in advertisement expense and launching of new project.
- In 2012, the Company's net profit margin, compared to sales, rental and service revenues, inclined to 12.7% from 11.9 % of last year.

## Financial status

- As of December 31, 2012, the total asset of the Company and its subsidiaries valued at 14,679.13 million baht, an increase of 2,068.03 million baht compared to that of the previous year. The asset in the form of cash and deposits in financial institutions stood at 3,079.02 million baht, an increase of 1,557.23 million baht while trade and other receivables (net) were 619.60 million baht, an increase of 454.28 million baht. The real estate development cost was 8,825.37 million baht, an increase of 597.38 million baht and inventories (net) was 809.35 million baht, a decrease of 399.48 million baht.

In 2012, the Company has issued name-registered, unsubordinated and unsecured debentures with debenture holders' representative worth 1,500 million baht, which is due by 2015, to public and/or institutional investors. The main causes of the increase of trade and other receivables (net) were the advance payments for the construction of Noble Ploenchit project. An increase in real estate development cost in 2012, was due to the land investment at Ratchadapisek road to develop the condominium project which is Noble Revolve Ratchada opened for sale in February 2013, which were successfully with total sales of 90%. The Company's inventories decreased because of the sales and the transfer of ownership of the completed projects to customers.

- The Company's total liability as of December 31, 2012 was 10,620.55 million baht, an increase of 1,880.33 million baht of which was an additional borrowing valued 1,526.92 million baht due to the issuing of debentures mentioned above. Deposits and advances received from customers were increased by 367.64 million baht because of receiving the installments of the projects which are under construction. The rise in deposits and advances received from customers was showed the success of the project launching and were liability which the Company will earn more income in the future.

The Company's net interest bearing debt ratio as of December 31, 2012 was 1.16, decreased from last year at 1.23. Moreover, the Company's debentures which are the debenture of Noble Development Public Company Limited No. 1/2011, due by 2014 and the debenture of Noble Development Public Company Limited No. 1/2012, due by 2015 have an obligation to maintain debt to equity ratio (interest bearing debt ratio) not more than 2.2 to 1 at the end of each fiscal quarter.

- Shareholder's equity as of December 31, 2012 valued at 4,058.57 million baht, an increase from 3,870.87 million baht on December 31, 2011 which return on equity ratio was 8.19% while book value per share in 2012 inclined to 8.89 baht per share from 8.48 baht per share in 2011.

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### Cashflow Status

- In 2012, the Company's cash flow from operating activities was 209.29 million baht, an increase from a negative value of 587.91 million baht in 2011 in consequence of the sales and the transfer of ownership of the completed condominium projects in 2012 including receiving the installments of the condominium projects which are under construction.
- The Company's cash flow from investing activities in 2012 was 322.26 million baht, an increase from a negative value of 393.73 million baht. This was a result from changing ratio of investment in deposits in financial institutions.
- The Company's cash flow from financing activities in 2012 was 1,386.68 million baht, a result from its issuing debentures worth 1,500 million baht mentioned above.

In 2012, Thailand's overall economic growth has improved after the flooding in 2011, although the export sector was affected by the slowdown of the global economy, because of the government measures to stimulate domestic consumption and investment. The real estate sector in 2012 has continued to slow down due to a decline in consumer confidence of the flood situation in the past year. According to the vision of management and capital management policies, in previous year, the Company continued to maintain a revenue growth rate. In 2012, the company had launched Noble Revolve Condominium at Soi Aree which was still remarkably acknowledged by customers.

As for 2013, it is predicted that the Thailand's economy will continue to grow due to the government's economic stimulus and public investment which is a key factor to drive the growth of the economy. The major projects of the government, that are positive to the real estate business, are transportation construction projects and rail transportation system, including the current interest rate which is likely to be low. There are also positive external factors which are the inflow of the foreign investments to invest in the country and the awareness of the ASEAN Economic Community. These will encourage more investment in the real estate business.

### The Future Projects

In pursuit of continuous growth, at least 4 projects are expected to be launched in 2013 with the total value of 10,000 million baht. Most of the projects are located in the heart of the city near public transportation routes and business areas.

### Business Goal

The Company's goal is to introduce the different living and lifestyle through the new concept and innovative design and to be a leader in design and uniqueness. In term of number, with effective administration and disciplinary budgeting, the growth rate has set to be 15-20 percent per annum to achieve continuous and sustainable expansion.

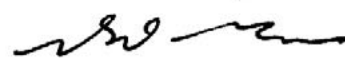
# Report of The Board of Directors' Responsibilities for Financial Statements

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The Board of Directors of Noble Development Public Company Limited is responsible for the accurate and adequate financial statements which have been prepared in accordance with generally accepted accounting principles. The accounting policies pursued are appropriate and consistent with sufficient disclosure of crucial information in the notes of financial statement.

The Board of Directors has appointed an audit committee comprise of independent directors who are qualified base on the Stock Exchange of Thailand's requirements, to oversight and review the financial statements as well as the connected transactions, conflict of interest transactions, risk management, and internal control at its best to achieve the goal of maximizing shareholders' value. The views of the audit committee are disclosed in the audit committee's report in this annual report.

In the Board of Directors' opinion, the company's internal control is adequate. The financial statements for the year ended Dec 31, 2012 of the Company, and of the Company and its subsidiaries, reviewed by the audit committee, management and auditor, represent the financial status and performance of the company correctly, in accordance with generally accepted accounting principles.



(Mr. Kiti Thanakitamnuay)  
Chairman

# Remunerations for External Auditor

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## **Audit Fee**

In 2012, the Company and its subsidiaries paid the audit fee totaling Baht 3,175,500 and out of pocket expenses totaling Baht 48,190 to the Company's external auditor, PricewaterhouseCoopers ABAS Ltd.

## **Non-Audit Fee**

In 2012, the Company and its subsidiaries have a commitment to pay for the uncompleted services, which are legal and tax matters service fee, to PricewaterhouseCoopers ABAS Ltd., totaling Baht 50,000.

# Company Factsheet

## Noble Development Public Company Limited

<b>Head Office</b>	19 <sup>th</sup> Fl., Tonson Tower, 900 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
<b>Home Page</b>	<a href="http://www.noblehome.com">www.noblehome.com</a>
<b>Main Business</b>	Property Development
<b>Registered Number</b>	0107538000312
<b>Registered Capital</b>	456,471,175 Shares at Baht 3 par value totaling Baht 1,369,413,525
<b>Paid Up Capital</b>	Baht 1,369,413,525
<b>Ordinary share Registrar</b>	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building Rachadapisek Road, Klongteoy, Bangkok 10110 Tel. 0-2229-2800 Fax. 0-2359-1259
<b>Auditor</b>	Mrs. Anutai Poomsurakul Certified Public Accountant Registration No. 3873 PricewaterhouseCoopers ABAS Limited 15 <sup>th</sup> Fl., Bangkok City Tower 179/74 – 80 South Sathorn Road, Bangkok 10120 Tel. 0-2344-1000 Fax. 0-2286-5050
<b>Legal Adviser</b>	Weerawong, Chinnavat & Peangpanor Ltd. 22 <sup>nd</sup> Floor, Mercury Tower 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2264-8000 Fax. 0-2657-2222
<b>Debenture Registrar and Debenture Holder Representative</b>	The Debenture of Noble Development Public Company Limited N0.1/2011 Due 2014 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000
<b>Debenture Registrar and Debenture Holder Representative</b>	The Debenture of Noble Development Public Company Limited N0.1/2012 Due 2015 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000

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**Address and Telephone Number of Head Office and Projects**

- **Head Office: Noble Development Public Company Limited**  
19<sup>th</sup> Fl., Tonson Tower, 900 Ploenchit Road, Lumpini, Pathumwan, Bangkok  
Tel. 0-2251-9955

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- **Noble Wana Watcharapol**  
179, Soi Ruammitrpattana, Watcharapol Road, Tarang, Bangkhen, Bangkok  
Tel. 0-2318-5000, 0-2251-9955

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- **Noble Geo Rama 5**  
58, Moo 6, Nakorn-in-Karnjanapisek Road, Bangkoonkong, Bangkruai, Nontaburi  
Tel. 0-2985-0683, 0-2985-0686-8, 0-2251-9955

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- **Noble Tara Pattanakarn**  
2046, Pattanakarn Road, Suanluang, Suanluang, Bangkok  
Tel. 0-2318-5000, 0-2251-9955

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- **Noble Remix And Noble Remix 2**  
772, Soi Sukhumvit 36, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2259-9200, 0-2251-9955

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- **Noble Solo**  
988, Soi Sukhumvit 55 (Thonglor), Klongton Nue, Wattana, Bangkok  
Tel. 0-2381-8899, 0-2251-9955

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- **Noble Reveal**  
36, Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, North Prakanong, Wattana, Bangkok  
Tel. 0-2381-8899, 0-2251-9955

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- **Noble Residence**  
1104, Pattanakarn Road, Suanluang, Suanluang, Bangkok  
Tel. 0-2318-5000, 0-2251-9955

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- **Noble Cube**  
1104, Pattanakarn Road, Suanluang, Suanluang, Bangkok  
Tel. 0-2318-5000, 0-2251-9955



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**Address and Telephone Number of Head Office and Projects**

- **Noble Reform**

8, Soi Paholyothin 7, Paholyothin Road, Samsen-nai, Phayathai, Bangkok  
Tel. 0-2617-1500, 0-2251-9955

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- **Noble Refine**

27, Soi Sukhumvit 26 Klongton,  
Klongtoey, Bangkok  
Tel. 0-2381-8899, 0-2251-9955

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- **Noble RED**

34, Yossawadee Building, Soi 7, Paholyothin Road, Samsen-nai, Phayathai, Bangkok  
Tel. 0-2617-1500, 0-2251-9955

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- **Noble Revent**

34, Yossawadee Building, Soi 7, Paholyothin Road, Samsen-nai, Phayathai, Bangkok  
Tel. 0-2617-1500, 0-2251-9955

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- **Noble Ploenchit**

Room No. 1601,1612, 16<sup>nd</sup> Floor, PARK VENTURE ECOPLEX  
57 Wireless Road, Lumpini, Patumwan, Bangkok  
Tel. 0-2108-1199, 0-2251-9955

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- **Noble Revolve**

34, Yossawadee Building, Soi 7, Paholyothin Road, Samsen-nai  
Phayathai, Bangkok  
Tel. 0-2617-1500, 0-2251-9955

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**noble development  
public company limited**

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**consolidated  
and company  
financial statements  
31 december 2012**

# AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Noble Development Public Company Limited

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I have audited the accompanying consolidated and company financial statements of Noble Development Public Company Limited and its subsidiaries and of Noble Development Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

## 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 consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Noble Development Public Company Limited and its subsidiaries and of Noble Development Public Company Limited as at 31 December 2012, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



**Anutai Poomsurakul**

Certified Public Accountant (Thailand) No. 3873  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
22 February 2013

# Statements of Financial Position

As at 31 December 2012 and 2011

		Consolidated			Company		
	Notes	31 December 2012 Baht	31 December 2011 Baht	1 January 2011 Baht	31 December 2012 Baht	31 December 2011 Baht	1 January 2011 Baht
ASSETS							
Current assets							
Cash and cash equivalents	2, 6	3,035,018,868	1,116,793,817	1,078,510,751	2,572,913,980	987,325,150	1,063,070,777
Temporary investments							
at financial institutions	2, 7	57,042,056	414,772,487	33,109,014	26,538,056	414,036,487	29,309,014
Trade and other receivables (net)	8	619,602,525	165,319,277	167,017,997	611,972,143	156,913,779	162,918,765
Short-term loans to and amounts due							
from subsidiaries (net)	9 c)	-	-	-	-	30,775	30,862,065
Inventories (net)	10	809,345,757	1,208,828,462	708,744,390	655,745,209	855,607,184	686,524,950
Real estate development cost	11	8,825,372,939	8,227,990,419	7,198,461,249	8,824,865,579	8,227,990,419	6,609,886,345
Other current assets	12	64,101,194	122,204,308	241,709,413	61,217,503	121,924,933	241,456,220
Total current assets		13,410,483,339	11,255,908,770	9,427,552,814	12,753,252,470	10,768,828,727	8,824,028,138
Non-current assets							
Long-term trade accounts							
receivable (net)	8	-	5,214	-	-	5,214	-
Long-term loans to and amounts due							
from other company (net)	13	89,193,221	106,148,640	104,906,884	89,193,221	106,148,640	104,906,884
Investments in subsidiaries, associate and other investment (net)	14	-	-	-	442,783,506	442,783,506	442,783,506
Investment properties (net)	15	547,834,992	559,861,156	636,629,255	250,179,962	264,124,229	274,740,377
Property, plant and equipment (net)	16	378,495,631	438,116,114	426,850,351	377,290,262	436,875,742	425,566,791
Intangible assets (net)	17	2,101,614	2,960,139	3,753,597	2,100,741	2,958,450	3,743,785
Deferred income tax assets	18	103,293,993	100,750,273	83,975,666	103,293,993	100,750,273	83,689,689
Other non-current assets (net)	19	147,725,389	147,343,969	163,115,127	147,275,425	146,582,108	162,893,989
Total non-current assets		1,268,644,840	1,355,185,505	1,419,230,880	1,412,117,110	1,500,228,162	1,498,325,021
Total assets		14,679,128,179,	12,611,094,275	10,846,783,694	14,165,369,580	12,264,056,889	10,322,353,157

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes on pages #2–10 to #2–60 are an integral part of these consolidated and company financial statements.

		Consolidated			Company		
	Notes	31 December 2012 Baht	31 December 2011 Baht	1 January 2011 Baht	31 December 2012 Baht	31 December 2011 Baht	1 January 2011 Baht
Liabilities and shareholders' equity							
Current liabilities							
Short-term borrowings							
- bills of exchange	20	641,468,976	590,536,346	1,855,175,173	641,468,976	590,536,346	1,855,175,173
- subsidiary	9 d)	-	-	-	-	128,000,000	-
Trade and other payables	21	396,939,473	378,528,323	658,168,532	292,900,414	251,097,639	496,021,774
Current portion of long-term borrowings	20	-	195,500,000	360,000,000	-	195,500,000	360,000,000
Deposits and advances received from customers		2,346,087,237	1,978,446,652	1,195,427,566	2,340,703,337	1,974,487,652	1,170,028,838
Accrued income tax		57,461,389	64,782,907	157,532,764	47,073,392	41,763,597	47,049,361
Other current liabilities	22	5,088,260	15,810,276	29,812,870	5,053,080	10,380,691	6,695,198
Total current liabilities		3,447,045,335	3,223,604,504	4,256,116,905	3,327,199,199	3,191,765,925	3,934,970,344
Non-current liabilities							
Long-term borrowings	20	7,164,822,132	5,493,331,723	2,837,510,000	7,164,822,132	5,493,331,723	2,837,510,000
Employee benefit obligations	23	8,686,889	7,789,203	7,034,213	8,686,889	7,789,203	7,034,213
Other non-current liabilities		-	15,500,000	15,500,000	-	15,500,000	15,500,000
Total non-current liabilities		7,173,509,021	5,516,620,926	2,860,044,213	7,173,509,021	5,516,620,926	2,860,044,213
Total liabilities		10,620,554,356	8,740,225,430	7,116,161,118	10,500,708,220	8,708,368,851	6,795,014,557
Shareholders' equity							
Share capital							
Authorised share capital 456,471,175 ordinary shares of par Baht 3 each		1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525
Issued and fully paid-up share capital 456,471,175 ordinary shares of par Baht 3 each		1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525
Share premium		69,174,340	69,174,340	69,174,340	69,174,340	69,174,340	69,174,340
Retained earnings							
Appropriated - Legal reserve	25	136,941,353	136,941,353	136,941,353	136,941,353	136,941,353	136,941,353
Unappropriated		2,483,044,605	2,295,339,627	2,155,093,358	2,089,132,142	1,980,140,820	1,951,809,382
Equity attributable to owners of the parent		4,058,573,823	3,870,868,845	3,730,622,576	3,664,661,360	3,555,670,038	3,527,338,600
Non-controlling interests	26	-	-	-	-	-	-
Total shareholders' equity		4,058,573,823	3,870,868,845	3,730,622,576	3,664,661,360	3,555,670,038	3,527,338,600
Total liabilities and shareholders' equity		14,679,128,179	12,611,094,275	10,846,783,694	14,165,369,580	12,264,056,889	10,322,353,157

The accompanying notes on pages #2-10 to #2-60 are an integral part of these consolidated and company financial statements.

# Statements of Comprehensive Income

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Revenues from sales - real estate development business		2,478,308,205	2,822,679,714	2,119,145,640	2,258,305,850
Revenues from rental and services		81,238,612	87,582,252	73,208,656	79,149,849
Cost of sales - real estate development business		(1,489,452,115)	(1,685,722,058)	(1,261,584,683)	(1,341,060,750)
Cost of rental and services	2	(89,246,727)	(89,820,554)	(66,479,748)	(64,708,972)
Gross profit		980,847,975	1,134,719,354	864,289,865	931,685,977
Other income	27	97,581,640	58,851,531	75,821,456	53,411,679
Profit before expenses		1,078,429,615	1,193,570,885	940,111,321	985,097,656
Selling and servicing expenses		(214,626,883)	(306,619,504)	(190,651,395)	(266,954,937)
Administrative expenses	2	(326,461,604)	(301,528,158)	(312,771,153)	(291,149,916)
Finance costs - interest expense		(80,244,719)	(66,472,328)	(80,533,786)	(66,661,273)
Other expenses	28	(26,328,821)	-	(26,328,816)	-
Total expenses		(647,662,027)	(674,619,990)	(610,285,150)	(624,766,126)
Profit before income tax		430,767,588	518,950,895	329,826,171	360,331,530
Income tax	30	(106,125,187)	(173,300,293)	(83,897,426)	(126,595,759)
Profit for the year		324,642,401	345,650,602	245,928,745	233,735,771
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		324,642,401	345,650,602	245,928,745	233,735,771
Profit attributable to:					
Owners of the parent		324,642,401	345,650,602	245,928,745	233,735,771
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to:					
Owners of the parent		324,642,401	345,650,602	245,928,745	233,735,771
Non-controlling interests		-	-	-	-
Earnings per share					
Basic earnings per share (Baht)	31	0.71	0.76	0.54	0.51
Diluted earnings per share (Baht)		-	-	-	-

The accompanying notes on pages #2-10 to #2-60 are an integral part of these consolidated and company financial statements.

# Statements of Changes in Shareholders' Equity

For the years ended 31 December 2012 and 2011

Consolidated (Baht)								
Attributable to owners of the parent								
Retained earnings								
	Note	Authorised, issued and fully paid-up share capital	Share premium	Appropri- ated- legal reserve	Unappropri- ated	Total owners of the parent	Non- control- ling interest	Total shareholders' equity
Opening balance as at 1 January 2011		1,369,413,525	69,174,340	136,941,353	2,155,093,358	3,730,622,576	-	3,730,622,576
Changes in shareholders' equity for the year 2011								
Total comprehensive income for the year		-	-	-	345,650,602	345,650,602	-	345,650,602
Dividend payment	24	-	-	-	(205,404,333)	(205,404,333)	-	(205,404,333)
Closing balance as at 31 December 2011		1,369,413,525	69,174,340	136,941,353	2,295,339,627	3,870,868,845	-	3,870,868,845
Changes in shareholders' equity for the year 2012								
Total comprehensive income for the year		-	-	-	324,642,401	324,642,401	-	324,642,401
Dividend payment	24	-	-	-	(136,937,423)	(136,937,423)	-	(136,937,423)
Closing balance as at 31 December 2012		1,369,413,525	69,174,340	136,941,353	2,483,044,605	4,058,573,823	-	4,058,573,823

The accompanying notes on pages #2–10 to #2–60 are an integral part of these consolidated and company financial statements.

Company (Baht)						
	Note	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Appropriated - legal reserve	Unappropriated	
Opening balance as at 1 January 2011		1,369,413,525	69,174,340	136,941,353	1,951,809,382	3,527,338,600
Changes in shareholders' equity for the year 2011						
Total comprehensive income for the year		-	-	-	233,735,771	233,735,771
Dividend payment	24	-	-	-	(205,404,333)	(205,404,333)
Closing balance as at 31 December 2011		1,369,413,525	69,174,340	136,941,353	1,980,140,820	3,555,670,038
Changes in shareholders' equity for the year 2012						
Total comprehensive income for the year		-	-	-	245,928,745	245,928,745
Dividend payment	24	-	-	-	(136,937,423)	(136,937,423)
Closing balance as at 31 December 2012		1,369,413,525	69,174,340	136,941,353	2,089,132,142	3,664,661,360

The accompanying notes on pages #2-10 to #2-60 are an integral part of these consolidated and company financial statements.



# Statements of Cash Flows

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from operating activities					
Profit before income tax		430,767,588	518,950,895	329,826,171	360,331,530
Adjustments:					
Depreciation and amortisation	15, 16, 17	83,360,651	80,922,899	60,462,118	55,707,390
Impairment charge	15	-	1,290,776	-	1,290,776
Allowance for (Reversal of):					
- doubtful for short-term loans to and amount due from subsidiaries	9 c)	-	-	(962,589)	2,029,219
- doubtful for long-term loans to and amounts due from other company	8, 13	6,676,300	18,964,448	6,676,300	18,964,448
Write-off of long-term trade accounts receivable	8	5,214	-	5,214	-
Employee benefit obligations	23	897,686	892,830	897,686	892,830
Amortisation of underwriting fee to expense		3,305,408	-	3,305,408	-
Net (gain) loss on disposals of plant and equipment	27, 28	26,328,819	(53,226)	26,328,816	(55,997)
Loss on disposals of intangible assets	28	2	-	-	-
Reversal of accrued tax surcharge	27	(7,545,294)	-	-	-
Gain from cancelled contracts	27	(6,451,000)	(2,103,563)	(4,516,500)	(450,000)
Interest income	27	(71,146,844)	(49,646,654)	(63,523,398)	(47,766,702)
Finance costs - interest expense		80,244,719	66,472,328	80,533,786	66,661,273
		546,443,249	635,690,733	439,033,012	457,604,767
Changes in working capital					
- trade and other receivables		(452,182,750)	6,378,980	(453,862,040)	10,121,731
- amounts due from subsidiaries		-	-	33,175	(3,371)
- amounts due from other company		12,407,638	-	12,407,638	-
- inventories		565,019,688	147,550,473	365,398,958	143,948,598
- real estate development cost		(382,222,773)	(1,424,869,135)	(381,715,413)	(1,724,901,183)
- other current assets		(2,604,316)	119,505,105	-	119,531,287
- other non-current assets		(381,420)	168,436	(693,317)	683,596
- trade and other payables		(15,068,390)	(281,290,088)	8,493,237	(246,744,016)
- deposits and advances received from customers		374,091,585	785,122,649	370,732,185	804,908,814
- other current liabilities		(3,176,722)	(14,002,594)	(5,327,611)	3,685,493
- employee benefit paid	23	-	(137,840)	-	(137,840)
- other liabilities		(15,500,000)	-	(15,500,000)	-
Cash generated from (used in) operating activities before interest received, finance costs paid, income tax refunded and income tax paid		626,825,789	(25,883,281)	338,999,824	(431,302,124)
Interest received		64,570,827	37,162,614	56,532,713	34,651,619
Finance costs paid - interest expense		(366,120,708)	(331,970,102)	(366,579,777)	(331,989,045)
Income tax - Proceeds		5,535,592	15,628,285	5,535,592	15,628,285
- Payments		(121,526,017)	(282,850,320)	(86,666,943)	(148,942,107)
Net cash generated from (used in) operating activities		209,285,483	(587,912,804)	(52,178,591)	(861,953,372)

The accompanying notes on pages #2-10 to #2-60 are an integral part of these consolidated and company financial statements.

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Decrease (increase) in temporary investments at financial institutions		357,730,431	(381,663,473)	387,498,431	(384,727,473)
Short-term loans to subsidiaries - Proceeds	9 c)	-	-	3,249,031	30,200,000
- Repayments	9 c)	-	-	(970,000)	(200,000)
Proceeds from long-term loans to other company	13	2,347,000	-	2,347,000	-
Purchases of investment properties	15	(24,685,084)	(5,020,488)	-	-
Purchases of plant and equipment	16	(11,936,510)	(6,202,744)	(11,840,772)	(6,147,357)
Proceeds from disposals of plant and equipment		220,000	56,000	220,000	56,000
Purchases of intangible assets	17	(1,416,477)	(897,837)	(1,416,477)	(897,837)
Net cash receipts from (used in) investing activities		322,259,360	(393,728,542)	379,087,213	(361,716,667)
Cash flows from financing activities					
Short-term borrowings from financial institutions					
- Proceeds	20	909,932,630	1,261,161,173	909,932,630	1,261,161,173
- Repayments	20	(859,000,000)	(2,525,800,000)	(859,000,000)	(2,525,800,000)
Short-term borrowings from subsidiary					
- Proceeds	9 d), 20	-	-	14,000,000	145,000,000
- Repayments	9 d), 20	-	-	(142,000,000)	(17,000,000)
Long-term borrowings from financial institutions					
- Proceeds	20	3,399,000,000	1,483,000,000	3,399,000,000	1,483,000,000
- Repayments	20	(3,421,500,000)	(485,010,000)	(3,421,500,000)	(485,010,000)
Long-term borrowings from issue of debenture					
- Proceeds	20	1,495,185,001	1,491,977,572	1,495,185,001	1,491,977,572
Dividend payment	24	(136,937,423)	(205,404,333)	(136,937,423)	(205,404,333)
Net cash receipts from financing activities		1,386,680,423	1,019,924,412	1,258,680,208	1,147,924,412
Net increase in cash and cash equivalents		1,918,225,051	38,283,066	1,585,588,830	(75,745,627)
Cash and cash equivalents - beginning balance		1,116,793,817	1,078,510,751	987,325,150	1,063,070,777
Cash and cash equivalents - ending balance	6	3,035,018,868	1,116,793,817	2,572,913,980	987,325,150

The accompanying notes on pages #2-10 to #2-60 are an integral part of these consolidated and company financial statements.

		Consolidated		Company	
	Notes	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Non-cash transactions					
Transfer of inventories to investment properties	15	-	4,897,350	-	4,897,350
Transfer of completed construction projects from real estate development cost to inventories		165,536,983	652,531,895	165,536,983	317,928,182
Transfer of real estate development cost to property, plant and equipment	16	-	44,963,093	-	44,963,093
Transfer of real estate development cost to long-term loans to and amounts due from other company	13	-	12,407,638	-	12,407,638
Transfer of investment properties to real estate development cost	15	-	46,060,857	-	-
Transfer of property, plant and equipment to real estate development cost	16	633,771	-	633,771	-
Transfer of land deposits to real estate development cost	12	60,707,430	-	60,707,430	-
Interest expense capitalised to real estate development cost	11	319,355,529	267,147,653	319,355,529	267,147,653
Underwriting fee for debenture amortised to real estate development cost		-	1,354,151	-	1,354,151
Transfer of property, plant and equipment (net) to investment properties	15	8,938	-	8,938	-

The accompanying notes on pages #2-10 to #2-60 are an integral part of these consolidated and company financial statements.

# Notes to the Consolidated and Company Financial Statements

For the years ended 31 December 2012 and 2011

## 1 General information

Noble Development Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of its registered office is 900 Tonson Tower, 19th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to hereafter as “the Group”.

The principal business operations of the Company and its subsidiaries (“the Group”) are development of real estate for sale, providing construction, rental and service, and construction consulting services in Thailand.

These consolidated and company financial statements were authorised for issue by the Board of Directors on 22 February 2013.

## 2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

### 2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### Reclassification

The Group made change in presentation of cash and cash equivalents to temporary investments at financial institutions in the statements of financial position and depreciation related with rental business and services from presentation in administrative expenses to cost of rental and services in the statements of comprehensive income. Comparative figures have been reclassified to conform with classification for the year ended 31 December 2012. The effects of the classification above for the year ended 31 December 2011 are as follows;

Statements of financial position

	Consolidated		
	Previously report Baht	Adjustments Baht	Restated Baht
Cash and cash equivalents	1,521,793,817	(405,000,000)	1,116,793,817
Temporary investments at financial institutions	9,772,487	405,000,000	414,772,487
	Company		
	Previously report Baht	Adjustments Baht	Restated Baht
Cash and cash equivalents	1,392,325,150	(405,000,000)	987,325,150
Temporary investments at financial institutions	9,036,487	405,000,000	414,036,487

## 2 Accounting policies <sup>(Cont'd)</sup>

### 2.1 Basis of preparation

Statements of comprehensive income

	Consolidated		
	Previously report Baht	Adjustments Baht	Restated Baht
Cost of rental and services	(58,116,492)	(31,704,062)	(89,820,554)
Administrative expenses	(333,232,220)	31,704,062	(301,528,158)
	Company		
	Previously report Baht	Adjustments Baht	Restated Baht
Cost of rental and services	(33,004,910)	(31,704,062)	(64,708,972)
Administrative expenses	(322,853,978)	31,704,062	(291,149,916)

The presentation of the statements of financial position as at 1 January 2011 has been presented in accordance with TAS1, Presentation of Financial Statements that has no effect from the reclassification.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### 2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards

- a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards that are not yet effective and have not been early adopted by the Group. Except for Thai Accounting Standards ("TAS") no. 12 "Income taxes" which The Group has early adopted before the effective date.

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
IFRS 8	Operating Segments
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

The Group's management has determined that the new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards either are irrelevant to the Company or have no significant impact on the financial statements being presented.

IFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on disclosure.

## 2 Accounting policies <sup>(Cont'd)</sup>

### 2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards <sup>(Cont'd)</sup>

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. TFRIC 4 is not relevant to the group's operations.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC 12 is not relevant to the group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. TFRIC 13 is not relevant to the group's operations.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. TSIC 29 is not relevant to the group's operations.

### 2.3 Group Accounting - Investments in subsidiaries and associates

#### (1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity including the potential voting right from other companies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's principal subsidiaries is set out in Note 14.

## 2 Accounting policies <sup>(Cont'd)</sup>

### 2.3 Group Accounting - Investments in subsidiaries and associates <sup>(Cont'd)</sup>

#### (2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

#### (3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.15 for the impairment of assets.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income from revaluation after acquisition is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Group's principal associates is set out in Note 14.

### 2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions of the Group are translated into Thai Baht using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into Thai Baht at the exchange rates prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

### 2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

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## **2 Accounting policies** <sup>(Cont'd)</sup>

### **2.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss within administrative expense.

### **2.7 Inventories**

The Group's inventories comprise condominium units, land and single detached houses for sale, construction supplies for sale, and food and beverage and supplies. Inventories are stated on the statement of financial position at the lower of cost or net realisable value. Costs of inventories are determined on the following basis:

- Costs of condominium units, land and single detached houses for sale are determined by the specific method.
- Costs of construction supplies are determined by the first-in, first-out method.
- Cost of food and beverage and supplies are determined by weighted average cost method.

The cost of inventory comprises purchase and construction costs and other direct costs. Net realisable value is the estimate of the selling price in the ordinary course of business less costs of completions and costs necessary to make the sales and selling expenses. Allowance is made, where necessary, for impaired and obsolete inventories.

### **2.8 Real estate development cost**

Real estate development cost is stated at cost less allowance for loss on projects. Costs include cost of land, cost of land development, costs of constructions of real estate projects and infrastructure and related borrowing costs.

The Group recognises real estate development cost upon the transfer of title to the buyer (Note 2.9).

### **2.9 Construction contracts**

Revenue and cost on a construction contract is recognised the transfer of title to the buyer. The amount of the anticipated loss is fully recognised in the period in the profit or loss when it is probable that the total contract cost in excess of total contract revenue.

Installment under the contract is shown as "Deposits and advance received from customers"

### **2.10 Investments**

Investments in non-marketable equity securities are classified as general investments. General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.



## 2 Accounting policies (Cont'd)

### 2.11 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land and construction held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to their residual values over their estimated useful lives, as follows:

Buildings	20 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### 2.12 Property, plant and equipment

Property, plant and equipment comprise of land of clubhouses, clubhouses, building for lease, building improvements, sale office building and building improvements and office equipment. Clubhouses comprise clubhouse buildings, swimming pools and sports clubs. Land is stated at cost less an allowance for impairment. Clubhouses, plant, sale office building and building improvements and equipment are initially recorded at cost less accumulated depreciation and an allowance for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, except furniture and fixtures, and equipment purchase from 1 January 2010 onwards using double declining method, to write off the cost of each assets to its residual value over the estimate useful lives as follows:

Clubhouses	5 - 20 years
Building for lease	20 years
Building improvement	3 - 10 years
Sale office building and building improvements	20 years
Furniture and fixtures, and equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, of the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within other gains or loss in the profit or loss.

## 2 Accounting policies <sup>(Cont'd)</sup>

### 2.13 Capitalisation of borrowing costs

Borrowing costs to finance the construction of property and equipment are capitalised during the period of time that is required to complete and prepare the property for its intended use as part of cost of the asset. The borrowing costs include interest on short-term and long-term borrowings.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is a weighted average interest rate applicable to the Group's outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of property and equipment, the amount of borrowing costs eligible for capitalisation on that asset is determined at the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investments of those borrowings.

### 2.14 Intangible assets

#### Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years.

### 2.15 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.16 Deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## **2 Accounting policies** <sup>(Cont'd)</sup>

### **2.16 Deferred income taxes** <sup>(Cont'd)</sup>

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **2.17 Leases - where the Group is the lessee**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

#### **Leases - where the Group is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **2.18 Borrowings**

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

### **2.19 Employee benefits**

Group companies operate various pension schemes. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The schemes are generally funded through payments to trustee-administered funds. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit, that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changed in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

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## **2 Accounting policies** <sup>(Cont'd)</sup>

### **2.19 Employee benefits** <sup>(Cont'd)</sup>

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to privately administered fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **2.20 Provisions - general**

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.21 Revenue recognition**

Real estate development business

Revenues from sales of land and single detached house and condominium units are recognised upon the transfer of the title to buyer. See accounting policy note 2.9.

Other revenues

Other revenues comprise the fair value for the consideration received or receivable for the sale of goods and services net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from services is recognised as revenue in the year in which the service is rendered.

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Income from contracts cancellation is recognised when contracts are cancelled by customers.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

### **2.22 Dividends**

Dividends are recorded in the consolidated and company's financial statements in the period in which they were approved by the shareholders.

### **2.23 Segment reporting**

Segment information is presented by business segment of operations of the Group and the Company.

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### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

##### 3.1.1 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in market foreign exchange rate.

The Group has no significant exposure to foreign exchange risk due to there are no significant financial assets and liabilities denominated in foreign currency. As a result, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk since management believes that future movements in market foreign exchange will not materially affect the Group's operating results.

##### 3.1.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The Group has not entered into interest rate swap contract covering the interest rate risk because the management believe that effect of interest rate fluctuation will not materially affect the Group.

##### 3.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

The Group has no significant concentrations of credit risk. Cash is placed with reputable financial institutions. Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group's large number of customers in a variety of businesses. Due to these factors, management believes that no additional credit risk beyond the recorded allowance for doubtful accounts for uncollectible debts.

##### 3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### 3 Financial risk management <sup>(Cont'd)</sup>

#### 3.2 Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Group has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

When there is infrequent activity in a market, the market is not well established or small volumes are traded relative to the number of trading units of a financial instrument to be valued, quoted market prices may not be indicative of the fair value of the instrument. In these circumstances, as well as when a quoted market price is not available, estimation techniques may be used to determine the fair value with sufficient reliability to satisfy the Group. Techniques that are well established in financial markets include reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. In applying discounted cash flow analysis, an enterprise uses a discount rate equal to the prevailing market rate of interest for financial instruments having substantially the same terms and characteristics, including the creditworthiness of the debtor, the remaining term over which the contractual interest rate is fixed, the remaining term for repayment of the principal and the currency in which payments are to be made.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

Information on the fair values of borrowings is included in Note 20.

### 4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### (a) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based on part on current market conditions. Additional information is disclosed in Note 23.

### 5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt

## 6 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash on hand	485,755	252,885	485,435	252,885
Cheque on hand	9,222,728	12,544,063	9,222,728	12,544,063
Deposits held at call, fixed deposits and promissory notes with maturities of 3 months or less	3,025,310,385	1,103,996,869	2,563,205,817	974,528,202
Total cash and cash equivalents	3,035,018,868	1,116,793,817	2,572,913,980	987,325,150

As at 31 December 2012, fixed deposits at banks and promissory notes with maturities of 3 months of local financial institutions carry interest at the rates of 1.60% - 3.30% per annum (2011 : 1.75% - 3.85% per annum).

## 7 Temporary investments at financial institutions

As at 31 December 2012, temporary investments at financial institutions in the consolidated and company financial statements with a net book value of Baht 57.04 million and Baht 26.54 million (2011 : Baht 414.77 million and Baht 414.04 million), respectively, are fixed deposits and promissory notes with maturities after 3 months, at banks with interest rates at 1.60% - 3.20% per annum (2011 : 1.75% - 4.50% per annum). The temporary investment at financial institutions in the consolidated and company financial statements of Baht 13.04 million and Baht 12.54 million (2011 : Baht 9.77 million and Baht 9.04 million), respectively, are pledged with the banks for letters of guarantee issued by the banks to State Enterprises and Land Allotment Supervision Board (Note 33).

## 8 Trade and other receivables (net)

Trade and other receivables (net) as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Short-term trade accounts receivable				
- rental and services business	2,891,182	1,218,619	2,891,182	1,218,619
Advance to contractor	596,471,341	143,784,687	595,837,925	143,539,308
Accrued management income				
- related companies (Note 9 b))	-	-	4,585,076	4,585,076
- other companies	1,959,259	1,976,379	1,959,259	1,976,379
Accrued rental and service income				
- other companies	3,719,614	7,016,121	917,901	2,115,985
Interest receivable				
- other companies	19,726,806	19,726,806	19,726,806	19,726,806
- financial institutions	8,886,962	6,786,464	7,419,273	6,222,949
Advances to employees	480,000	408,023	480,000	408,023
Advances to juristic person	279,025	259,088	279,025	259,088
Other receivable	8,515,057	7,469,811	5,787,493	4,773,343
Total	642,929,246	188,645,998	639,883,940	184,825,576
Less Allowance for doubtful account from accrued management income				
- related companies (Note 9 b))	-	-	(4,585,076)	(4,585,076)
- other companies	(1,959,259)	(1,959,259)	(1,959,259)	(1,959,259)
Allowance for doubtful accounts from interest receivable				
- other companies	(19,726,806)	(19,726,806)	(19,726,806)	(19,726,806)
Allowance for doubtful accounts from other receivables	(1,640,656)	(1,640,656)	(1,640,656)	(1,640,656)
Total trade and other receivables (net)	619,602,525	165,319,277	611,972,143	156,913,779
Long-term trade accounts receivable	498,088	503,302	498,088	503,302
Less Allowance for doubtful account from long-term trade accounts receivable	(498,088)	(498,088)	(498,088)	(498,088)
Total long-term trade accounts receivable (net)	-	5,214	-	5,214

As at 31 December 2012, long-term trade accounts receivable included 10 troubled debtors (2011 : 11 debtors) which the Company fully provided an allowance for doubtful debts. All long-term accounts receivable have been outstanding for more than 12 months.



## 9 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and follow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and related companies are as follows:

Related company name	Relationship with the Company
Continental City Company Limited	a subsidiary company
Research & Consultant Company Limited	a subsidiary company
Ban Suk Sabai Company Limited	a subsidiary company
S&P Property Management Company Limited	a subsidiary company

The majority of the Company's shares are widely held by public through the Stock Exchange of Thailand.

- a) The following significant transactions incurred during the years ended 31 December 2012 and 2011 are carried out with related parties:

		Company			
		2012	2011		
Subsidiaries		Baht	Baht		
Interest income	Ban Suk Sabai Company Limited	1,267,695	1,347,207		
	S&P Property Management Company Limited	763,961	858,188		
	Research & Consultant Company Limited	205,353	199,545		
	Continental City Company Limited	-	212,432		
		2,237,009	2,617,372		
Interest expense (Note 9 d))	Continental City Company Limited	289,067	188,944		
		Consolidated	Company		
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Management benefit expenses	34,031,200	36,202,349	34,031,200	36,202,349	
Management benefit obligation	587,316	549,868	587,316	549,868	
Directors' remuneration	2,305,000	2,185,000	2,305,000	2,185,000	

Interest income was charged from subsidiaries at the rates of 5.82% - 5.94% per annum (2011 : 5.72% per annum).

Interest expense was paid to subsidiary at the rates of 5.81% per annum (2011 : 5.81% per annum).

## 9 Related party transactions (Cont'd)

Management benefit expenses represent benefits which management has received from the Company. The definition of “management” is in accordance with the laws on securities and exchange.

Management benefit obligations represent retirement benefits for management which is calculated by independent actuary.

Directors’ remuneration was approved at the shareholders’ annual general meeting.

b) Outstanding balances as at 31 December 2012 and 2011 arising from services provided are as follows:

		Company	
		2012	2011
Subsidiaries		Baht	Baht
Accrued management income (Note 8)	Ban Suk Sabai Company Limited	2,310,962	2,310,962
	S & P Property Management Company Limited	2,274,114	2,274,114
		4,585,076	4,585,076
<u>Less</u> Allowance for doubtful accounts		(4,585,076)	(4,585,076)
Total accrued management income (net)		-	-

c) Short-term loans to and amounts due from subsidiaries (net)

Short-term loans to and amounts due from subsidiaries (net) as at 31 December 2012 and 2011 comprise the following:

Company						
2012 (Baht)						
Short-term loans to and amounts due from subsidiaries	Average interest rate (%)	Short-term loans	Interest receivable	Other receivables	Less allowance for doubtful accounts	Short-term loans to and amounts due from subsidiaries (net)
Continental City Company Limited	5.81	-	-	-	-	-
S&P Property Company Limited	5.82	13,080,000	3,390,303	-	(16,470,303)	-
Ban Suk Sabai Company Limited	5.94	21,154,684	8,356,223	-	(29,510,907)	-
Research & Consultant Company Limited	5.94	3,552,360	3,244,293	-	(6,796,653)	-
Total short-term loans to and amounts due from subsidiaries (net)		37,787,044	14,990,819	-	(52,777,863)	-

## 9 Related party transactions (Cont'd)

### c) Short-term loans to and amounts due from subsidiaries (net) (Cont'd)

Short-term loans to and amounts due from subsidiaries (net) as at 31 December 2012 and 2011 comprise the following: (Cont'd)

Company						
2011 (Baht)						
Short-term loans to and amounts due from subsidiaries	Average interest rate (%)	Short-term loans	Interest receivable	Other re-ceiv-ables	Less allowance for doubtful accounts	Short-term loans to and amounts due from subsidiaries (net)
Continental City Company Limited	5.72	-	-	30,775	-	-
S&P Property Company Limited	5.72	14,744,031	2,965,395	-	(17,709,426)	-
Ban Suk Sabai Company Limited	5.72	21,904,684	7,642,361	2,350	(29,549,395)	-
Research & Consultant Company Limited	5.72	3,417,360	3,064,221	50	(6,481,631)	-
Total short-term loans to and amounts due from subsidiaries (net)		40,066,075	13,671,977	33,175	(53,740,452)	30,775

Short-term loans to subsidiaries are unsecured loans denominated in Thai Baht and called on demand.

Amounts due from subsidiaries represent interest receivable for the loans to subsidiaries and other receivables.

The movement of short-term loans to and amounts due from subsidiaries (net) for the years ended 31 December 2012 and 2011 are as follows:

Company		
	2012	2011
	Baht	Baht
Opening net book value	30,775	30,862,065
Loans - Repayments	970,000	200,000
- Proceeds	(3,249,031)	(30,200,000)
Interest receivable - Increase	3,020,579	1,194,558
- Proceeds	(1,701,737)	-
Increase (decrease) in other receivables	(33,175)	3,371
Net (increase) decrease in allowance for doubtful accounts (Note 29)	962,589	(2,029,219)
Ending net book value	-	30,775

## 9 Related party transactions (Cont'd)

### d) Short-term borrowing from and amount due to subsidiary

The movements of short-term borrowing from and amount due to subsidiary for the years ended 31 December 2012 and 2011 are as follows:

	Company	
	2012	2011
Continental City Company Limited	Baht	Baht
Opening net book value	128,170,002	-
Loans - Proceeds (Note 20.1)	14,000,000	145,000,000
- Repayments (Note 20.1)	(142,000,000)	(17,000,000)
Accrued interest expense - Increase (Note 9 a))	289,067	188,944
- Repayments	(459,069)	(18,942)
Ending net book value	-	128,170,002

As at 31 December 2011, short-term borrowings from subsidiary are unsecured denominated in Thai Baht and repayable on demand with interest rate 5.81% per annum.

## 10 Inventories (net)

Inventories (net) as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Land for sale	234,480,315	234,480,315	234,480,315	234,480,315
Houses for sale	172,011,340	176,831,451	172,011,340	176,831,451
Condominium units for sale	427,442,851	820,828,582	273,842,303	469,384,104
Bought condominium units for sale	6,106,000	7,882,800	6,106,000	6,106,000
Construction supplies	1,420,864	1,420,864	-	-
Retails merchandise	3,060,497	2,560,560	3,060,497	2,560,560
	844,521,867	1,244,004,572	689,500,455	889,362,430
<u>Less</u> Allowance for impairment				
- condominium units for sale	(33,755,246)	(33,755,246)	(33,755,246)	(33,755,246)
Allowance for obsolescence				
- construction supplies	(1,420,864)	(1,420,864)	-	-
Total inventories (net)	809,345,757	1,208,828,462	655,745,209	855,607,184

As at 31 December 2011, the Company's inventories have been impacted by the flood only one project which construction cost proportion is 0.71% and 0.74% of inventory and real estate development cost balance presented in consolidated and company statement of financial position as at 31 December 2011, respectively. However; the assets affected by the flood are insured, therefore, there is no allowance for damaged inventory provided.

## 11 Real estate development cost

Real estate development cost as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Land development	7,927,987,390	7,564,384,417	7,927,480,030	7,564,384,417
Construction in progress	1,869,839,279	1,664,303,357	1,869,839,279	1,664,303,357
Capitalised interest	722,461,808	434,767,291	722,461,808	434,767,291
Mocks up and project offices	74,218,019	65,450,009	74,218,019	65,450,009
Other related costs	47,223,817	39,699,089	47,223,817	39,699,089
Total	10,641,730,313	9,768,604,163	10,641,222,953	9,768,604,163
Less Transfer to cost of sales	(1,816,357,374)	(1,540,613,744)	(1,816,357,374)	(1,540,613,744)
Total real estate development cost	8,825,372,939	8,227,990,419	8,824,865,579	8,227,990,419
Capitalised interest during the year	319,355,529	267,147,653	319,355,529	267,147,653
Total value of contracts signed	18,112,714,746	13,557,484,732	14,775,883,892	13,557,484,732

As at 31 December 2012, real estate development costs in the consolidated and company financial statements with a net book value of Baht 6,998 million and Baht 6,998 million (2011 : Baht 7,086 million and Baht 7,086 million), respectively, were being used as collaterals against the borrowings of the Company from local banks amounting to Baht 4,173 million and Baht 4,173 million (2011 : Baht 4,196 million and Baht 4,196 million), respectively (Note 20.2).

## 12 Other current assets

Other current assets as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Land deposits	61,217,503	121,924,933	61,217,503	121,924,933
Value added tax refundable	2,883,691	279,375	-	-
Total other current assets	64,101,194	122,204,308	61,217,503	121,924,933

### 13 Long-term loans to and amounts due from other company (net)

Long-term loans to and amounts due from other company (net) as at 31 December 2012 and 2011 comprise the following:

Consolidated and Company						
2012 (Baht)						
	Average interest rate (%)	Long-term loans	Interest receivable	Other receivables	Less allowance for doubtful accounts	Total (net)
Bangplee View Company Limited	7.50 - 8.00	80,653,000	41,750,620	-	(33,210,399)	89,193,221

Consolidated and Company						
2011 (Baht)						
	Average interest rate (%)	Long-term loans	Interest receivable	Other receivables	Less allowance for doubtful accounts	Total (net)
Bangplee View Company Limited	7.50 - 8.00	83,000,000	37,275,101	12,407,638	(26,534,099)	106,148,640

As at 31 December 2012 and 2011, long-term loans to and amounts due from other company which used to be an associate in the Group, represent unsecured promissory note loans. The loans are denominated in Thai Baht. The loans are repayable at call.

However, the Company will not call the loans and interest receivable outstanding as at 31 December 2012 from Bangplee View Company Limited for settlement in the forthcoming twelve months from the statement of financial position date. Therefore, the Company presents the loans and interest receivable as long-term loans to and amounts due from other company.

The movements of the long-term loans to and amounts due from other company (net) for the years ended 31 December 2012 and 2011 are as follows:

Consolidated and Company		
	2012	2011
	Baht	Baht
Beginning net book value	106,148,640	104,906,884
Receipts of loan repayments	(2,347,000)	-
Interest receivable - Increase	6,159,323	6,286,000
- Proceeds	(1,683,804)	-
Other receivables - Increase	-	12,407,638
- Proceeds	(12,407,638)	-
Net increase in allowance for doubtful accounts (Note 29)	(6,676,300)	(17,451,882)
Ending net book value	89,193,221	106,148,640

#### 14 Investments in subsidiaries, associate and other investment (net)

		Company			
		Paid-up share capital		Percentage of holding	
	Principal activities	2012 Million Baht	2011 Million Baht	2012 Percent	2011 Percent
Investments in subsidiaries					
Continental City Company Limited	Real estate	440.0	440.0	100.0	100.0
Research & Consultant Company Limited	Construction service	10.0	10.0	65.0	65.0
Ban Suk Sabai Company Limited	Real estate	2.0	2.0	100.0	100.0
S&P Property Management Company Limited	Management service	2.0	2.0	100.0	100.0
Investment in associate					
N.K. Energy Conservation Company Limited	Light weight wall panel	6.5	6.5	49.9	49.9
Other investment					
Khonkaenland Development Group Company Limited	Real estate	265.0	265.0	1.9	1.9



#### 14 Investments in subsidiaries, associate and other investment (net) (Cont'd)

Investments in subsidiaries, associate and other investment (net) as at 31 December 2012 and 2011 comprise the following:

	Consolidated (Equity method)		Company (Cost method)	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Investments in subsidiaries				
Continental City Company Limited	-	-	442,783,506	442,783,506
Research & Consultant Company Limited	-	-	6,500,000	6,500,000
Ban Suk Sabai Company Limited	-	-	1,360,000	1,360,000
S&P Property Management Company Limited	-	-	5,000	5,000
	-	-	450,648,506	450,648,506
<u>Less</u> Allowance for impairment of investment in subsidiaries	-	-	(7,865,000)	(7,865,000)
	-	-	442,783,506	442,783,506
Investment in associate*				
N.K. Energy Conservation Company Limited	3,247,400	3,247,400	3,247,400	3,247,400
<u>Less</u> Allowance for impairment of investment in associate	(3,247,400)	(3,247,400)	(3,247,400)	(3,247,400)
	-	-	-	-
Other investment**				
Khonkaenland Development Group Company Limited	5,000,000	5,000,000	5,000,000	5,000,000
<u>Less</u> Allowance for impairment of other investment	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Other investment (net)	-	-	-	-
Total investments in subsidiaries, associate and other investment (net)	-	-	442,783,506	442,783,506

\* According to Group's policy, investment in associate is presented in consolidated financial statements by using equity method. However, the operation of this associate does not form significant part to the Group.

In addition, the Group has already provided full allowance for impairment for this investment. Therefore, the Company has presented investment in associate in consolidated financial statements by using cost method.

\*\* Other investment is presented at cost in consolidated statement.

## 15 Investment properties (net)

The movements of investment properties (net) for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated				Company			
	Land Baht	Building Baht	Others Baht	Total Baht	Land Baht	Building Baht	Others Baht	Total Baht
<b>As at 1 January 2011</b>								
Cost	338,094,497	396,282,818	17,802,912	752,180,227	197,218,787	174,931,415	16,990,307	389,140,509
<u>Less</u> Accumulated depreciation	-	(47,478,788)	(11,072,184)	(58,550,972)	-	(46,343,098)	(11,057,034)	(57,400,132)
<u>Less</u> Allowance for impairment	(57,000,000)	-	-	(57,000,000)	(57,000,000)	-	-	(57,000,000)
Net book value	281,094,497	348,804,030	6,730,728	636,629,255	140,218,787	128,588,317	5,933,273	274,740,377
<b>For the year ended 31 December 2011</b>								
Opening net book amount	281,094,497	348,804,030	6,730,728	636,629,255	140,218,787	128,588,317	5,933,273	274,740,377
Additions	-	4,169,149	851,339	5,020,488	-	-	-	-
Transfer from inventories	-	4,897,350	-	4,897,350	-	4,897,350	-	4,897,350
Transfer to real estate development cost	(39,643,281)	(6,399,043)	(18,533)	(46,060,857)	-	-	-	-
Depreciation (Note 29)	-	(36,290,284)	(3,044,020)	(39,334,304)	-	(11,686,177)	(2,536,545)	(14,222,722)
Impairment charge	(1,290,776)	-	-	(1,290,776)	(1,290,776)	-	-	(1,290,776)
Closing net book value	240,160,440	315,181,202	4,519,514	559,861,156	138,928,011	121,799,490	3,396,728	264,124,229
<b>As at 31 December 2011</b>								
Cost	298,451,216	398,950,274	18,635,718	716,037,208	197,218,787	179,828,765	16,990,307	394,037,859
<u>Less</u> Accumulated depreciation	-	(83,769,072)	(14,116,204)	(97,885,276)	-	(58,029,275)	(13,593,579)	(71,622,854)
<u>Less</u> Allowance for impairment	(58,290,776)	-	-	(58,290,776)	(58,290,776)	-	-	(58,290,776)
Net book value	240,160,440	315,181,202	4,519,514	559,861,156	138,928,011	121,799,490	3,396,728	264,124,229

**15 Investment properties (net)** (Cont'd)

The movements of investment properties (net) for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

	Consolidated				Company			
	Land Baht	Building Baht	Others Baht	Total Baht	Land Baht	Building Baht	Others Baht	Total Baht
<b>For the year ended 31 December 2012</b>								
Opening net book value	240,160,440	315,181,202	4,519,514	559,861,156	138,928,011	121,799,490	3,396,728	264,124,229
Additions	-	24,529,692	155,392	24,685,084	-	-	-	-
Transfer from property, plant and equipment (Note 16)								
- cost	-	-	9,252	9,252	-	-	9,252	9,252
- accumulated depreciation	-	-	(314)	(314)	-	-	(314)	(314)
Depreciation (Note 29)	-	(33,682,302)	(3,037,884)	(36,720,186)	-	(11,415,284)	(2,537,921)	(13,953,205)
Closing net book amount	240,160,440	306,028,592	1,645,960	547,834,992	138,928,011	110,384,206	867,745	250,179,962
<b>As at 31 December 2012</b>								
Cost	298,451,216	423,479,966	18,800,362	740,731,544	197,218,787	179,828,765	16,999,559	394,047,111
Less Accumulated depreciation	-	(117,451,374)	(17,154,402)	(134,605,776)	-	(69,444,559)	(16,131,814)	(85,576,373)
Less Allowance for impairment	(58,290,776)	-	-	(58,290,776)	(58,290,776)	-	-	(58,290,776)
Net book value	240,160,440	306,028,592	1,645,960	547,834,992	138,928,011	110,384,206	867,745	250,179,962
Fair value				1,014,822,923				636,437,581

## 15 Investment properties (net) (Cont'd)

The Group's managements have estimated fair value of investment properties as at 31 December 2012 by using the methods as follows:

- Land blank                      Appraisal value by external independent valuers and compare with appraisal value of Land Department.  
Appraisal value by external independent valuers of land (same area) - in case that there is no appraisal value by Land Department.
- Land with construction      Discount cash flow projections based on reliable estimates of future cash flows, supported by the terms of existing lease and other contracts and discounted by company's weighted average cost of capital.

Amounts recognised in profit or loss that are related to investment property are as follows:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Rental income	20,088,085	28,369,055	12,058,128	19,936,652
Direct operating expense arise from investment property that generated rental income for the year	7,978,630	14,119,283	3,459,156	7,072,239
Direct operating expense arise from investment property that did not generate rental income for the year	28,496,687	24,965,458	10,249,181	6,900,919

As at 31 December 2012, land and building for lease in the consolidated and the company with net book values amounting to approximately Baht 103 million and Baht 44 million (2011 : Baht 160 million and Baht 54 million), respectively are under a three-year operating lease agreement with a non-related company. The non-related company has an option to renew this operating lease agreement for another three-year period.

As at 31 December 2012, land for sale with a net book value of Baht 7.21 million (2011 : Baht 7.21 million) is used as a collateral at the court.

## 16 Property, plant and equipment (net)

The movements of property, plant and equipment (net) for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated (Baht)								
	Land	Sale office	Furniture and fixtures, office equipment and vehicles	Clubhouses	Building for lease	Building improvements for lease	Equipments used for building for lease	Furniture and fixtures for lease	Total
As at 1 January 2011									
Cost	187,598,469	-	90,243,960	101,614,321	171,134,019	64,749,036	7,134,398	74,738,422	697,212,625
Less									
Accumulated depreciation	-	-	(81,763,750)	(46,821,146)	(21,424,137)	(16,189,087)	(3,274,004)	(37,619,109)	(207,091,233)
Allowance for impairment	(13,740,000)	-	-	(49,531,041)	-	-	-	-	(63,271,041)
Net book value	173,858,469	-	8,480,210	5,262,134	149,709,882	48,559,949	3,860,394	37,119,313	426,850,351
For the year ended 31 December 2011									
Opening net book value	173,858,469	-	8,480,210	5,262,134	149,709,882	48,559,949	3,860,394	37,119,313	426,850,351
Additions	-	-	5,536,803	18,130	-	-	483,700	164,111	6,202,744
Transfer from real estate development cost	-	44,963,093	-	-	-	-	-	-	44,963,093
Disposals - cost	-	-	(418,510)	-	-	-	-	-	(418,510)
- accumulated depreciation	-	-	415,736	-	-	-	-	-	415,736
Depreciation charge (Note 29)	-	(2,888,276)	(4,724,047)	(580,915)	(8,556,701)	(6,474,904)	(1,618,759)	(15,053,698)	(39,897,300)
Closing net book value	173,858,469	42,074,817	9,290,192	4,699,349	141,153,181	42,085,045	2,725,335	22,229,726	438,116,114

## 16 Property, plant and equipment (net) (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

	Consolidated (Baht)								
	Land	Sale office	Furniture and fixtures, office equipment and vehicles	Clubhouses	Building for lease	Building improvements for lease	Equipments used for building for lease	Furniture and fixtures for lease	Total
As at 31 December 2011									
Cost	187,598,469	44,963,093	95,362,253	101,632,451	171,134,019	64,749,036	7,618,098	74,902,533	747,959,952
Less Accumulated depreciation	-	(2,888,276)	(66,072,061)	(47,402,061)	(29,980,838)	(22,663,991)	(4,892,763)	(52,672,807)	(246,572,797)
Allowance for impairment	(13,740,000)	-	-	(49,531,041)	-	-	-	-	(63,271,041)
Net book value	173,858,469	42,074,817	9,290,192	4,699,349	141,153,181	42,085,045	2,725,335	22,229,726	438,116,114

## 16 Property, plant and equipment (net) (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

	Consolidated (Baht)								
	Land	Sale office	Furniture and fixtures, office equipment and vehicles	Club-houses	Building for lease	Building improvements for lease	Equipments used for building for lease	Furniture and fixtures for lease	Total
<b>For the year ended 31 December 2012</b>									
Opening net book value	173,858,469	42,074,817	9,290,192	4,699,349	141,153,181	42,085,045	2,725,335	22,229,726	438,116,114
Additions	-	8,149,438	2,663,154	22,690	342,884	-	568,037	190,307	11,936,510
Transfer to real estate development cost	-	(633,771)	-	-	-	-	-	-	(633,771)
Transfer to investment properties (Note 15)									
- cost	-	-	(9,252)	-	-	-	-	-	(9,252)
- accumulated depreciation	-	-	314	-	-	-	-	-	314
Disposals - cost	-	(31,053,865)	(503,134)	(1,500)	-	-	-	-	(31,558,499)
- accumulated depreciation	-	4,510,153	498,028	1,499	-	-	-	-	5,009,680
Depreciation charge (Note 29)	-	(6,566,884)	(5,637,425)	(523,004)	(8,558,157)	(6,474,904)	(1,612,059)	(14,993,032)	(44,365,465)
Closing net book value	173,858,469	16,479,888	6,301,877	4,199,034	132,937,908	35,610,141	1,681,313	7,427,001	378,495,631
<b>As at 31 December 2012</b>									
Cost	187,598,469	21,424,895	97,513,021	101,653,641	171,476,903	64,749,036	8,186,135	75,092,840	727,694,940
Less Accumulated depreciation	-	(4,945,007)	(91,211,144)	(47,923,566)	(38,538,995)	(29,138,895)	(6,504,822)	(67,665,839)	(285,928,268)
Allowance for impairment	(13,740,000)	-	-	(49,531,041)	-	-	-	-	(63,271,041)
Net book value	173,858,469	16,479,888	6,301,877	4,199,034	132,937,908	35,610,141	1,681,313	7,427,001	378,495,631

## 16 Property, plant and equipment (net) (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

	Company (Baht)								
	Land	Sale office	Furniture and fixtures, equipment and vehicles	Club-houses	Building for lease	Building improvements for lease	Equip-ments used for building for lease	Furniture fixtures for lease	Total
As at 1 January 2011									
Cost	186,494,007	-	89,390,009	101,614,321	171,134,019	64,749,036	7,134,398	74,738,422	695,254,212
Less Accumulated depreciation	-	-	(81,088,897)	(46,821,146)	(21,424,137)	(16,189,087)	(3,274,004)	(37,619,109)	(206,416,390)
Allowance for impairment	(13,740,000)	-	-	(49,531,041)	-	-	-	-	(63,271,041)
Net book value	172,754,007	-	8,301,112	5,262,134	149,709,882	48,559,949	3,860,394	37,119,313	425,566,791
For the year ended 31 December 2011									
Opening net book value	172,754,007	-	8,301,112	5,262,134	149,709,882	48,559,949	3,860,394	37,119,313	425,566,791
Additions	-	-	5,481,416	18,130	-	-	483,700	164,111	6,147,357
Transfer from real estate development cost	-	44,963,093	-	-	-	-	-	-	44,963,093
Disposals - cost	-	-	(413,020)	-	-	-	-	-	(413,020)
- accumulated depreciation	-	-	413,017	-	-	-	-	-	413,017
Depreciation charge (Note 29)	-	(2,888,276)	(4,628,243)	(580,915)	(8,556,701)	(6,474,904)	(1,618,759)	(15,053,698)	(39,801,496)
Closing net book value	172,754,007	42,074,817	9,154,282	4,699,349	141,153,181	42,085,045	2,725,335	22,229,726	436,875,742
As at 31 December 2011									
Cost	186,494,007	44,963,093	94,458,405	101,632,451	171,134,019	64,749,036	7,618,098	74,902,533	745,951,642
Less Accumulated depreciation	-	(2,888,276)	(85,304,123)	(47,402,061)	(29,980,838)	(22,663,991)	(4,892,763)	(52,672,807)	(245,804,859)
Allowance for impairment	(13,740,000)	-	-	(49,531,041)	-	-	-	-	(63,271,041)
Net book value	172,754,007	42,074,817	9,154,282	4,699,349	141,153,181	42,085,045	2,725,335	22,229,726	436,875,742





## 16 Property, plant and equipment (net) (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

As at 31 December 2012, the gross carrying amounts before a deduction of accumulated depreciation of fully depreciated plant and equipment that still in use in the consolidated and company financial statements are Baht 86 million and Baht 84 million (2011 : Baht 79 million and Baht 78 million), respectively.

Depreciation charge in the consolidated and company financial statements are Baht 44,365,465 and Baht 44,234,727 (2011: Baht 39,897,300 and Baht 39,801,496) will be recorded in cost of rental and services amounting to Baht 31,638,152 and Baht 31,638,152 (2011 : Baht 31,704,062 and 31,704,062) and administrative expenses amounting to Baht 12,727,313 and Baht 12,596,575 (2011 : Baht 8,193,238 and Baht 8,097,434), respectively.

## 17 Intangible assets (net)

The movements of intangible assets (net) for the years ended 31 December 2012 and 2011 comprise the following:

	Computer software	
	Consolidated	Company
	Baht	Baht
<b>As at 1 January 2011</b>		
Cost	8,453,943	7,031,904
<u>Less</u> Accumulated amortisation	(4,700,346)	(3,288,119)
Net book value	3,753,597	3,743,785
<b>For the year ended 31 December 2011</b>		
Opening net book value	3,753,597	3,743,785
Additions	897,837	897,837
Amortisation charge (Note 29)	(1,691,295)	(1,683,172)
Closing net book value	2,960,139	2,958,450
<b>As at 31 December 2011</b>		
Cost	9,351,780	7,929,741
<u>Less</u> Accumulated amortisation	(6,391,641)	(4,971,291)
Net book value	2,960,139	2,958,450

## 17 Intangible assets (net) <sup>(Cont'd)</sup>

The movements of intangible assets (net) for the years ended 31 December 2012 and 2011 comprise the following: <sup>(Cont'd)</sup>

	Computer software	
	Consolidated	Company
	Baht	Baht
<b>For the year ended 31 December 2012</b>		
Opening net book value	2,960,139	2,958,450
Additions	1,416,477	1,416,477
Disposals - cost	(651,309)	-
- accumulated amortisation	651,307	-
Amortisation charge (Note 29)	(2,275,000)	(2,274,186)
Closing net book value	2,101,614	2,100,741
<b>As at 31 December 2012</b>		
Cost	10,116,948	9,346,218
<u>Less</u> Accumulated amortisation	(8,015,334)	(7,245,477)
Net book value	2,101,614	2,100,741

Amortisation charge in the consolidated and company financial statements are Baht 2,275,000 and Baht 2,274,186 (2011 : Baht 1,691,295 and Baht 1,683,172) will be recorded in administrative expenses.

## 18 Deferred income taxes

Deferred income taxes as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered				
within 12 months	23,140,832	63,939,638	23,140,832	63,939,638
Deferred tax asset to be recovered				
after more than 12 months	80,153,161	36,810,635	80,153,161	36,810,635
<b>Total deferred tax assets</b>	<b>103,293,993</b>	<b>100,750,273</b>	<b>103,293,993</b>	<b>100,750,273</b>

The movement of deferred income taxes for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
As at 1 January	100,750,273	83,975,666	100,750,273	83,689,689
(Debited)/credited to profit or loss				
(Note 30)	2,543,720	16,774,607	2,543,720	17,060,584
<b>As at 31 December</b>	<b>103,293,993</b>	<b>100,750,273</b>	<b>103,293,993</b>	<b>100,750,273</b>

## 18 Deferred income taxes (Cont'd)

The movement of deferred income taxes for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

	Consolidated		
	1 January 2012 Baht	(Debited) /Credit Baht	31 December 2012 Baht
Deferred income tax assets:			
Allowance for impairment in inventories	6,751,049	-	6,751,049
Allowance for doubtful long-term loans to and amounts due from other company	5,609,333	1,032,747	6,642,080
Allowance for impairment in investment properties	11,658,155	-	11,658,155
Deposits and advances received from customers	73,304,228	1,442,418	74,746,646
Employee benefits obligation	1,557,841	179,537	1,737,378
Others	1,869,667	(110,982)	1,758,685
	100,750,273	2,543,720	103,293,993
	Consolidated		
	1 January 2011 Baht	(Debited) /Credit Baht	31 December 2011 Baht
Deferred income tax assets:			
Allowance for impairment in inventories	8,438,811	(1,687,762)	6,751,049
Allowance for doubtful long-term loans to and amounts due from other company	2,270,554	3,338,779	5,609,333
Allowance for impairment in investment properties	14,250,000	(2,591,845)	11,658,155
Deposits and advances received from customers	54,731,905	18,572,323	73,304,228
Employee benefits obligation	1,758,553	(200,712)	1,557,841
Others	2,525,843	(656,176)	1,869,667
	83,975,666	16,774,607	100,750,273

## 18 Deferred income taxes (Cont'd)

The movement of deferred income taxes for the years ended 31 December 2012 and 2011 comprise the following: (Cont'd)

	Company		
	1 January 2012 Baht	(Debited) / Credited Baht	31 December 2012 Baht
Deferred income tax assets:			
Allowance for impairment in inventories	6,751,049	-	6,751,049
Allowance for doubtful long-term loans and amounts due from other company	5,609,333	1,032,747	6,642,080
Allowance for impairment in investment properties	11,658,155	-	11,658,155
Deposits and advances received from customers	73,304,228	1,442,418	74,746,646
Employee benefits obligation	1,557,841	179,537	1,737,378
Others	1,869,667	(110,982)	1,758,685
	100,750,273	2,543,720	103,293,993
	Company		
	1 January 2011 Baht	(Debited) / Credited Baht	31 December 2011 Baht
Deferred income tax assets:			
Allowance for impairment in inventories	8,438,811	(1,687,762)	6,751,049
Allowance for doubtful long-term loans and amounts due from other company	2,270,554	3,338,779	5,609,333
Allowance for impairment in investment properties	14,250,000	(2,591,845)	11,658,155
Deposits and advances received from customers	54,445,928	18,858,300	73,304,228
Employee benefits obligation	1,758,553	(200,712)	1,557,841
Others	2,525,843	(656,176)	1,869,667
	83,689,689	17,060,584	100,750,273

## 19 Other non-current assets (net)

Other non-current assets (net) as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Land deposits	140,000,000	140,000,000	140,000,000	140,000,000
Deposits - general	7,636,818	7,259,197	7,295,425	6,601,913
Deposit for investment	4,000,000	4,000,000	4,000,000	4,000,000
Receivable from Revenue Department	79,014	79,209	-	195
Income tax receivable	29,557	25,563	-	-
	151,745,389	151,363,969	151,295,425	150,602,108
<u>Less</u> Allowance for				
- deposits for investment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
- other deposits	(20,000)	(20,000)	(20,000)	(20,000)
Total other non-current assets (net)	147,725,389	147,343,969	147,275,425	146,582,108

As at 31 December 2012 and 2011, deposit for investment of Baht 4 million is a deposit in a fund to jointly bid in loan portfolios from the Financial Restructuring Authority Sector. The Company has a right to invest at 10% of the bid price or the minimum amount of Baht 37.5 million. At the present, the restructuring process has not yet been completed. However, as at 31 December 2012 and 2011, the Company has set up an allowance for unrecoverable for deposit for investment in full.

## 20 Borrowings

Borrowings as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<u>Current</u>				
Short-term borrowing				
- bills of exchange	641,468,976	590,536,346	641,468,976	590,536,346
- subsidiary (Note 9 d))	-	-	-	128,000,000
Current portion of long-term borrowings	-	195,500,000	-	195,500,000
<u>Non-current</u>				
Long-term borrowings from				
financial institutions	4,173,000,000	4,000,000,000	4,173,000,000	4,000,000,000
Debenture	2,991,822,132	1,493,331,723	2,991,822,132	1,493,331,723
Total borrowings	7,806,291,108	6,279,368,069	7,806,291,108	6,407,368,069

## 20 Borrowings (Cont'd)

20.1 The movements of short-term borrowings for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Opening balance	590,536,346	1,855,175,173	718,536,346	1,855,175,173
Additional borrowings				
- financial institutions				
and other investors	909,932,630	1,261,161,173	909,932,630	1,261,161,173
- subsidiary (Note 9 d))	-	-	14,000,000	145,000,000
Repayments of borrowings				
- financial institutions	(859,000,000)	(2,525,800,000)	(859,000,000)	(2,525,800,000)
- subsidiary (Note 9 d))	-	-	(142,000,000)	(17,000,000)
Ending balance	641,468,976	590,536,346	641,468,976	718,536,346

As at 31 December 2012, the Company's short-term borrowings represent bills of exchange due within one year issued to local financial institutions and other investors with interest at the rates of 4.40% - 4.70% per annum (2011 : 4.00% - 4.90% per annum) and the Company wholly settled borrowings from a subsidiary during 2012 (2011 : borrowings due at calls from a subsidiary amounting to Baht 128 million with interest rate of 5.81% per annum (Note 9 d)).



## 20 Borrowings (Cont'd)

20.2 The movements of the long-term borrowings from financial institutions for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<u>Current portion of</u>				
<u>long-term borrowings</u>				
Opening balance	195,500,000	360,000,000	195,500,000	360,000,000
Additional borrowings	-	125,000,000	-	125,000,000
Transfer from long-term borrowings	200,000,000	195,500,000	200,000,000	195,500,000
Repayments of borrowings	(395,500,000)	(485,000,000)	(395,500,000)	(485,000,000)
Ending balance	-	195,500,000	-	195,500,000
<u>Long-term borrowings</u>				
Opening balance	4,000,000,000	2,837,510,000	4,000,000,000	2,837,510,000
Additional borrowings	3,399,000,000	1,358,000,000	3,399,000,000	1,358,000,000
Transfer to current portion of long-term borrowings	(200,000,000)	(195,500,000)	(200,000,000)	(195,500,000)
Repayments of borrowings	(3,026,000,000)	(10,000)	(3,026,000,000)	(10,000)
Ending balance	4,173,000,000	4,000,000,000	4,173,000,000	4,000,000,000

The long-term borrowings as at 31 December 2012 and 2011 comprise the following:

Type of loan	Maturity date	Interest rate (%)		Interest payable	Collateral		Extent due date
		2012	2011		2012	2011	
Company							
Long-term loan	20 November 2012	-	MLR-1.00	Monthly basis	-	A	No
Long-term loan	21 April 2013**	-	MLR-1.00	Monthly basis	-	A	No
Long-term loan	16 March 2014***	MLR-1.50	MLR-1.50	Monthly basis	A	A	No
Long-term loan	12 July 2016*	-	MLR-1.50	Monthly basis	-	A	No
Long-term loan	28 October 2014***	MLR-1.50	MLR-1.50	Monthly basis	A	A	No
Long-term loan	6 May 2016	MLR-1.50	MLR-1.50	Monthly basis	A	A	No
Long-term loan	26 January 2017*	-	MLR-1.50	Monthly basis	-	A	No
Long-term loan	31 January 2017***	MLR-1.50	-	Monthly basis	A	-	No
Long-term loan	20 November 2017	MLR-1.50	-	Monthly basis	A	-	No

### Remark

A: Pledged its lands of related projects, including real estate development cost (Note 11).

\* : The Company has fully settled such loans on 27 June 2012 which was before maturity date.

\*\* : The Company has fully settled such loan on 25 September 2012 which was before maturity date.

\*\*\*: The Company will maintain the net debt to equity ratio as details specified in each borrowing agreement.

## 20 Borrowings (Cont'd)

20.3 Debentures (net) as at 31 December 2012 and 2011 represent unsubordinated, unsecured debenture with name registered and having bond holders' representative as follows:

	Consolidated and Company	
	2012 Baht	2011 Baht
Debenture - par value	1,500,000,000	1,500,000,000
Additional debenture	1,500,000,000	-
<u>Less</u> Prepaid underwriting fee for debenture	(8,177,868)	(6,668,277)
Debenture (net)	2,991,822,132	1,493,331,723

At the Extraordinary Shareholders' meeting held on 8 March 2005 and Board of directors' meeting held on 1 June 2011, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and having bond holders' representative for 3 years bond not over than Baht 1,500 million. They were offered to public and /or institutions investors. On 27 - 29 June 2011, they offer debenture at 1,500,000 units in par value of Baht 1,000 per unit aggregating to Baht 1,500 million. Interest was carried at the rate of 5.25%, 5.75% and 6.20% per annum in 1st, 2nd and 3rd year, respectively. Moreover, interest is repaid every three months. Debenture holds a lifespan of three years and maturity on 30 June 2014.

At the Annual General Meeting of the Company's Shareholders held on 27 April 2012 and Board of directors' meeting held on 12 July 2012, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have bond holders' representative for 3 years bond not over than Baht 1,500 million. They were offered to public and/or institutions investors. During 7 - 9 August 2012, they offer debenture at 1,500,000 units in par value of Baht 1,000 per unit aggregating to Baht 1,500 million. Interest was carried at the rate of 5.00%, 5.30% and 5.60% per annum in 1st, 2nd and 3rd year, respectively. Moreover, interest is repaid every three months. Debenture holds a lifespan of three years and maturity on 10 August 2015.

20.4 As at 31 December 2012 and 2011, fair value of certain long-term borrowings are as follows:

	Consolidated		Company	
	Fair value			
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Long-term borrowings from				
financial institutions	4,150,675,335	4,194,816,540	4,150,675,335	4,194,816,540
Debentures	3,011,546,571	1,497,659,529	3,011,546,571	1,497,659,529
Total fair value of long-term				
borrowings	7,162,221,906	5,692,476,069	7,162,221,906	5,692,476,069

## 20 Borrowings (Cont'd)

20.5 As at 31 December 2012 and 2011, the undrawn borrowings facilities are as follows:

	Consolidated and Company	
	2012 Million Baht	2011 Million Baht
<b>Unused credit lines</b>		
Floating interest rate borrowings		
- Maturity within 1 year	-	241
- Maturity more than 1 year	4,805	3,553
Total unused credit lines	4,805	3,794

## 21 Trade and other payables

Trade and other payables as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Trade accounts payable				
- construction	128,327,863	174,075,833	100,803,935	116,520,412
- rental and service	1,449,536	852,455	1,449,536	852,455
Retention payable	163,470,309	144,268,813	95,662,553	78,944,255
Other accounts payable	17,565,169	12,277,277	15,364,072	11,082,778
Accrued expenses	43,557,671	39,334,232	40,321,301	37,532,042
Accrued interest expenses				
- related companies (Note 9 d))	-	-	-	170,002
- other companies	35,311,314	1,831,774	35,311,314	1,831,774
Others	7,257,611	5,887,939	3,987,703	4,163,921
Total trade and other payables	396,939,473	378,528,323	292,900,414	251,097,639

## 22 Other current liabilities

Other current liabilities as at 31 December 2012 and 2011 comprise the following:

	Consolidated		Consolidated and Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Withholding tax payable	4,219,677	10,504,811	4,184,497	9,676,616
Value added tax payable	868,583	5,305,465	868,583	704,075
Total other current liabilities	5,088,260	15,810,276	5,053,080	10,380,691

## 23 Employee benefit obligations

The movement of employee benefit obligations for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated and Company	
	2012 Baht	2011 Baht
Opening balances as at 1 January	7,789,203	7,034,213
Increase during the year (Note 29)		
- current service cost	572,674	536,194
- interest cost	325,012	286,796
- past service cost	-	69,840
Payment during the year	-	(137,840)
Closing balances as at 31 December	8,686,889	7,789,203

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2012 %	2011 %
Discount rate	4.2	4.2
Inflation rate	3.5	3.5
Future salary increases	5.0 - 7.0	5.0 - 7.0

## 24 Dividend payment

At the Annual General Meeting of the Company's shareholders held on 27 April 2012, the shareholders approved to pay dividend in respect of the year 2011 of Baht 0.30 per share amounting to a total of Baht 136.94 million which were paid to the shareholders on 23 May 2012.

At the Annual General Meeting of the Company's shareholders held on 22 April 2011, the shareholders approved to pay dividend in respect of the year 2010 of Baht 0.45 per share amounting to a total of Baht 205.40 million which were paid to the shareholders on 18 May 2011.

## 25 Legal reserve

The movement of legal reserve for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated and Company	
	2012 Baht	2011 Baht
Opening balance	136,941,353	136,941,353
Appropriation during the year	-	-
Ending balance	136,941,353	136,941,353

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

## 26 Non-controlling interest

The movement of non-controlling interest for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated	
	2012 Baht	2011 Baht
Opening balance	-	-
Share of net profit (loss) of subsidiary	-	-
Disposition of investment in subsidiary to parent company	-	-
Ending balance	-	-

As at 31 December 2012 and 2011, a non-controlling interest of Research & Consultant Company Limited has still unpaid share subscription approximately Baht 2.6 million. As a result, a non-controlling interest is not calculated and presented.

## 27 Other income

Other income for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Interest income	71,146,844	49,646,654	63,523,398	47,766,702
Reversal of accrued tax surcharge	7,545,294	-	-	-
Gain from cancelled contracts	6,451,000	2,103,563	4,516,500	450,000
Reversal of other current liabilities	-	1,725,378	-	1,399,467
Net gain on disposals of plant and equipment	-	53,226	-	55,997
Others	12,438,502	5,322,710	7,781,558	3,739,513
Total other income	97,581,640	58,851,531	75,821,456	53,411,679

## 28 Other expenses

Other expenses for the years ended 31 December 2012 and 2011 comprise the following:

	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Net loss on disposals of plant and equipment	26,328,819	-	26,328,816	-
Loss on disposals of intangible assets	2	-	-	-
Total other expenses	26,328,821	-	26,328,816	-

## 29 Expenses by nature

The following significant expenditure items, classified by nature for the years ended 31 December 2012 and 2011, have been charged in profit before finance costs and income tax:

	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cost of real estate development sold				
during the year	1,489,452,115	1,685,722,058	1,261,584,683	1,341,060,750
Employee costs	157,820,321	152,260,823	157,390,508	151,750,364
Contribution to provident fund	5,851,997	5,461,350	5,851,997	5,461,350
Employee benefits obligation (Note 23)	897,686	892,830	897,686	892,830
Selling and sales promotion expenses	108,579,015	190,344,572	99,064,332	173,125,217
Project management expenses	24,982,894	23,241,904	24,982,894	23,241,904
Special business tax	81,856,772	93,272,399	69,987,513	74,642,371
Allowance for doubtful accounts:				
- short-term loans to and amounts				
due from subsidiaries (Note 9 c))	-	-	(962,589)	2,029,219
- long-term loans to and amounts				
due from other company (Note 13)	6,676,300	17,451,882	6,676,300	17,451,882
Depreciation charges (Note 15 and 16)	81,085,651	79,231,604	58,187,932	54,024,218
Amortisation charges (Note 17)	2,275,000	1,691,295	2,274,186	1,683,172

## 30 Income tax

Reconciliation of income tax expenses for the years ended 31 December 2012 and 2011 is as follows:

	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Current income tax:</b>				
Current income tax on taxable				
profit for the year	114,554,307	190,549,975	92,349,633	144,320,338
Adjustment in respect of over recorded				
prior year income tax (net)	(349,808)	(475,075)	(372,895)	(663,995)
Income tax refunded	(5,535,592)	-	(5,535,592)	-
Total current income tax	108,668,907	190,074,900	86,441,146	143,656,343

### 30 Income tax (Cont'd)

Reconciliation of income tax expenses for the years ended 31 December 2012 and 2011 is as follows: (Cont'd)

	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
<b>Deferred tax:</b>				
Origination and reversal of temporary differences	(5,772,517)	(16,774,607)	(5,772,517)	(17,060,584)
Impact of change in tax rate	3,228,797	-	3,228,797	-
<b>Total deferred tax</b>	<b>(2,543,720)</b>	<b>(16,774,607)</b>	<b>(2,543,720)</b>	<b>(17,060,584)</b>
<b>Total income tax</b>	<b>106,125,187</b>	<b>173,300,293</b>	<b>83,897,426</b>	<b>126,595,759</b>
	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Profit before tax accounting base	430,767,588	518,950,895	329,826,171	360,331,530
Tax calculated at a tax rate of 23% (2011 : 30%)	99,076,545	155,685,269	75,860,019	108,099,459
Tax effect of:				
Income subject to tax	11,164,467	31,885,249	11,158,067	32,116,536
Income not subject to tax	(1,991,699)	(885,216)	(403,826)	(98,526)
Expenses not deductible for tax purpose	4,344,067	(1,296,908)	4,120,988	(511,500)
Additional taxable expense	-	(1,034,988)	-	(1,034,988)
Tax losses for which no deferred income tax asset was recognised	(3,811,590)	(10,578,038)	(4,158,132)	(11,311,227)
Re-measurement of deferred tax				
- change in tax rate	3,228,797	-	3,228,797	-
Adjustment in respect of over recorded prior year income tax (net)	(349,808)	(475,075)	(372,895)	(663,995)
Income tax refunded	(5,535,592)	-	(5,535,592)	-
<b>Tax charge</b>	<b>106,125,187</b>	<b>173,300,293</b>	<b>83,897,426</b>	<b>126,595,759</b>

During the year, as a result of the change in corporation tax rate from 30% to 23% for the year beginning on or after 1 January 2012 and 20% for the 2 years beginning on or after 1 January 2013, the relevant deferred tax balances have been re-measured. Deferred tax reverse in the year to 31 December 2012 has been measured using the effective rate that will apply for the period 20% (2011 : 23% and 20%).



### 31 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the year.

	Consolidated		Company	
	For the years ended 31 December		For the years ended 31 December	
	2012	2011	2012	2011
Net profit for the year attributable to shareholders of the parent (Baht)	324,642,401	345,650,602	245,928,745	233,735,771
Weighted average number of paid-up ordinary shares in issue (Shares)	456,471,175	456,471,175	456,471,175	456,471,175
Basic earnings per share (Baht per share)	0.71	0.76	0.54	0.51

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2012 and 2011.



### 32 Financial instruments (Cont'd)

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2012 and 2011 are summarised as follows: (Cont'd)

Consolidated							
2011							
Baht'000							
Fixed interest rate							
Remaining period before maturity date or repricing date							
	Floating interest rates	Less than 1 year	1-5 years	Without interest	Total	Float rate	Fixed rate
<b>Financial assets</b>							
Cash and cash equivalents	156,537	947,460	-	12,797	1,116,794	0.50 - 0.75	1.75 - 3.85
Temporary investments at financial institutions	-	414,772	-	-	414,772	-	1.75 - 4.50
Trade and other receivables (net)	-	-	-	164,916	164,916	-	-
Advances to employee	-	-	-	408	408	-	-
Long-term loans to and amounts due from other company	-	-	106,149	-	106,149	-	7.50 - 8.00
<b>Total financial assets</b>	156,537	1,362,232	106,149	178,121	1,803,039		
<b>Financial liabilities</b>							
Short-term borrowings form bill of exchanges	-	590,536	-	-	590,536	-	4.00 - 4.90
Trade and other payables	-	-	-	378,528	378,528	-	-
Other current liabilities and accrued income tax	-	-	-	80,593	80,593	-	-
Current portion of long-term borrowings	195,500	-	-	-	195,500	5.25 - 6.25	-
Long-term borrowings	5,493,332	-	-	-	5,493,332	5.25 - 6.25	-
Employee benefit obligations	-	-	-	7,789	7,789	-	-
<b>Total financial liabilities</b>	5,688,832	590,536	-	466,910	6,746,278		

### 33 Commitments and contingent liabilities

As at 31 December 2012 and 2011, the Group and the Company have commitments and contingent liabilities as follows:

	Consolidated		Company	
	2012 Million Baht	2011 Million Baht	2012 Million Baht	2011 Million Baht
<b>Capital commitments</b>				
- under purchase of land agreement	541	1,107	541	1,107
- under contracts to invest in development projects until completion	4,040	701	4,039	700
- under service contracts	12	9	12	9
- construction management fee	16	9	16	9
- under office rental agreements	18	15	18	15
<b>Total capital and service commitments</b>	<b>4,627</b>	<b>1,841</b>	<b>4,626</b>	<b>1,840</b>
<b>Contingent liabilities in respect of bank guarantees (Note 7)</b>	<b>15</b>	<b>16</b>	<b>14</b>	<b>15</b>

### 34 Segment information

#### Financial information by business segments

	For the years ended 31 December					
	2012			2011		
	Sales - real estate develop- ment business Baht'000	Rental business and services Baht'000	Consoli- dated Baht'000	Sales - real estate develop- ment business Baht'000	Rental business and services Baht'000	Consoli- dated Baht'000
Revenues	2,478,308	81,239	2,559,547	2,822,680	87,582	2,910,262
Segment results	988,856	(8,008)	980,848	1,136,957	(2,238)	1,134,719
Interest income	70,984	163	71,147	49,496	150	49,646
Other income	25,833	602	26,435	7,322	1,883	9,205
Selling and servicing expenses	(213,201)	(1,426)	(214,627)	(305,602)	(1,017)	(306,619)
Administrative expenses	(290,755)	(35,707)	(326,462)	(266,030)	(35,498)	(301,528)
Other expenses	(26,329)	-	(26,329)	-	-	-
Operating profit	555,388	(44,376)	511,012	622,143	(36,720)	585,423
Finance costs - interest expense			(80,245)			(66,472)
Income tax (Note 30)			(106,125)			(173,300)
Profit before non-controlling interest			342,642			345,651
Net profit for non-controlling interest			-			-
Net profit for the year			324,642			345,651

### 34 Segment information (Cont'd)

#### Financial information by business segments (Cont'd)

	Sales - real estate development business		Construction services - real estate development business		Rental business and services		Consolidated	
	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000	2012 Baht'000	2011 Baht'000
Segment assets	13,660,698	11,547,595	3,324	5,425	855,907	901,419	14,519,929	12,454,439
Unallocated assets							159,199	156,655
Consolidated total assets							14,679,128	12,611,094
Segment liabilities	10,582,346	8,704,417	2,284	2,284	35,924	33,524	10,620,554	8,740,225
Unallocated liabilities							-	-
Consolidated total liabilities							10,620,554	8,740,225
Capital expenditure	12,597	6,452	-	-	25,441	5,668	38,038	12,120
Unallocated total capital expenditure							-	-
Consolidated total capital expenditure							38,038	12,120
Depreciation and amortisation	12,856	9,885	-	-	70,505	71,038	83,361	80,923
Unallocated depreciation and amortisation							-	-
Consolidated total depreciation and amortisation							83,361	80,923

The Group operates only in Thailand. Therefore, no geographical segmental information is presented as secondary information.