



SANSIRI

ANNUAL REPORT 2012

Sansiri Public Company Limited

TODAY, TOMORROW, ALWAYS

LIFE COMES HOME





VERTICAL LIVING
CONDOMINIUM



No matter how high it is ... the meaning of home never changes.

From bedroom to living room, around the swimming pool and the gym, through the corridors or inside the lifts, Sansiri condominiums are designed to fulfil the vertical living experience.

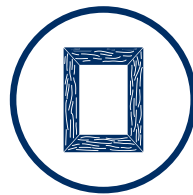
A place where people converge to share their stories. Sansiri home is where our daily journeys arrive. A place where LIFE COMES HOME.



ATTENTION TO DETAILS
HOUSE



Sansiri considers the qualities in life that help to make a house a home. By incorporating the various cultural, technological and emotive aspects of homes from the past and present, we have reached a modern understanding of how to construct the dwelling of the future. From the entrance of the clubhouse to the landscaping of the grounds, the exterior and interior elements of Sansiri houses are filled with unique features, each with a story to tell. We pay attention not only to the physical details but also how we create a place where LIFE COMES HOME.



MY WORLD
TOWNHOUSE



Dreams, inspiration and discovery. Space to find your world.

Sansiri gives importance to the place you live. A place where LIFE COMES HOME.

My World. I just love it here.

TODAY, TOMORROW, ALWAYS



KHAO YAI



PHUKET



CHIANGMAI

KHONKAEN



PATTAYA



HUA-HIN



Expansion to other provinces is viewed by Sansiri not as taking advantage of a business opportunity, but rather as a chance for us to fine-tune our wide-range of products and services to best suit the needs of local residents,

as well as implement beneficial activities that perfectly suit the distinct requirements of each province that can be carried on in a sustainable manner.

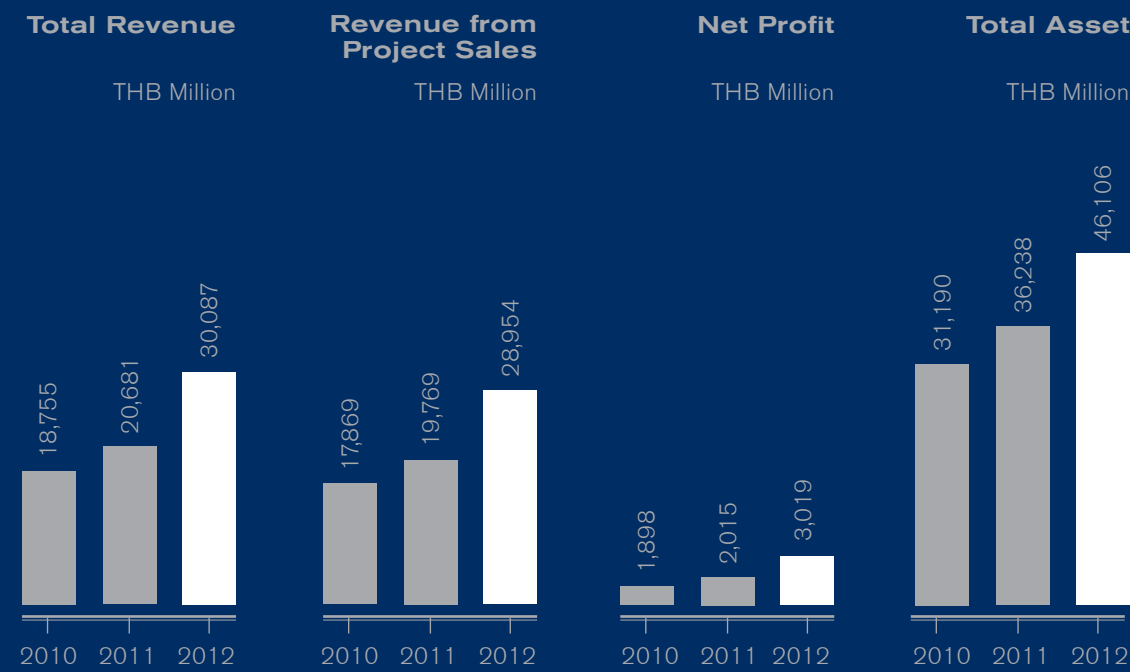
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FINANCIAL HIGHLIGHTS

		2012	2011	2010
Total Revenue	THB Million	30,087	20,681	18,755
Revenue from Project Sales	THB Million	28,954	19,769	17,869
Net Profit	THB Million	3,019	2,015	1,898
Total Asset	THB Million	46,106	36,238	31,190
Total Shareholders' Equity	THB Million	14,836	11,378	9,448
Gross Profit Margin (Core Revenue)	%	33.35	34.23	32.56
Net Profit Margin	%	10.03	9.74	10.12
Debt to Equity Ratio	Times	2.11	2.18	2.30
Gearing Ratio	Times	1.62	1.63	1.55
Net Gearing Ratio	Times	1.39	1.38	1.20
Earnings per Share	Baht	0.41	0.29	0.27
Book Value per Share	Baht	2.01	1.62	1.37

Remark: Financial figures are based on the consolidated financial statements.



Remark: Financial figures are based on the consolidated financial statements.

CHAIRMAN'S MESSAGE

In 2012, the real estate sector recovered well from the devastating flood in the latter part of 2011, which reflects the strength of the Thai economy as a whole. Governmental relief and stimulus measures, continual low mortgage rates as well as solid support from financial institutions all contributed to Sansiri's rapid expansion. In 2012, Sansiri group recorded historically high presales of 42,593 million baht, doubling that of the previous year, mainly through its expansion into upcountry markets such as Phuket, Chiangmai, Nakorn Ratchasima (Khao-yai), Chonburi (Pattaya) and Khon Khan.

On the CSR front, Sansiri kept its mission in developing youths mainly through education, health and sports programmes. Sansiri also continued to donate one million US dollar to UNICEF for the second consecutive year as an emergency fund helping children affected by natural or man-made disasters globally. This year, Sansiri also expanded its CSR coverage into many parts of the country. In Phuket, for example, Sansiri initiated the "GIVE" programme that promoted local youths' participation in local social development programmes. In addition, Sansiri established and operated "Sansiri Academy" football training programme for young footballers at the Tsunami Memorial Center.

In 2013, Sansiri aims to further fulfill its commitment to deliver quality products and superior services as well as expanding to cover more areas of the country to meet fast growing provincial demands. With experience and dedication of the management and staff, Sansiri is confident of maintaining a sustainable growth.

Sansiri owes its success to the support from shareholders, debenture holders, customers, financial institution, members of the press and business partners. Internally, Sansiri relies on expertise and commitment of all the directors, management and staff. On behalf of Sansiri Public Company Limited, I would like to convey my appreciation to all the parties concerned and hope for their continued support in the future.



Kovit Poshyananda
Chairman

CHIEF EXECUTIVE OFFICER'S MESSAGE

With our continual commitment to deliver highest quality of products and services, to customers in all segments, 2012 was a tremendously successful year for Sansiri. Our project launches were very well received from both in Bangkok and upcountry, Sansiri reported new annual record in presales, revenue and profit. This year we are confident that we can also expand into other provinces that will further support our growth in the future.

In 2012, Sansiri reported the total revenue of 30,087 million baht, 46 percent growth over 2011, with a net profit of 3,019 million baht, representing earnings per share of 0.41 baht. 96 percent of the total revenue is contributed from revenue from project sales, 28,954 million baht. Of the total revenue from project sales in 2012, 14,804 million baht (51 percent) derived from condominium projects, 9,406 million baht (33 percent) from single-detached house projects, and the balance of 4,635 million baht (16 percent) from townhouse projects.

With rapid increase in active projects, Sansiri strives to bring in new technologies to improve our efficiency. The operation of the precast factory commenced in March 2012, which helps increase housing production capacity as well as reduce reliance on skilled labour. On customer front, Sansiri maintains good relations with its growing customer base through several “Sansiri Family” activities. For instance, Sansiri held “Baab Bird Bird – Wan Khong Rao Young Yoo” concert in December as a New Year present for the customers.

Last year’s rapid expansion meant that Sansiri staff had to work extra hard. Sansiri would like to thank all the staff for their total dedication to deliver above and beyond what is expected and hope that it has laid the foundation for the future growth. On behalf of all management and staff, we pledge total dedication to keep Sansiri a forefront property developer in Thailand, continuing to actively contribute to the public through several Corporate Social Responsibility activities that will lead to sustainable development in the future.



Apichart Chutrakul
Chief Executive Officer

BOARD OF DIRECTORS



1



2



3



6



7



8



4



5



9



10

1. **Mr. Kovit Poshyananda**
Chairman of the Board
(Independent Director)

2. **Mr. Apichart Chutrakul**
Vice-Chairman /
Chief Executive Officer

3. **Mr. Mana Noppun**
Independent Director

6. **Mr. Srettha Thavisin**
Director / President

7. **Mr. Wanchak Buranasiri**
Director / Chief Operating Officer

8. **Mr. Kriengkrai Thiennukul**
Director

4. **Mr. Jesadavat Priebjivat**
Independent Director

5. **Mr. Wirat Uanarumit**
Independent Director

9. **Mrs. Nujchanart
Panthawangkun**
Director

10. **Mr. Porntat Amatavivadhana**
Independent Director

AUDIT COMMITTEE



1



2



3

1. Mr. Mana Noppun
Chairman of the Audit Committee

2. Mr. Jesadavat Priebjrivat
Member of the Audit Committee

3. Mr. Wirat Uanarumit
Member of the Audit Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
(CSR COMMITTEE)



1



2



3

1. Mr. Srettha Thavisin
Chairman of the CSR Committee

2. Mr. Jesadavat Priebjrivat
Member of the CSR Committee

3. Mr. Porntat Amatavivadhana
Member of the CSR Committee

REPORT ON CORPORATE GOVERNANCE BY THE AUDIT COMMITTEE FOR THE YEAR 2012

Sansiri Public Company Limited (“the Company”) regards corporate governance as a system essential to the processes and structure of leadership and control. It facilitates responsibility for one's position through transparency and enhances corporate competitiveness as a mean to preserving capital and adding value to shareholders' equity in the long term. Corporate governance is a code of business ethics that protects all stakeholders and society as a whole.

To this end, the Company has established an Audit Committee, which is composed of qualified individuals who are independent directors of the Company, acting freely from the Management's control and the major shareholder's control. All members possess the qualifications stipulated by the Stock Exchange of Thailand. Presently, the Audit Committee is composed of Mr. Mana Noppun as a Chairman of the Audit Committee with other two members, Mr. Jesadavat Priebjivat and Mr. Wirat Uanarumit.

The Audit Committee performs the tasks assigned to it by the Board of Directors. It acts independently, however, and is unconstrained in its access to information and always receives good co-operation from the Company, in conformity to regulations of the Stock Exchange of Thailand. In previous year, the Audit Committee met four times. Moreover, the Audit Committee also consulted with the Management, the internal audit officer, and the independent auditor as deemed appropriate. Meetings with the internal audit officer and the independent auditor were free of direction from the Management.

The Audit Committee has not only supported the Board of Directors to perform its duties and responsibilities, but also closely monitored to ensure the good corporate governance. The findings of the Audit Committee are summarised as follows:

1. Review of financial statements

Prior to submission of quarterly and annual financial statements that were reviewed and audited by the independent auditor to the Board of Directors for approval; the Audit Committee had reviewed these statements based on its queries and explanations provided by the Management. The review shows that these financial reports were in conformity to generally accepted accounting principles as well as provided sufficient disclosure of accurate and reliable information in the timely manner without any significant adjustment from auditor during or after the reviews.

2. Review of internal control system

The Audit Committee, in cooperation with the internal audit officer, has not only regularly reviewed the Company's internal control system in order to assess the effectiveness and sufficiency of the system, but also has made suggestions on improving effectiveness. The reviews show that the Company's internal control system is sufficient, appropriate and being regularly updated to cope with the changing environment and serves the business operations to achieve the objectives while conforming to the pertinent regulations. The Audit Committee did not find any significant constraints or deficiency leading to impediment to business operations. In addition, the Audit Committee has emphasised that the Management must continue improving the internal control system to be highly effective at all times.

3. Review of disclosure of connected transactions and potential conflicts of interest

Prior to the approval by the Board of Directors for any connected transactions and potential conflicts of interest, the Audit Committee had reviewed and commented on such transactions to ensure the transparency and conformity to the rules and regulations of the Stock Exchange of Thailand. In this regard, the Audit Committee did not find any significant issues regarding the violation of the regulation of Stock Exchange of Thailand concerning connected transactions or any potential conflicts of interest.

4. Compliance with laws and regulations

The Audit Committee had reviewed the processes and procedures to ensure compliance with regulations regarding securities and the Stock Exchange of Thailand, guidelines by the Stock Exchange of Thailand, and other related business acts. The review shows that the Company has always acted in compliance with laws and regulations. In this regard, the Audit Committee did not find any significant issues regarding the violation of regulations, guidelines, and obligations with any external parties.

5. Overseeing and monitoring the internal control matters

The Audit Committee, in cooperation with the internal audit officer, has reviewed the report on internal control matters on quarterly basis. The information technology system was also continuously developed and fully utilised to support the auditing work. The review shows that the internal control was conducted in the independent, sufficient, and effective manners with the sufficiently elaborate information security safeguards. Moreover, the summary of findings and the guidelines to prevent or mitigate any potential risks were sent to the involved parties for their further actions.

6. Good corporate governance

The Company realises the importance of good corporate governance and has focused our operations to ensure the efficiency, transparency, and good business ethics, resulting in our integrity known among shareholders, investors, and all parties involved.

A SUMMARY REVIEW BY THE AUDIT COMMITTEE

In 2012, the Audit Committee had fully utilised its expertise and capabilities without any constraints in its access to information from the directors, the Management, employees, and all involved parties, to independently perform its duties as appointed by the Board of Directors.

Considering the overall operations of the Company, the Audit Committee is convinced that the Company adheres to good business ethics, that the Board of Directors and the Management have determined to professionally perform their duties to successfully run the Company and achieve corporate goal as planned, that the reports on financial information and operation are correct, that its internal control systems and internal audit systems are effective, that its risk management systems are sufficiently protective, that its corporate governance is based on the principles including transparency, integrity, accountability, competitiveness, and credibility, and that its financial reports are in conformity to generally accepted accounting principles with sufficient disclosure of accurate and reliable information. The Company has always acted in compliance with all related regulations. The Audit Committee also believes that the Company has shown strong determination to continuously improve its operational processes, leading to the transparent and effective management with good corporate governance. Thus, the Management's performances could be examined to ensure the best interest of all stakeholders.



Mr. Mana Noppun

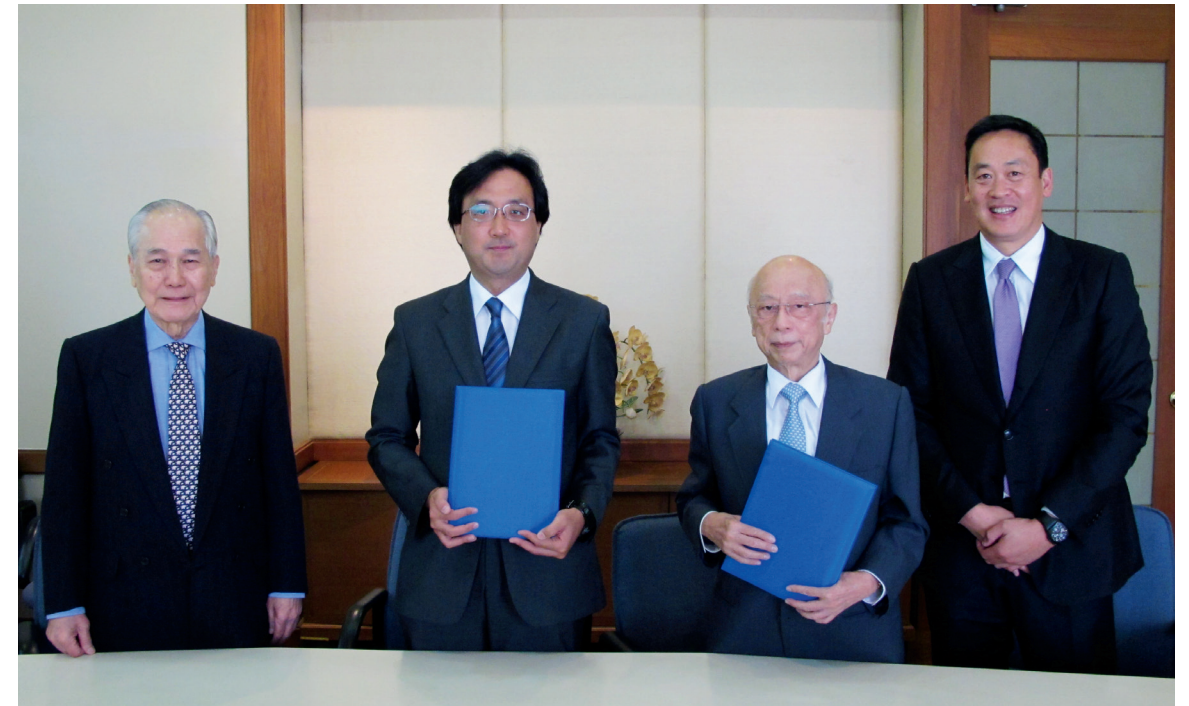
On behalf of the Audit Committee

14 November 2012

SOCIAL CHANGE: BUILDING THE FUTURE FOR CHILDREN

Sansiri's Corporate Social Responsibility (CSR) programme, known as **Sansiri Social Change**, is a new approach to Corporate Social Responsibility that aims to help, support, and develop the well-being of children in an inclusive and sustainable way. Sansiri believes in collaborating with every sector, as we believe that it is necessary to understand problems across the board in order to find the right solutions. One collaboration of note was the partnership Sansiri forged with UNICEF Thailand, which shared the same vision in raising awareness about children's rights and providing a foundation for every child to have equal rights.

With shared goals, Sansiri was honoured to be an official partner with UNICEF Thailand in collaborating, protecting, and supporting children's rights, as well as being a signatory for the UNICEF-Sansiri Memorandum of Understanding for ongoing and sustainable project development for children.



(From left to right) Anand Panyarachun, the former Prime Minister and UNICEF Thailand Goodwill Ambassador, Tomoo Hozumi, former UNICEF Thailand Representative; Kovit Poshyananda, Sansiri's Chairman; and Srettha Thavisin, Sansiri's President, at the UNICEF-Sansiri Memorandum of Understanding signing ceremony.

Pillars of Social Change activities:

- Initiatives within our Company
- Reaching out to Business Partners
- Making an Impact on the Society at Large
- Extending Help on an International Level

Initiatives within our Company

Fostering a Child-Friendly Workplace

Sansiri encourages our employees and Sansiri residents to participate in social initiatives in order to create a culture of compassion in communities and the business environment. Sansiri also intends to show that child-friendly business practices are the way forward for the sustainable development of both a business organisation and society. By cooperating with UNICEF Thailand, Sansiri has developed pilot projects to exemplify child-friendly business practices. For instance, Sansiri encourages a 6-month breastfeeding period for postnatal mothers by allowing for a generous maternity leave, providing child-care training courses and areas for postnatal mothers to take care of their babies. A breastfeeding room is provided with hygienic breast-milk storage facilities at the Siripinyo and Ratchapak Office buildings. A children's playroom has also been established at the head office, in order to support children's growth and development, and to give mothers a better chance to take care of their children.

Reaching out to Business Partners

Boycotting Child Labour

Boycotting child labour across all areas of Sansiri's business activities, Sansiri has signed MOUs with its contractors forbidding the exploitation of child labour. A breach of the agreement would result in termination of contract. The agreement is enforced throughout Sansiri's construction process including upcountry areas such as Prachuap Khiri Khan, Phuket, Chiang Mai, Nakhon Ratchasima, and Khon Kaen where Sansiri has now expanded its project development to.



Banners supporting the boycotting of child labour at the construction sites of Sansiri and its subsidiaries

Child-Friendly Space Pilot Project

A child-friendly space was established in Sansiri's construction sites and developed into a temporary classroom for children. Pilot projects were established at Chelona Khao Tao and Baan San Kraam in Hua Hin District to advance the well-being of the children around construction areas, giving them the opportunity to have a safe place to play and learn.



Making an Impact on the Society at Large

Sansiri has collaborated with every sector to create a positive and sustainable change in building the future for children in the society. In finding a solution to a social problem, Sansiri is committed to identifying all facets of that problem, and encourages collaboration among all levels, stakeholders, and partners to find a cohesive solution.

Iodine Please

"Iodine Please" was a campaign aimed at raising awareness of the low IQ problem in children that was caused partly as the result of a deficiency in iodine consumption. The campaign was utilised as a mouthpiece to highlight the issue to the government, in order that legislation proposing universal salt iodisation would be introduced in Thailand to help decrease Iodine Deficiency Disorders (IDD). Currently, Sansiri still vigorously organises activities that promote how essential iodine is to the development of children and collaborates with other organisations in educating people about the importance of these issues. For instance, Sansiri was a supporter of the IQ EQ Development Event that was organised by the Department of Mental Health, Ministry of Public Health.



Let's Play Together

Being able to play is a crucial part in growing up, and children have the “Rights to Play”. Playing helps children develop not only strong physical health, but also strong mental and social health as well. However, there are many children who do not have the chance to play because they lack space to play, equipment or toys. This problem is even more prevalent in faraway provinces.

To raise awareness for children’s “Rights to Play”, Sansiri collaborated with UNICEF Thailand in creating the “Let’s Play Together” campaign via social media network. The campaign gave the public a chance to contribute towards an effort that would help children and promote their rights to play by designing sport shirts and participating in activities online at www.letsplaytogether.com.

Up to now, Sansiri and UNICEF Thailand have already shown support by supplying sports equipment for schools in Mae Hong Son and Chiang Mai provinces.



Srettha Thavisin, Sansiri President and Tomoo Hozumi, former UNICEF Thailand Representative



UNICEF-Sansiri distributed sports equipment under the Let's Play Together Campaign at Yom Baan Huay Hoong School and Baan Huay Fan School in Khun Yuam District, Mae Hong Son, as well as at Huay Ja Kan Border Petrol School, Chiang Dao District, Chiang Mai.

GIVE Campaign

With the collaboration of the Office of Social Development and Human Security and the Youth Council in Phuket, Sansiri and Phuket Province organised “GIVE” campaign. The objective of this project is to amplify the youths’ voices in helping to contribute towards solving Phuket problems, delivering these messages to the government, private sector, local media, and tourists to jointly develop sustainable solutions and rebuild Phuket as a “giving society”.

The campaign also provided theoretical and practical training by a team of professionals and TV producers from the variety programme named “Kon Kon Kon”. A series of workshops have been organised to develop the youths’ thinking, presentation, and documentary-making skills, to finally create real projects to improve the Phuket community. Most importantly, at the end of the campaign, a “Youth Civil Forum” will be organised to provide a stage for the youths to voice their opinions, allowing related public and private sectors to participate in contributing to sustainable solutions to these problems.

The Sansiri Academy

The Sansiri Academy is aimed at encouraging children to use their free time wisely, to be disciplined, and to develop their skills in football by offering free football training for children every weekend. Sansiri’s training team comprises of professional football coaches with B and C licenses, including the Thai national team’s former members. Currently, there are over 4,000 children in Bangkok participating in the spread across 5 facilities located at Bhutthamonthon, Ramindra, Prachachuen, Bangna and Aksa. In addition, “Sansiri Academy Pro” was recently initiated in order to select top players to advance their skills by participating in an intensive course and competition. Sansiri also helped potential football players enter schools that strongly supported football and provided football programme, such as Assumption Thonburi School, so that the children could develop their football skills into a more intermediate and, eventually, to the national level.

In 2012, Sansiri expanded the Sansiri Academy by supporting the Tsunami Memorial Football Centre, a place that teaches football to children in Phuket that was closed due to a lack of budget for football coaches and equipment. As many children, parents, and teachers requested for the re-opening of the centre, Sansiri felt that the strong demand justified the application of Sansiri Academy courses and brought in coaches to teach the children as a pilot project in Phuket.

GENERAL INFORMATION OF THE COMPANY
AND ITS SUBSIDIARIES



Extending Help on an International Level

With a vision to help children both in Thailand and abroad, Sansiri donated a part of its earnings to the UNICEF Emergency Fund to help support children in emergencies around the world who have been affected by natural disasters, violence, or wars by providing emergency health care, clean drinking water and other essential services, such as the earthquake in Haiti.

As Sansiri’s main focus is to foster collaboration among every sector, the company organised communication campaigns with UNICEF Thailand through printed matter and websites to raise awareness and to encourage other private sector organisations to support UNICEF’s work for children in emergencies by increasing the number of channels that could help them.



A print advertisement aimed at encouraging other companies in the private sector to support UNICEF's work for children in emergencies.

Sansiri Public Company Limited (the “Company” or “Sansiri”), registration number 0107538000665, with the security symbol “SIRI” on the Stock Exchange of Thailand, was established in 1984 to engage in real estate business. The Company converted to be a public company limited in 1995 and has been listed on the Stock Exchange of Thailand since 1996.

As at 31 December 2012, the Company’s registered capital was 11,641,569,085.56 baht consisting of 7,882,483,899 ordinary shares at the par value of 1.07 baht, with issued and paid-up capital of 8,434,257,771.93 baht.

The Company’s head office is located at 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400.

Telephone number (662) 201-3905-6

Facsimile (662) 201-3904

Home page www.sansiri.com

The Company’s subsidiaries are as follows:

(As of 31 December 2012)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
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Subsidiaries in which Sansiri directly holds shares

Chanachai Limited 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development	90,000,000 baht by divided into 90,000 ordinary shares with a par value of 1,000 baht each	100
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(As of 31 December 2012)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in which Sansiri directly holds shares			
<u>Arnawat Limited</u> 12th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 306-8000 Fax. (662) 306-8029	Property Development	10,000,000 baht by divided into 1,000,000 ordinary shares with a par value of 10 baht each	100
<u>Piwattana Limited</u> 10th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 306-8000 Fax. (662) 306-8029	Property Development	100,000,000 baht by divided into 10,000,000 ordinary shares with a par value of 10 baht each	100
<u>Red Lotus Properties Limited</u> 16th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development	20,000,000 baht by divided into 2,000,000 ordinary shares with a par value of 10 baht each	100
<u>Sansiri Venture Co., Ltd.</u> 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development	3,000,000 baht by divided into 300,000 ordinary shares with a par value of 10 baht each	100

(As of 31 December 2012)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in which Sansiri directly holds shares			
<u>S.U.N. Management Co., Ltd.</u> 16th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development	10,000,000 baht by divided into 1,000,000 ordinary shares with a par value of 10 baht each	100
<u>Papanan Limited</u> 12th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development as well as Medical Service, Aesthetics, Health Care and Medical Spa	20,000,000 baht by divided into 2,000,000 ordinary shares with a par value of 10 baht each	100
<u>Plus Property Co., Ltd.</u> 10th Floor, 163 Rajchapark Building, Sukhumvit 21 (Asoke), North Klongtoey Sub-district, Wattana District, Bangkok 10110 Tel. (662) 661-7555 Fax. (662) 661-6633	Property Development, Brokerage, Sale Management, Property Management	600,000,000 baht by divided into 60,000,000 ordinary shares with a par value of 10 baht each	100
<u>Plus Property Space Co., Ltd.</u> 12th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development	2,500,000 baht by divided into 250,000 ordinary shares with a par value of 10 baht each	100

(As of 31 December 2012)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in which Sansiri directly holds shares			
<u>NED Management Co., Ltd.</u>			
(formerly named "National Education Development Co., Ltd.") 12th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Educational Business named "Satit Pattana School"	40,000,000 baht by divided into 400,000 ordinary shares with a par value of 100 baht each	100
<u>Satit Pattana Personnel Center Limited</u>			
380 Panya-Indra Road, West Samwa Sub-district, Klong Samwa District, Bangkok 10510 Tel. (662) 915-5390-2 Fax. (662) 915-5501	Consultancy and Advisory Services Pertaining to Business Administration	1,000,000 baht by divided into 100,000 ordinary shares with a par value of 10 baht each	100
<u>Pacific Challenge Holding Co., Ltd.</u>			
2/2, Bhakdi Building, Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Tel. (662) 253-1010 Fax. (662) 253-9625	Property Development	2,500,000 baht by divided into 250,000 ordinary shares with a par value of 10 baht each	85

(As of 31 December 2012)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in which Sansiri indirectly holds shares through Plus Property Co., Ltd.			
<u>Sansiri Land Limited</u>			
11th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Phayathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3905-6 Fax. (662) 201-3904	Property Development	1,000,000 baht by divided into 100,000 ordinary shares with a par value of 10 baht each	100
<u>Touch Property Co., Ltd.</u>			
14th Floor, 163 Rajchapark Building, Sukhumvit 21 (Asoke), North Klongtoey Sub-district, Wattana District, Bangkok 10110 Tel. (662) 661-7333 Fax. (662) 661-7893	Building Inspection	5,000,000 baht by divided into 500,000 ordinary shares with a par value of 10 baht each	100
<u>Plus Property Venture Co., Ltd.</u>			
16th Floor, 163 Rajchapark Building, Sukhumvit 21 (Asoke), North Klongtoey Sub-district, Wattana District, Bangkok 10110 Tel. (662) 661-7555 Fax. (662) 661-6633	Property Development	10,000,000 baht by divided into 1,000,000 ordinary shares with a par value of 10 baht each	100

OTHER REFERENCES

Securities Registrar

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone : (662) 229 2800
Facsimile : (662) 654 5427
TSD Call center : (662) 229 2888
E-mail : TSDCallCenter@set.or.th
Website : http://www.tsd.co.th

The Auditor

Ernst & Young Office Limited
33rd Floor, 193/136-137, Lake Rajada Office Complex,
Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone : (662) 264 0777
Facsimile : (662) 264 0790

(As of 31 December 2012)

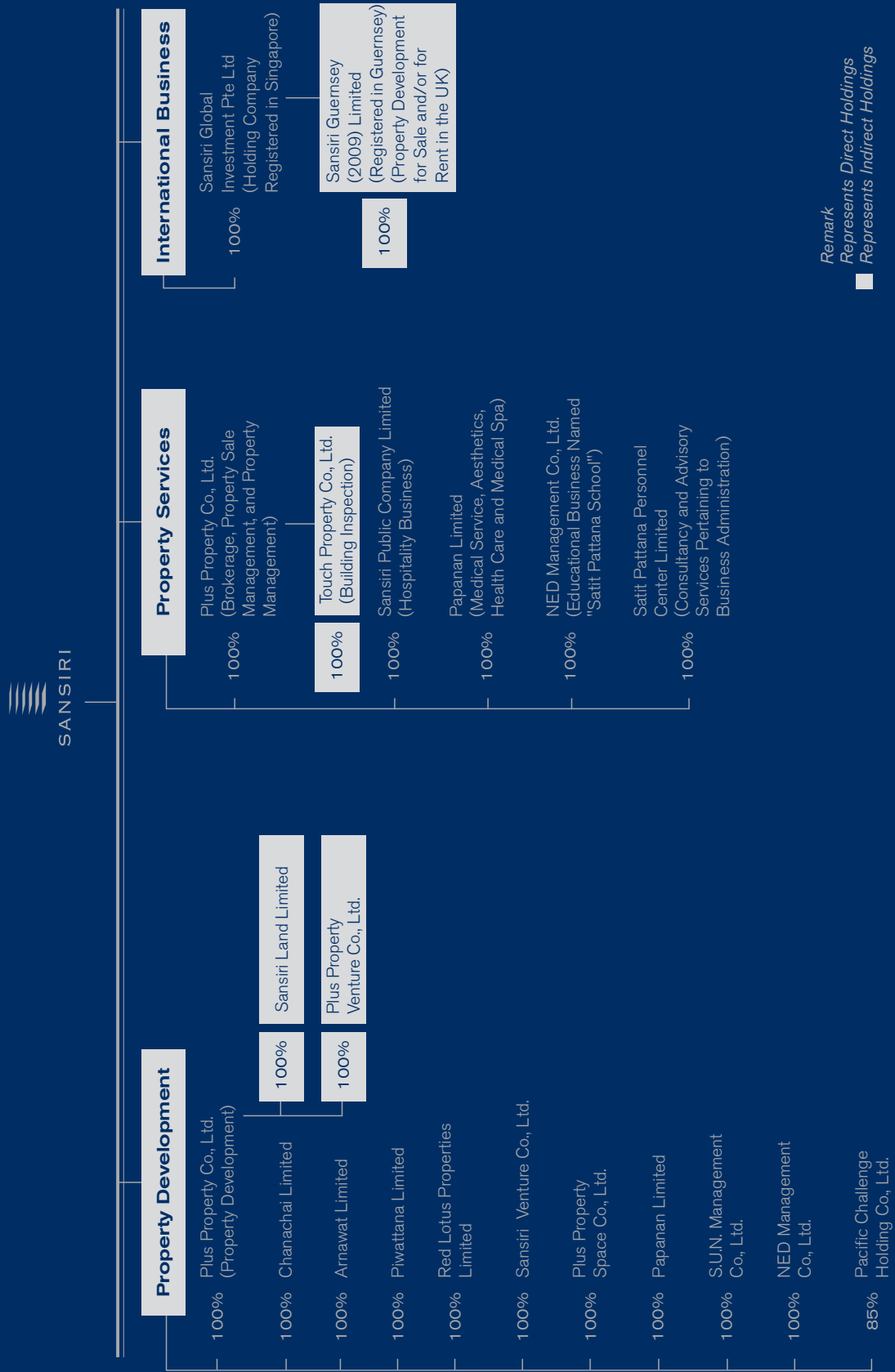
Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in overseas countries in which Sansiri directly holds shares			
<u>Sansiri Global Investment Pte. Ltd.</u>			
(Registered in Singapore) 3 PHILLIP STREET #18-00 COMMERCE POINT SINGAPORE (048693)	Holding Company	50,000 Singapore Dollars by divided into 50,000 ordinary shares	100
Subsidiaries in overseas countries in which Sansiri indirectly holds shares through Sansiri Global Investment Pte. Ltd.			
<u>Sansiri Guernsey (2009) Limited</u>			
(Registered in Guernsey) La Tonnelle House Les Banques St Sampson GUERNSEY GY1 3HS	Real Estate Development for Sale and Lease in United Kingdom	10,000 Pound by divided into 10,000 ordinary shares	100

TYPE OF BUSINESS

Operational Structure of the Company and Subsidiaries

Sansiri Group is made up of Sansiri Public Company Limited as a parent company with a broad range of seventeen subsidiaries, which are directly held by Sansiri Public Company Limited and held through the subsidiaries. Currently, investment structure of Sansiri Group was shown as follows:

INVESTMENT STRUCTURE OF SANSIRI GROUP



REVENUE STRUCTURE

Divisions of Operations within the Group

Sansiri Group operates under Consolidated Supervision concept. The investment policy was classified as follows:

1. Property Development consists of

A. Property Development for Sale: Sansiri and its subsidiaries develop single-detached houses, detached houses, townhouses, home offices, and condominium projects for all customer groups, both in Bangkok and vicinities and upcountry areas such as Phuket, Chiang Mai, Khon Kaen province, etc. Furthermore, Sansiri operates precast factory for precast construction as well.

B. Property Development for Rent: Sansiri and its subsidiaries invested in office buildings and gets returns in terms of monthly rental fees as well as invested in leasehold commercial building.

2. Property Services include fully-integrated services as follows

- Property and asset management, property brokerage services, property sales management, property development consultancy, and property management
- Building inspection service
- Hotel business development which generates recurring income to the total revenues
- Medical spa services under the brand “S Medical Spa”
- Educational business under the name “Satit Pattana School”
- Personnel management for Satit Pattana School

3. International Investment

Sansiri set up Sansiri Global Investment PTE LTD as an international investment base. In this regard, Sansiri Guernsey (2009) Limited operates the property development for sale and/or for lease/rent in the United Kingdom.

Revenue structure classified by business groups during 2010– 2012, is as follows:

Products / Services	Operated by	% Shares held by Sansiri	Year Ending 2012		Year Ending 2011		Year Ending 2010	
			Million Baht	%	Million Baht	%	Million Baht	%
1) Property Development								
Property for sale								
- Single-detached house	SIRI, PW, AW, RED, CC, PPN, PPS	-, 100, 100, 100, 100, 100, 100	9,406	31.3	7,099	34.3	6,788	36.2
- Townhouse	SIRI, PW, AW, PLUS, PPV, CC, PPN	-, 100, 100, 100, 100, 100, 100	4,635	15.4	3,372	16.3	3,081	16.4
- Condominium	SIRI, PW, AW, RED, CC, SV, PPN, NED, PLUS, PPV, PPS, TOUCH	-, 100, 100, 100, 100, 100, 100, 100, 100, 100, 100	14,913	49.6	9,299	45.0	8,000	42.7
Property for rent								
- Projects for rent	PPN, PCH	100, 85	113	0.4	113	0.5	156	0.8
- Leasehold rights written off	CC, SUN	100, 100	44	0.1	43	0.2	43	0.2
2) Property Services	SIRI, PLUS, TOUCH, PPN, NED, SPC, SL	-, 100, 100, 100, 100, 100, 100	710	2.4	616	3.0	527	2.8
3) Other Revenues								
- Interest income			32	0.1	26	0.1	23	0.1
- Revenue from common property charges			61	0.2	64	0.3	54	0.3

Products / Services	Operated by	% Shares held by Sansiri	Year Ending 2012		Year Ending 2011		Year Ending 2010	
			Million Baht	%	Million Baht	%	Million Baht	%
- Revenue from forfeiture of down payment and changed contract fee			55	0.2	25	0.1	42	0.2
- Other income			119	0.4	25	0.1	40	0.2
Total Revenue			30,087	100.0	20,681	100.0	18,755	100.0
% increase (decrease) in revenue			45.5		10.3		17.4	

Remark -	SIRI	means	Sansiri Public Company Limited
	PLUS	means	Plus Property Company Limited
	CC	means	Chanachai Limited
	SV	means	Sansiri Venture Company Limited
	PW	means	Piwattana Limited
	AW	means	Arnawat Limited
	SL	means	Sansiri Land Limited
	RED	means	Red Lotus Properties Limited
	PPV	means	Plus Property Venture Company Limited
	PPS	means	Plus Property Space Company Limited
	PCH	means	Pacific Challenge Holding Company Limited
	SUN	means	S.U.N. Management Company Limited
	TOUCH	means	Touch Property Company Limited
	PPN	means	Papanan Limited
	NED	means	NED Management Company Limited
	SPC	means	Satit Pattana Personnel Center Limited (Formerly known as "Club House Property Limited")

MILESTONE DURING THE YEAR

March 2012

Made the disposition of assets of Rojnaruemit Limited, a subsidiary of Sansiri Public Company Limited, by disposing 108,800 shares with the selling price per share of 6.25 baht, making the total value of 680,000 Baht. The reason for the disposal of the shares was that Rojnaruemit Limited had no business operation. The proceeds received would be used as a working capital in the future.

April 2012

Opened the first precast factory to produce precast concretes as a substitute for the conventional construction. The factory's production technology is under the Semi-Automated Carousel System in which its strengths are the accuracy and the speed of the work. The precast factory has a maximum capacity of 52,000 square meter per month or 150 units per month. The opening of this precast factory would support the business expansion of the company as it can help reduce the construction period as well as decrease the dependence of skilled labours in construction, enabling Sansiri to have a better cost control and make a faster delivery of houses.

May 2012

Made dividend payment for the 2011 operating results in cash, at the rate of 0.14 baht (Fourteen Stang) per share.

June 2012

Changed the name of the subsidiary as follows:

National Education Development Co., Ltd. changed to "NED Management Company Limited"

TYPE OF PRODUCTS AND SERVICES

Core operation of Sansiri Group is divided into two businesses (1) Property Development, and (2) Property Services. The detailed descriptions of each product and service category are as follow:

1. Property Development

1.1 Property Development for Sale

Price Range	Product Type		
	Single-Detached House / Detached House	Townhouse / Home Office	Condominium
High	> 10.10 million baht per unit	> 7.10 million baht per unit	> 120,000 million baht per sqm.
	<div><div>NARASIRI HIDEAWAY</div><div>NARASIRI TOPHAT</div><div>23° villa</div></div>	<div><div>RESIDENCE SUKHUMVIT 65</div><div>GARDEN SQUARE</div></div>	<div><div>THE XXXIX</div><div>KEYNE</div><div>PYNE</div><div>HQ</div><div>Via 49</div><div>Via BOTANI</div></div>
Medium	5.10 – 10.10 million baht per unit	3.10 – 7.10 million baht per unit	80,000-120,000 million baht per sqm.
	<div><div>SETHASIRI Ratchaphruek-Charan</div><div>SETHASIRI CHAENGWATTANA-PRACHACHUEN</div><div>SETHASIRI WATTHANAPOL</div><div>SARANSIRI TIWANGS-CHAENGWATTANA</div><div>BURASIRI THAKHAM-RAMA 2</div><div>BURASIRI PANYA INDR</div><div>Habitia LINE</div><div>Habitia VENT</div></div>	<div><div>TOWN AVENUE 60's</div><div>TOWN AVENUE MERGE</div><div>TOWN AVENUE FORTE</div><div>TOWN AVENUE COCOS</div><div>TOWN AVENUE TIME</div><div>TOWN AVENUE</div><div>Shophouse Phuket</div></div>	<div><div>TEAL</div><div>CE/L</div><div>WYNE</div><div>ONYX</div><div>Via 31</div><div>Baan San Kraam</div><div>บ้านสุขุมวิท</div><div>23° condo</div><div>BAAN PLAI HAAD</div><div>บ้านสุขุมวิท</div><div>SARI</div><div>Baan San Ngam</div><div>บ้านสุขุมวิท</div><div>Chelona</div></div>
Low	2.51 – 5.10 million baht per unit	1.20 – 3.10 million baht per unit	60,000-80,000 million baht per sqm.
	<div><div>Habitia ORBIT</div><div>Habitia BOND</div><div>Promptpat PRIME</div></div>	<div><div>Habitown</div><div>VILLAGE</div></div>	<div><div>THE BASE</div><div>d'VIENG santitham</div><div>บ้านสุขุมวิท</div><div>The valley d'condo creek</div><div>Baan Peang Ploen</div><div>d'condo mine</div><div>Baan Imm-Aim</div></div>

Sansiri has developed products for sale in various types such as single-detached houses, detached houses, townhouses, home offices, and condominiums, under different brands to serve customers' needs in all segments. All products are focusing on high quality to meet Sansiri standards. In 2012, Sansiri still focused on expanding projects development to cover all segment and expanded into upcountry areas which had high potential such as Phuket province, Chiang Mai, Khon Kaen, Chonburi, Hua Hin, Khao-Yai, and Cha-am district. In 2012, 51 new projects including single-detached houses, townhouses, and condominiums were launched, consisting of 27 projects launched in Bangkok and vicinities and 24 projects launched in upcountry areas. However, developing new projects in upcountry areas, Sansiri started with small condominium projects under “the BASE and dcondo” brand first and expanded to housing projects or condominium projects that had higher project value when we succeeded in that areas.

1.2 Property Development for Rent

Sansiri has recurring income from properties for rent including two office buildings; Siripinyo Building and Bhakdi Building. Sansiri also has a leasehold commercial building in Silom area named “Sun Square Silom” and a leasehold residential building named “Baan Sansiri”.

2. Property Services

2.1 Property Services

Property Services business which provided by Plus Property Company Limited (“Plus”) suitably complements to Sansiri’s core business - property development for sale, by not only creating customers' satisfaction of fully-integrated services but also expanding its sources of recurring incomes and allowing it to capitalise upon its database to further improve its property development projects corresponding to the market demand. Property Services business consists of three core services (1) Brokerage Service and Sales Management (2) Property Management; both Property Management for residential projects and Facility Management for commercial buildings. As of 31 December 2012, Plus manages over 149 residential and commercial projects covering the area of 3.27 million square meters and (3) Consultancy services for real estate which include the consulting services of project feasibility studies, market surveys and analysis, financial feasibility analysis, and the rehabilitation plan of derelict properties as well as building inspection service provided by Touch Property Company Limited.

2.2 Educational Business

Sansiri has operated a school under the name “Satit Pattana School” for recurring income, and creating opportunity to expand business and synergy to several of Sansiri’s property projects for sale located nearby.

2.3 Hotel Business

At present, Sansiri operates a 46-key hotel named “Casa del Mare” locating on the area of 3 Rai 2 Ngan and 51 Square Wah in Hua Hin District of Prachuap Kiri Khan province.

2.4 Medical Spa Business

Sansiri has operated medical spa business through its subsidiary, Papanan Limited under the brand “S Medical Spa”, locating at Bhakdi Building on Wireless Road. Furthermore, “S Medical Spa” expands business opportunity by launching “seaSpa”, a one-stop spa service center at Casa del Mare Hotel, in October 2007. It can be viewed that Sansiri has fully utilised its existing businesses to create synergy and truly add more value to hospitality business.

MARKET AND COMPETITION

1. Market

Thailand's real estate sector in 2012 had been continuously improved from 2011, mainly due to the implementation of economic stimulus packages by the government such as government's tax incentive measure for first home buyers which became effective from September 2011 to December 2012, and the campaign of low-interest rate housing loans with zero percent interest rate which has been extended the expiry period from September 2012 to March 2013. The low interest rate of mortgage loans was also another factor that helped stimulating the growth of the real estate sector.

For the first half of 2012, global economic was still in its downturn while Thailand was in the recovery period from the flood that occurred in the last quarter of 2011. The flood had affected the purchasing power of some groups of customers. It also psychologically affected customers who still had uncertainty about the repeating flood, causing them to delay their purchasing decision. However, the customers who had the real demand for residential units would pay more attention to the type of residence and location, causing condominium market to gain popularity again after the flood. Furthermore, in 2012, many large developers had expanded their new project launches outside Bangkok and vicinities; for instance, to Chonburi, Chiang Mai, Phuket, Nakhon Ratchasima, Khon Kaen, and Huahin District. Due to the scarcity and high price of land in Bangkok and vicinities areas, comparable to upcountry areas, whereas the implementation of the new City Plan of Bangkok in May 2013 has not been finalised, developers prepared to make more investment in other regions to support the growing businesses in the future.

In addition, the higher construction cost, both from the increasing in material cost and labour cost, which resulted from the government's new minimum wage rate policies, as well as the shortage of skilled labours, were also factors that affected the real estate sector in 2012. However, these factors affected small developers, who are more labour-intensive, than large developers. Large developers had reduced the dependence on skilled labours and shortened construction period by using more technology in their construction. The competition within this sector in 2012 and in the future tends to increase, especially among large developers. Large developers will have clear strategies to compete and will expand their businesses to cover all market segments, focusing on medium-priced markets and upcountry markets. Medium and small developers have to adapt themselves in doing businesses, continuously improve their marketing channels and develop new innovations in order to compete with large developers. Nevertheless, large developers still have advantages in brand recognition and have higher potential to support and service their customers. They are likely to gain not only higher market share, but also higher pricing power. Marketing activities will be one of the tools that will help developers stimulate their consumer's purchasing decision.

2. Marketing Activities

2012 was a notable year for the expansion of Sansiri's business and was marked by a surge in growth, particularly in terms of market penetration upcountry and new project launches that covered the residential requirements of all segments. Marketing activities, therefore, were used as an important tool in supporting business growth, as well as in creating awareness among customers.

Sansiri initiated 2012 marketing activities to stimulate sales with the event **“Sansiri Life Comes Home”** in February 2012, at Siam Paragon Department Store. The event provided a platform to communicate information on over 40 Sansiri residential projects that had already been launched or were newly launched at the event, as well as a venue for taking customer bookings. The event was a success as it helped increase the sale of Sansiri projects and also helped stimulate a movement in the real estate market from the beginning of the year. As a result, Sansiri got customers' attention continuously throughout the first half of the year.

In the second half of 2012, Sansiri created an advertising campaign encompassing television and print commercials to support the launch of several townhouse projects at the same time. In order to differentiate the products and attract customer attention, the campaign **“My World My Passion”** played the lead in conveying Sansiri's concept of differentiation and its initiatives for customers. In addition, Sansiri also expanded its market to upcountry areas in the second half of the year. A travelling information booth called **“Sansiri Home Tour”** was utilised to introduce Sansiri and its projects to customers who lived in major provinces in which Sansiri projects were being developed.

Brand building through enhancing the pleasures of life was another aspect of Sansiri's marketing activities. Aiming to be the favourite brand among consumers, Sansiri conducted marketing activities in collaboration with leading Thai Brands such as Pasaya, Punpuri, Tea Number 57 and ASAVA, as well as international companies such as Universal Music to create the **“Sansiri Collection”**. Products including scarves, tea, scented products and music albums were especially created to reflect the Sansiri style and to enrich the lifestyle of Sansiri residents. The Sansiri Collection is a tool that continues to help bring customers closer to Sansiri's brand and attitude. Moreover, Sansiri also collaborated with GMMThai Hub Co.,Ltd or GTH, the famous Thai film company, in supporting filming locations for the movie “Seven Something”, as the movie's plot and location matched with the demographic and locations of relevant Sansiri projects. Having Sansiri residences as filming locations in the movie served as another marketing tool that would help Sansiri communicate and engage more with another group of customer Sansiri did not previously have much interaction with.

Furthermore, Sansiri continued to utilise other marketing tools such as digital marketing. Sansiri has been using a number of computer software programmes to enhance Sansiri's website and drive up web traffic. It also established a website that would bring Sansiri residents together. For instance, the **“Say Swop”** campaign encouraged the exchange of unused goods among Sansiri residents, giving them the chance to share their lifestyles as well as to create better relationships with other residents.

Additionally in 2012, Sansiri opened a **“Sansiri Lounge”** in three locations including (1) 3rd floor, Siam Paragon Department Store, (2) Hua Hin District and (3) Central Festival Phuket, as an exclusive place for valued Sansiri residents to enjoy and discover new experiences offered by Sansiri. It was also a place where Sansiri could launch marketing activities in order to create a contact point between Sansiri and its customers. The opening of Sansiri Lounge received a good response from customers, as can be seen by the growing number of customers welcomed to the lounge every day.

Besides customer relations activities for Sansiri Family, such as Homecare services or House Warming events that Sansiri organised every month, Sansiri also got the chance to sponsor a “25 Years Baab Bird Bird Show #10/2012 Concert” in the last quarter of 2012. Residents and partners of Sansiri were invited to join a special showing of the concert. This special show also permitted Sansiri to continuously communicate its messages to customers throughout the performance as well.

Every marketing activity Sansiri conducted was aimed at covering and reaching out to customers in every segment. The marketing activities turned out to be successful and the good response from customers who became interested in Sansiri projects is a true reflection of this. There were increasing numbers of potential customers and increasing numbers of presales, both for projects in Bangkok and upcountry areas. Moreover, these marketing activities helped strengthen Sansiri's brand image for both current and potential customers.

3. Summary of Property Market in 2012

Situation of the Single-Detached House Market

The number of single-detached house supply in the latter half of 2012 amounted to 24,442 units from 433 projects, slightly decreased by 3 percent or 786 units from that of the latter half of 2011 because developers tried to reduce the housing supply from last year in order to prevent an oversupply in the market. The newly launched units in the second half of 2012 decreased as well. There were 2,847 new units launched. The number decreased by 33 percent, or 1,417 units, from the same period of last year. The decreasing number was partly a result from the effects of the flood in the last quarter of 2011, as the flood had lowered the purchasing power of customers. It also caused delays in the sale of many projects, as well as creating difficulties in working capital. In addition, some developers had turned their focuses to invest more in high rise and upcountry projects. Compared to the second half of 2011, the housing supply in the North-eastern Bangkok area decreased the most. It decreased by 24 percent, with the supply of 3,372 units. On the other hand, the supply of houses in Western Bangkok area increased the most. It increased by 35 percent, totalling 7,836 units, as shown in Table 1. For the Western Bangkok area, it had the highest supply because of several supporting factors such as the New Prathep Road Project that will connect between Prannok Road and Bhuddhamonthon Sai 4, Ratchapruek Road and East Outer Ring Road together, and the project to connect Kiak Kai Bridge with Kanjanapisek Road. The supply of single-detached houses coming from major developers accounted for 61 percent and another 39 percent came from other developers. However compared to the same period in 2011, the units for sale from major developers dropped by 17 percent and their market share dropped by 11 percent as well. Major developers, including Pruksa Real Estate Public Company Limited, Land & House Public Company Limited, and Quality House Public Company Limited, had been actively competing in the single-detached house market.

Table 1: Number of Projects, Units Offered, and Percentage of Units Sold of Single-Detached Houses as of 2H-2011 and 2H-2012

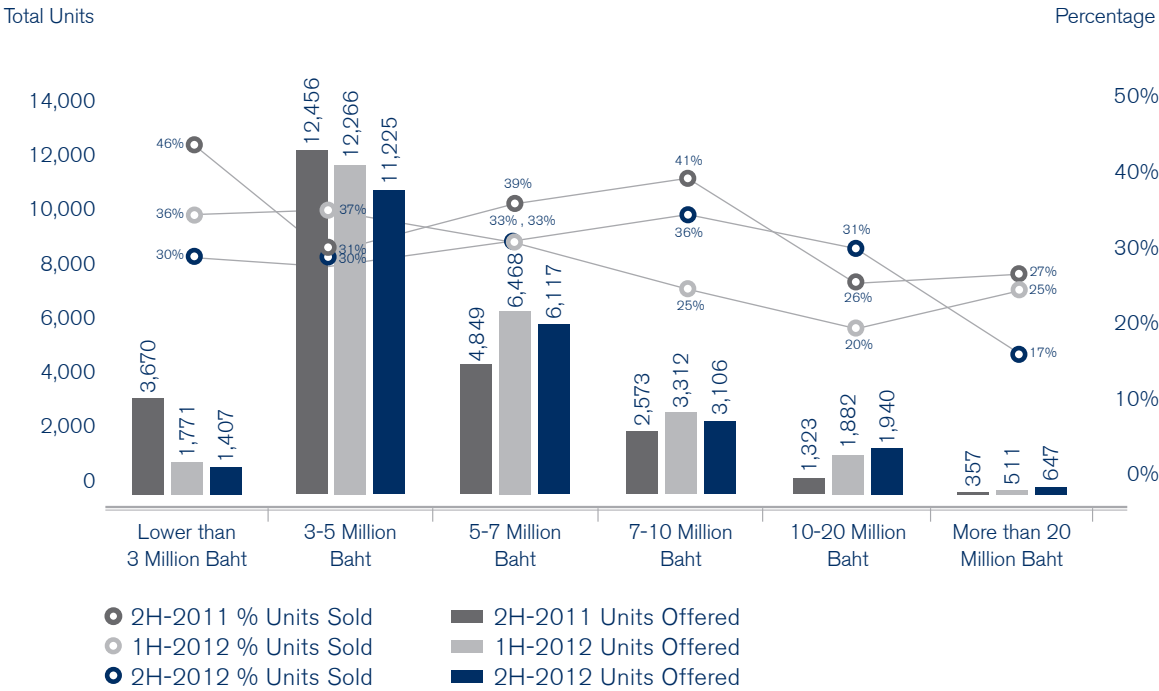
Area	2H-2011				2H-2012			
	Number of Projects	Total Units Offered	Total Units Sold	%Sold	Number of Projects	Total Units Offered	Total Units Sold	%Sold
Northern	123	8,574	3,165	37	121	6,931	2,014	29
North-eastern	61	4,408	1,881	43	63	3,372	1,760	52
Eastern	76	3,945	1,587	40	81	3,732	1,258	34
Western	118	5,819	1,944	33	120	7,836	1,909	24
Southern	53	2,482	433	17	48	2,571	686	27
Total	431	25,228	9,010	36	433	24,442	7,627	31

Source: Research & Development Department, Plus Property Co., Ltd.

In the second half of 2012, the number of units sold was at 7,627 units. It decreased by 5 percent or 1,383 units from the second half of 2011 due to the effect of the flood in the last quarter of 2011, which caused a slowdown in the low rise market in some areas. Moreover, government stimulus measures could not effectively help lower income consumers. It then affected consumers' confidence, especially those with low purchasing power. In addition, purchasing power and housing demand were not in accordance with the housing supply, since most of the units offered in the market were the remaining supply from last year. As a result, the number of units sold decreased in almost every area. Based on the selling price range of the housing supply in the latter half of 2012, single-detached houses with an average unit price of 3 to 5 million baht dominated the market with the total of 11,225 units offered, representing 46 percent of total units offered in the market. It was a result of the high demand to develop housing projects to serve low to medium income customers. Nevertheless, single-detached houses with an average unit price of 7 to 10 million baht sold the highest number of units and accounted for 36 percent of the total units offered, partly due to the higher purchasing power of consumers with medium to high incomes. The units offered at that price range also better met customers' needs as well. In addition, the number of units sold of the single-detached houses with an average unit price of 10 to 20 million baht increased by 5 percent while the number decreased in other price ranges, compared to the same period of the last year. The decrease in total units sold of single-detached houses with an average

unit price of less than 3 million baht was particularly significant at 16 percent. Besides the basic economic conditions that affected the purchasing power of customers, the type and the location of houses might play important roles to the buying decision of customers as well, which can be seen in Figure 1.

Figure 1 : Percentage of Units Sold and Units Offered of Single-Detached Houses in Bangkok and Vicinities by Price Levels



Source: Research & Development Department, Plus Property Co., Ltd.

The single-detached house market in the latter half of 2012 showed sign of the slowdown due to the above-mentioned flood. Moreover, the government's tax deduction for first-time car buyers also reduced the purchasing power of customers. In addition, 16,815 units of the remaining supply were expected to have a period of absorption of over 13 months. In the future, it has been forecasted that there will be at least 3,000 new single-detached house units launched. The development of houses will be in focused in the higher price range. Moreover, the higher wage rate of labourers and the higher cost of construction will be factors that force the higher housing price, causing the average price to increase by at least 10 percent.

Situation of the Townhouse Market

In the latter half of 2012, the townhouse supply number was calculated to be 20,430 units from 343 projects. The number decreased by 613 units or 3 percent from the first half of 2012, and decreased by 1,736 units or 8 percent from the second half of 2011 because of the decrease in the remaining supply, as well as new units that could not be launched as previously planned. In the latter half of 2012, the supply in the Western Bangkok area decreased the most, with a 31 percent decrease from the same period of the previous year, while the supply in the North-eastern Bangkok area increased 20 percent as a result of an increase in new units launched in that area, as shown in Table 2. Major developers dominated with 56 percent of total units offered, a slight increase of 1 percent from the first half of the year, and remained constant from the latter half of the previous year. The three major developers were Pruksa Real Estate Public Company Limited, Asian Property Development Public Company Limited, and Sansiri Public Company Limited.

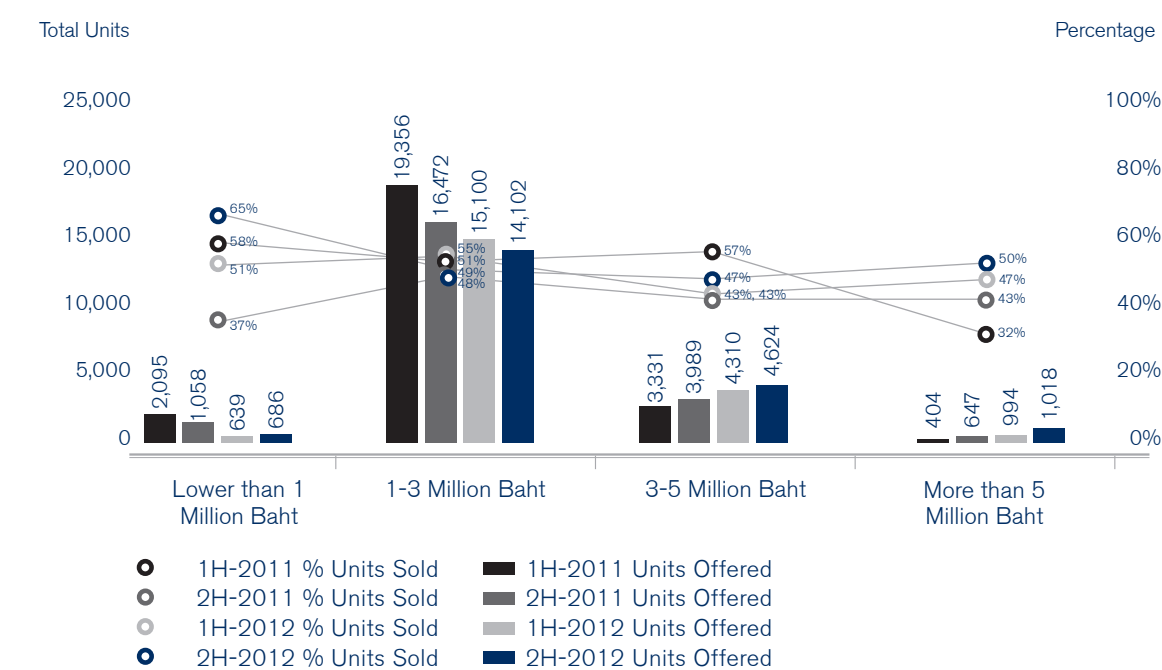
Table 2: Number of Projects, Units Offered, and Percentage of Units Sold of Townhouses as of 2H-2011 and 2H-2012

Area	2H-2011				2H-2012			
	Number of Projects	Total Units Offered	Total Units Sold	%Sold	Number of Projects	Total Units Offered	Total Units Sold	%Sold
Northern	94	5,793	2,778	48	97	4,735	2,159	46
North-eastern	44	3,521	1,440	41	62	4,222	2,018	48
Eastern	64	4,701	2,045	44	67	4,182	2,409	58
Western	58	4,704	2,448	52	62	3,228	1,456	45
Southern	43	3,447	1,571	46	55	4,063	2,059	51
Total	303	22,166	10,282	46	343	20,430	10,101	49

Source: Research & Development Department, Plus Property Co., Ltd.

A 10,101 total number of units were sold, decreasing 8 percent from the first half of the year and decreasing 2 percent from the same period of the previous year. The decreasing number of units sold was in accordance with the decreasing supply. In addition, customer confidence in buying low rise residences was lower. The tax deduction offered to first-time car buyers also indirectly affected customers' decisions in buying new residences as well. The number of units sold in the Western Bangkok area decreased the most because customers who were still concerned about the flood disaster decided to buy townhouses in other areas such as the North-eastern, Western, and Eastern Bangkok areas instead. Although the flood was the major factor that contributed to the lower supply and lower units sold in some areas, there was still a high demand to buy townhouses from some groups of customers. Therefore, the townhouse market can still grow. Based on the selling price range of the townhouse supply in the latter half of 2012, the major supply was of townhouses with an average unit price of 1 to 3 million baht that accounted for 69 percent of the total units offered, while townhouses with an average unit price of under 1 million baht accounted for only 3 percent of the total units offered. Nevertheless, townhouses under this price range sold the highest number of units and accounted for 65 percent, as shown in Figure 2.

Figure 2: Percentage of Units Sold and Units Offered of Townhouses in Bangkok and Vicinities by Price Levels

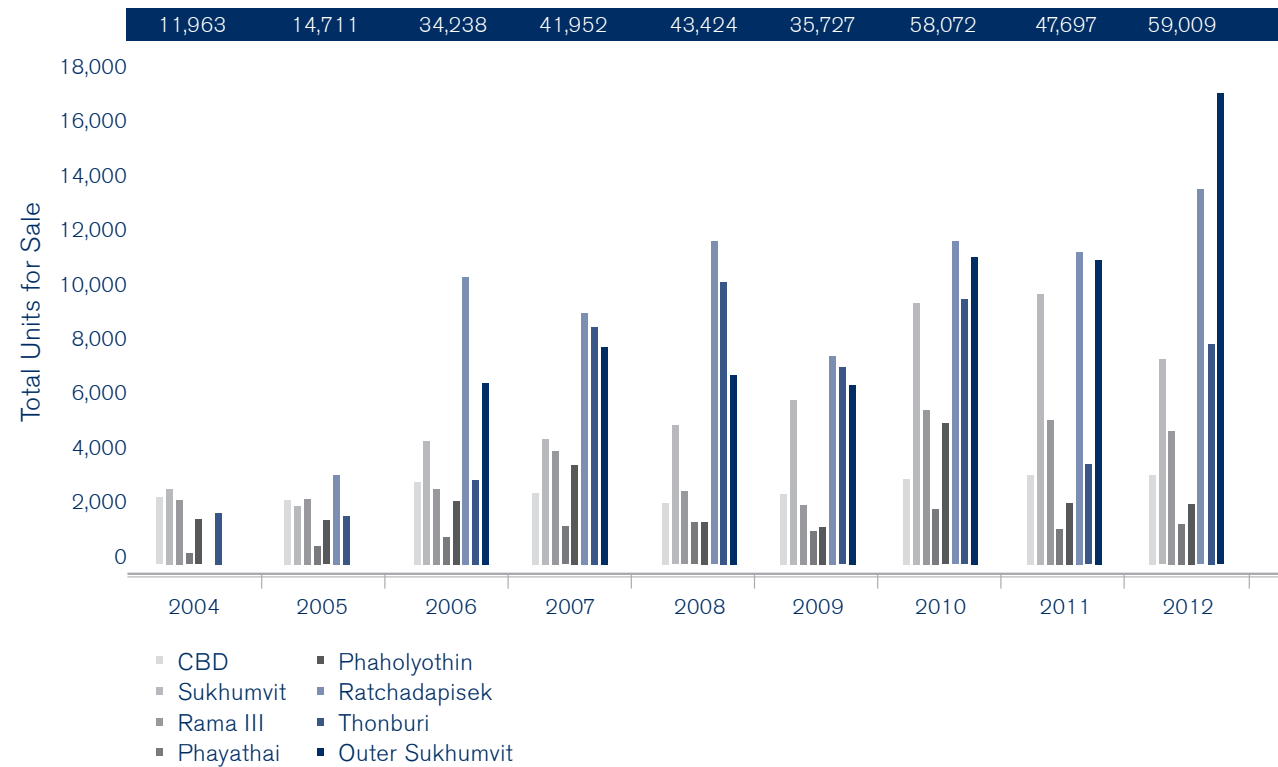


In the latter half of 2012, the units offered and the units sold in the townhouse market slowed down but still performed better than during the same period of last year. Although the townhouse market was affected by the flood, it still has a high tendency to grow since the demand for townhouses remains high as townhouses are perceived to offer a better way of living than other types of residences. It is forecasted that at least 5,500 townhouse units will be launched in 2013, with a higher expected average selling price of 5 to 7 percent because of the higher wage rate of labourers and the higher cost of construction.

Situation of the Condominium Market

In the second half of 2012, 59,009 total units were offered, an increase of 11,312 units or 24 percent from the same period of the previous year. The increasing number was due to the rise in the number of new project launches after the flood in the last quarter of the previous year. The flood had been a major driving force in creating rising demand for high rise residences. As a result, new project launches increased in number to supply the rise in demand. The supply of condominiums in the Thonburi area increased the most. It increased by 126 percent from the previous year. Meanwhile, the supply of condominiums in Outer Sukhumvit and Phayathai areas also increased, by 56 percent and 31 percent respectively. On the other hand, the supply in Sukhumvit and Rama III areas decreased by 21 percent and 10 percent respectively. The main factors stemmed from difficulties for new project development such as limited land availability, high land prices and city planning issues, as shown in Figure 3.

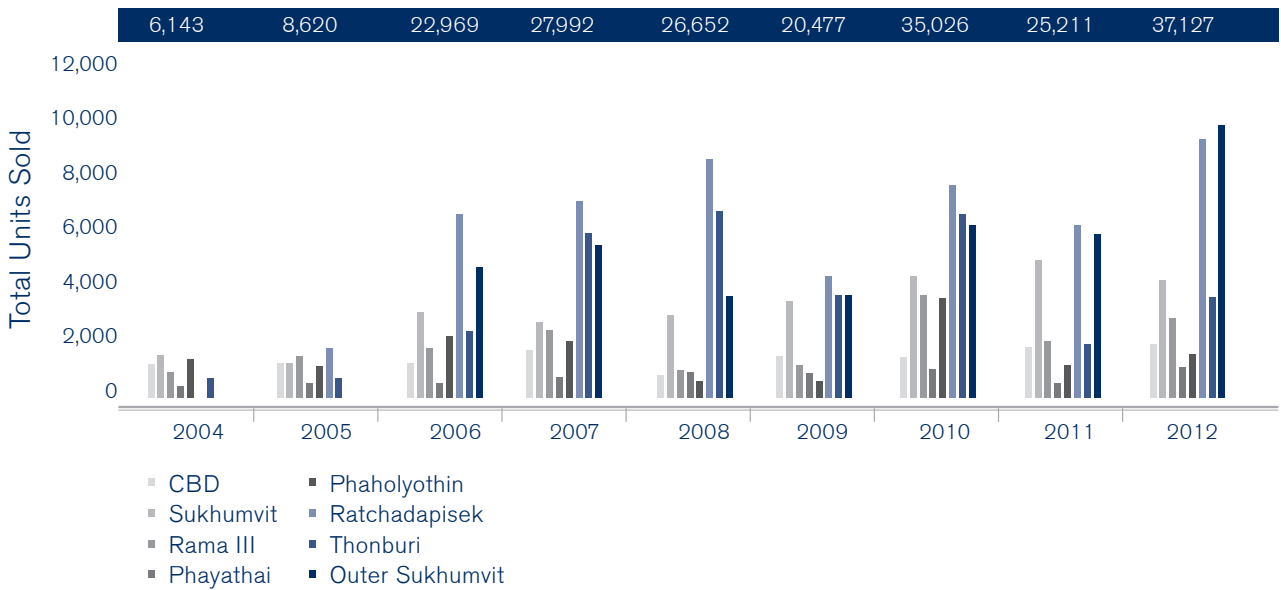
Figure 3: Annual Supply of Condominium Units in 2004 to 2012



Source: Research & Development Department, Plus Property Co., Ltd.

The total number of units sold in all 8 areas in 2012 was put at 37,127 units, an increase of 11,916 units or 47 percent from 2011. The total units sold in 2012 amounted to 63 percent of the total units offered. The increasing number indicated a higher demand for high rise residences, which was attributed to the impact of the flood in 2011. In addition, the business sector experienced a recovery and customers also had higher purchasing power to absorb the increasing supply of condominiums. Projects developed along BTS lines met the needs and modern lifestyles of customers, so gained considerably high attention. The number of units sold in the Thonburi area increased dramatically by some 207 percent. The number of units sold in Phayathai and outer Sukhumvit also increased, by 89 percent and 68 percent respectively. Nevertheless, the Sukhumvit area was the only one that showed a decrease in the number of units sold. The number decreased by 18 percent, as shown in Figure 4.

Figure 4: Annual Demand of Condominium Units in 2004 to 2012



Source: Research & Development Department, Plus Property Co., Ltd.

The average sale price of condominiums in 2012 in 5 major areas went up by 5 percent from last year, an increase of 5,824 baht per square meter to 113,678 baht per square meter. The average sale price in the Phayathai area increased the most, increasing by 13 percent to 113,846 baht per square meter. The Sukhumvit and Phaholyothin areas also encountered a 5 percent increase in average sale price to 115,488 baht per square meter and 93,362 baht per square meter respectively, as shown in Figure 5.

PRODUCT PROCUREMENT

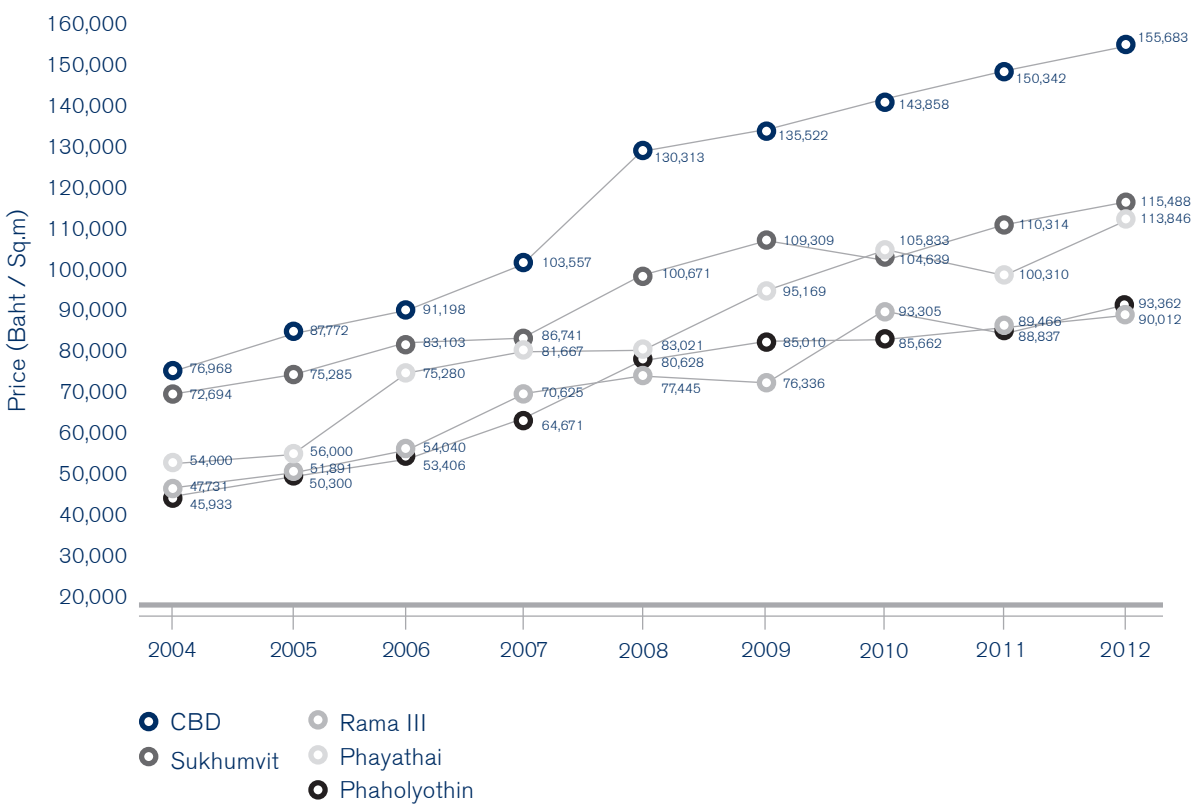
1. Selection of Locations for Project Development

Sansiri has the dedicated business development division which focuses on selecting the locations for our project developments. To select suitable location for development, this division has to work closely with our brokerage network and with Plus Property Company Limited and also relies upon site surveys compiled by the business development team. For more convenience, Sansiri increased channels to get land information through its website “www.sansiri.com” and call center. The business development division in cooperation with other departments, including government affairs, legal, product development, project development and marketing, analyses and studies the feasibility of the project development as well as selects the suitable product among single-detached houses, townhouses, condominiums and commercial building, for each location. Our business development division, together with our legal and government affairs team undertakes feasibility studies regarding matters such as the height of the buildings and set-back areas, while our product development and marketing teams select the product suitable for that particular plot of land and decide on the target customer group for that project. At this stage, the project development team completes a feasibility study on that construction costs. Finally, in order to establish an accurate and realistic sales forecast, the business development team reviews relevant market information in consultation with the sales and marketing teams.

2. Procurement of Construction Materials

Sansiri has transparent and clear procedure of construction material procurement process to optimise purchasing price according to the high standard set forth. Bidding process to procure construction materials allows Sansiri to compare the price versus the quality. Sansiri also gained economies of scale from consolidating volume, and negotiating in bulk with manufacturers. Construction material price volatility has been mitigated by assigning specific teams to closely monitor key construction material price change and preset the delivery prices of the material. Sansiri copes with the fluctuation of construction materials for single-detached house and townhouse projects by purchasing the materials directly from the manufacturers, which accounts for approximately 40 to 45 percent of the total project construction costs. Sansiri also purchases some materials for condominium projects on a lump sum amount and enjoys the benefits from economies of scales, and mitigates risk of increasing material cost through the turnkey construction contracts with contractors. In order to select the qualified suppliers, Sansiri considers not only competitive price and production capacity but also the raw material sourcing capability to ensure the timely delivery of construction materials. Sansiri regularly updates the qualified supplier list by closely monitoring and evaluating the timely delivery of every supplier on a semi-annual basis.

Figure 5: Asking Price of Condominium Units by Area in 2004 to 2012



Source: Research & Development Department, Plus Property Co., Ltd.

From the high growth of the Condominium market in the latter half of 2012 and the recovery of the Thai economy, the condominium market in 2013 is expected to continue its upward trend. It is forecasted that 90 new projects will be launched with a total of over 60,000 units. Moreover, the average unit price of the newly launched condominiums in 2013 is forecasted to rise by at least 10 to 15 percent due to the higher wage rate of labourers and higher cost of construction, which can impact the overall average unit price and cause an increase of at least 5 to 7 percent.

3. Selection of Contractors

The ability to procure the services of quality and dependable contractors is important to real estate business. Sansiri selects contractors based on their specifications, combined with the construction capability in ensuring timely construction and operating under Sansiri's budget and standards. Having small contractors for single-detached house and townhouse projects provides more flexibility in managing construction plan and coping with change. For condominium projects, Sansiri uses turnkey construction contracts with contractors for cost control. Furthermore, Sansiri closely monitors and meticulously inspects to ensure a high quality construction and completion as scheduled. Currently, Sansiri has been able to manage coordination among contractors through more than 56 medium and large contractors.

RISK FACTORS

1. Land Acquisition

Sansiri obtains high potential land plots for project development of single-detached houses, townhouses and condominiums at reasonable prices. For condominium projects, Sansiri generally chooses mid-city locations near key business areas, mainly close to both the BTS Sky train and MRT subway lines, in areas where extensions of transit lines have already been approved and construction has commenced. Sansiri also acquires land plots close to the local community and in other major cities. For single-detached house and townhouse projects, Sansiri chooses locations with easy access to the heart of the city and close to office areas. The risk of not acquiring prime locations for developing projects has been mitigated through an extensive network of brokers both individual brokers and brokerage firms covering all areas as well as two more channels for land sourcing, notably through our website- "www.sansiri.com" and our "1685" Call Center. Furthermore, Sansiri has a wholly-owned subsidiary named "Plus Property Company Limited" (Plus) which operates brokerage services, property management and conducts research on property market. Plus is also the valuable real estate database, providing property information that could track market movement timely for the Sansiri Group.

2. Pre-Selling Condominiums

Selling condominiums before commencing construction not only reduces market risk while giving Sansiri more flexibility in developing these products to cope with the changing market conditions, it also provides Sansiri with a working capital. Nonetheless, pre-selling of condominiums bear the risks of unexpected construction costs that cannot be passed on to the buyers, as sales prices have already been finalised. Therefore, lower gross profit is an inevitable consequence of higher construction costs. Sansiri has mitigated the risks by negotiating turnkey construction contracts, enabling Sansiri to control construction costs more effectively and to protect profits from the uncertainties of rising construction material costs. The construction of condominium projects normally lasts 12 to 24 months. It is the responsibility of Sansiri to ensure the timely construction progress as well as project completion and delivery to customers as scheduled. Sansiri has many years of considerable skill and experience in condominium construction and always works closely with contractors, therefore, problems of this sort can be handled smoothly. Consequently, constructions have always been completed on time.

In addition, pre-selling condominiums bears the market risk of having unsold units upon the construction completion should the condominium projects were not well-received from customers. Sansiri has mitigated this inventory risk by doing in-depth research to develop condominium projects suitable for each customer group, as well as initiating attractive sales promotions prior to the construction completion to stimulate the sales. Generally, down payment and installments for condominium projects are set at 5 to 20 percent of the

selling prices with the balance to be paid upon condominium unit transfer. In this regard, there is a risk that some customers may forfeit their deposits. Sansiri has mitigated this risk by implementing an effective installment collection process and system. Our Customer Relations Department follows up on installment payments with customers continuously, and keeps executives informed so that action on sudden defaults are swiftly addressed and Sansiri's collection system is applied effectively. For example, Customer Relations Department will issue a warning letter to customers if they have not paid installments for 3 months. In such case, the unit will be taken back and resold so that Sansiri will not lose the opportunity to sell and meet the transfer schedule. However, the low down payment is usually applied to condominiums in low to mid-priced market, which most customers always buy for their own living. Therefore, the possibility to forfeit their deposits is quite low.

3. Fluctuation in Construction Material Prices

In 2012, the price index of construction materials increased by 3.6 percent compared to that of 2011 (Source: Bureau of Trade and Economic Indices, Ministry of Commerce). This was mainly due to price increases in some construction materials such as lumber and wood products, concrete products, tiles, plaster materials, sanitary ware, electrical and plumbing equipment and other construction material e.g. aluminum bar. The price of construction materials in 2012 increased from 2011 from both sides of cost-push and demand-pull. Higher production cost was from the increasing in raw material price and the increasing labour's wage rate in April 2012. Moreover, the flood in the last quarter of 2011 had created strong demand for construction material for customers in order to build their new residential properties or repair their current residences. There were more constructions after the implementation of water management plan and infrastructure development as well. In this regard, these construction materials are key components for project development, thus the construction material price volatility will directly impact the cost of project development.

Sansiri is aware of construction material price volatility risk and has carefully planned to mitigate such risk by purchasing directly from the manufacturers through the bidding process and pre-agreeing the delivery prices as well as sourcing more trade partners to support the expansion of the new projects. In this regard, Sansiri has focused on increasing our bargaining power and negotiating deeper discounts on large volume purchases for several projects under construction. Direct procurement of some construction materials for single-detached house and townhouse projects such as pile and roof tiles has been increasing to 45 percent of total construction cost. For the condominium project development, direct procurement has been used for several items such as tiles, sanitary ware and air conditioners. In addition, Sansiri also mitigated the risk of higher material cost of condominium project through the turnkey construction contract with contractors, resulting in better cost and quality control.

Special units have been established to closely monitor, and to promptly react when the price of major construction material categories changes. These reactions include but not limited to re-negotiate the future contract price with the manufacturers or contractors when the construction material price significantly decreases. Sansiri usually receives cooperation from the manufacturers or contractors as a valuable business partner with good reputation, and long-standing experience in the real estate business.

In order to select qualified suppliers, Sansiri considers not only the competitive price and production capacity but also the sourcing capability to ensure the timely delivery of construction materials. Sansiri regularly updates its qualified supplier lists by closely monitoring and evaluating performance of every supplier on a semi-annual basis.

4. A Shortage of Contractors

Sansiri and subsidiaries have successfully launched housing projects in various locations, leading to several active projects in progress. Sansiri has the risk of contractor and skilled labour shortage which affects the construction quality that does not meet Sansiri's standard. However, Sansiri eliminates the risk by establishing strong relationship with a group of contractors to create a valuable database and finding alternatives for construction. Changing construction technology from "Conventional Construction" to "Precast Construction" were considered and applied in Sansiri. Under Precast Construction, some wall and finished parts were produced from precast factory, facilitating Sansiri to reduce the dependence on skilled labour. Sansiri also constructed its own precast factory in 2011 which started production in 2012. Besides, Sansiri tends to increase the portion of applying precast construction system in single-detached house and townhouse projects.

Following the preliminary selection process, Sansiri evaluates the construction capability to ensure reliable and timely construction. Having several small contractors for a single project often provides more flexibility but also introduces some difficulties in coordination with the associated risk of late or wrong construction delivery. Given such risk, Sansiri closely monitors and meticulously inspects via our Quality Control Department to ensure a high standard of every housing project. Banking on our efficient operational system and transparent selection process, Sansiri currently has a list of more than 56 qualified contractors, from medium to large, which helps reinforce our development progress and growth.

Similar to the previous years, Sansiri held the annual QC Award ceremony in 2012 to motivate contractors to deliver high quality and timely construction. The award-winning contractor will receive certain privilege, such as the reduction in retention amounts.

5. Unsold Units

Sansiri plans construction progress based on sales forecast, which has been regularly updated by sales and marketing team. However, the economic slowdown could lead to decreasing sales and temporary unsold housing stock. Sansiri has reduced this inventory risk through the efficient inventory management. To enhance the ability to cope with the changing environment, the single-detached house and townhouse projects have been phased with both pre-built houses and semi pre-built houses which are available for sale. Consequently, Sansiri could adjust the construction plan correspondingly to the softer housing demand as well as to modify subsequent project phases that satisfy consumer preferences and affordability. As of 31 December 2012, Sansiri had 43 housing projects under construction and available for sale, with total project value of 50,499 million baht, 26,320 million baht or 52 percent of which were sold. Consequently, Sansiri had finished but unsold housing stock of 284 units, worth approximately 1,765 million baht, as of 31 December 2012.

For condominium projects, Sansiri steadfastly conducts the in-depth research on consumer behavior before launching any projects, along with attractive sales promotions to stimulate sales transaction. As of 31 December 2012, Sansiri had 15 condominium projects available for sale with total project value of 20,395 million baht, 18,170 million baht or 89 percent of which were sold. Consequently, Sansiri had completed but unsold condominium stock of 514 units, worth approximately of 2,224 million baht, As of 31 December 2012.

6. A Change in Interest Rate and Accessibility to Sources of Funds

Interest rates in 2012 had slightly decreased from 2011 due to flood in last quarter of 2011. Commercial banks then maintained more prudent lending policies, making it more difficult for some developers to obtain project-financing loans. Banking on its ability to achieve sale and transfer target in several projects as well as exceeding the target in some projects, Sansiri has been regarded as the large and reliable developer and received a good financial support from financial institutions correspondingly. Nonetheless, Sansiri is aware of the risk of accessibility to sources of funds. Sansiri mitigated the risk by establishing strong relationships with various commercial banks and always negotiating to achieve competitive price on project-financing loans. All current projects are secured by project-financing loans and other credit facilities made available by domestic financial institutions. In order to provide alternative sources of funding and to reduce the dependence on floating interest rate project-financing loans, Sansiri issued the fixed rate unsecured debentures worth of 2,000 million baht with a cost of funds close to other unsecured financing loans in 2012. Good response from customers and successful placement of the debentures provided Sansiri with alternative source of funding for future project development.

7. Environmental Impact Assessment (EIA) Report Approval

There are several housing projects which require Sansiri and subsidiaries to provide environmental impact assessment report prior to receiving permission from the Environmental Impact Evaluation Bureau within the Ministry of Natural Resources and Environment. In this regard, Sansiri has worked closely with professional consultancy companies, registered with the Ministry of Natural Resources and Environment in order to prepare EIA reports in compliance with rules and regulations under National Environmental Quality Act (NEQA) of 1992. The housing projects which require EIA approvals are condominium projects with more than 79 units; while single-detached houses and townhouse projects are not required to get EIA approval.

Sansiri and subsidiaries fully comply with all EIA rules and regulations for all housing projects which required approval from the Environmental Impact Evaluation Bureau. In this regard, Sansiri and subsidiaries work closely with contractors to ensure that the construction is carried out pursuant to the specifications approved by EIA committee to prevent controversy, claims and litigations, and thus no additional environmental investment is required. Sansiri closely monitors the progress and procedures for all housing projects to ensure that we are in compliance with the rules and get approval from the Environmental Impact Evaluation Bureau as scheduled.

8. A Market Expansion to Upcountry

In 2012, Sansiri had expanded its market to upcountry, focusing on developing new projects in the large provinces and districts such as Chonburi, Chiang Mai, Phuket, Nakhon Ratchasima, Khon Kaen, and Hua Hin District. Twenty four projects were launched in 2012. However, expansion to upcountry areas outside Bangkok and vicinities might face several risks since people in different areas have different lifestyles, needs, and preferences. Those market risks involved the differences in demands for residential units, the differences in residential preferences, and the differences in brand recognition of the people in each area. In addition, laws and regulations in different areas varied as well. To mitigate the risks and to reach customers in the new areas, Sansiri has continuously conducted in-depth market research before launching new projects. Sansiri always test the new markets by launching small condominium projects with low investment value to help limit the loss Sansiri may face if things do not go as planned. In this regard, Sansiri also focuses on standard, quality, and location of every residential project, whereas having clear marketing strategies. A market expansion to upcountry in 2012, therefore, had received good feedbacks from customers, both in Bangkok and in the local areas. Sansiri then aims at expanding its markets to cover more major cities in other regions of Thailand.

SHAREHOLDER STRUCTURE AND MANAGEMENT

9. A Change in Comprehensive City Plan of Bangkok

Bangkok Metropolitan Administration (BMA) plans to launch the new comprehensive city plan of Bangkok in May 2013 after the second renewal of the 2006 Bangkok Comprehensive Plan. The regulations of the new comprehensive city plan are stricter than the previous one in order to reduce the density of the city. The stricter plan will definitely affect the land usage of property development.

Lands in Central Business District (CBD) and along MRT and BTS line, which are suitable for the development of condominium projects, are currently in Brown and Red Zoning of the comprehensive city plan. According to the new comprehensive city plan, there is no change that will affect the land usage in Brown Zoning (code Yor 8 to Yor 10 for crowded residential areas) unlike Red Zoning (code Por 1 to Por 3 for commercial areas). The Red Zoning is most affected by the new comprehensive city plan, especially by the requirement of the wider road, which will bring more difficulty to the development of condominium projects.

Sansiri realises that there would be some possible impacts when the new comprehensive city plan becomes effective in mid of the year 2013. Therefore, we prevent all possible problems by doing feasibility study based on new comprehensive city plan since mid of the year 2012. In addition, we have already submitted the construction permit before the new comprehensive city plan becomes effective for some of Sansiri's acquired lands that are negatively impacted by the new comprehensive city plan.

Shareholders

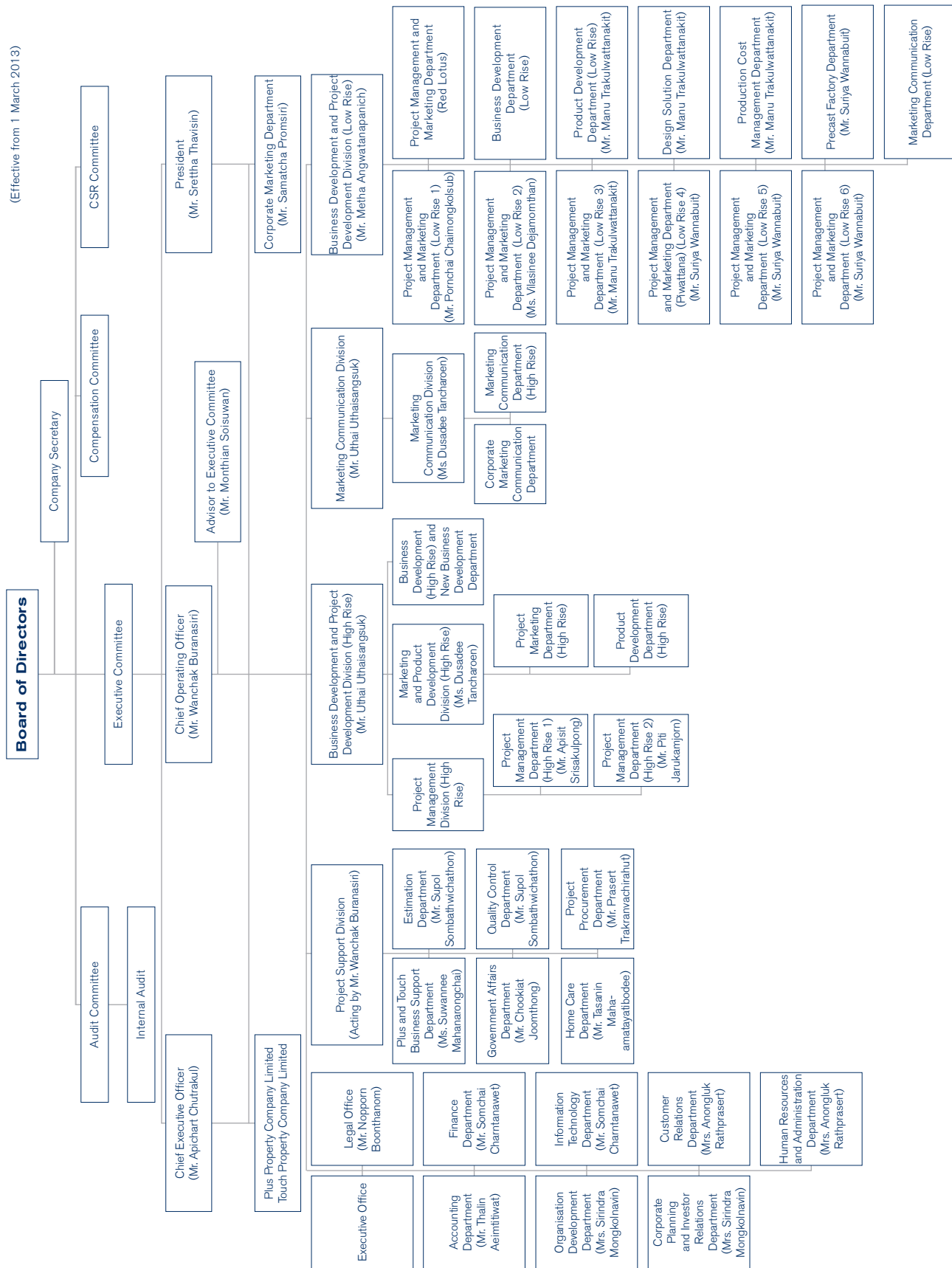
The ten largest shareholders according to the latest registry of shareholders on 7 January 2013 (the closing date of the shares register book - XO), are as follows:

No.	Major Shareholders	Number of Shares	Proportion of shares holding % of paid-up capital *
1	Mr. Srettha Thavisin Group ^{1/}	1,085,003,800	13.00
2	CHASE NOMINEES LIMITED 42	528,162,800	6.33
3	Viriyah Insurance Public Company Limited	440,384,000	5.28
4	SKANDINAVISKA ENSKILDA BANKEN A/S (Major NVDR holder)	312,200,864	3.74
5	Mr. Apichart Chutrakul	257,960,408	3.09
6	Finansa Life Assurance Company Limited	254,674,400	3.05
7	Mr. Wanchak Buranasiri	215,875,904	2.59
8	HSBC (SINGAPORE) NOMINEES PTE LTD	191,065,573	2.29
9	SOMERS (U.K.) LIMITED	183,084,500	2.19
10	NORBAX INC.,13	145,591,461	1.74
Total		3,614,003,710	43.29

* As of 7 January 2013, the Company has the paid-up capital of 8,932,742,261.78 baht divided into 8,348,357,254 ordinary shares at a par value of 1.07 baht each.

Remark:

^{1/} Mr. Srettha Thavisin Group consists of (1) T.S. Star Company Limited (the holding company wholly owned by Mr. Srettha Thavisin who is also the director), holding 856,825,810 shares, equivalent to 10.26 percent of the Company's issued and paid-up capital and (2) Mr. Srettha Thavisin, holding 228,177,990 shares, equivalent to 2.73 percent of the Company's issued and paid-up capital.



1. Management Structure

The Company's management structure consists of the Board of Directors, the Audit Committee, the Compensation Committee, the Corporate Social Responsibility Committee (CSR Committee), and the Executive Committee, which are described below:

(a) The Board of Directors, consists of 10 directors, namely:

(As of 1 March 2013)

Board Members			Positions
1.	Mr. Kovit	Poshyananda	Chairman of the Board (Independent Director)
2.	Mr. Apichart	Chuttrakul	Vice-Chairman
3.	Mr. Mana	Noppun	Independent Director
4.	Mr. Jesadavat	Priebjrivat	Independent Director
5.	Mr. Wirat	Uanarumit	Independent Director
6.	Mr. Srettha	Thavisin	Director
7.	Mr. Wanchak	Buranasiri	Director
8.	Mr. Kriengkrai	Thiennukul	Director
9.	Mrs. Nujchanart	Panthawangkun	Director
10.	Mr. Porntat	Amatavivadhana	Independent Director

Authorised Directors

As of 1 March 2013, directors of the Company whose signatures binding the Company shall be Mr. Apichart Chuttrakul, Mr. Srettha Thavisin, Mr. Wanchak Buranasiri, two of three directors co-sign with the Company's seal affixed.

Scope of Authority and Responsibility of the Board of Directors

According to corporate regulations, the Board of Directors is authorised to make decisions and ensure that activities of the Company conform to objectives and rules of the Company, resolutions of shareholders' meetings, and all relevant laws.

This decision-making authorisation does not include matters that must first be approved by the shareholders' meeting as specified by the law and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The corporate regulations permit the Board of Directors to appoint the Executive Committee that controls daily affairs of the Company in accordance with policies and budget approved by the Board of Directors and any other matters assigned to it by the Board. Activities include operations that fall within the scope of responsibility assigned to the Executive Committee and screening for other matters beyond that scope for the Board of Directors to consider. The corporate regulations, moreover, authorise the Board of Directors to appoint other committees to assist the Board in its managerial responsibility.

Selection of Independent Director

The Company specifies the qualification of its independent director in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

1. Holds shares not exceeding one percent of total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that shares held by related parties of an independent director shall be included
2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling party of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company
3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of the management, major shareholders, controlling party or the person who is in the process of nomination as the management or controlling party of the Company or its subsidiaries
4. Has no or never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company in respect of controlling which may harm an independent decision-making, including not being or never been a significant shareholder, or controlling party of any persons having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company
5. Is not or has never been an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not a significant shareholder, controlling party, or partner of the auditing firm which employs an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company
6. Is not or has never been the professional service provider, including but not limited to legal consultant or financial advisor who received the service fee more than two million baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not a significant shareholder, controlling party, or partner of the aforementioned service firms
7. Is not a director who is nominated as the representative of directors of the Company, major shareholders, or any other shareholders related to major shareholders
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares exceeding one percent of total voting shares of any other companies which operate the same and competitive business with the business of the Company, or its subsidiaries
9. Is not any otherwise which is unable to have an independent opinion regarding the business operation of the Company

After being appointed as an independent director in accordance with the conditions under the article (1) - (9), the independent director may be assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of Company.

The definition of the independent director of the Company is equal to the minimum requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand.

(b) The Audit Committee

The Audit Committee is constituted in such a way as to be independent of the Company's management and major shareholders. All members of the Audit Committee are qualified individuals and independent directors who possess qualifications stipulated by the Stock Exchange of Thailand.

Presently, the Audit Committee consists of three directors who are not taking part in the management of the Company or major shareholders of the Company, and a secretary, namely:

(As of 1 March 2013)

Name		Positions
1. Mr. Mana	Noppun	Chairman of the Audit Committee
2. Mr. Jesadavat	Priebjrivat	Member of the Audit Committee
3. Mr. Wirat	Uanarumit	Member of the Audit Committee

Remark: Secretary to the Audit Committee is Mr. Thalin Aeimtitiwat

Scope of Duty and Responsibility of the Audit Committee

The Audit Committee of the Company has the scope of duty and responsibility to the Board of Directors on the following matters:

- (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
- (3) To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business
- (4) To consider, select and nominate an independent person as 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 transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand, 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 Chairman of the Audit Committee and consist of at least the following information:
 - (a) An opinion on the accuracy, completeness and creditability of the Company's financial report
 - (b) An opinion on the adequacy of the Company's internal control system
 - (c) An opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business
 - (d) An opinion on the suitability of an auditor
 - (e) An opinion on transactions that may lead to conflicts of interest
 - (f) The number of the Audit Committee meetings, and the attendance of each member at such meetings
 - (g) An opinion or overview comment received by the Audit Committee from its performance of duty in accordance with the charter, and
 - (h) Other transactions which, according to the Audit Committee's opinion, should be known to shareholders and general investors, subject to the scope of duty and responsibility assigned by the Company's Board of Directors
- (7) To perform any other act as assigned by the Board of Directors, with an approval of the Audit Committee

In its performance of duty as described above, the Audit Committee must be directly responsible to the Board of Directors, while the Board of Directors shall remain responsible to third parties for operations of the Company.

The term of office for the Chairman of the Audit Committee and members of the Audit Committee is three years (including an additional appointment to and removal from the Audit Committee). Furthermore, members of the Audit Committee who retired by the expiration of the term of the appointment may be re-elected for another term should the Board of Directors or the shareholders' meeting deems appropriate.

In this regard, the Chairman of the Audit Committee and all members have adequate expertise and experience to audit creditability of the Company's financial reports.

(c) The Compensation Committee

Presently, the Compensation Committee consists of three non-executive directors and a secretary, namely:

(As of 1 March 2013)

Name		Positions
1. Mr. Mana	Noppun	Chairman of the Compensation Committee
2. Mr. Jesadavat	Priebjrivat	Member of the Compensation Committee
3. Mr. Porntat	Amatavivadhana	Member of the Compensation Committee

Remark: Secretary to the Compensation Committee is Mr. Wanchak Buranasiri

Scope of Authority and Responsibility of the Compensation Committee is as follows:

1. To provide recommendation to the Board of Directors with respect to the policy and criteria for determining annual remuneration, both cash and non-cash reward, to be given to directors by considering the justifiable, reasonable and appropriate remuneration for the scope of duty and responsibility of directors that is comparable with the remuneration rate of other companies in the same industry, provided that such remuneration is submitted for approval in the shareholders' meeting
2. To consider the annual remuneration, annual salary adjustment, change in salary rates, and other remuneration according to positions, benefits, as well as terms and conditions of employment, of the Chief Executive Officer and the President
3. To provide recommendation to the Board of Directors with respect to the policy and criteria for determining annual remuneration and other benefits to be given to senior executives, according to their positions
4. To consider and provide opinions in the event that the Company would like to issue and allot warrants, which are more than five percent of total warrants issued in each lot of allocation, to directors and executive employees of the Company and/or its subsidiaries, as well as determine the name of directors and executive employees being entitled to receive warrants more than five percent and number of warrants to be issued and allotted to each of them, subject to relevant laws, rules and regulations

5. To perform any other act as assigned by the Board of Directors in relation to the determination of significant compensation

(d) The Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility Committee or the CSR Committee is appointed by the Board of Directors, became effective on 28 July 2010. The CSR Committee consists of three directors with the President as the Chairman and the other two shall be selected from amongst directors, employees, independent advisors or specialists. Members of the CSR Committee who are directors or independent specialists have a three-year term and could be re-elected for the purpose of continuity. Members of the CSR Committee who are employees including the President have the term of office as deemed appropriate by the Board of Directors.

The CSR Committee presently consists of:

(As of 1 March 2013)

Name		Positions
1. Mr. Srettha	Thavisin	Chairman of the CSR Committee
2. Mr. Jesadavat	Priebjrivat	Member of the CSR Committee
3. Mr. Porntat	Amatavivadhana	Member of the CSR Committee

Scope of Duty and Responsibility of the CSR Committee

The duty and responsibility of the CSR Committee are as follows:

1. To review CSR policy and activities and submit to the Board of Directors for approval
2. To agree and establish a CSR strategy of Sansiri Group's to ensure that it remains an integral part of the group strategy and its implementation in practice and that the Group's social, environmental and economic activities are aligned
3. To review the CSR annual plan and budget and submit to the Board of Directors for approval
4. To review and monitor progress of CSR activities and evaluate the success and quality of CSR Programmes

- 5. To promote CSR programmes and encourage participation among directors and employees
- 6. To elect the CSR Working Group to develop the CSR Plan and create CSR Programmes
- 7. To conduct CSR-related issues as assigned by the Board of Directors

(e) The Executive Committee

The Executive Committee is appointed by the Board of Directors to supervise and control daily affairs of the Company. Being selected from a list of the Company's Top Management, members of the Executive Committee must not be directors of the Company (except members of the Executive Committee no.1-3 on the list as shown below). Therefore, they are not "Director and Management" according to the Notification of the Securities and Exchange Commission.

The Executive Committee presently consists of:

(As of 1 March 2013)

Name			Positions
1.	Mr. Apichart	Chutrakul	Chairman of the Executive Committee
2.	Mr. Srettha	Thavisin	Deputy Chairman of the Executive Committee
3.	Mr. Wanchak	Buranasiri	Member of the Executive Committee
4.	Mr. Thalin	Aeimtitiwat	Member of the Executive Committee
5.	Mr. Monthian	Soisuwan	Member of the Executive Committee
6.	Mr. Uthai	Uthaisangsuk	Member of the Executive Committee
7.	Mr. Nopporn	Boonthanom	Member of the Executive Committee
8.	Mr. Metha	Angwatanapanich	Member of the Executive Committee
9.	Mr. Manu	Trakulwattanakit	Member of the Executive Committee
10.	Mr. Somchai	Charntanawet	Member of the Executive Committee
11.	Mrs. Anongluk	Rathprasert	Member of the Executive Committee and Secretary to the Executive Committee

Scope of Authority and Responsibility of the Executive Committee

- 1. Supervising and controlling daily affairs of the Company so that they conform to policies and budget approved for them by the Board of Directors. This includes making business plans, directions, strategies, and organisational structures, and managing the Company's operations. Corporate expenditures must conform to economic conditions and the competition encountered by the Company, according to the aforementioned policies and budget. The Committee must also monitor results of corporate operations and ensure that they accord with the approved business plan of the Company.
- 2. Conducting any other affairs assigned to it by the Board of Directors, including authorisation of operations that fall within the scope of authority assigned to the Executive Committee by the Board of Directors, which authority is subject to periodic review.
- 3. Screening for other matters beyond the Committee's scope of authority before passing them to the Board of Directors for consideration.

Nonetheless, the authorisation assigned by the Board of Directors shall not cause the Executive Committee, the President or any proxy to approve transactions that he or potentially conflicted persons may involve directly or indirectly in advantage/ disadvantage, or any involvement causing conflicts of interest to the Company or any related transactions which referred by the Articles of Association of the Company, the regulations of the Securities and Exchange Commission, except normal business transactions such as buying or selling products or services of the Company in accordance with the policy, rules and budget which were approved by the Board of Directors.

- (f) The Management, according to the definition under the Notification of the Securities and Exchange Commission, presently consists of the persons, namely:

(As of 1 March 2013)

Name			Positions
1.	Mr. Apichart	Chutrakul	Chief Executive Officer
2.	Mr. Srettha	Thavisin	President
3.	Mr. Wanchak	Buranasiri	Chief Operating Officer

(As of 1 March 2013)

(As of 1 March 2013)

Name		Positions
4. Mr. Thalin	Aeimtitiwat	Senior Executive Vice President - Accounting Department
5. Mr. Uthai	Uthaisangsuk	Senior Executive Vice President - Business Development and Project Development Division (High Rise) Senior Executive Vice President - Marketing Communication Division
6. Mr. Metha	Angwatanapanich	Senior Executive Vice President - Business Development and Project Development Division (Low Rise)
7. Mr. Nopporn	Boonthanom	General Counsel / Legal Office
8. Mr. Manu	Trakulwattanakit	Executive Vice President - Project Management and Marketing Department (Low Rise 3) Executive Vice President - Product Development Department (Low Rise) Executive Vice President - Design Solution Department Executive Vice President - Production Cost Management Department
9. Mr. Suriya	Wannabuit	Executive Vice President -Project Management and Marketing Department (Low Rise 4,5,6) Executive Vice President - Precast Factory
10. Mr. Somchai	Charntanawet	Executive Vice President - Finance and Information Technology Department
11. Mrs. Anongluk	Rathprasert	Senior Vice President - Customer Relations and Human Resources Department
12. Miss Vilasinee	Dejamornthan	Senior Vice President - Project Management and Marketing Department (Low Rise 2)
13. Mr. Chookiat	Joomthong	Senior Vice President - Government Affairs Department

Name		Positions
14. Mr. Supol	Sombathwichathon	Senior Vice President - Quality Control and Estimation Department
15. Mr. Apisit	Srisakulpong	Senior Vice President - Project Management Department (High Rise 1)
16. Mr. Tasanin	Mahaamataytibodee	Senior Vice President - Home Care Department
17. Miss Dusadee	Tancharoen	Senior Vice President - Marketing and Product Development (High Rise) Senior Vice President - Marketing Communication Division
18. Mr. Pornchai	Chaimongkolsub	Senior Vice President - Project Management and Marketing Department (Low Rise 1)
19. Mrs. Sirindra	Mongkolnavin	Senior Vice President - Corporate Planning and Investor Relations Department Senior Vice President - Organisation Development Department
20. Mr. Samatcha	Promsiri	Vice President - Corporate Marketing Department
21. Mr. Prasert	Trakranvachirahut	Vice President - Project Procurement Department
22. Miss Suwannee	Mahanarongchai	Vice President - Plus and Touch Business Support Department (Research-Business Development and Consultant)
23. Mr. Piti	Jarukamjorn	Vice President - Project Management Department (High Rise 2)

In addition, there is a change in the management of the Company as follows:

- Mr. Monthian Soisuwan held position in the Company as the Executive Vice President - Project Support Division until 31 January 2013.

Note: Information of directors and the management of the Company are explained in detail under the topic “Details on Directors and the Management”

(g) The Company Secretary

Mr. Nopporn Boonthanom was appointed by the Board of Directors as the Company Secretary, became effective on 13 August 2008 with the preliminary duty and scope of responsibility as specified by the Securities and Exchange Acts (No.4) B.E. 2551.

2. Selection of Directors and the Management

Selection of the Company's directors must be approved by the shareholders' meeting, unless a position falls vacant for some other reasons than the normal expiry of a director's term of office. The Board of Directors may then elect a replacement at its next meeting to fill that position only for the remaining term, unless the remaining period is less than two months. Appointments of independent directors and the Audit Committee will be made by the Board of Directors from a list of qualified persons generally accepted by the business sector and appropriate academic realm and nominated by the Chief Executive Officer and the President for that purpose, or proposed for appointment at the shareholders' meeting, as is the case with directors of the Board whose names are proposed jointly by the Chief Executive Officer and the President.

Method of Election of Directors at the shareholders' meeting

The Company's regulations differ from the method stipulated by Article 70, Clause 1 of the Public Companies Act of B.E. 2535. The Company's regulations require that the Board of Directors must be approved by a majority of votes in the shareholders' meeting, with one vote for each share. Election may be of individuals or of groups, as the shareholders' meeting deems appropriate. A shareholder may not divide his/ her votes among several individuals or groups. At each Annual General Meeting of Shareholders, one third of the positions on the Board becomes vacant, and those whose terms have expired may be re-elected for another term of office.

3. Management Remuneration

3.1 Cash remuneration

- (A) Total cash remuneration of directors and members of the Audit Committee in 2012 consists of meeting allowances, special remuneration of non-executive directors and salary of the Audit Committee, details of which are as follows:

Remuneration of directors for the year 2012

No.	Name		Meeting Allowances (baht / year)	Special Remuneration to the Non-Executive Directors (baht / year)	Total (baht / year)
1	Mr.	Kovit Poshyananda	240,000	1,500,000	1,740,000
2	Mr.	Apichart Chutrakul	240,000	-	240,000
3	Mr.	Mana Noppun	240,000	1,000,000	1,240,000
4	Mr.	Jesadavat Priebjrivat	240,000	1,000,000	1,240,000
5	Mr.	Wirat Uanarumit	240,000	1,000,000	1,240,000
6	Mr.	Srettha Thavisin	240,000	-	240,000
7	Mr.	Wanchak Buranasiri	240,000	-	240,000
8	Mr.	Kriengkrai Thiennukul	240,000	1,000,000	1,240,000
9	Mrs.	Nujchanart Panthawangkun	240,000	1,000,000	1,240,000
10	Mr.	Pornat Amatavivadhana	240,000	1,000,000	1,240,000
Total					9,900,000

The remuneration of the Audit Committee was paid in the form of salary at the same rate as in the previous year, which were 50,000 baht per month for the Chairman and 30,000 baht per month for other members.

Remuneration of members of the Audit Committee for the year 2012

No.	Name	Salary (baht / year)
1	Mr. Mana Noppun	600,000
2	Mr. Jesadavat Priebjivat	360,000
3	Mr. Wirat Uanarumit	360,000
Total		1,320,000

(B) Cash remuneration of the management was in the forms of salary and bonus as follows:

Remuneration for the Management

Type of Remuneration	The year 2012	
	No. of Top Management	Amount (baht)
Total Salary	24	92,056,667
Total Bonus	24	324,000,000
Total		416,056,667

3.2 Other Remuneration

3.2.1 The Plan to issue and offer ESOP Warrants to Directors of the Company and its subsidiaries (ESOP scheme)

The Company introduced the ESOP scheme with the purpose of motivating its directors and employees to participate in the Company as an owner, as well as improving the working morale and stimulating and encouraging employees to perform their best for the highest benefit of the Company. In addition, the ESOP scheme will be an incentive that helps retain employees with high capability and efficiency to work with the Company in the long term. As of the year ended 2012 there were ESOP schemes which are summarised as follows:

Name	ESOP # 5	ESOP # 6
Number of Warrants which were already been allotted and subscribed	The Company had split warrants from 1 existing unit to 4 newly issued units, according to the change of par value of the Company's share pursuant to the resolution of the Extraordinary Meeting of Shareholder No. 1/2011 held on 27 September 2011 as follows: - a warrant split <u>from</u> 19,816,289 units <u>to</u> 79,265,156 units	The Company had split warrants from 1 existing unit to 4 newly issued units, according to the change of par value of the Company's share pursuant to the resolution of the Extraordinary Meeting of Shareholder No. 1/2011 held on 27 September 2011 as follows: - a warrant split <u>from</u> 63,173,735 units <u>to</u> 252,694,940 units
Total number of shares being reserved for exercising right (after the change of par value of the Company's share)	splitting 1 existing share being reserved for exercising right of the warrant to 4 newly issued shares as follows: - <u>from</u> 23,125,615 shares <u>to</u> 92,502,460 shares	splitting 1 existing share being reserved for exercising right of the warrant to 4 newly issued shares as follows: - <u>from</u> 73,723,754 shares <u>to</u> 294,895,016 shares
Maturity	5 years from the issuance of warrant (30 June 2009)	5 years from the issuance of warrant (6 August 2010)
Exercise Ratio	1 unit of warrant is entitled to purchase 1.167 ordinary shares	1 unit of warrant is entitled to purchase 1.167 ordinary shares
Exercise Price	1.072 baht per unit	1.114 baht per unit
Exercise Period	The warrant holders are entitled to exercise warrants once every calendar month on the last working day until the maturity of warrants	The warrant holders are entitled to exercise warrants once every calendar month on the last working day until the maturity of warrants

Warrants issued under ESOP Plan which were allotted to directors of the Company are as follows:

The name of directors (at present)			Proportion of the allotment (% of the scheme)	
			Warrants under ESOP# 5	Warrants under ESOP# 6
1.	Mr. Kovit	Poshyananda	1.89	4.00
2.	Mr. Apichart	Chutrakul	4.92	-
3.	Mr. Mana	Noppun	-	2.67
4.	Mr. Jesadavat	Priebjrivat	-	2.67
5.	Mr. Wirat	Uanarumit	-	2.67
6.	Mr. Srettha	Thavisin	4.92	-
7.	Mr. Wanchak	Buranasiri	4.92	-
8.	Mr. Kriengkrai	Thiennukul	-	2.67
9.	Mrs.Nujchanart	Panthawangkun	-	2.67
10.	Mr. Porntat	Amatavivadhana	-	2.67

3.2.2 Contributions to the Provident Fund : In 2012, the Company had not paid any contributions to the Provident funds of directors, except for directors who are employees of the Company, with contributions to their provident funds as follows

Type of remuneration	The year 2012	
	No. of persons	Amount (baht)
Contributions to the Provident Fund	24	10,281,127

4. Corporate Governance

The Company regards corporate governance as a system essential to processes and structures of leadership and control. It facilitates responsibility for one’s position through transparency and enhances corporate competitiveness as a mean to preserving capital and adding value to shareholders’ equity in the long term. Corporate governance is a code of business ethics that protects various interested parties and society as a whole. To this end, the Company has established the Audit Committee, consisting of individuals independent of the Company, and free of managerial control. The Audit Committee meets every three months to examine the stewardship of the Company in terms of transparency, integrity, accountability, and competitiveness.

The Company is aware of the importance of corporate governance as a factor in determining whether an investor will choose to invest in the Company. Consequently, the Company has regularly updated its information, accounting, and management systems to ensure fast and accurate reports, and established an Investor Relations Office to communicate with investors, both Thais and foreigners, as well as foreign partners and shareholders who need to have prompt and accurate knowledge of the Company.

The progress made by the Company in implementing all five sections contained in the Principles of Good Corporate Governance for Listed Companies laid down by the Stock Exchange of Thailand is herewith explained as follows:

1. Rights of Shareholders

To increase transparency, competitive advantage and the confidence of shareholders, investors and all stakeholders of the Company, the Board of Directors has set a guideline for protection of fundamental rights of shareholders (such as the rights to trade and transfer shares, to receive dividend from profits of the Company, to receive sufficient news and information from the Company, to attend and exercise their voting rights in the shareholders’ meeting, etc.) including the following principles:

- (a) The Company provides information about the shareholders’ meeting by sending the invitation letter along with the meeting agenda within sufficient timeframe (14 days prior to the meeting date). The invitation letter and the meeting agenda contain details of the meeting including date, time, venue, agenda of the meeting and other necessary information required for decision making process together with comments from directors for each agenda, and proxy form for shareholders who are unable to attend the meeting, etc. Furthermore, the Company also advertises these information on the Company’s website before sending documents to shareholders.

- (b) The Chairman of the meeting allocates sufficient and appropriate time and carries out the meeting according to the agenda. During the meeting, the Chairman allows shareholders to freely express their opinions and raise their questions in relation to the Company's business.
- (c) The Chairman of the Board, the Chairman of the sub-committee, and all directors (unless with reasonable cause) are to attend the meeting and answer the questions from shareholders.
- (d) The Company operates business with efficiency, transparency, accountability, and sufficient information disclosure for the utmost benefits of shareholders and stakeholders.

2. Equitable Treatment of Shareholders

General Rights

The Company realises its duty to protect the rights and benefits of shareholders and to place importance on fair and equal treatment of all shareholders. It is the Company's policy to disclose information with respect to business operation with accuracy and transparency, including any issues that could impact the Company's business and the rights in which shareholders are entitled to, such as shareholders' participation in the shareholders' meeting to exercise their voting rights, the rights to receive dividend, or the rights to approve a decrease or an increase of capital, etc.

The Shareholders' Meeting

The Company has established the policy to hold the shareholders' meeting in accordance with applicable laws and regulations of the Stock Exchange of Thailand, including sending invitation letter and the meeting agenda to shareholders prior to the meeting, taking the minutes of the meeting, and also facilitating shareholders at the shareholders' meetings.

Prior to the Meeting

In 2012, the Company held the shareholders' meeting once, an Annual General Meeting of Shareholders, on 20 April 2012. The Company sent the invitation letter along with the meeting agenda to shareholders no less than 14 days prior to the meeting date. To provide shareholders an opportunity to study the key information of the meeting before receiving documents, the Company also publicised such information on the Company's website for approximately 28 days prior to the meeting date and had informed the Stock Exchange of Thailand of such broadcasting.

For the Annual General Meeting, the Company has provided shareholders with the following information to help them make decisions:

- Facts and rationale along with the opinion of the Board of Directors for each agenda
- Key information such as the biography of the person being appointed as a director (for the agenda to appoint the new director as a replacement for the director who retired upon completion of their terms), details of remuneration of directors and sub-committee, etc.
- Proxy of shareholders in which the Company has provided an alternative for shareholders to propose at least one independent director to be their proxy to attend the meeting and to vote, in case that the shareholder is unable to attend the meeting

The Company realises the importance of the shareholder's rights to access the Company's information. At present the Company has the policy to better provide key information for the shareholders' meeting with more details of the important agenda to be considered, reasons for necessity, the positive and negative impacts of that agenda.

Furthermore, the Company has facilitated shareholders and their proxy at each shareholders' meeting by using the barcode registration system and the voting form for each agenda.

During the Meeting

In the shareholders' meeting held in 2012, the Chairman of the Board of Directors acted as Chairman of the meeting with the Chairman of the sub-committee and directors of the Company attended the meeting (the names were shown in the minutes of meeting) to report or to answer to any questions from shareholders. Before proceeding with the meeting agenda, the Chairman explained to the meeting the procedure of voting for each agenda and informed the meeting of the voting result after completing the consideration of each agenda.

The Company carried out the meeting according to the agenda stated in the invitation letter, and allowed shareholders to vote for the new director according to the agenda to appoint the new director. Furthermore, the Company holds on to the principle in which to give shareholders an opportunity to study the information before making decision, and the Company will not add any agenda without informing shareholders in advance.

During the meeting, the Chairman gave equal opportunity to shareholders to examine the Company's business operations, to ask questions, and to express their opinions and suggestions. Every shareholder, minor and major shareholders, all received the same and equal information about the Company's business operations and financial information, including equal rights to receive dividend.

After the Meeting

The Company has taken the minutes of the meeting with accuracy and completeness. Voting result of each agenda, issues or questions that were raised in the meeting, and opinions or suggestions from shareholders were also included in the minutes of the meeting. The minutes of the shareholders' meeting held in 2012 were submitted to the Stock Exchange of Thailand within 14 days after the meeting date, and also were publicised on the Company's website, www.sansiri.com, for future reference and examination by the shareholders.

3. Roles of Stakeholders

The Company places importance on all groups of its stakeholders regardless of whether they are internal stakeholders such as employees and the management of the Company and its subsidiaries, or external stakeholders such as shareholders, customers, competitors, and creditors. The Company is fully aware that supports from all stakeholders will enable the Company to build the competitive advantage and create profits, which is the long term success of the Company.

For such purpose, the Company provides fair, transparent, and timely disclosure of the key information to ensure that all stakeholders are treated equally.

Shareholders

The Company aims to ensure that shareholders receive appropriate returns on their investment by delivering solid business operation results and continuing business development. The Company also implements an effective and efficient internal control system to ensure that the benefits of the Company and the shareholders are well-protected.

Customers

The Company recognises the importance of customers and therefore, determines to create customer satisfaction appropriately by offering high quality products and services in response to the customers' needs.

Employees

The Company recruits and retains high potential and experienced employees with determination to continuously develop and increase skills of employees as well as to encourage employees to be successful and feel secure in their profession. The Company treats every employee equally, provides employees with reasonable welfares and other benefits such as provident fund, health and life insurance, etc.

Management

The Company realises that the management is one of the key success factors, and therefore, has arranged for an appropriate remuneration of the management.

Creditors and Business Partners

The Company operates and deals business with its creditors and all groups of its trade partners on principles of fairness and ethical manners by complying with the laws and regulations and on the agreed terms and conditions.

Competitors

The Company treats its competitors fairly and does not seek for any information of the competitors dishonestly.

Responsibility to the Community, Society, and Environment

The Company operates its business based on responsibility, care, and concerns to the overall community, society, and the environment, and also complies with all relevant laws and regulations.

4. Information Disclosure and Transparency

The Company places importance on the disclosure of information with accuracy, completeness, transparency and equality for financial statements and general information, and also other information that would impact the Company's share price. To ensure that investors and all other related parties have free access to the information, the Company publicises the information through different media channels such as website of the Stock Exchange of Thailand, form 56-1, annual reports, and at the Annual General Meeting of shareholders.

In addition, the Company's information which has been reported to the Stock Exchange of Thailand, shareholders and investors, will be publicised in both Thai and English language on the Company's website www.sansiri.com. This is another communication channel which is very timely and provides an easy access to the users. The Company

has set up the Investor Relations Office to be responsible for the communication and provision of the Company's information and activities for shareholders, analysts and other investors, fairly and equally. The role of the Investor Relations Office also refers to creating and maintaining positive image and attitude, and confidence among analysts and investors. Investors or any interest parties can contact the Investor Relations Office at the telephone number (662) 201-3905 or at the e-mail address: IR@sansiri.com.

The key information of the Company consists of financial statements and other non-financial information in accordance with the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand. The Company's financial statements which have been reported to the Stock Exchange of Thailand, were verified and examined by the Company's auditor and were approved by the Board of Directors, who is responsible for the consolidated financial statements of the Company and its subsidiaries and the financial information that appears in the Annual Report. The financial statements are prepared according to accounting principles generally accepted in Thailand with proper accounting policies and estimation. The aforementioned statements disclose all significant information related to them in the Notes to the Financial Statements. Furthermore, the Board of Directors has instituted an effective system of internal controls to ensure with reasonable certainty that all accounts are accurate, complete, and adequate for the purpose of maintaining the Company's assets. They must also identify weak points vulnerable to significant occurrences of fraud and dishonest business practices. For this reason, the Board of Directors has appointed the Audit Committee consisting of non-executive directors to examine the quality of the Company's financial reports and system of internal controls. Their opinions in this regard are compiled in the Report of the Audit Committee, which appears in the Annual Report and Form 56-1.

5. Responsibility of the Board of Directors

5.1 Structure of the Board of Directors

Composition of the Board of Directors

The Board of Directors has been elected by the shareholder's meeting in accordance with the Company's Article of Association. At present, the Company has total of ten directors, which is appropriate to the size of business. The Board of Directors consists of three executive directors, and seven non-executive directors. In this regard, three of non-executive directors are members of the Audit Committee. There are five independent directors on the board which is more than one third (1/3) of total numbers of directors on board.

In this regard, non-executive directors and the Audit Committee of the Company are highly experienced and knowledgeable persons who work independently with no influence of the management. Thus the Executive Committee of the Company is guided and supervised impartially by non-executive directors and the Audit Committee, providing sufficient balance in the opinion of the Company.

The Board of Directors clearly determines and distinguishes duty and responsibility of the Board itself, its committees, and the management of the Company. The duty and responsibility is regularly communicated to directors, the management, and staff of the Company as well.

Qualifications of Independent Directors

Independent director refers to a director whose qualifications are in line with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

1. Holds shares not exceeding one percent of total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that shares held by related parties of an independent director shall be included
2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling party of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company
3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of the management, major shareholders, controlling party or the person who is in the process of nomination as the management or controlling party of the Company or its subsidiaries
4. Has no or never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company in respect of controlling which may harm an independent decision-making, including not being or never been a significant shareholder, or controlling party of any persons having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company

5. Is not or has never been an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not a significant shareholder, controlling party, or partner of the auditing firm which employs an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company
6. Is not or has never been the professional service provider, including but not limited to legal consultant or financial advisor who received the service fee more than two million baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not a significant shareholder, controlling party, or partner of the above-mentioned service firms
7. Is not a director who is nominated as the representative of directors of the Company, major shareholders, or any other shareholders related to major shareholders
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares exceeding one percent of total voting shares of any other companies which operate the same and competitive business with the business of the Company, or its subsidiaries
9. Is not any otherwise which is unable to have an independent opinion regarding the business operation of the Company

After being appointed as an independent director in accordance with the conditions under the article (1) - (9), the independent director may be assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of Company.

The definition of independent director of the Company is equal to the minimum requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Separation of Control of the Chairman of the Board and the Managing Director

According to the Company's structure, the Board of Directors has elected an independent director who has no relations with the management as the Chairman of the Board. In order to separate the duty of establishing policies from managing the Company's daily business operations, the Company specifies that the Chairman of the Board of Directors must not be the same person as the Managing Director.

Under his leadership, the Chairman of the Board plays an important role in both overseeing to ensure that the management manages the Company in accordance with the policy, as well as assisting, advising, and supporting business operations of the management. Nonetheless, the Chairman of the Board has no participation in business operations, which are under responsibility of the management whereas the Chief Executive Officer and the President are responsible for managing business as appointed and approved by the Board of Directors. In addition, the Chairman of the Board is also the chairman of the Board of Directors' meeting and the shareholders' meeting, to encourage all directors to participate in the meeting as well as to ensure that the meetings are carried out smoothly and successfully.

The Company Secretary

The Company has the policy to comply with the Securities and Exchange Act (Amendment) and the good corporate governance principles for a listed company, by assigning the company secretary to be in charge of all corporate secretarial and other related tasks with efficiency and systematic approach. At present, Mr. Nopporn Boonthanom, the General Counsel Legal Office and Secretary to the Board is appointed by the Board as the Company Secretary, in charge of keeping the Board informed of any relevant laws and regulations as well as conducting effective meetings to ensure that the Board of Directors' meetings and the shareholders' meetings are carried out smoothly and efficiently.

5.2 Sub-committee

The Board of Directors has appointed four committees to assist in corporate administration and supervision namely (1) the Audit Committee (2) the Compensation Committee (3) the CSR Committee and (4) the Executive Committee. Details of the role, responsibility, and composition of each committee are described under the topic "1. Management Structure" of the section "Management". The Chairman of the Board is not either a chairman or a member of any committee to ensure independence of the committees.

5.3 Role, Duty, and Responsibility of the Board of Directors

The Board of Directors has the obligation and responsibility to perform its duty in accordance with laws, objectives, regulations, code of conducts, and resolutions of the shareholders' meeting, as well as to consider and approve the Company's policy and management direction, financial target, and annual budgets. The Board of Directors also oversees and monitors to ensure that business operations are managed effectively and according to the Company's policy for the utmost benefits of shareholders under ethical standards with honesty and carefulness.

Business Ethics

The Board of Directors has clear policies on business ethics, which have been communicated to the management and employees on a regular basis. All concerned individuals are expected to adopt these policies and implement them with integrity, honesty, and fairness in their dealings with the Company, interested parties, the public, and society. Interactions between individuals concerned and other parties are constantly monitored. The Company has compiled and published a code of professional ethics for staff and specified penalties for violating the aforementioned code.

Conflicts of Interest

To prevent conflicts of interest, the Board of Directors carefully reviews any item that could be construed as a conflict of interest, and to establish written policies and procedures for the authorisation of transactions between related parties. The Article of Association of the Company and its subsidiaries were revised to stipulate that if there is any transaction between the Company and its subsidiaries, or the sale and acquisition of the Company's and its subsidiaries' assets, all transactions must be complied with guidelines by the Stock Exchange of Thailand regarding the inter-related transaction.

The Board of Directors is aware of each incidence of a potential conflict of interest or inter-related transaction and considers the appropriateness of each occurrence. The Company complies with principles of the Stock Exchange of Thailand whereby prices and conditions are negotiated strictly on an arm's-length basis. Details of each transaction, its value, the parties involved, and the reason or necessity of the transaction are explained in the Annual Report and Form 56-1. In particular, directors, the management and employees are not allowed to consider or vote on matters in which they may have a potential conflict of interest.

Internal Control and Internal Audit

The Company places importance on an effective and appropriate internal control system for business operations, both at the managerial and operational levels. Therefore, the Company has adjusted the structure of the organisation to be in line with the Company's objectives, business, duty, and responsibility of each strategic business unit. The Company has also clearly established the written guideline of the obligation, and scope of authority of staff and the management, has the control and monitoring system for the utilisation of the Company's assets, and has clear separation and segregation of duty and obligation for operators, the monitoring party and the evaluator. This is to balance the power and authorisation and enables appropriate cross examination among all parties involved. Furthermore, the Company also has an internal control of financial system, by setting the financial reporting structure according to the respective management in charge.

The Company conducts investigation to determine that its operations and financial activities are proceeding properly and efficiently, and are compliant with all relevant laws and regulations. In order that an internal auditing unit be independent, capable, and balanced, the Board of Directors has stipulated that its reports must be made directly to the Audit Committee and that its activities be evaluated by the Audit Committee as well.

Risk Management

The Company places great importance on risk management. The risk involved in each corporate activity is evaluated, along with measures to prevent and mitigate risk and its effect on corporate operations. The task of the management is to assess economic, financial, social, and legal risks produced by changes in circumstance, along with their impacts on competitiveness in the industry, and to decide on appropriate solutions.

5.4 Meetings of the Board of Directors

The normal frequency of meetings of the Board of Directors is on quarterly basis. Other special meetings may be held as the need arises. Each meeting has a clear agenda, determined in advance, part of which is a regular review of operational results. The secretary to the Board issues invitation letter, along with the meeting agenda and all relevant documents, seven days in advance, so that directors may have sufficient time to study all pertinent information prior to attending the meeting. Each meeting normally lasts approximately one to two hours. In 2012, the Board of Directors held four regular meetings and eight extraordinary meetings, totalling twelve meetings. The attendance of each director is as follows:

Details of directors and members of each committee's attendance records in year 2012

Name		Board of Directors Meeting	Audit Committee Meeting	Compensation Committee Meeting	CSR Committee Meeting
1. Mr. Kovit	Poshyananda	12/12	-	-	-
2. Mr. Apichart	Chutrakul	11/12	-	-	-
3. Mr. Mana	Noppun	12/12	4/4	1/1	-
4. Mr. Jesadavat	Priebjrivat	11/12	4/4	1/1	2/2
5. Mr. Wirat	Uanarumit	8/12	2/4	-	-
6. Mr. Srettha	Thavisin	11/12	-	-	2/2
7. Mr. Wanchak	Buranasiri	12/12	-	-	-
8. Mr. Kriengkrai	Thiennukul	11/12	-	-	-
9. Mrs. Nujchanart	Panthawangkun	8/12	-	-	-
10.Mr. Porntat	Amatavivadhana	11/12	-	1/1	2/2

The Chairman of the Board of Directors has allocated sufficient time for the proposal of issues for consideration, and encouraged directors to freely and thoroughly discuss the issue. The secretary to the Board takes the minutes of the meeting with all important details of the meeting including the discussion of the meeting and opinions of directors being clearly recorded. The minutes of the previous meetings which were approved by the Board of Directors shall be kept and ready for the examination by the directors and other related parties.

5.5 Self Evaluation of the Board of Directors

The Company is kept abreast of the performance evaluation of the Board of Directors according to the regulation set by the Stock Exchange of Thailand. The Company evaluates the performance of the Board of Directors from time to time. At present, the Company intends to carefully and appropriately set a guideline for performance evaluation of the Board of Directors, and to use evaluation results to improve performance of the Board of Directors.

5.6 Remuneration of Directors and the Management

The Company’s policy on remuneration of directors is straightforward and transparent. Remuneration is comparable to an industry standard and is high enough to attract and retain directors who are qualified. Having been approved by the shareholders’ meeting, directors who are appointed as the Audit Committee are given increased remuneration appropriate to their greater workload.

The Board of Directors appointed the Compensation Committee, composing of members of the Audit Committee and non-executive directors, so as to give impartial and appropriate consideration to the remuneration of the Board of directors, and the Audit Committee. Their recommendations must then be approved by the shareholders' meeting. Details of the remuneration of directors and the management are provided under the topic “Management remuneration” of section “Management”.

5.7 Development of Directors and the Management

Development of Directors

The Company recognises the importance of directors who play important roles in determining the Company's policy and plan to achieve corporate business goal as well as maximising business benefits of all shareholders who trust and appoint directors to set the policy and supervise the management on business affairs operations. Therefore, the Company has aimed at continuously and consistently developing directors to be knowledgeable in all matters necessary and related to their works and the Company's business. This includes support in terms of time allocation and any related expenses for directors, the Audit Committee, the management, and employees in charge of corporate secretarial tasks, to attend or participate in training courses and seminars with various institutions such as the Stock Exchange of Thailand, the Securities and Exchange Commission, Thai Institute of Directors, and Thai Listed Companies Association. The purpose of

attending training courses and seminars is to gain knowledge and understanding, as well as to be informed of any laws, rules, responsibilities, and any useful information which could be utilised and be beneficial for the business in the future.

In addition, in case of an appointment of a new director, the secretary to the Board of Directors as a person in charge of the corporate secretarial tasks of the Company will be preparing the necessary documents and information which are useful and beneficial for a director to learn and be aware of his role, obligation and responsibility. Documentation includes Directors' Manual for Thai Listed Company issued by the Securities and Exchange Commission and the Rules on obligations and responsibilities to disclose reports to the Office on each person's securities holding in accordance with section 59, and its penalty in accordance with section 275 of the Securities and Exchange Act B.E. 2535. These documents contain details of obligation and responsibility in which directors must abide by legally, including the Code of Best Practice which is a guideline of internationally accepted standards and business practices.

Development of Management and Succession Plan

The Company determines to develop the management from the middle level to the top level for continuing business succession plan for planning and business operations in various functions including product development, sales and marketing, finance, and other supporting functions. The Company sets up the committee consisting of the top management as deemed appropriate, and the management of each strategic business unit. Consequently, the committee holds meetings to set the working plan and coordination. The Committees include the investment committee considering and making decisions on land purchases or other investments, the committee responsible for the Company's financial information, and the committee for product development and marketing. These committees comprise of the Chief Executive Officer, the President, and the Chief Operating Officer as core members, with the management of relevant strategic business units as members of each committee. The Company is confident that this working structure will be a good way to develop the potential of the management as they will have an opportunity to participate and be part of the team to set the plan and business operational process, and also to closely work with the management from other strategic business units. Furthermore, it is a good opportunity for them to study and learn from the experiences of the higher level management in actual business operations. Apart from being a good way to develop the potential of the management, the working structure also enables the continuity of business and the succession and transfer of responsibility among the same level of management in different strategic business units or from the

higher level of management without any interruption. This is due to the fact that the working structure does not rely on an individual, but on teamwork. The coordination of each individual in a team working together synchronously has enabled the succession of works gradually in forms of learning and knowledge transmission, together with significant responsibility.

For the middle management, the Company also has development and succession plans. The top level management of each respective strategic business unit will consider and support their middle management and staff of their strategic business units who have high potential to develop and become their successors. The names of middle management will be proposed and selected to participate in the SLP (Sansiri Leadership Programme) which is a training programme to support and enhance the potential of the middle management in preparation to be executives. Employees will learn about procedures and strategies of the modern management theories, including how to become a good and effective management in the future. Furthermore, this is the building of networks for coordination among different strategic business units as employees who participate in the programme will attend classes and join the activities together. The company also provides a training course for lower level employees of a high calibre. The top level management from different but related strategic business units will be discussing and selecting skilled employees with positive attitude to participate in on-the-job training to enable them to grow and become the middle management respectively. Apart from the aforementioned projects, the Company also has the Management Trainee Project to help employees to learn and understand the process and procedure of business operations of the organisation which will enable employees to plan and carry out business operations in accordance with the Company's objectives and to help support the development of the management.

Furthermore, the Company also supports seminars and excursions both domestically and overseas to help employees to gain knowledge, improve skills, and explore new visions in order to apply these skills and knowledge to their works. The training courses include the Managerial Grid or the 7 Habits of Highly Effective People by Stephen R. Covey. Every middle level management will have an opportunity to attend these training courses and seminars to improve their skills and equip themselves to be leaders and the management in the future.

5. Supervising the Use of Inside Information

The Board of Directors and the management are obliged to report their holdings of the Company's securities to the Securities and Exchange Commission with every change

in the holdings of the Company's shares. This is one measure to enable the Company to determine whether any purchase of shares relied on the use of inside information by the abovementioned persons. According to the Company's policy on the disclosure of significant corporate information, the Board of Directors and the management, along with relevant department heads who may have significant inside information that would affect the Company's share price, are prohibited to sell or buy the Company's securities during one month prior to the release of financial statements or the inside information to the public. The Company has reiterated that significant information must be strictly shared among those who need to know. Other executives should only come to know of the information at the same time as it is disclosed to the public. By these methods, the Company believes that if inside information were used for personal gain, the scope of an investigation would be effectively limited and the persons responsible will be quickly identified and penalised.

6. Internal Controls

Sansiri highly recognises the importance of internal control system and ensures a suitable monitoring and supervision to bring about higher efficiency. The Board of Directors has assigned the Audit Committee, which works independently, to regularly oversee and review the internal control system to ensure appropriateness and effectiveness of the current system. Thus, the internal control system must be efficient enough to protect the assets of Sansiri Group while preventing the misuse of assets by the management. The thorough disclosure is required to ensure transparency and ability to be audited, according to Good Corporate Governance practice. This system, therefore, is meant to safeguard the interests of shareholders and provide justice for all groups of stakeholders.

Sansiri's internal control system is set up to harmonise with corporate operations and management in five areas, namely: (1) the organisation and its surroundings; (2) risk management; (3) control of management's operations; (4) information and communication systems; (5) monitoring systems.

The Organisation and its Surroundings

Sansiri has set up the organisation in such a way that operations of the management can be easily controlled while adjusting the organisation chart to enhance flexibility to cope with the changing business environment. The Board of Directors, consists of three directors from the management, along with seven external directors who are either qualified individuals of eminence or the Audit Committee. This composition of the Board facilitates checks and balances for fair, effective decision-making. According to the management structure, responsibilities have been clearly divided among three basic areas of internal control, namely authorising, recording financial data and other information, and asset management. In this regard, Sansiri has set up the Office of

Internal Audits, which directly reports to the Audit Committee and helps in monitoring, evaluating, and improving the internal control system.

Risk Management

Sansiri's annual business plan sets forth clear and measurable targets conforming to the corporate vision. The analysis of various types of risks is utilised to draw up the annual plan as well as determine operational strategies, benchmarks, and monitoring tools. An accounting system measures costs of each business activity on a separate basis, enabling Sansiri to evaluate the gain or loss in each activity and make a judgment on competitiveness of each business activity. During implementation of the plan, moreover, the relevant risk factors are regularly monitored and assessed to determine the likelihood of the risk. If any single factor changes or becomes more prominent than originally anticipated, Sansiri will be able to adjust strategies or institute measures to prevent or prepare for the risk in time.

Control of the Management's Operations

The Board of Directors has appointed two committees, the Audit Committee and the Compensation Committee, both of which strictly adhere to the scope of authority, duty, and responsibility assigned to them.

Sansiri sets the scope of authority and responsibility for each function properly, in accordance with the decentralisation and high efficiency. Sansiri constantly monitors operations of subsidiaries, and has put in place means whereby to monitor their operations and ensure that both Sansiri and subsidiaries are in compliance with regulations and all relevant legislation. Sansiri has, furthermore, determined a clear vision that serves as a guideline directing the work of all units within the organisation, and propagated it throughout the Company on a consistent basis. Sansiri has, besides this, selected a corporate culture and promoted activities that reinforce the culture, thereby promoting the same, harmonious Company-wide values, procedures, and workplace environment. It is the corporate culture that will strengthen honesty, responsibility, and integrity of all employees and ensure Sansiri's sustainable success.

Information and Communication Systems

In light of the importance of information and communication systems, Sansiri has upgraded our computerised database management system. The new process will facilitate the gathering and management of data as well as improve the accuracy and efficiency of operational reports. Sansiri now possesses, moreover, an internal computer network that links outside agencies to the Company, thus making overall communications within and outside the Company more rapid and effective. These systems have been established with sufficiently elaborate information security safeguards.

Monitoring Systems

The Board of Directors met 12 times in 2012, and the Audit Committee reported on its findings to the Board of Directors every quarter. The management is responsible for examining and monitoring operational results to do an analysis of financial impact on a continual basis. Sansiri holds a meeting of senior management from every department to report on progress according to the corporate plan two or three times a year. This is in addition to the regular monitoring of Sansiri’s operational systems and conformity to the plan’s benchmarks at various levels of command within the organisation. These meetings facilitate, by other means, the flow of information across departmental boundaries. If any significant defect is found, a report of it is made to the Audit Committee or the Board of Directors for decision and resolution.

During the Board of Directors' meeting # 3/2013 held on 27 February 2013, at which the Audit Committee was present, the Board of Directors and the Audit Committee both assessed Sansiri's internal control system in accordance with an evaluation form provided by the Securities and Exchange Commission. After interrogating management concerning the five aspects of an internal control system, namely the organisation and its surroundings, risk management, control of management's operations, information and communication systems, and monitoring systems, both bodies agreed that Sansiri Group has complied with generally accepted standards of accounting, guidelines by the Securities and Exchange Commission, and regulations of the Stock Exchange of Thailand in making quarterly financial reports, the yearly financial statements, and the consolidated financial statements of subsidiaries, correctly and consistently. It was agreed that the preparation and disclosure of these financial statements were accurate, adequate, and timely, and that Sansiri's internal control system was sufficient, appropriate, and could be adjusted effectively to changing circumstances. It was agreed, moreover, that by these means Sansiri and subsidiaries would achieve objectives, and that they were in compliance with all relevant legislation and regulations. Neither body discovered any significant problems or deficiencies that would damage Sansiri's operations.

Dividend Payment Policy

The Company's dividend policy is to pay dividend at the rate of approximately 50 percent of its consolidated net income after deduction of all reserves as required by laws and the Company. However, such dividend payment shall be conformed to the law and the Articles of Association of the Company as well as subject to the Company and its affiliates' cash flow and investment plans, including justifications and other future considerations as deemed appropriate.

DETAILS ON THE DIRECTORS AND MANAGEMENT

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ¹⁾ as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
1 Mr. Kovit Poshyananda - Chairman of the Board - Independent Director	78	Ph.D. (Economics), Cornell University United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	0.109%	Present	Independent Director, Chairman of the Audit Committee	Furukawa Metal (Thailand) Company Limited
				Present	Independent Director, Chairman of the Nomination and Remuneration Committee	Bangkok Bank Public Company Limited
				Present	Independent Director, Chairman of the Audit Committee	Shangri-La Hotel Public Company Limited
				Present	Vice Chairman	Walailak University
				Present	Independent Director, Chairman of the Audit Committee	Glow Energy Public Company Limited
				Present	Director	The Office of the Council States of Thailand
				Present	The Expert on Finance	Office of Insurance Commission
				Present	Chief Executive Officer	Sansiri Public Company Limited
2 Mr. Apichart Chuttrakul - Vice Chairman (Authorised Director)	52	Master of Business Administration University of San Diego United States	3.297%	Present	Member of the Central Land Development Sub-Commission	Real Estate Business Promotion Bureau, Department of Lands
				2009 - Present	Director	NED Management Company Limited
				2009 - Present	Director	Touch Property Company Limited

Note
¹⁾Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
2 Mr. Apichart Chutrakul - Vice Chairman (Authorised Director) (Continued)	52	Master of Business Administration University of San Diego United States	3.297%	2008 - Present	Director	Plus Property Space Company Limited
				2008 - Present	Director	Plus Property Venture Company Limited
				2006 - Present	Director	Papanan Limited
				2006 - Present	Director	Pacific Challenge Holding Company Limited
				2006 - Present	Director	Red Lotus Properties Limited
				2003 - Present	Director	Arnawat Limited
				2003 - Present	Director	Piwattana Limited
				2003 - Present	Director	Satit Pattana Personnel Center Limited
				2002 - Present	Director	S.UN. Management Company Limited
				2002 - Present	Director	Sansiri Venture Company Limited
				2000 - Present	Director	Sansiri Land Limited
				1998 - Present	Director	Plus Property Company Limited
				1990 - Present	Director	Chanachai Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
3 Mr. Srettha Thavisin - Director (Authorised Director)	50	Master of Business Administration (Finance) Claremont Graduate School United States	2.895%	Present	President	Sansiri Public Company Limited
				2010 - Present	Director	S.UN. Management Company Limited
				2009 - Present	Director	NED Management Company Limited
				2008 - Present	Director	Plus Property Space Company Limited
				2008 - Present	Director	Plus Property Venture Company Limited
				2006 - Present	Director	Sansiri Venture Company Limited
				2006 - Present	Director	Pacific Challenge Holding Company Limited
				2006 - Present	Director	Red Lotus Properties Limited
				2003 - Present	Director	Arnawat Limited
				2003 - Present	Director	Piwattana Limited
				2003 - Present	Director	Satit Pattana Personnel Center Limited
				2000 - Present	Director	Sansiri Land Limited
				1998 - Present	Director	Plus Property Company Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
4 Mr. Wanchak Buranasiri - Director (Authorised Director) - Secretary to the Compensation Committee	47	Master of Engineering (Chemical Engineering) Imperial College of Science Technology and Medicine University of London United Kingdom Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	2.758%	Present	Chief Operating Officer	Sansiri Public Company Limited
				2009 - Present	Director	NED Management Company Limited
				2008 - Present	Director	Plus Property Space Company Limited
				2008 - Present	Director	Plus Property Venture Company Limited
				2007 - Present	Director	Touch Property Company Limited
				2006 - Present	Director	Papanan Limited
				2006 - Present	Director	Pacific Challenge Holding Company Limited
				2006 - Present	Director	Red Lotus Properties Limited
				2003 - Present	Director	Arnawat Limited
				2003 - Present	Director	Piwattana Limited
				2003 - Present	Director	Satit Pattana Personnel Center Limited
				2002 - Present	Director	S.UN. Management Company Limited
				2002 - Present	Director	Sansiri Venture Company Limited

Note

^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
4 Mr. Wanchak Buranasiri - Director (Authorised Director) - Secretary to the Compensation Committee (Continued)	47	Master of Engineering (Chemical Engineering) Imperial College of Science Technology and Medicine University of London United Kingdom Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	2.758%	2000 - Present	Director	Sansiri Land Limited
				1998 - Present	Director	Plus Property Company Limited
				1993 - Present	Director	Chanachai Limited
				2003 - 2008	Director	Siri Phuket Limited
				1994 - 2012	Director	Rojnaruemit Limited
5 Mr. Mana Noppun - Chairman of the Audit Committee - Chairman of the Compensation Committee - Independent Director	71	Bachelor of Engineering, Chulalongkorn University Bachelor of Arts in Economics Sukhothai Thammathirat Open University Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Certification Programme (DCP) - Audit Committee Programme (ACP) - Monitoring Fraud Risk Management (MFM) - Monitoring the Quality of Financial Reporting (MFR) - Monitoring the System of Internal Control and Risk Management (MIR) - Monitoring the Internal Audit Function (MIA)	0.105%	2011 - Present	Extraordinary Sub-Committee, Selection, Human Resources Development, and Evaluation	The Bangkok Metropolitan Administration (BMA)
				2004 - 2011	Sub-committee, Academic Promotion for the officer of BMA	The Bangkok Metropolitan Administration (BMA)
				2002 - 2012	State Enterprise Performance Agreement Committee	Ministry of Finance

Note

^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company		Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Period	Position	Company (Type of Business)
6 Mr. Jesadavat Priebjirvat - Independent Director - Member of the Audit Committee - Member of the Compensation Committee		55	Master of Business Administration New York University United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP) - Director Certification Programme (DCP) - Audit Committee Programme (ACP) - Monitoring the System of Internal Control and Risk Management (MIR) - Monitoring the Internal Audit Function (MIA) - Monitoring the Quality of Financial Reporting (MRF) - Monitoring Fraud Risk Management (MFM) - Role of the Chairman Programme (RCP)	-none-	2010 - 2012	Chief Financial Officer	CAT Telecom Public Company Limited
					2008 - 2011	Director and Chairman of the Risk Management Committee	Islamic Bank of Thailand
Note ^{1/} Including the shares held by spouse and minor children							

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
7 Mr. Wirat Uanarumit - Independent Director - Member of the Audit Committee	50	Master of Business Administration The Pennsylvania State University United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Certification Programme (DCP) - Audit Committee Programme (ACP)	-none-	2005 - Present	Executive Vice President	PTT Public Company Limited
				2011	Senior Executive Vice President - Corporate Accounting and Finance	IRPC Public Company Limited
				2005 - 2011	Assistant Managing Director - Finance	Thai Oil Public Company Limited
8 Mr. Kriengkrai Thiennukul - Director	53	Bachelor of Arts in Economics Thammasat University Attended the Leadership Programme Capital Market Academy Attended the Training Course held by the National Defense College Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Certification Programme (DCP) - Audit Committee Programme (ACP)	0.059%	Present	Deputy Secretary	The Federation of Thai Industries
				Present	Secretary	Suankularb College Alumni Association under the Royal Patronage
				Present	Managing Director	New Waitek Company Limited
				Present	Independent Director	PTT Global Chemical Public Company Limited
				Present	Executive Director	Prestige Direct Marketing Company Limited
				Present	Executive Director	Prestige Gift and Premium Company Limited
				Present	Executive Director	Milk Plus
Note ^{1/} Including the shares held by spouse and minor children						

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
8 Mr. Kriengkrai Thiennukul - Director (Continued)	53	Bachelor of Arts in Economics Thammasat University Attended the Leadership Programme Capital Market Academy Attended the Training Course held by the National Defense College Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Certification Programme (DCP) - Audit Committee Programme (ACP)	0.059%	Present	Executive Director	Media Shaker Company Limited
				Present	Executive Director	Bangkok Binding Company Limited
				2009 - Present	Member of The Board	The Thammasat Economics Association
				2008 - 2010	Deputy Secretary	The Federation of Thai Industries
				2008 - 2010	Member of The Board	Thailand Institute of Scientific and Technological Research (TISTR)
				2006 - 2010	Chairman	The Printing and Paper Packing Industry Club (FTI)
				2006 - 2010	Advisor	Committee Checks and Follow Work Police Administration Bangrak Metro Police
				2006 - 2009	Member of The Board	Metropolitan Electricity Authority (MEA)
				2006 - 2008	Member of The Board	Office of Small and Medium Enterprises Promotion
				2005 - 2008	Board of Executive Committee	The Federation of Thai Industries
				2005 - 2008	Chairman	The Federation of Thai Printing Industry Foundation
				2001 - 2008	President	The Thai Printing Association

Note

^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Working Experience During The Past 5 years (As of 1 March 2013)		
				Period	Position	Company (Type of Business)
9 Mrs. Nujchanart Panthawangkun - Director	42	Master of Business Administration MIT Sloan School of Management Massachusetts Institute of Technology United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP) - Director Certification Programme (DCP)	-none-	2011 - Present	Consultant, Accounting, Finance and Investment Committee	The General Insurance Association
				2005 - Present	Chief Executive Officer	VIG Car Rent
				2002 - Present	Assistant Managing Director, Finance and Investment Department Head	The Viriyah Insurance Public Company Limited
10 Mr. Pomtat Amatavivadhana - Independent Director - Member of the Compensation Committee	43	Master of Science in Management Boston University United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP) - Audit Committee Programme (ACP) - Director Certification Programme (DCP)	-none-	2012 - Present	Director	Beyond Green Company Limited
				2008 - Present	Director	Eurotech Engineering International Company Limited
				2007 - Present	Chief Executive Officer	Infinite Capital Company Limited
				2008 - 2011	Director	K-Tech Construction Public Company Limited

Note

^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company		Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Period	Position	Company (Type of Business)
11 Mr. Thalin Aeimitiwat - Member of the Executive Committee - Secretary to the Audit Committee		51	Master of Business Administration Western Michigan University United States	0.216%	Present	Senior Executive Vice President-Accounting Department	Sansiri Public Company Limited
			Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)		2008 - Present	Director	Sansiri Venture Company Limited
12 Mr. Uthai Uthaisanguk - Member of the Executive Committee		44	Master of Business Administration Middle Tennessee State University United States	0.152%	2006 - Present	Director	Red Lotus Properties Limited
					2003 - Present	Director	Arnawat Limited
					2003 - Present	Director	Piwattana Limited
					2000 - Present	Director	Rojnaruemit Limited
					2000 - Present	Director	Chanachai Limited
					2003 - 2009	Director	Satit Pattana Personnel Center Limited
					Present	Senior Executive Vice President - Business Development and Project Development Division (High Rise)	Sansiri Public Company Limited
						Senior Executive Vice President - Marketing Communication Division	

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company		Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Period	Position	Company (Type of Business)
12 Mr. Uthai Uthaisanguk - Member of the Executive Committee (Continued)		44	Master of Business Administration Middle Tennessee State University United States	0.152%	2011 - Present	Director	Papanan Limited
					2009 - Present	Director	NED Management Company Limited
13 Mr. Metha Angwatanapanich - Member of the Executive Committee		45	Master of Business Administration National Institute of Development Administration (NIDA) Attended the Leadership Programme Capital Market Academy	0.065%	2009 - Present	Director	Satit Pattana Personal Center Limited
					2008 - Present	Director	Sansiri Venture Company Limited
					2006 - Present	Director	Red Lotus Properties Limited
					2006 - Present	Director	Arnawat Limited
					2004 - Present	Director	Sansiri Land Limited
					2004 - Present	Director	S.U.N. Management Company Limited
					Present	Senior Executive Vice President - Business Development and Project Development Division (Low Rise)	Sansiri Public Company Limited
					2011 - Present	Director	Papanan Limited
					2009 - Present	Director	Piwattana Limited
					2009 - Present	Director	Arnawat Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company		Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Period	Position	Company (Type of Business)
14 Mr. Monthian Soisuwan - Member of the Executive Committee		60	Diploma Graduate in Business Administration (MINIMBA) Thammasat University	0.008%	Present	Advisory to the Executive Committee	Sansiri Public Company Limited
						Advisory to the Executive Committee	Plus Property Company Limited
						Advisory to the Executive Committee	Touch Property Company Limited
						Executive Vice President - Project Support Division	Sansiri Public Company Limited
						Managing Director	Plus Property Company Limited
15 Mr. Nopporn Boonthanom - Member of the Executive Committee - Company Secretary		48	Master of Law Chulalongkorn University Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	0.045%	Present	Managing Director	Touch Property Company Limited
						General Counsel / Legal Office	Sansiri Public Company Limited
						2010 - Present	S.U.N. Management Company Limited
						2009 - Present	NED Management Company Limited
						2008 - Present	Sansiri Venture Company Limited
						2006 - Present	Red Lotus Properties Limited
						2003 - Present	Arnawat Limited
					2003 - Present	Director	Piwattana Limited

Note

^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company		Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012	Period	Position	Company (Type of Business)
15 Mr. Nopporn Boonthanom - Member of the Executive Committee - Company Secretary (Continued)		48	Master of Law Chulalongkorn University Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	0.045%	2003 - Present	Director	Satit Pattana Personnel Center Limited
						Director	Rojnaruemit Limited
						Director	Chanachai Limited
16 Mr. Manu Trakulwattanakit - Member of the Executive Committee		52	Master of Business Administration National Institute of Development Administration (NIDA)	0.011%	Present	Executive Vice President - Project Management and Marketing Department (Low Rise 3) Executive Vice President - Product Development Department (Low Rise) Executive Vice President - Design Solution Department Executive Vice President - Production Cost Management Department	Sansiri Public Company Limited
						Executive Vice President - Finance and Information Technology Department	Sansiri Public Company Limited
17 Mr. Somchai Chantawanet - Member of the Executive Committee		52	Master of Business Administration Chulalongkorn University	0.033%	Present		

Note

^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012		Working Experience During The Past 5 years (As of 1 March 2013)		
					Period	Position	Company (Type of Business)
18 Mrs. Anongluk Rathprasert - Member of the Executive Committee - Secretary to the Executive Committee	53	Bachelor of Arts (Business Administration) Suan Sunandha Rajabhat University	0.001%	Present		Senior Vice President - Customer Relations and Human Resources Department	Sansiri Public Company Limited
19 Mr. Suriya Wannabuit - Executive Vice President - Project Management and Marketing Department (Low Rise 4,5,6) and Precast Factory	42	Master of Business Administration Chulalongkorn University	0.015%	Present		Executive Vice President - Project Management and Marketing Department (Low Rise 5, 6) Executive Vice President - Precast Factory Executive Vice President - Project Management and Marketing Department (Low Rise 4) Managing Director Managing Director Executive Vice President	Sansiri Public Company Limited Piwattana Limited Arnawat Limited Pruksa Real Estate Public Company Limited
20 Miss Vlasinee Dejanornthan - Senior Vice President - Project Management and Marketing Department (Low Rise 2)	41	Master of Business Administration Assumption University	0.001%	Present		Senior Vice President - Project Management and Marketing Department (Low Rise 2)	Sansiri Public Company Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012		Working Experience During The Past 5 years (As of 1 March 2013)		
					Period	Position	Company (Type of Business)
21 Mr. Chookiat Joomthong - Senior Vice President - Government Affairs Department	45	Bachelor of Law Thammasat University	0.015%	Present		Senior Vice President - Government Affairs Department	Sansiri Public Company Limited
22 Mr. Supol Sombathwichathon - Senior Vice President - Quality Control and Estimation Department	53	Executive Master of Business Administration (XMBA) Thammasat University	0.020%	Present		Senior Vice President - Quality Control and Estimation Department	Sansiri Public Company Limited
23 Mr. Apisit Srisakulpong - Senior Vice President - Project Management Department (High Rise 1)	47	Master of Business Administration Chulalongkorn University	0.014%	Present		Senior Vice President - Project Management Department (High Rise 1)	Sansiri Public Company Limited
24 Mr. Tasanin Maha - amatayathibodee - Senior Vice President - Home Care Department	49	Bachelor of Architecture King Mongkut's Institute of Technology Ladkrabang	0.001%	Present		Senior Vice President - Home Care Department	Sansiri Public Company Limited
25 Miss Dusadee Tancharoen - Senior Vice President - Marketing and Product Development Division (High Rise) and Marketing Communication Division	41	Bachelor of Arts Chulalongkorn University	0.013%	Present		Senior Vice President - Marketing and Product Development Division (High Rise) Senior Vice President - Marketing Communication Division	Sansiri Public Company Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012		Working Experience During The Past 5 years (As of 1 March 2013)	
					Period	Position (Type of Business)
26 Mr. Pornchai Chaimongkolsub - Senior Vice President - Project Management and Marketing Department (Low Rise 1)	46	Bachelor of Arts (Business Administration) Bangkok University	0.0000%	Present		Senior Vice President - Project Management and Marketing Department (Low Rise 1) Sansiri Public Company Limited
27 Mrs. Sirindra Mongkolhavin - Senior Vice President - Corporate Planning and Investor Relations and Organisation Development Department	40	Master of Business Administration Tepper School of Business Carnegie Mellon University United States	0.0000%	Present		Senior Vice President - Corporate Planning and Investor Relations Department Senior Vice President - Organisation Development Department Sansiri Public Company Limited
28 Mr. Samatcha Promsiri - Vice President - Corporate Marketing Department	39	Master of Arts (International Relations) University of Nottingham United Kingdom Master of Arts (International Political Economy) University of Warwick United Kingdom	0.0000%	Present		Vice President - Corporate Marketing Department Sansiri Public Company Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of shares held in the company ^{1/} as of 31 Dec 2012		Working Experience During The Past 5 years (As of 1 March 2013)	
					Period	Position (Type of Business)
29 Mr. Prasert Trakranvachirahut - Vice President - Project Procurement Department	40	Master of Business Administration National Institute of Development - Administration (NIDA)	0.0004%	Present		Vice President - Project Procurement Department Sansiri Public Company Limited
30 Miss Suwannee Mahanarongchai - Vice President - Plus and Touch Business Support Department (Research- Business Development and Consultant)	37	Master of Business Administration (Finance) Assumption University	0.024%	Present		Vice President - Plus and Touch Business Support Department (Research- Business Development and Consultant) Sansiri Public Company Limited
31 Mr. Piti Jarukarnjorn - Vice President - Project Management Department (High Rise 2)	35	Master of Engineering (Construction Management) North Carolina State University United States	0.0003%	Present	2007-2008	Director-Business Development Plus-Property Company Limited Vice President - Project Management Department (High Rise 2) Sansiri Public Company Limited

Note
^{1/}Including the shares held by spouse and minor children

DETAILS ON THE MANAGEMENT OF THE SUBSIDIARIES OR RELATED COMPANIES

(As of 31 December 2012)

The names of the Company		Subsidiaries															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
The names of the Management		Sansiri PCL	Chanachai Limited	Arnawat Limited	Piwattana Limited	Satit Pattana Personnel Center Limited	Red Lotus Properties Limited	Sansiri Venture Co.,Ltd.	S.U.N Management Co.,Ltd.	Plus Property Co.,Ltd.	Sansiri Land Limited	Plus Property Venture Co.,Ltd.	Papanan Limited	Pacific Challenge Holding Co.,Ltd.	Touch Property Co.,Ltd.	Plus Property Space Co.,Ltd.	NED Management Co., Ltd.
1	Mr. Kovit	X /	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Mr. Apichart	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
3	Mr. Srettha	/	/	/	/	/	/	/	/	/	/	/	-	/	-	/	/
4	Mr. Wanchak	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
5	Mr. Mana	XO, /	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Mr. Jesadavat	/, O	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Mr. Wirat	/, O	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Mr. Kriengkrai	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Mrs. Nujchanart	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Mr. Porntat	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note
X = Chairman of the Board XO = Chairman of the Audit Committee / = Director O = Member of the Audit Committee

DETAILS ON THE MANAGEMENT OF THE SUBSIDIARIES OR RELATED COMPANIES (Continued)

(As of 31 December 2012)

The names of the Company		Subsidiaries															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
The names of the Management		Sansiri PCL	Chanachai Limited	Arnawat Limited	Piwattana Limited	Satit Pattana Personnel Center Limited	Red Lotus Properties Limited	Sansiri Venture Co.,Ltd.	S,U,N Management Co.,Ltd.	Plus Property Co.,Ltd.	Sansiri Land Limited	Plus Property Venture Co.,Ltd.	Papanan Limited	Pacific Challenge Holding Co.,Ltd.	Touch Property Co.,Ltd.	Plus Property Space Co.,Ltd.	NED Management Co., Ltd.
	11	Mr. Thalin	-	/	/	-	/	/	/	-	-	-	-	-	-	-	-
	12	Mr. Uthai	-	/	/	-	/	/	/	-	/	-	/	-	-	-	/
	13	Mr. Metha	-	/	/	-	-	-	-	-	-	-	/	-	-	-	-
	14	Mr. Monthian	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-
	15	Mr. Nopporn	-	/	/	/	/	/	/	-	-	-	-	-	-	-	/
	16	Mr. Manu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	17	Mr. Somchai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	18	Mrs. Anongluk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	19	Mr. Suriya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Ms. Vlasinee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Mr. Chookiat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Mr. Supol	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note
X = Chairman of the Board XO = Chairman of the Audit Committee / = Director O = Member of the Audit Committee

(As of 31 December 2012)

The names of the Company		Subsidiaries															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
The names of the Management		Sansiri PCL.	Chanachai Limited	Arnawat Limited	Piwattana Limited	Satit Pattana Personnel Center Limited	Red Lotus Properties Limited	Sansiri Venture Co.,Ltd.	SUN Management Co.,Ltd.	Plus Property Co.,Ltd.	Sansiri Land Limited	Plus Property Venture Co.,Ltd.	Papanan Limited	Pacific Challenge Holding Co.,Ltd.	Touch Property Co.,Ltd.	Plus Property Space Co.,Ltd.	NED Management Co., Ltd.
23	Mr. Apisit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Mr. Tasanin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Ms. Dusadee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Mr. Pornchai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Mrs. Sirindra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Mr. Samatcha	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Mr. Prasert	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Ms. Suwannee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Mr. Piti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note
X = Chairman of the Board XO = Chairman of the Audit Committee / = Director O = Member of the Audit Committee

DETAILS ON THE SUBSIDIARIES' DIRECTOR

(As of 31 December 2012)

The name of Subsidiaries		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		Subsidiaries														
Name of the Director		Chanachai Limited	Arnawat Limited	Piwattana Limited	Satit Pattana Personnel Center Limited	Red Lotus Properties Limited	Sansiri Venture Co.,Ltd.	SUN Management Co.,Ltd.	Plus Property Co.,Ltd.	Sansiri Land Limited	Plus Property Venture Co.,Ltd.	Papanan Limited	Pacific Challenge Holding Co.,Ltd.	Touch Property Co.,Ltd.	Plus Property Space Co.,Ltd.	NED Management Co., Ltd.
1	Mr. Apichart	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
2	Mr. Srettha	/	/	/	/	/	/	/	/	/	/	-	/	-	/	/
3	Mr. Wanchak	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
4	Mr. Thalin	/	/	/	-	/	/	/	-	-	-	-	-	-	-	-
5	Mr. Nopporn	/	/	/	/	/	/	/	-	-	-	-	-	-	-	/
6	Mr. Uthai	-	/	-	/	/	/	/	-	/	-	/	-	-	-	/
7	Mr. Metha	-	/	/	-	-	-	-	-	-	-	/	-	-	-	-

Note
/ = Director

DETAILS ON THE SUBSIDIARIES DIRECTOR (Continued)

(As of 31 December 2012)

The name of Subsidiaries		Subsidiaries														Note / = Director
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the Director	Chanachai Limited	-	Arnawat Limited	Piwattana Limited	Saith Pattana Personnel Center Limited	Red Lotus Properties Limited	Sansiri Venture Co.,Ltd.	SUN Management Co.,Ltd.	Plus Property Co.,Ltd.	Sansiri Land Limited	Plus Property Venture Co.,Ltd.	Papanan Limited	Pacific Challenge Holding Co.,Ltd.	Touch Property Co.,Ltd.	Plus Property Space Co.,Ltd.	NED Management Co., Ltd.
	Mr. Monthian	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-
	Mrs. Pakplai	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-
	Mrs. Ob-room	-	-	-	-	-	-	-	-	/	-	-	-	/	-	-
	Mr. Poomipak	-	-	-	/	-	-	-	-	-	-	-	-	-	-	/
	Mrs. Nirada	-	-	-	/	-	-	-	-	-	-	-	-	-	-	/
	Mr. Chan	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
	Mr. Jirayu	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
	Archacharoensuk	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
	Mr. Chatchai	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
	Udomphon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

INTER-RELATED TRANSACTION

During the financial year ended on 31 December 2012, the Company and its subsidiaries had no inter-related transaction with major shareholders, directors, and related persons.

Policies or Tendency for Inter-Related Transactions in the Future

The Company's policy is to engage in transactions to the extent that such transactions serve the best interests of the Company at the time. The conditions applicable to such transactions are those that obtain during normal periods of business, at normal market rates, for entities or businesses that are non-related.

For future inter-related transactions, the Audit Committee and the Company will jointly ensure that they comply with the laws and regulations pertaining to securities, guidelines set by the Stock Exchange of Thailand, as well as the requirement regarding the disclosure of such transactions and the acquisition or sale of assets belonging to the Company and its subsidiaries.

TABLE OF KEY FINANCIAL RATIOS

		Audited		
		2012	2011	2010
Liquidity Ratio				
Current Ratio	Times	2.26	2.17	2.58
Quick Ratio	Times	0.19	0.20	0.33
Operating Cashflow to Total Debt	Times	(0.09)	(0.12)	(0.13)
Accounts Receivable Turnover	Times	672.09	419.42	388.91
Collection Period	Days	0.54	0.86	0.93
Inventory Turnover	Times	0.64	0.54	0.60
Inventory Turnover	Days	558.82	668.50	603.25
Accounts Payable Turnover	Times	11.16	8.92	11.94
Payment Period	Days	32.26	40.37	30.14
Cash Cycle	Days	527.10	628.99	574.03
Profitability Ratio				
Gross Profit Margin (of Core Revenue)	%	33.35	34.23	32.56
Gross Profit Margin (of Revenue from Project Sales)	%	33.38	34.69	33.47
Net Profit Margin	%	10.03	9.74	10.12
Return on Equity	%	23.03	19.35	21.44
Efficiency Ratio				
Return on Total Assets	%	7.33	5.98	6.66
Return on Fixed Assets	%	79.05	67.49	66.34
Asset Turnover	Times	0.72	0.61	0.65

		Audited		
		2012	2011	2010
Financial Ratio				
Debt-to-Equity Ratio	Times	2.11	2.18	2.30
Gearing Ratio	Times	1.62	1.63	1.55
Net Gearing Ratio	Times	1.39	1.38	1.20
Interest Coverage	Times	3.58	3.40	5.27
Debt Service Coverage Ratio	Times	0.35	0.34	0.33
Payout Ratio	%	50.00	50.00	50.00
Per Share				
Book Value per Share	Baht	2.01	1.62	1.37
Earnings per Share	Baht	0.41	0.29	0.27
Dividend per Share	Baht	0.17	0.14	0.29
Growth Ratio				
Total Assets	%	27.23	16.18	20.98
Total Liabilities	%	25.79	14.34	24.02
Total Shareholders' Equity	%	30.39	20.43	14.50
Revenue from Sales and Services	%	45.17	10.47	17.52
Operating Expenses	%	45.46	26.57	33.05
Net Profit	%	49.80	6.18	95.70

MANAGEMENT DISCUSSION AND ANALYSIS

Major Development in 2012

Change in Accounting Policy

The Federation of Accounting Professions issued 3 new and revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013 including TAS 12 Income Taxes, TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance, and TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates. Sansiri's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the TAS 12 Income Taxes.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management of Sansiri expects that the adoption of this accounting standard will increase Sansiri and its subsidiaries' brought-forward retained earnings of the year 2013 by approximately 316 million baht (Sansiri only: approximately 109 million baht).

Summary of Market Condition for the Year 2012 and Economic Outlook for the Year 2013

In 2012, Thai economy expanded by 6.4 percent (Source: Office of the National Economic and Social Development Board or NESDB), as a result of an increase in the production which was supported by the growth of the industrial sector, the hotels and restaurants, as well as the construction sector. The expenditure side was increased as well, supporting by an increase in the household consumption, private investment, and government spending. The private investment increased by 21.7 percent due to an increase in the machinery investment and an increase in construction. The export sector also grew, with a 3.2 percent increase in export value. For tourism sector, the number of tourists grew by 16 percent from last year, with the total tourists of 22.3 million people in 2012. In addition, the household consumption in 2012 also increased by 6.6 percent. The supporting factors included the tax deduction for the first-time car buyer, an improvement of household income, as well as an acceptable level of employment. The unemployment rate was still low, at 0.7 percent, with the employment rate that grew by 1.3 percent from that of last year. Moreover, the inflation rate and the interest rate were still low.

In 2012, Thailand's real estate sector continuously recovered after being affected by the flood in the last quarter of 2011. The recovery could be reflected by a 12 percent growth in the housing transfer value in Bangkok and vicinities area, over the same period of last year, as well as an increase in the mortgages of 23 percent from 2011. The government stimulus measures especially the tax deduction for the first home buyer, the zero-percent interest rate mortgage scheme for first-home buyers with home value of less than 1 million baht, and the low interest rate mortgage, had helped support the growth of Thailand's real estate sector in 2012.

Based on the report by the Real Estate Information Center (REIC), the number of new registration units in Bangkok and vicinities in 2012 was at 111,875 units, a 37 percent increase from 81,856 units in the previous year. The new registration units of the condominium market increased the most by 86 percent, partly due to an increase in demand for condominiums after the flood in 2011, an improvement in consumers' confidence over the country's economy and political situation, and the consumer's confidence that the flood would not occur again.

For the year 2013, the NESDB forecasted that the economy will expand at the rate of 4.5 to 5.5 percent. The main driving factors include the recovery of the global economy and the support from abroad. The private consumption and household consumption are still in a good level, although there was a slowdown of the supports from the government stimulus. The private investment has tendency to expand continuously as well. In addition, the expansionary monetary policy and the low interest rate will remain the key supportive factors for continuous economic recovery in 2013. The global economy is forecasted to recover since the European Union and the United States have clearer solutions to solve their economic problems. In addition, the economy of China and other countries in Asia are on their recovery as well. These factors help improve confidence, leading to positive market sentiment of the overall global economy, whereas the investment from abroad has tendency to increase as well.

Financial Results

Total revenue in 2012 amounted to 30,087 million baht, a significant growth of 46 percent from 20,681 million baht in 2011. The key drive was the 47 percent growth in revenue from project sales in consequence of successful launches and ownership transfer of single-detached house, townhouse, and condominium projects, comprised with an 8 percent increase in revenue from business management and a 33 percent increase in revenue from other property services. In this regard, revenue from project sales remained the core revenue representing 96 percent of total revenue.

Revenue from Property Development for Sale

The breakdown of revenue from property for sale during 2010 – 2012 is as follows:

	2012		2011		2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached houses	9,406	32.5	7,099	35.9	6,788	38.0
Townhouses / Home Office	4,635	16.0	3,372	17.1	3,081	17.2
Condominiums	14,804	51.1	9,262	46.8	7,988	44.7
Others	109	0.4	37	0.2	12	0.1
Total	28,954	100.0	19,769	100.0	17,869	100.0

In 2012, revenue from project sales of Sansiri and its subsidiaries increased across the board and amounted to 28,954 million baht, or a 47 percent increase from 19,769 million baht in 2011. To the total revenue from project sales in 2012, 14,804 million baht revenue from condominium projects contributed 51 percent, 9,406 million baht revenue from single-detached house projects contributed 33 percent, with the balance of 4,635 million baht from townhouse projects contributed 16 percent.

Revenue from single-detached house projects in 2012 increased by 33 percent to 9,406 million baht. The revenue from four single-detached house projects, namely Setthasiri Ratchapruek-Charun, Setthasiri Srinagarindra-Rama IX, Burasiri Ngamwongwan-Prachachuen, and Baan Promptpatt Prime, altogether contributed 4,067 million baht or 14 percent to the total revenue from project sales. Revenue from townhouse projects amounted to 4,635 million baht grew by 38 percent from the previous year. Five townhouse projects that were main contributors included Town Avenue Rama IX, Town Avenue Srinagarindra, Habitown Watcharapol, B Square Rama IX-Mengjai, and B Avenue Watcharapol, altogether contributed 3,129 million baht or 11 percent to the total revenue from project sales. In this regard, the proportion of revenue from condominium projects was more than 50 percent of the total revenue from project sales, significantly increased by 60 percent from 9,262 million baht in 2011 to 14,804 million baht

in 2012. This is due to the ownership transfer of 15 newly completed condominium projects and several units transferred in the fourth quarter of last year. The major contributor was revenue from six condominium projects, including dcondo Ramkamhaeng, PYNE by Sansiri, Quattro by Sansiri, KEYNE by Sansiri, dcondo Rattanatibetr, and The BASE Onnuch, altogether contributed 8,445 million baht or 29 percent to the total revenue from project sales.

Revenue from Property Services

In 2012, revenue from projects for rent was 157 million baht, close to 156 million baht in 2011. Revenue from business management was 473 million baht, an 8 percent increase from 438 million baht in 2011; mainly due to an increase in revenue from expanding customer base of asset management and property management which was managed by Plus Property Company Limited. Similarly, revenue from other services including revenue from medical spa business, hotel business, and education business, was 236 million baht, a 33 percent growth from 178 million baht in the previous year, due to a 49 percent increase in revenue from education business from that of the year 2011. A significant growth in revenue from education business was driven by an increase in number of new students, leading to an upward trend of revenue for Sansiri.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

For the year 2012, cost of project sales amounted to 19,289 million baht, a 49 percent increase over 2011, in accordance with an increase in revenue from project sales. Gross profit margin of project sales dropped from 34.7 percent in 2011 to 33.4 percent in 2012 due to a 34.2 percent decrease in gross profit margin of condominium projects which were the main portion of revenue in 2012. In this regard, managing on-time construction under the labour shortage situation had incurred the higher construction cost for Sansiri. Moreover, expanding our business into new market forced Sansiri to set lower sale price to attract new customer groups. As a result, gross profit margin of the first condominium project in new areas was quite low compared to other projects. Nonetheless, gross profit margin of condominium projects are still in line with the target at 34 to 38 percent. On the other hand, gross profit margin of single-detached house projects increased from 32.2 percent in 2011 to 34.8 percent in 2012 owing to the efficient construction technology which helps shorten construction period, leading to the lower financial cost and the higher gross profit margin. In 2012, cost of projects for rent decreased by 23 percent as Sansiri purchased Siripinyo Building and reassessed its useful life, resulting in the decrease in annual depreciation. Nevertheless, cost of business management grew up from 288 million baht in 2011 to 298 million baht in

2012, corresponding to an increase in revenue from business management. Cost of other services including medical spa, hotel business, and education business increased as well. The higher cost of education business resulted from an investment in school equipment and recruitment cost that helped support an increase in number of students and classes.

Selling, General and Administrative Expenses

Selling and administrative expense in 2012 equalled to that of 2011, at 20.1 percent of total revenue. Selling expenses were at 3,289 million baht or 10.9 percent of total revenue in 2012, compared to 10.2 percent of total revenue or 2,112 million baht in 2011 due to an increase in business tax and transfer fee which corresponded to the higher number of housing units transferred, as well as the marketing expenses associated to the launches of new projects and sales promotion. Expansion to upcountry markets incurred the higher marketing expense for Sansiri as a result of creating brand awareness among customers in new markets. Nonetheless, the higher marketing expenses investing by Sansiri were justified by the new record of presale approximately 42,600 million baht in 2012, expected to be the highest presale of the real estate sector. The administrative expenses (including management benefit expenses) in 2012 was at 2,771 million baht or a 9.2 percent of total revenue, decreased from a 9.9 percent of total revenue in 2011 due to the economy of scale and the larger revenue base.

Financial Cost

In 2012, financial cost increased from 222 million baht in 2011 to 328 million baht as some additional plots of land acquiring during 2012 were still in the design and marketing process. Sansiri had not yet developed these plots of land and their interest expenses could not be booked as cost of project, resulting in an increase in financial cost.

Net Profit

For the year 2012, Sansiri and its subsidiaries reported net profit of 3,019 million baht, a 50 percent growth from 2,015 million baht in 2011, with the net profit margin of 10.0 percent of total revenue, whereas operating profit margin was at 13.0 percent of total revenue. The main factor was from a significant growth of the total revenue as well as the capability in managing operating cost and expense. In 2012, an effective corporate income tax was at 22.5 percent of earnings before corporate income tax, in consequence of a reduction in corporate income tax rates as approved by the Thai Cabinet. The corporate income tax rate was reduced from

30 percent to 23 percent, becoming effective on 1 January 2012. In addition, there has been a discrepancy between revenue from project sales by accounting practice and by tax purpose. By adopting the new accounting standard, revenue recognition is based on transfer of ownership, whereas revenue realisation for tax purpose is based on accrual basis.

Assets

Total assets of Sansiri and its subsidiaries as of 31 December 2012 amounted to 46,106 million baht, an increase of 9,869 million baht from that of 31 December 2011, due to an increase of 8,650 million baht in property development for sale as a result of several housing units under construction which will be transferred to customers in the future, comprised with an increase of 545 million baht in cash received from units transferred in the last quarter of 2012. Consequently, current assets as of 31 December 2012 was at 41,073 million baht, increased by 8,780 million baht from that of 31 December 2011. Total non-current assets as of 31 December 2012 was at 5,033 million baht, increased by 1,089 million baht from that of 31 December 2011 due to an increase in land held for development and land, building and equipment.

Liabilities

Total liabilities of Sansiri Group amounted to 31,270 million baht as of 31 December 2012, an increase of 6,410 million baht over the same period of last year. Total current liabilities increased by 3,305 million baht to 18,173 million baht while total non-current liabilities increased by 3,106 million baht to 13,097 million baht. Sansiri issued 2,395 million baht bills of exchange with interest rate of 3.40 to 3.75 percent per annum as an alternative source of low-interest rate working capital. In order to accommodate business expansion while mitigating risk of the higher interest rate in the future, Sansiri diversified debt portfolio by increasing the portion of fixed interest rate debt through the two tranches of 3-year unsecured debentures with no debenture holders' representative with issue size of 1,000 million baht each. The first tranche of debenture was issued in May 2012, carrying an average coupon rate of 5.0 percent per annum whereas the second tranche of debenture was issued in October 2012 with the coupon rate of 4.8 percent per annum.

In this regard, the interest bearing debt increased from 18,564 million baht as of 31 December 2011 to 24,005 million baht as of 31 December 2012. The debt-to-equity ratio was 2.11 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.62 times.

Shareholders' Equity

Shareholders' Equity as of 31 December 2012 increased to 14,836 million baht, an increase of 3,458 million baht from the previous year, mainly driven by the 2012 net profit of 3,019 million baht. Furthermore, Sansiri received payment for the exercise of ESOP#5 and ESOP#6 which was allocated to directors and employees of Sansiri and its subsidiaries, and of SIRI-W1 amounted to 1,440 million baht. Besides, Sansiri paid out cash dividend of 1,001 million baht based on the 2011 financial result.

Cashflow

During the past 3 years, the movement of cash flow has been summarised as follows:

Unit: Million Baht

	31 Dec 2012	31 Dec 2011	31 Dec 2010
Net cash provided by (used in) operating activities	(2,733.42)	(2,992.05)	(2,844.09)
Net cash provided by (used in) investing activities	(621.83)	(402.28)	(163.70)
Net cash provided by (used in) financing activities	3,898.57	2,907.93	2,932.80
Cash and cash equivalents at end of the year	3,408.46	2,863.36	3,331.31

For the year 2012, beginning cash balance was 2,863 million baht with net cash used in operating activities and investing activities of 2,733 million baht and 622 million baht respectively, and net cash provided by financing activities of 3,899 million baht, resulting in the ending cash balance of 3,408 million baht. In 2012, profit from operating activities before changes in operating assets and liabilities was at 23,825 million baht. In this regard, cash outflow as development costs for property development for sale amounted to 27,654 million baht. For investing activities, cash outflow was from the purchase of land, building and equipment totalling 773 million baht. For financing activities, cash inflow from bills of exchange issuance, debenture issuance and loans drawdown from bank amounted to 17,146 million baht while cash outflow for loan repayment including interest payment to financial institutions and debenture repayment to debenture holders were 12,896 million baht. In 2012, cash outflow for dividend payment was 1,001 million baht.

Sources of Funds

In 2012, key sources of funds include project financing loans from financial institutions, debenture issuance, short-term financial instruments such as promissory notes and bills of exchange, and down payment collection from project sales together with the cash inflow upon housing transfer. The project financing loans for property development increased from 10,750 million baht as of 31 December 2011 to 12,824 million baht as of 31 December 2012 whereas proceeds from debenture issuance amounted to 6,970 million baht in 2012. The uses of funds could be summarised as loan repayment to financial institutions, land acquisitions, and working capital for personnel development and computer system upgrade.

Financial Ratios

Liquidity Ratio

The liquidity ratio of Sansiri Group increased from 2.17 times as of 31 December 2011 to 2.26 times as of 31 December 2012. An increase in cash as well as an increase in property development for sale from 25,616 million baht as of 31 December 2011 to 34,267 million baht as of 31 December 2012 resulted in a 27 percent increase in total current assets. Total current liabilities grew by 22 percent compared to as of 31 December 2011, due to an increase in bills of exchange and accounts payable amounting to 1,787 million baht and 825 million baht respectively.

Return on Equity

As of 31 December 2012, return on equity was 23.03 percent, grew up from 19.35 percent as of 31 December 2011. An increase in return on equity was mainly due to an increase in net profit margin from 9.74 percent in 2011 to 10.03 percent in 2012 in accordance with an increase in return on assets from 5.98 percent in 2011 to 7.33 percent in 2012. Sansiri had fully utilised its assets to generate revenue efficiently, reflecting in the better overall performance. Similarly, the debt-to-equity ratio was also improved from 2.18 times in 2011 to 2.11 times in 2012.

Cash Cycle

As of 31 December 2012, cash cycle of Sansiri and its subsidiaries was at 527 days, decreased by 102 days from 629 days as of 31 December 2011. Speed of products and services sold helps Sansiri shorten its cash cycle. In this regard, products and services developments that are in line with customer demand and preference, a continuing investment in building brand awareness, as well as customer relations programme for Sansiri's residents, were the main factors in creating customer confidence in Sansiri brand. Furthermore, using precast technology in construction had helped Sansiri shorten the construction period. As a result, Sansiri was able to deliver complete houses and condominiums units in the shorter time. In addition, inventory turnover improved from 669 days as of 31 December 2011 to 559 days as of 31 December 2012, decreased by 110 days. The collection period and payment period were improved as well.

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Shareholders of Sansiri Public Company Limited

I have audited the accompanying consolidated financial statements of Sansiri Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Sansiri Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Sansiri Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2012

(Unit: Baht)

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sansiri Public Company Limited and its subsidiaries and of Sansiri Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 27 February 2013

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	3,408,456,949	2,863,358,197	2,413,316,949	1,707,871,908
Current investments		51,082,791	104,898,606	1,861,607	101,946,782
Trade accounts receivable	9	41,192,676	47,547,987	127,369,855	7,680,720
Prepaid expenses		64,738,385	26,058,446	75,802,595	40,318,132
Current portion of loans to related parties	6.3	-	-	2,171,049,617	2,050,000,000
Property development for sale	10	34,266,530,436	25,616,043,872	21,538,428,472	19,521,447,462
Advance payment to contractors		1,618,085,282	1,435,265,238	641,833,901	911,587,907
Deposits for land and purchase of assets		1,410,135,933	2,076,016,344	805,891,093	1,761,805,014
Other current assets	6.3	213,196,709	124,137,262	659,391,138	88,462,487
Total current assets		<u>41,073,419,161</u>	<u>32,293,325,952</u>	<u>28,434,945,227</u>	<u>26,191,120,412</u>
Non-current assets					
Restricted bank deposits	8	8,929,688	50,643,138	773,258	6,773,258
Loans to related parties - net of current portion	6.3	-	-	6,451,974,319	2,279,597,190
Investments in subsidiaries	11	-	-	907,526,709	960,076,709
Other investments		330,400	330,400	330,400	330,400
Investment properties	12	636,340,344	676,666,635	-	-
Land held for development	13	1,375,075,023	700,982,440	1,056,035,000	382,035,201
Land, building and equipment	14	2,356,102,262	1,880,794,277	1,137,205,151	826,134,270
Goodwill	15	141,253,448	141,253,448	-	-
Other intangible assets	16	53,884,636	39,270,884	46,949,974	31,208,995
Leasehold rights	17	354,038,442	384,709,701	-	-
Other non-current assets		106,914,743	69,702,272	109,742,018	122,611,345
Total non-current assets		<u>5,032,868,986</u>	<u>3,944,353,195</u>	<u>9,710,536,829</u>	<u>4,608,767,368</u>
Total assets		<u><u>46,106,288,147</u></u>	<u><u>36,237,679,147</u></u>	<u><u>38,145,482,056</u></u>	<u><u>30,799,887,780</u></u>

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

Sansiri Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from banks	18	1,828,000,000	1,246,600,000	1,828,000,000
Bills of exchange	18	2,383,743,765	596,428,571	2,383,743,765
Trade accounts payable	19	1,800,048,403	974,677,444	1,103,249,705
Current portion of long-term loans	21	6,376,359,269	6,448,177,184	4,068,579,500
Short-term promissory notes - purchase of land	20	-	787,600,000	-
Unsecured debentures - due within one year	24	998,356,325	998,486,770	998,356,325
Corporate income tax payable		445,584,512	381,389,671	326,216,306
Short-term provisions	23	104,834,345	84,322,080	76,674,933
Unearned income	10.5	2,027,787,956	1,962,800,983	1,428,129,633
Other current liabilities				
Rental fees received in advance		63,989,349	68,590,026	204,425
Construction retention		371,310,412	290,258,667	225,286,299
Accrued expenses		853,855,159	538,464,059	669,939,590
Accrued construction costs		672,622,354	383,604,214	550,854,367
Others		246,553,320	106,892,185	160,766,528
Total current liabilities		18,173,045,169	14,868,291,854	13,820,001,376
Non-current liabilities				
Deferred leasehold revenue		558,098,759	599,996,242	-
Long term loans - net of current portion	21	6,447,684,515	4,302,053,971	3,759,680,549
Unsecured debentures	24	5,971,268,644	4,971,831,694	5,971,268,644
Provision for long-term employee benefit	22	27,411,391	24,956,955	18,772,100
Long-term provisions	23	51,523,598	53,037,020	32,464,599
Other non-current liabilities		41,308,781	39,784,095	17,753,341
Total non-current liabilities		13,097,295,688	9,991,659,977	9,799,939,233
Total liabilities		31,270,340,857	24,859,951,831	20,243,114,837

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

Sansiri Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Shareholders' equity				
Share capital	25			
Registered				
10,879,971,108 ordinary shares of Baht 1.07 each (2011: 10,879,990,328 ordinary shares of Baht 1.07 each)				
	11,641,569,086	11,641,589,651	11,641,569,086	11,641,589,651
Issued and paid-up				
7,882,483,899 ordinary shares of Baht 1.07 each (2011: 7,053,228,452 ordinary shares of Baht 1.07 each)				
	8,434,257,772	7,546,954,444	8,434,257,772	7,546,954,444
Share premium				
	584,193,500	550,246,830	584,193,500	550,246,830
Calls in arrears				
	518,928,656	-	518,928,656	-
Retained earnings				
Appropriated - statutory reserve	26			
	677,552,838	501,074,022	677,552,838	501,074,022
Unappropriated				
	4,638,217,427	2,797,154,108	4,310,608,681	1,958,497,647
Other components of shareholders' equity				
	(17,983,478)	(18,180,227)	-	-
Equity attributable to owners of the Company				
	14,835,166,715	11,377,249,177	14,525,541,447	10,556,772,943
Non-controlling interest of subsidiaries				
	780,575	478,139	-	-
Total shareholders' equity		14,835,947,290	11,377,727,316	14,525,541,447
Total liabilities and shareholders' equity		46,106,288,147	36,237,679,147	30,799,887,780

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

Sansiri Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Revenues				
Revenues from project sales	28,954,243,137	19,769,383,825	21,134,547,252	9,791,087,128
Revenues from sales of construction materials	-	-	126,941,186	-
Revenues from projects for rent	156,948,683	156,095,131	-	62,057,810
Revenues from business management	473,193,593	438,016,097	44,820,558	56,007,455
Revenues from other services	28	236,415,735	178,347,934	19,194,792
Other revenues				
Interest income	31,530,441	25,811,301	667,119,112	188,765,360
Dividend income	-	16,520	906,240,000	1,124,016,520
Gain on exchange	1,018,560	1,631,114	3,611,288	11,576,806
Others	233,430,954	111,514,882	166,869,160	116,703,591
Total revenues	30,086,781,103	20,680,816,804	23,069,343,348	11,368,483,101
Expenses				
Cost of project sales	19,288,500,678	12,912,372,015	14,262,205,200	6,166,795,836
Cost of construction materials sales	-	-	193,651,107	-
Cost of projects for rent	70,908,335	92,193,144	-	34,809,423
Cost of business management	297,584,119	288,284,134	12,412,660	9,175,639
Cost of other services	28	219,568,423	20,145,749	17,801,343
Selling expenses	3,288,800,252	2,112,180,601	2,412,652,642	1,298,958,980
Administrative expenses	2,770,798,643	2,053,722,327	1,862,543,781	1,473,204,564
Other expenses				
Reversal of loss on diminution in value of property development for sale, investment properties and land held for development	10.4	(70,264,905)	(11,348,249)	(50,000,000)
Loss on impairment of investments and loans to subsidiaries (reversal)	6.3, 11	-	(6,245,005)	11,300,000
Total expenses	25,865,895,545	17,663,972,461	18,707,366,134	9,000,697,536

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

Sansiri Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit before finance cost and income tax expenses	4,220,885,558	3,016,844,343	4,361,977,214	2,367,785,565
Finance cost	(327,764,574)	(222,381,270)	(238,523,301)	(132,230,199)
Profit before income tax expenses	3,893,120,984	2,794,463,073	4,123,453,913	2,235,555,366
Income tax expenses	(874,289,947)	(778,765,749)	(593,877,597)	(392,765,789)
Profit for the year	3,018,831,037	2,015,697,324	3,529,576,316	1,842,789,577
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	196,749	12,984,201	-	-
Other comprehensive income for the year	196,749	12,984,201	-	-
Total comprehensive income for the year	3,019,027,786	2,028,681,525	3,529,576,316	1,842,789,577
Profit attributable to:				
Equity holders of the Company	3,018,528,601	2,015,081,290	3,529,576,316	1,842,789,577
Non-controlling interest of the subsidiaries	302,436	616,034		
	3,018,831,037	2,015,697,324		
Total comprehensive income attributable to:				
Equity holders of the Company	3,018,725,350	2,028,065,491	3,529,576,316	1,842,789,577
Non-controlling interest of the subsidiaries	302,436	616,034		
	3,019,027,786	2,028,681,525		
Earnings per share				
27.2				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.41	0.29	0.48	0.26
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.33	0.27	0.39	0.25

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

Sansiri Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit before tax	3,893,120,984	2,794,463,073	4,123,453,913	2,235,555,366
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Decrease in property development for sale from transferring to cost of project sales	19,288,500,678	12,912,372,015	14,262,205,200	6,166,795,836
Depreciation of investment properties	21,843,646	20,587,366	-	1,592,778
Depreciation of land, building and equipment	260,352,685	239,568,730	104,867,474	110,025,868
Amortisation of intangible assets	11,417,480	6,178,072	4,604,089	3,992,100
Amortisation of leasehold rights	30,671,259	46,652,562	-	19,780,631
Gain on sales of investment properties	(4,137,836)	(253,777,234)	-	(250,405,580)
(Gain) loss on sales of equipment	7,846,848	51,633,717	(100,445)	(5,779,306)
Write-off of intangible assets	68,029	-	-	-
Gain on sale of investment in subsidiary	(17,308)	-	(30,000)	-
Loss on impairment of investments and loans to subsidiaries (reversal)	-	-	(6,245,005)	11,300,000
Reversal of allowance for doubtful accounts	(374,312)	(4,529,752)	(64,161)	(3,757,221)
Leasehold revenue amortisation	(41,897,483)	(41,870,216)	-	-
Unrealised gain on exchanges	-	-	(2,598,961)	(9,934,207)
Reversal of loss on diminution in value of property development for sale, investment properties and land held for development	(70,264,905)	(11,348,249)	(50,000,000)	(11,348,249)
Unrealised loss on change in value of investments	12,290	11,716	12,290	11,716
Homecare warranty and housing estate juristic persons expenses	128,811,881	83,120,936	96,220,943	34,673,732

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

Sansiri Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Reversal of provision for law suits	(773,258)	-	-	-
Long-term employee benefits expenses	3,382,470	3,396,187	2,005,549	2,030,638
Dividend income	-	(16,520)	(906,240,000)	(1,124,016,520)
Interest income	(31,530,441)	(25,811,301)	(667,119,112)	(188,765,360)
Interest expense	327,764,574	222,381,270	238,523,301	132,230,199
Profit from operating activities before changes in operating assets and liabilities	23,824,797,281	16,043,012,372	17,199,495,075	7,123,982,421
(Increase) decrease in operating assets				
Trade accounts receivable	6,729,623	7,386,529	(119,624,974)	14,363,877
Property development for sale	(27,653,677,319)	(15,581,123,729)	(16,072,912,543)	(10,315,573,009)
Deposits for land	665,880,411	(1,591,376,356)	955,913,921	(1,345,149,046)
Other current assets	(299,488,226)	(241,862,009)	212,291,669	64,103,262
Other non-current assets	(36,113,400)	22,198,813	12,869,327	13,103,174
Increase (decrease) in operating liabilities				
Trade accounts payable	833,224,957	169,989,902	371,565,615	247,230,187
Promissory notes - purchase of land	-	(463,250,000)	-	(463,250,000)
Advances received from customers and unearned income	60,386,296	(874,730,681)	(284,341,240)	780,312
Other current liabilities	726,338,319	181,013,359	680,294,997	182,653,533
Other liabilities	(40,338,162)	(21,358,639)	(14,449,357)	(25,318,282)
Cash flows from (used in) operating activities	(1,912,260,220)	(2,350,100,439)	2,941,102,490	(4,503,073,571)
Cash paid for corporate income tax	(821,158,073)	(641,948,923)	(445,841,006)	(230,520,616)
Net cash from (used in) operating activities	<u>(2,733,418,293)</u>	<u>(2,992,049,362)</u>	<u>2,495,261,484</u>	<u>(4,733,594,187)</u>

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

Sansiri Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease in current investments	53,803,525	35,835,238	100,072,885	23,897,583
(Increase) decrease in restricted bank deposits	41,713,450	(2,890,946)	6,000,000	(60,242)
Payment on purchase of interest in subsidiaries and increase capital	-	-	-	(4,062,500)
Cash received from return of capital of a subsidiary	-	-	51,900,000	121,000,000
Increase in loans to related parties	-	-	(4,284,608,101)	(921,886,228)
Payment on purchase of investment properties	(10,932,861)	(555,144,326)	-	-
Payment on purchase of land, building and equipment	(772,622,088)	(553,544,128)	(416,058,416)	(486,317,592)
Payment on purchase of intangible assets	(26,099,261)	(5,157,280)	(20,345,069)	(5,058,840)
Proceeds from sales of investment properties	33,553,342	649,809,039	-	612,809,039
Proceeds from sales of equipment	28,005,257	2,987,614	220,506	979,010
Proceeds from sales of leasehold rights	-	-	-	176,297,681
Net cash received (paid) from sale of investment in subsidiary	(782,816)	-	680,000	-
Interest income	31,530,441	25,811,301	118,193,656	148,386,462
Dividend income	-	16,520	906,240,000	1,124,016,520
Decrease in dividend receivable	-	-	-	300,000,000
Net cash from (used in) investing activities	(621,831,011)	(402,276,968)	(3,537,704,539)	1,090,000,893
Cash flows from financing activities				
Increase in short-term loans from banks	581,400,000	1,031,600,000	581,400,000	1,163,600,000
Decrease in promissory notes - purchase of land	(787,600,000)	-	(787,600,000)	-
Increase in bills of exchange	1,787,315,194	596,428,571	1,787,315,194	596,428,571
Decrease in short-term loans from related parties	-	-	-	(15,300,000)
Increase in long-term loans	12,787,671,718	8,875,205,684	8,312,893,117	5,566,288,838
Repayment of long-term loans	(10,715,445,251)	(8,617,992,794)	(8,526,943,770)	(5,177,534,714)
Proceeds from debentures issuance	1,989,300,000	1,987,160,000	1,989,300,000	1,987,160,000
Repayment of debentures	(1,000,000,000)	-	(1,000,000,000)	-

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

Sansiri Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Payment of interest expenses	(1,180,566,586)	(886,043,926)	(1,044,966,515)	(741,251,770)
Dividend paid	(1,000,986,466)	(177,676,576)	(1,000,986,466)	(177,676,576)
Payment of finance lease payables	(2,702,118)	(2,457,575)	(2,702,118)	(2,457,575)
Proceeds from capital increase	1,440,178,654	101,701,874	1,440,178,654	101,701,874
Net cash from financing activities	3,898,565,145	2,907,925,258	1,747,888,096	3,300,958,648
Translation adjustment	1,782,911	18,445,851	-	-
Net increase (decrease) in cash and cash equivalents	545,098,752	(467,955,221)	705,445,041	(342,634,646)
Cash and cash equivalents at beginning of the year	2,863,358,197	3,331,313,418	1,707,871,908	2,050,506,554
Cash and cash equivalents at end of the year	3,408,456,949	2,863,358,197	2,413,316,949	1,707,871,908
Supplementary cash flows information				
Non-cash item:				
Interest recorded as cost of projects	877,260,782	744,166,096	826,581,254	650,060,916

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

Sansiri Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements									
Equity attributable to the parent's shareholders									
	Retained earnings				Other components of equity-Other comprehensive income				
Note	Issued and paid-up share capital	Share premium	Calls in arrears	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2011									
	6,379,912,202	12,522,600	4,268,000	400,319,958	2,659,300,056	(31,164,428)	9,425,158,388	(137,895)	9,425,020,493
32	1,074,230,682	524,565,916	-	-	(1,598,796,598)	-	-	-	-
32	-	-	-	-	(177,676,576)	-	(177,676,576)	-	(177,676,576)
25	92,811,560	13,158,314	(4,268,000)	-	-	-	101,701,874	-	101,701,874
Total comprehensive income for the year									
	-	-	-	-	2,015,081,290	12,984,201	2,028,065,491	616,034	2,028,681,525
Statutory reserve									
	-	-	-	100,754,064	(100,754,064)	-	-	-	-
Balance as at 31 December 2011									
	7,546,954,444	550,246,830	-	501,074,022	2,797,154,108	(18,180,227)	11,377,249,177	478,139	11,377,727,316
Balance as at 1 January 2012									
	7,546,954,444	550,246,830	-	501,074,022	2,797,154,108	(18,180,227)	11,377,249,177	478,139	11,377,727,316
32	-	-	-	-	(1,000,986,466)	-	(1,000,986,466)	-	(1,000,986,466)
25	887,303,328	33,946,670	518,928,656	-	-	-	1,440,178,654	-	1,440,178,654
Total comprehensive income for the year									
	-	-	-	-	3,018,528,601	196,749	3,018,725,350	302,436	3,019,027,786
Statutory reserve									
	-	-	-	176,478,816	(176,478,816)	-	-	-	-
Balance as at 31 December 2012									
	8,434,257,772	584,193,500	518,928,656	677,552,838	4,638,217,427	(179,834,76)	14,835,166,715	780,575	14,835,947,290

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

Sansiri Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2012

(Unit: Baht)

Separate financial statements

Retained earnings

	Note	Issued and paid-up share capital	Share premium	Calls in arrears	Appropriated- statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2011							
Stock dividend	32	6,379,912,202	12,522,600	4,268,000	400,319,958	1,992,935,308	8,789,958,068
Dividend paid	32	1,074,230,682	524,565,916	-	-	(1,598,796,598)	-
Increase capital	25	-	-	-	-	(177,676,576)	(177,676,576)
Total comprehensive income for the year		92,811,560	13,158,314	(4,268,000)	-	-	101,701,874
Statutory reserve		-	-	-	-	1,842,789,577	1,842,789,577
		-	-	-	100,754,064	(100,754,064)	-
Balance as at 31 December 2011		75,469,544,444	550,246,830	-	501,074,022	1,958,497,647	10,556,772,943
Balance as at 1 January 2012							
Dividend paid	32	75,469,544,444	550,246,830	-	501,074,022	1,958,497,647	10,556,772,943
Increase capital	25	-	-	-	-	(1,000,986,466)	(1,000,986,466)
Total comprehensive income for the year		887,303,328	33,946,670	518,928,656	-	-	1,440,178,654
Statutory reserve		-	-	-	-	3,529,576,316	3,529,576,316
		-	-	-	176,478,816	(176,478,816)	-
Balance as at 31 December 2012		8,434,257,772	584,193,500	518,928,656	677,552,838	4,310,608,681	14,525,541,447

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Corporate information

Sansiri Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company operates in Thailand and is principally engaged in property development.

The Company’s top 5 major shareholders as at 7 January 2013, the latest closing date of the shares register book, are as following:

	<u>Percentage of shareholding (based on paid-up capital)</u>
1. Mr. Srettha Thavisin Group	13.00
2. CHASE NOMINEES LIMITED 42	6.33
3. Viriyah Insurance Company Limited	5.28
4. SKANDINAVISKA ENSKILDA BANKEN A/S	3.74
5. Mr. Apichart Chutrakul	3.09

The registered office of the Company is at 475, Siripinyo Building, Sri Ayutthaya Road, Phayathai, Rajthevi, Bangkok.

2. Basis of preparation

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Sansiri Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
<u>Directly owned</u>				
Chanachai Ltd.	Property development	Thailand	100	100
Plus Property Co., Ltd.	Property development	Thailand	100	100
Sansiri Venture Co., Ltd.	Property development	Thailand	100	100
S.U.N. Management Co., Ltd.	Property development	Thailand	100	100
Arnawat Ltd.	Property development	Thailand	100	100
Piwattana Ltd.	Property development	Thailand	100	100
Red Lotus Properties Ltd.	Property development	Thailand	100	100
Pacific Challenge Holding Co., Ltd.	Property development	Thailand	85	85
Sansiri Global Investment Pte. Ltd.	Property development	Singapore	100	100
Plus Property Space Co., Ltd.	Property development	Thailand	100	100
Papanan Ltd.	Property development, provision of medical service, aesthetics, health care and medical spa	Thailand	100	100
NED Management Co., Ltd. (formerly known as "National Education Development Co, Ltd.)	Property development and holder of Satit Pattana School's license	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
Satit Pattana Personnel Center Ltd.	Provision of administrative services to Satit Pattana School	Thailand	100	100
Rojnaruemit Ltd.	Dormant	Thailand	-	100
Indirectly owned				
Plus Property Venture Co., Ltd.	Property development	Thailand	100	100
Sansiri Land Ltd.	Property development	Thailand	100	100
Touch Property Co., Ltd.	Property development	Thailand	100	100
Sansiri Guernsey (2009) Limited	Property development	Guernsey	100	100
Satit Pattana School	Education business	Thailand	100	100

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statement of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiaries' brought-forward retained earnings of the year 2013 by approximately Baht 316 million (the Company only: approximately Baht 109 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

		Effective date
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that those accounting treatment guidance and accounting standard interpretations are not relevant to the business of the Company and its subsidiaries.

4. Significant accounting policies

4.1 Revenue recognition

- a) Revenue from property development for sales
Revenues from sales of land and houses and sales of residential condominium are recognised as income when the significant risk sand rewards of ownership have been transferred to the buyer that the Company and the subsidiaries retains neither continuing managerial involvement nor effective control over the land and houses and the condominium sold, directly and indirectly. The recognised amount and cost incurred in respect of the transaction can be measured reliably.
- b) Revenue from sales of goods
Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.
- c) Rental income
Rental income is recognised in the statement of comprehensive income on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.
- d) Revenue from hotel business
Room revenues are recognised on an accrual basis over the period of the guests stay. Food and beverage revenues are recognised after the food and beverages have been served. Recognised revenue does not include valued added tax and state net of discounts.
- e) School fees income
Tuition fees, transportation fees and canteen income are recognised as income of the school term to which they relate. Entrance fees are recognised as income at the time of acceptance of the pupil by the subsidiary.

f) Service income

Service income is recognised when service rendered by reference to the stage of completion.

g) Interest income

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

h) Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of property development for sale and cost of project sold

Property development for sale are stated at the lower of cost and net realisable value, consisting of the cost of land, design fees, utilities, construction costs, and directly related interest and expenses.

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

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

4.3 Cash and cash equivalents

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

4.4 Trade accounts receivable and allowance for doubtful accounts

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

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the costs of the respective assets. Capitalisation ceases when the projects are ready for their intended use or sale, when the physical construction of the projects is complete, or when construction is suspended and until active development resumes. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as

surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10-40 years. Depreciation of the investment properties is included in determining income.

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

4.8 Land, building and equipment/Depreciation

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

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

Buildings and improvements	20, 40 years
Buildings decoration	8 years
Improvements and renovation - hotel	5 years
Fixtures and equipment	3 - 5 years
Operating equipment - hotel	5 years
Temporary sales office	2 - 2.5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress.

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

4.9 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation. The Company and its subsidiaries amortise leasehold rights on a straight-line basis over the leasehold period.

The amortisation is included in determining income.

4.10 Intangible assets and amortisation

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

	<u>Useful lives</u>
Computer software	3 - 10 years
Franchise fee	5 years

The amortisation is included in determining income.

4.11 Land held for development

Land held for development is stated at cost less allowance for loss on diminution in value of projects. It is consisted of cost of land, land fulfill, public utilities cost, project development cost and borrowing cost which occurred during the developed period in the past.

4.12 Goodwill

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

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

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

4.13 Related party transactions

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

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

4.14 Long-term leases

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

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

4.15 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.16 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

4.17 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the year 2011.

4.18 Provisions

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

4.19 Income tax

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

5. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

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

Impairment of property development for sale, investment properties and land held for development

The Company and its subsidiaries treat property development for sale, investment properties and land held for development as impaired when the management judges that there has been a significant decline in the fair value below their cost. The management determines the devaluation of such properties and land held for development based on net realisable value. The determination of what is “significant” and such devaluation requires the management to exercise judgment.

Project development costs estimation

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

Land, building and equipment/Depreciation

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

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

Impairment of investment

The Company treats investment in subsidiaries as impaired when there has been a significant or prolonged decline in their fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Goodwill

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

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has exercised judgment to assess of the results of the litigation and recorded certain contingent liabilities as at the end of reporting period.

Compensation for Housing Estate Juristic Persons

The Company and its subsidiaries estimate the compensation for Housing Estate Juristic Persons using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation.

Provision for home care warrantee

In recording provision for home care warrantee, the management estimates the expenses expected to be incurred as a result of providing such warrantee based on past experiences of actual expenses claimed.

Post-employment benefits under defined benefit plans

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

6. Related party transactions

6.1 During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Details of subsidiaries are presented in Note 2.2 a) to the financial statements.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2012	2011	2012	2011	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Revenues from project for rent	-	-	-	1,432	The same rate as other customers
Sales of precast concrete	-	-	126,941	-	Cost plus certain margin of 5 percent
Sale of land	-	-	-	692	Cost plus certain margin
Revenues from business management and project management	-	-	17,453	27,806	Based on agreement (1)
Interest income	-	-	649,120	175,023	Close to fixed deposits interest rate
Commission income	-	-	22,432	25,724	Based on agreement (3)
Construction and material costs	-	-	-	5	Based on agreement in normal course of business
Project management fee and other expenses	-	-	30,604	20,343	Based on agreement (2)
Commission expenses	-	-	129,878	39,603	Based on agreement (3)
Interest expenses	-	-	-	48	1.50 percent per annum
Purchase of land	-	-	10,784	112,383	Cost plus certain margin
Sale of leasehold rights	-	-	-	290,000	Fair value determined by independent appraisal
Purchase of interest in subsidiary	-	-	-	4,063	Net book value
<u>Transactions with related persons</u>					
Revenues from project sales	47,717	23,365	33,902	23,365	Cost plus certain margin at rates of 23% - 45%

Transactions, pricing policies and related contracts are as follows: -

- (1) Revenue from business service and project management fees is charged based on costs plus certain margin. Those charges are allocated to subsidiaries based on revenue and investment costs, respectively.
- (2) Project management fees are charged monthly, depended upon the size of the project.
- (3) Commission from sales of projects are charged at a rate of 1% of selling price per the contract, with payments divided between the time the customer executes the agreement and when the properties are transferred.

6.2 Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	446,502	309,056	438,123	300,676
Post-employment benefits	1,257	420	1,257	420
Total	447,759	309,476	439,380	301,096

6.3 The balances of the accounts as at 31 December 2012 and 2011 between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011

Accounts receivable

Subsidiaries

Chanachai Ltd.	-	-	948	1,374
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(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Plus Property Co., Ltd.	-	-	3,781	760
Piwattana Ltd.	-	-	31,188	693
Sansiri Land Ltd.	-	-	912	-
Papanan Ltd.	-	-	14,623	-
Anawat Ltd.	-	-	75,296	-
Touch property Co.,Ltd	-	-	-	476
Total	-	-	126,748	3,303

Prepaid rental expenses**Subsidiary**

Papanan Ltd.	-	-	88,943	112,553
Total	-	-	88,943	112,553

Loans to related parties**Subsidiaries**

Arnawat Ltd.	-	-	3,506,529	1,359,393
Piwattana Ltd.	-	-	481,872	632,704
Red Lotus Properties Ltd.	-	-	1,272,967	424,200
Pacific Challenge Holding Co., Ltd.	-	-	5,000	10,000
Sansiri Global Investment Pte. Ltd.	-	-	282,174	269,697
Plus Property Space Co., Ltd.	-	-	209,800	69,182
Papanan Ltd.	-	-	2,285,330	1,179,350

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
NED Management Co., Ltd. (formerly known as “ National Education Development Co., Ltd.”)	-	-	1,250,652	455,180
Sansiri Land Ltd.	-	-	-	607,436
Related party				
Regency One Co., Ltd. (held by Chanachai Ltd.)	5,000	5,000	-	-
Total	5,000	5,000	9,294,324	5,007,142
Current portion	-	-	2,171,050	2,050,000
Less: Allowance for doubtful accounts	-	-	-	-
Net	-	-	2,171,050	2,050,000
Long-term portion	5,000	5,000	7,123,274	2,957,142
Less: Allowance for doubtful accounts	(5,000)	(5,000)	(671,300)	(677,545)
Net	-	-	6,451,974	2,279,597

During the year 2012, the Company reversed allowance for doubtful accounts of loans to subsidiaries amounting to Baht 6.24 million (2011: the Company recorded allowance for doubtful accounts of loans to subsidiaries amounting to Baht 10.00 million).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Interest receivables</u>				
Subsidiaries				
Arnawat Ltd.	-	-	293,967	20,321
Piwattana Ltd.	-	-	3,270	6,783
Red Lotus Properties Ltd.	-	-	80,008	5,904
Pacific Challenge Holding Co., Ltd.	-	-	148	59
Sansiri Global Investment Pte. Ltd.	-	-	31,729	2,526
Plus Property Space Co., Ltd.	-	-	2,563	686
Papanan Ltd.	-	-	105,546	9,632
NED Management Co., Ltd. (formerly known as "National Education Development Co., Ltd.")	-	-	47,263	3,469
Sansiri Land Ltd.	-	-	-	3,587
Related party				
Regency One Co., Ltd. (held by Chanachai Ltd.)	333	333	-	-
Total	333	333	564,494	52,967
Less: Allowance for doubtful accounts	(333)	(333)	(4,076)	(4,076)
Net	-	-	560,418	48,891

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Unearned income</u>				
Subsidiary				
Touch Property Co., Ltd.	-	-	-	1,850
Related parties				
Related persons	4,512	2,103	3,126	2,029
Total	4,512	2,103	3,126	3,879
<u>Trade accounts payable</u>				
Subsidiaries				
Chanachai Ltd.	-	-	-	22,530
Plus Property Co., Ltd.	-	-	46,869	6,894
Piwattana Ltd.	-	-	1,760	1,327
Papanan Ltd.	-	-	456	939
Sansiri Land Ltd	-	-	8,088	393
Total	-	-	57,173	32,083

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Deposits for building rental and others</u>				
Subsidiary				
Chanachai Ltd.	-	-	18	18
Total	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>

6.4 During the year, movements of loans to related parties were as follow: -

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at 1 January 2012	During the year		Balance as at 31 December 2012
		Increase	Decrease	
Related party				
Regency One Co., Ltd. (held by Chanachai Ltd.)	5.00	-	-	5.00

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2012	During the year		Balance as at 31 December 2012
		Increase	Decrease	
Subsidiaries				
Plus Property Co., Ltd.	-	144.00	(144.00)	-
Arnawat Ltd.	1,359.40	3,578.14	(1,431.01)	3,506.53
Piwattana Ltd.	632.71	465.56	(616.40)	481.87
Red Lotus Properties Ltd.	424.20	1,482.19	(633.42)	1,272.97

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2012	During the year		Balance as at 31 December 2012
		Increase	Decrease	
Pacific Challenge Holding Co., Ltd.	10.00	-	(5.00)	5.00
Sansiri Global Investment Pte. Ltd.	269.69	12.48	-	282.17
Plus Property Space Co., Ltd.	69.18	190.80	(50.18)	209.80
Papanan Ltd.	1,179.35	1,973.74	(867.76)	2,285.33
NED Management Co., Ltd. (formerly known as "National Education Development Co., Ltd.")	455.18	1,439.47	(644.00)	1,250.65
Sansiri Land Ltd.	607.44	39.00	(646.44)	-
Total	<u>5,007.15</u>	<u>9,325.38</u>	<u>(5,038.21)</u>	<u>9,294.32</u>

As at 31 December 2012, loans to related parties are clean loans, due for repayment at call, and carried interest at rates of 3.00 - 3.55 percent per annum (2011: 3.55 - 5.50 percent per annum).

As at 31 December 2012 and 2011, the Company and its subsidiaries have ceased recognition of interest on principal of loans to related parties amounting to Baht 5.00 million and Baht 5.00 million, respectively, because of default on interest payment for three consecutive installments (Separate financial statement as at 31 December 2011: Baht 4,219.02 million).

6.5 Guarantees to related companies

As at 31 December 2012 and 2011, the Company and its subsidiaries have the following obligations in respect of guarantees provided to banks for loans facilities: -

(Unit: Million Baht)

Guarantor	Guarantee	2012	2011
Sansiri Plc.	Arnawat Ltd.	395	870
	Piwattana Ltd.	395	395
	Sansiri Guernsey (2009) Limited	-	174
Total		<u>790</u>	<u>1,439</u>

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	4.05	3.52	2.36	1.17
Bank deposits	3,379.41	2,755.80	2,410.96	1,706.70
Bills of exchange	25.00	104.04	-	-
Total	<u>3,408.46</u>	<u>2,863.36</u>	<u>2,413.32</u>	<u>1,707.87</u>

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 1.50 - 3.30 percent per annum (2011: between 2.50 - 3.30 percent per annum).

8. Restricted bank deposits

As at 31 December 2012 and 2011, restricted bank deposits of the Company and its subsidiaries have been pledged as collateral for guarantees facilities issued by banks on behalf of the Company and its subsidiaries.

9. Trade accounts receivable

Trade accounts receivable as at 31 December 2012 and 2011 presented as follows: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade accounts receivable - unrelated parties	57.21	63.12	1.33	5.43
Trade accounts receivable - related parties	-	-	126.72	2.61
Total	57.21	63.12	128.05	8.04
Less: Allowance for doubtful accounts	(16.02)	(15.57)	(0.68)	(0.36)
Accounts receivable - net	<u>41.19</u>	<u>47.55</u>	<u>127.37</u>	<u>7.68</u>

Trade accounts receivable as at 31 December 2012 and 2011 classified by the aging are as follows: -

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Not yet due	23.23	17.86	-	-
Over due 1 - 3 months	14.50	26.83	81.25	6.02
Over due 4 - 6 months	1.74	2.00	32.35	0.09

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Over due 7 - 12 months	3.49	2.67	13.77	1.15
Over due over 12 months	14.25	13.76	0.68	0.78
Total	57.21	63.12	128.05	8.04
Less: Allowance for doubtful accounts	(16.02)	(15.57)	(0.68)	(0.36)
Net	41.19	47.55	127.37	7.68

10. Property development for sale

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Construction materials	41.09	-	38.69	-
Land	31,098.42	20,884.39	19,469.90	15,071.54
Construction cost and others	30,367.90	17,067.96	18,134.22	9,307.03
Utility costs	7,911.13	4,547.83	4,834.53	2,663.77
Capitalised financial costs	2,409.83	1,475.18	1,934.04	1,094.16
Total	71,828.37	43,975.36	44,411.38	28,136.50
Less: Accumulated transfer to cost of project	(37,546.82)	(18,324.04)	(22,872.95)	(8,615.05)
Allowance for loss on diminution in value of project	(15.02)	(35.28)	-	-
Balance	34,266.53	25,616.04	21,538.43	19,521.45

10.1 As at 31 December 2012 and 2011, land and construction thereon of projects of the Company and its subsidiaries amounting Baht 26,194.51 million and Baht 19,004.50 million, respectively (Separate financial statements: Baht 17,529.60 million and Baht 14,991.70 million, respectively) were pledged as collateral for loans obtained from banks.

10.2 As at 31 December 2012 and 2011, the estimated expense to the Company and its subsidiaries of development and construction for completion of the opened projects (excluding the costs of land and construction already recorded) is Baht 39,652.92 million and Baht 20,909.08 million, respectively (Separate financial statements: Baht 20,267.77 million and Baht 16,716.24 million, respectively).

10.3 During the year 2012 and 2011, the Company and its subsidiaries included borrowing costs in the cost of property development amounting to Baht 934.65 million and Baht 744.17 million, respectively (Separate financial statements: Baht 839.88 million and Baht 650.06 million, respectively). Capitalisation rates for the years 2012 and 2011 were 4.99% and 5.56%, respectively (Separate financial statements: 4.99% and 5.56%, respectively).

10.4 Reversal of loss on diminution in value of property development for sale, investment properties and land held for development for the year 2012 and 2011 are as follow.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Property development for sale (Note 10)	(20.26)	-	-	-
Investment properties (Note 12)	-	(11.35)	-	(11.35)
Land held for development (Note 13)	(50.00)	-	(50.00)	-
Total	(70.26)	(11.35)	(50.00)	(11.35)

10.5 Additional information of the Company and its subsidiaries' projects are as follow.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Sales with signed agreements	95,673.84	57,502.37	55,916.88	35,670.67
Total estimated project value	148,404.08	76,941.87	92,392.11	48,868.14
The ratio of sales with signed agreements to total estimated project sales	64.47%	74.73%	60.52%	72.99%
Unearned income	2,027.79	1,962.80	1,428.13	1,711.53

11. Investments in subsidiaries

Investments in subsidiaries as stated in the separate financial statements as at 31 December 2012 and 2011 are as follows: -

(Unit: Million Baht)

	Paid-up capital		Percentage of shareholding		Investment at cost		Allowance for loss on diminution in value of investments		Net investment		Dividend received during the year	
	2012	2011	2012 Percent	2011 Percent	2012	2011	2012	2011	2012	2011	2012	2011
Subsidiaries - Directly owned												
Chanachai Ltd.	90.00	90.00	100	100	101.52	101.52	-	-	101.52	101.52	585.54	261.00
Plus Property Co., Ltd.	600.00	600.00	100	100	610.52	610.52	-	-	610.52	610.52	318.00	729.00
Sansiri Venture Co., Ltd.	3.00	3.00	100	100	4.52	56.42	-	-	4.52	56.42	2.70	134.00
SUN Management Co., Ltd.	10.00	10.00	100	100	20.08	20.08	-	-	20.08	20.08	-	-
Annawat Ltd.	2.50	2.50	100	100	2.50	2.50	-	-	2.50	2.50	-	-

(Unit: Million Baht)

	Paid-up capital		Percentage of shareholding		Investment at cost		Allowance for loss on diminution in value of investments		Net investment		Dividend received during the year	
	2012	2011	2012 Percent	2011 Percent	2012	2011	2012	2011	2012	2011	2012	2011
Piwattana Ltd.	100.00	100.00	100	100	100.00	100.00	-	-	100.00	100.00	-	-
Red Lotus Properties Ltd.	20.00	20.00	100	100	20.00	20.00	-	-	20.00	20.00	-	-
Plus Property Space Co., Ltd.	2.50	2.50	100	100	4.07	4.07	-	-	4.07	4.07	-	-
Pacific Challenge Holding Co., Ltd.	2.50	2.50	85	85	2.13	2.13	-	-	2.13	2.13	-	-
Papanan Ltd.	20.00	20.00	100	100	20.00	20.00	(20.00)	(20.00)	-	-	-	-
Satit Pattana Personnel Center Ltd.	1.00	1.00	100	100	1.00	1.00	-	-	1.00	1.00	-	-
Rojnaruemit Ltd.	0.68	0.68	-	100	-	99.95	-	(99.30)	-	0.65	-	-
NED Management Co., Ltd. (formerly known as *National Education Development Co., Ltd.)	40.00	40.00	100	100	40.00	40.00	-	-	40.00	40.00	-	-
Sansiri Global Investment Pte. Ltd.	1.19	1.19	100	100	1.19	1.19	-	-	1.19	1.19	-	-
Total investment in subsidiaries					<u>927.53</u>	<u>1,079.38</u>	<u>(20.00)</u>	<u>(119.30)</u>	<u>907.53</u>	<u>960.08</u>	<u>906.24</u>	<u>1,124.00</u>

On 28 March 2012, the Company disposed all of its investments in Rojnaruemit Ltd. to non-related party at a price of Baht 680,000. Net assets value of such company at disposal date amounting to Baht 662,692 which was included cash and cash equivalents of Baht 1,463,058.

Dividend income from Sansiri Venture Co., Ltd. is net of a partial return of capital.

During the year 2011, the Company recorded allowance for loss on diminution in value of investments in Rojnaruemit Ltd. amounting Baht 1.30 million.

12. Investments properties

The net book value of investment properties as at 31 December 2012 and 2011 is presented below.

(Unit: Million Baht)

	Consolidated financial statements			
	House for rent	Condominium for rent	Office building for rent	Total
As at 31 December 2012				
Cost	119.84	45.22	553.71	718.77
Less: Accumulated depreciation	(27.40)	(6.17)	(15.97)	(49.54)
Less: Allowance for diminution in value	(32.89)	-	-	(32.89)
Net book value	<u>59.55</u>	<u>39.05</u>	<u>537.74</u>	<u>636.34</u>
As at 31 December 2011				
Cost	119.34	69.65	553.69	742.68
Less: Accumulated depreciation	(18.94)	(8.16)	(6.02)	(33.12)
Less: Allowance for diminution in value	(32.89)	-	-	(32.89)
Net book value	<u>67.51</u>	<u>61.49</u>	<u>547.67</u>	<u>676.67</u>

A reconciliation of the net book value of investment properties for the year 2012 and 2011 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	676.67	317.46	-	142.02
Acquisition of assets	10.93	555.14	-	-
Transfer from leasehold rights	-	233.42	-	-
Transfer to land, buildings and equipment	-	(234.71)	-	-
Disposals - net book value	(29.42)	(185.40)	-	(151.78)
Depreciation charged	(21.84)	(20.59)	-	(1.59)
Reversal of allowance for diminution in value during the year	-	11.35	-	11.35
Net book value at end of year	<u>636.34</u>	<u>676.67</u>	<u>-</u>	<u>-</u>

The depreciation of investment properties has been charged to cost of project for rent.

The fair value of the investment properties as at 31 December 2012 and 2011 stated below:

(Unit: Million Baht)

	Consolidated financial statements	
	2012	2011
House for rent	77.46	90.55
Condominium for rent	53.51	77.72
Office building for rent	569.61	579.88
Total	<u>700.58</u>	<u>748.15</u>

The fair values of the above investment properties have been determined based on valuations performed by the management of the Company. The fair value of house and office building for rental has been determined based on income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates. The fair value of condominium for rent has been determined based on market price.

The Company and its subsidiaries have pledged investment properties with the net book value amounting to approximately Baht 537.74 million (2011: Baht 547.67 million) as collateral against credit facilities received from financial institutions.

During the year 2011, Papanan Limited (a subsidiary) purchased Siripinyo Building by bidding at amounting Baht 540.20 million. However, such building has covered by leasehold rights held by the Company for a period of 12 years and 6 months, therefore for the purpose of Papanan Limited holds a full right over the building, the Company sold the leasehold rights over the building for a remaining period to Papanan Limited at a price of Baht 290.00 million which is a fair value determined by independent appraisal on an income approach. The Company has a gain from sales of Baht 56.35 million which was eliminated from the consolidated financial statements. Net cost of building in the Company's portion for operation was recorded as land, building and equipment, the remaining amount was recorded as investment properties.

13. Land held for development

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Land held for development	1,461.95	837.85	1,056.04	432.04
Less: Allowance for loss on diminution in value of project	(86.87)	(136.87)	-	(50.00)
Net	1,375.08	700.98	1,056.04	382.04

As at 31 December 2011, land held for development of the Company and its subsidiaries amounting Baht 307.76 million were pledged as collateral for loans obtained from banks (Separate financial statements: Baht 307.76 million) (2012: None).

14. Land, buildings and equipment

(Unit: Million Baht)

	Consolidated financial statements							
	Land	Buildings decoration	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Cost								
Balance as at 1 January 2011	271.33	128.06	557.02	533.50	40.03	372.23	340.06	2,242.23
Purchases	74.79	-	19.08	70.65	5.49	4.22	384.46	558.69
Disposals/Write off	(25.31)	-	(9.31)	(30.29)	(4.84)	(142.19)	(9.54)	(221.48)
Transfer in/Transfer out	124.63	-	420.79	(0.29)	(0.56)	25.13	(339.00)	230.70
Balance as at 31 December 2011	445.44	128.06	987.58	573.57	40.12	259.39	375.98	2,810.14
Purchases	2.34	-	163.48	185.12	4.27	265.47	151.95	772.63
Disposals/Write off	-	-	(25.26)	(52.08)	-	(75.77)	-	(153.11)
Transfer in/Transfer out	12.21	-	291.32	159.71	(0.63)	(33.94)	(421.75)	6.92
Disposal of investment in subsidiary	(6.21)	-	-	(0.82)	-	-	-	(7.03)
Balance as at 31 December 2012	453.78	128.06	1,417.12	865.50	43.76	415.15	106.18	3,429.55
Accumulated depreciation								
Balance as at 1 January 2011	-	73.63	96.01	316.82	29.56	205.15	-	721.17
Depreciation for the year	-	6.67	74.00	64.20	6.64	88.06	-	239.57
Disposals/Write off	-	-	(1.75)	(27.50)	(4.56)	(90.95)	-	(124.76)
Transfer in/Transfer out	-	-	0.01	1.85	(7.17)	(0.01)	-	(5.32)
Balance as at 31 December 2011	-	80.30	168.27	355.37	24.47	202.25	-	830.66
Depreciation for the year	-	4.56	76.56	108.66	5.17	65.41	-	260.36
Disposals/Write off	-	-	(10.25)	(45.88)	-	(67.33)	-	(123.46)

(Unit: Million Baht)

Consolidated financial statements

	Land	Buildings decoration	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Transfer in/Transfer out	-	-	30.77	(12.95)	(0.04)	(9.76)	-	8.02
Disposal of investment in subsidiary	-	-	-	(0.82)	-	-	-	(0.82)
Balance as at 31 December 2012	-	84.86	265.35	404.38	29.60	190.57	-	974.76
Allowance for impairment loss								
Balance as at 1 January 2011	26.89	40.00	64.67	-	-	-	-	131.56
Write-off	(25.32)	-	(7.55)	-	-	-	-	(32.87)
Balance as at 31 December 2011 and 2012	1.57	40.00	57.12	-	-	-	-	98.69
Net book value								
Balance as at 1 January 2011	244.44	14.43	396.34	216.68	10.47	167.08	340.06	1,389.50
Balance as at 31 December 2011	443.87	7.76	762.19	218.20	15.65	57.14	375.98	1,880.79
Balance as at 31 December 2012	452.21	3.20	1,094.65	461.12	14.16	224.58	106.18	2,356.10
Depreciation for the year								
2011 (Baht 66.11 million included in cost of other services, other than that included in administrative expenses)								239.57
2012 (Baht 41.01 million included in cost of other services, Baht 17.30 million included in manufacturing cost of construction materials, other than that included in administrative expenses)								260.36

(Unit: Million Baht)

Separate financial statements**Cost**

	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Balance as at 1 January 2011	121.42	278.40	187.18	35.53	204.89	28.23	855.65
Purchases	45.00	-	53.89	0.32	0.75	382.37	482.33
Disposals/Write off	(25.31)	(9.31)	(3.65)	(2.80)	(122.51)	(0.30)	(163.88)
Transfer in/Transfer out	-	0.46	14.99	-	27.77	(28.63)	14.59
Balance as at 31 December 2011	141.11	269.55	252.41	33.05	110.90	381.67	1,188.69
Purchases	2.34	85.51	135.53	4.28	124.67	63.74	416.07
Disposals/Write off	-	(7.31)	(4.84)	-	-	-	(12.15)
Transfer in/Transfer out	11.08	166.58	224.06	(0.60)	21.49	(422.61)	-
Balance as at 31 December 2012	154.53	514.33	607.16	36.73	257.06	22.80	1,592.61

Accumulated depreciation

Balance as at 1 January 2011	-	50.16	131.52	19.19	119.10	-	319.97
Depreciation for the year	-	13.45	30.13	5.71	60.73	-	110.02
Disposals/Write off	-	(1.75)	(3.65)	(2.80)	(71.27)	-	(79.47)
Transfer in/Transfer out	-	0.01	10.61	-	-	-	10.62
Balance as at 31 December 2011	-	61.87	168.61	22.10	108.56	-	361.14
Depreciation for the year	-	24.09	53.88	4.06	22.84	-	104.87
Disposals/Write off	-	(7.31)	(4.72)	-	-	-	(12.03)
Balance as at 31 December 2012	-	78.65	217.77	26.16	131.40	-	453.98

(Unit: Million Baht)

Separate financial statements							
	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Allowance for impairment loss							
Balance as at 1 January 2011	26.73	7.56	-	-	-	-	34.29
Write-off	(25.31)	(7.56)	-	-	-	-	(32.87)
Balance as at 31 December 2011 and 2012	1.42	-	-	-	-	-	1.42
Net book value							
Balance as at 1 January 2011	94.69	220.68	55.66	16.34	85.79	28.23	501.39
Balance as at 31 December 2011	139.69	207.68	83.80	10.95	2.34	381.67	826.13
Balance as at 31 December 2012	153.11	435.68	389.39	10.57	125.66	22.80	1,137.21
Depreciation for the year							
2011 (Baht 4.50 million included in cost of other services, other than that included in administrative expenses)							110.02
2012 (Baht 4.46 million included in cost of other services, Baht 17.30 million included in manufacturing cost of construction materials, other than that included in administrative expenses)							104.87

As at 31 December 2012 and 2011, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 265.74 million and Baht 273.47 million, respectively (Separate financial statement: Baht 147.32 million and Baht 180.43 million, respectively).

During the year 2011, the Company included borrowings costs in the costs of assets amounting to Baht 2.53 million (2012: None) (2011: capitalisation rate 5.56%).

As at 31 December 2012 and 2011, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 9.81 million and Baht 10.44 million, respectively (Separate financial statement: Baht 9.81 million and Baht 10.44 million, respectively).

As at 31 December 2012, the Company's land and construction thereon which the net book value amounted Baht 838.25 million, were mortgaged to secure loans from banks (2011: Baht 368.57 million).

15. Goodwill

As at 31 December 2012 and 2011, the balance of goodwill is related to goodwill from business combination of NED Management Company Limited (formerly known as “National Education Development Company Limited”) in 2009.

16. Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Patents and licenses	Computer software	Total	Patents and licenses	Computer software	Total
As at 31 December 2012						
Cost	20.28	144.71	164.99	-	117.12	117.12
Less: Accumulated amortisation	(19.61)	(91.49)	(111.10)	-	(70.17)	(70.17)
Net book value	0.67	53.22	53.89	-	46.95	46.95
As at 31 December 2011						
Cost	15.31	123.86	139.17	-	96.78	96.78
Less: Accumulated amortisation	(14.65)	(85.25)	(99.90)	-	(65.57)	(65.57)
Net book value	0.66	38.61	39.27	-	31.21	31.21

A reconciliation of the net book value of intangible assets for the year 2012 and 2011 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	39.27	40.29	31.21	30.14
Acquisition of computer software	26.10	5.16	20.34	5.06
Amortisation	(11.41)	(6.18)	(4.60)	(3.99)
Disposal during the year - At net book value	(0.07)	-	-	-
Net book value at end of year	<u>53.89</u>	<u>39.27</u>	<u>46.95</u>	<u>31.21</u>

As at 31 December 2012 and 2011, certain computer software of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated amortisation) of these assets amounted to approximately Baht 71.74 million and Baht 58.05 million, respectively (Separate financial statements: Baht 58.05 million and Baht 58.05 million, respectively).

17. Leasehold rights

(Unit: Million Baht)

Project	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Baan Sansiri Condominium	609.98	609.98	-	-
Sun Square Silom	192.76	192.76	-	-
Total	802.74	802.74	-	-
Less: Accumulated amortisation	(448.70)	(418.03)	-	-
Leasehold rights - net	<u>354.04</u>	<u>384.71</u>	<u>-</u>	<u>-</u>
Amortisation expenses for the year	<u>30.67</u>	<u>46.65</u>	<u>-</u>	<u>19.78</u>

The amortisation of leasehold rights has been charged to cost of project for rent.

18. Short-term loans from banks/Bill of exchange

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Short-term loans from banks</u>				
Promissory notes	<u>1,828.00</u>	<u>1,246.60</u>	<u>1,828.00</u>	<u>1,246.60</u>
<u>Bills of exchange</u>				
Face value	2,395.00	600.00	2,395.00	600.00
Less: Prepaid interest expense	(11.26)	(3.57)	(11.26)	(3.57)
Net	<u>2,383.74</u>	<u>596.43</u>	<u>2,383.74</u>	<u>596.43</u>

As at 31 December 2012, short-term loans from banks carry interest at rates of 4.25 - 4.90 percent per annum and are secured by land and constructions of projects of the Company and its subsidiaries (2011: 5.00 - 6.00 percent per annum). Bills of exchange carry interest at rates of 3.40 - 3.75 percent per annum (2011: 5.00 percent per annum).

19. Trade accounts payable

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - unrelated parties	1,800.05	974.68	1,046.08	706.32
Trade payables - related parties	-	-	57.17	32.08
Total	<u>1,800.05</u>	<u>974.68</u>	<u>1,103.25</u>	<u>738.40</u>

20. Promissory notes - purchase of land

Promissory notes - purchase of land are notes issued to land sellers. The notes mature in 2011 and 2012, are interest free, and are avaled by a bank. During the current year, the Company has fully paid for all outstanding balances.

21. Long-term loans

As at 31 December 2012 and 2011, long-term loans presented below: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Loans from banks	12,824.04	10,750.23	7,828.26	8,042.31
Less: Current portion of long-term loans	(6,376.36)	(6,448.18)	(4,068.58)	(5,353.46)
Net	<u>6,447.68</u>	<u>4,302.05</u>	<u>3,759.68</u>	<u>2,688.85</u>

Movements in the long-term loans account during the years ended 31 December 2012 and 2011 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	10,487.56	7,653.56
Add: Additional borrowings	8,875.20	5,566.28
Less: Repayment	(8,617.99)	(5,177.53)
Add: Translation adjustments	5.46	-
Balance as at 31 December 2011	10,750.23	8,042.31
Add: Additional borrowings	12,787.67	8,312.89

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Less: Repayment	(10,715.45)	(8,526.94)
Add: Translation adjustments	1.59	-
Balance as at 31 December 2012	<u>12,824.04</u>	<u>7,828.26</u>

The details of long-term loans classified by the Company and its subsidiaries are presented below.

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2012 Million Baht	2011 Million Baht	2012 Percent per annum	2011 Percent per annum	
Sansiri Plc.	7,828	8,042	MLR - 2.62% to MLR - 1.00%	MLR - 2.25% to MLR - 1.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2022
Plus Property Co., Ltd.	-	71	MLR - 2.00%	MLR - 2.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2013
Chanachai Ltd.	19	91	MLR - 1.50% to MLR - 1.00%	MLR - 1.50% to MLR - 1.00%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2012 Million Baht	2011 Million Baht	2012 Percent per annum	2011 Percent per annum	
Sansiri Land Ltd.	151	751	MLR - 2.00%	MLR - 2.00% to MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2015
Red Lotus Properties Ltd.	560	164	MLR - 2.00% to MLR - 1.75%	MLR - 1.75%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2015
Arnawat Ltd.	1,641	210	MLR - 2.00% to MLR - 1.25%	MLR - 1.75% to MLR - 1.25%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017
Piwattana Ltd.	14	212	MLR - 1.75% to MLR - 1.00%	MLR - 1.75% to MLR - 1.25%	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2014
Sansiri Guernsey (2009) Limited	160	159	LIBOR + 3.5%	Basic rate + 3%	Full payment is to be made within 2014
Papanan Ltd.	1,685	1,050	MLR - 2.00% to MLR - 1.75%	MLR - 2.00% to MLR - 1.25%	Quarterly installment repayment and payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019

Company's name	Balance of long-term loans		Interest rate per agreement		Condition of payment
	2012 Million Baht	2011 Million Baht	2012 Percent per annum	2011 Percent per annum	
Plus Property Space Co., Ltd.	118	-	MLR - 2.00% to MLR - 1.75%	-	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2018
NED Management Co., Ltd. (formerly known as "National Education Development Co., Ltd.")	648	-	MLR - 1.75%	-	Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2016
Total	12,824	10,750			

As at 31 December 2012 and 2011, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 22,308 million and Baht 20,207 million, respectively (Separate financial statement: Baht 13,030 million and Baht 15,664 million, respectively).

Land and constructions of projects of the Company and its subsidiaries, and investment properties of the subsidiary are mortgaged as collaterals for loans obtained from banks.

Most of loans agreements contain certain covenants and restrictions, such as dividend payment, capital increase and decrease, loans guarantees, change in directors and maintenance of a debt to equity ratio.

22. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012 and 2011, which is compensations on employees' retirement, was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance at the beginning of the year	24.96	22.65	16.78	15.54
Current service cost	2.43	2.48	1.44	1.48
Interest cost	0.95	0.92	0.57	0.55
Benefits paid during the year	(0.93)	(1.09)	(0.02)	(0.79)
Balance at the end of the year	<u>27.41</u>	<u>24.96</u>	<u>18.77</u>	<u>16.78</u>

Long-term employee benefit expenses included in the consolidated profit or loss for the year ended 31 December 2012 and 2011 amounted to Baht 3.38 million and Baht 3.40 million, respectively (Separate financial statements: Baht 2.01 million and Baht 2.03 million, respectively).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012 (% per annum)	2011 (% per annum)	2012 (% per annum)	2011 (% per annum)
Discount rate	4.20	4.20	4.20	4.20
Future salary increase rate	5.00 - 12.00	5.00 - 12.00	5.00 - 12.00	5.00 - 12.00
Staff turnover rate (depending on age)	8.00 - 20.00	8.00 - 20.00	8.00 - 20.00	8.00 - 20.00

23. Provisions

Provisions for liabilities on law suit, home care warranty and compensation for Housing Estate Juristic Persons for the years ended 31 December 2012 and 2011 had the following movements: -

Short-term provisions

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Provisions for law suits	Provisions for home care warranty	Total	Provisions for law suits	Provisions for home care warranty	Total
Beginning balance as at 1 January 2011	4.28	73.19	77.47	2.95	41.44	44.39
Increase during the year	-	80.04	80.04	-	38.83	38.83
Paid during the year	-	(68.09)	(68.09)	-	(38.27)	(38.27)
Reverse	-	(5.10)	(5.10)	-	(3.17)	(3.17)
Balance as at 31 December 2011	4.28	80.04	84.32	2.95	38.83	41.78
Increase during the year	-	109.10	109.10	-	85.81	85.81
Paid during the year	-	(87.82)	(87.82)	-	(50.92)	(50.92)
Reverse	(0.77)	-	(0.77)	-	-	-
Balance as at 31 December 2012	<u>3.51</u>	<u>101.32</u>	<u>104.83</u>	<u>2.95</u>	<u>73.72</u>	<u>76.67</u>

Long-term provisions

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
	Compensation for Housing Estate Juristic Persons	Compensation for Housing Estate Juristic Persons
Beginning balance as at 1 January 2011	52.57	34.44
Increase during the year	15.87	6.70
Paid during the year	(7.71)	(4.82)
Reverse	(7.69)	(7.69)
Balance as at 31 December 2011	53.04	28.63
Increase during the year	19.70	10.41
Paid during the year	(21.22)	(6.57)
Balance as at 31 December 2012	51.52	32.47

24. Unsecured debentures

The Company's debentures which are unsecured, issued with a registered certificate and unsubordinated are summarised below:

(Unit: Million Baht)

	Consolidated / Separate financial statements				
Debentures	Interest rate	Terms	Due date	2012	2011
Debentures # 1/2009	6.25% p.a.	3 years	4 June 2012	-	1,000.00
Debentures # 1/2010	4.90% p.a.	3 years 7 months 20 days	30 September 2013	1,000.00	1,000.00

(Unit: Million Baht)

	Consolidated / Separate financial statements				
Debentures	Interest rate	Terms	Due date	2012	2011
Debentures # 2/2010	5.60% p.a.	7 years	24 May 2017	2,000.00	2,000.00
Debentures # 1/2011	5.40% p.a. for 1st - 3rd year	5 years	21 July 2016	1,000.00	1,000.00
	6.00% p.a. for 4th - 5th year				
Debentures # 2/2011	5.40% p.a. for 1st - 3rd year	5 years	3 October 2016	1,000.00	1,000.00
	6.00% p.a. for 4th - 5th year				
Debentures # 1/2012	4.50% p.a. for 1st year 5.00% p.a. for 2nd year 5.50% p.a. for 3rd year	3 years	31 May 2015	1,000.00	-
Debentures # 2/2012	4.80% p.a.	3 years	19 October 2015	1,000.00	-
Total debentures, at face value				7,000.00	6,000.00
Less: Unamortised portion of deferred transaction costs				(30.37)	(29.68)
Total debentures				6,969.63	5,970.32
Less: Debentures due within one year				(998.36)	(998.49)
Debentures - due over one year				5,971.27	4,971.83

Under rights and responsibilities of debenture issuer, the Company has to comply with certain covenants and restrictions including maintenance of a debt to equity ratio of consolidated financial statements with no excess of 2.5:1 (2011: 2:1) along with debentures' periods (debts mean interest bearing loans).

25. Share capital

During the years 2012 and 2011, the Company received payment for the exercise of ESOP#5 and ESOP#6 allocated to directors and employees of the Company and its subsidiaries, and of SIRI-W1. The detail is below.

Date of exercise	Quantity of exercised warrants	Ordinary shares issued for exercised warrants	Exercise price	Date of registration with the Ministry of Commerce	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
	(Units)	(Shares)	(Baht)		
ESOP#5					
31 January 2011	80,000	80,000	5.000	3 February 2011	8 February 2011
28 February 2011	6,280,000	6,280,000	5.000	28 February 2011	4 March 2011
29 July 2011	2,622,274	3,060,190	4.286	3 August 2011	8 August 2011
31 August 2011	200,000	233,400	4.286	2 September 2011	8 September 2011
30 September 2011	791,437	923,605	4.286	30 September 2011	5 October 2011
Total exercise in 2011	9,973,711	10,577,195			
31 January 2012	14,617,359	17,058,452	1.072	1 February 2012	6 February 2012
29 February 2012	19,088,155	22,275,872	1.072	29 February 2012	6 March 2012
30 March 2012	6,530,784	7,621,421	1.072	4 April 2012	11 April 2012
30 April 2012	4,639,689	5,414,516	1.072	2 May 2012	8 May 2012
31 May 2012	577,101	673,476	1.072	31 May 2012	6 June 2012
29 June 2012	2,395,858	2,795,965	1.072	3 July 2012	6 July 2012
27 July 2012	556,985	650,000	1.072	31 July 2012	6 August 2012
31 August 2012	299,915	350,000	1.072	31 August 2012	5 September 2012
28 September 2012	1,028,279	1,200,001	1.072	3 October 2012	8 October 2012

Date of exercise	Quantity of exercised warrants	Ordinary shares issued for exercised warrants	Exercise price	Date of registration with the Ministry of Commerce	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
	(Units)	(Shares)	(Baht)		
31 October 2012	1,371,039	1,600,001	1.072	31 October 2012	5 November 2012
30 November 2012	728,450	850,101	1.072	30 November 2012	7 December 2012
28 December 2012	1,107,070	1,291,950	1.072	3 January 2013	8 January 2013
Total exercise in 2012	52,940,684	61,781,755			
ESOP#6					
28 February 2011	8,131,000	8,131,000	5.200	28 February 2011	4 March 2011
29 July 2011	1,665,257	1,943,350	4.457	3 August 2011	8 August 2011
30 September 2011	170,008	198,399	4.457	30 September 2011	5 October 2011
Total exercise in 2011	9,966,265	10,272,749			
31 January 2012	24,521,040	28,616,048	1.114	1 February 2012	6 February 2012
29 February 2012	24,757,684	28,892,214	1.114	29 February 2012	6 March 2012
30 March 2012	12,756,336	14,886,639	1.114	4 April 2012	11 April 2012
30 April 2012	18,851,664	21,999,887	1.114	2 May 2012	8 May 2012
31 May 2012	9,517,000	11,106,336	1.114	31 May 2012	6 June 2012
29 June 2012	16,908,082	19,731,728	1.114	3 July 2012	6 July 2012
27 July 2012	8,818,562	10,291,260	1.114	31 July 2012	6 August 2012
31 August 2012	3,535,065	4,125,420	1.114	31 August 2012	5 September 2012
28 September 2012	13,442,497	15,687,391	1.114	3 October 2012	8 October 2012

Date of exercise	Quantity of exercised warrants	Ordinary shares issued for exercised warrants	Exercise price	Date of registration with the Ministry of Commerce	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
	(Units)	(Shares)	(Baht)		
31 October 2012	5,559,887	6,488,386	1.114	31 October 2012	5 November 2012
30 November 2012	6,708,295	7,828,579	1.114	30 November 2012	7 December 2012
28 December 2012	935,690	1,091,950	1.114	3 January 2013	8 January 2013
Total exercise in 2012	<u>146,311,802</u>	<u>170,745,838</u>			
<u>SIRI-W1</u>					
30 March 2012	9,038,848	10,548,333	1.114	4 April 2012	11 April 2012
29 June 2012	10,207,500	11,912,152	1.114	3 July 2012	6 July 2012
28 September 2012	494,131,340	576,651,269	1.114	3 October 2012	8 October 2012
28 December 2012	397,163,206	463,489,455	1.114	3 January 2013	8 January 2013
Total exercise in 2012	<u>910,540,894</u>	<u>1,062,601,209</u>			

The exercise of the warrants above included the payment of stock dividend in year 2011 as discussed in Note 32 to the financial statements and share split in year 2011 (to be discussed) resulting in increasing the registered and paid up share capital of the Company. The details are summarised below.

Reconciliation of number of ordinary shares

	Number of shares	Par value	Paid up capital
	(Shares)	(Baht)	(Baht)
<u>Registered ordinary shares</u>			
Number of ordinary shares as at 1 January 2011	3,736,263,038	4.28	15,991,205,803
Decrease during the year ⁽¹⁾	(1,405,072,320)	4.28	(6,013,709,530)
Increase during the year ⁽²⁾	<u>388,806,864</u>	4.28	<u>1,664,093,378</u>
Number of ordinary shares as at 31 December 2011 at par Baht 4.28	2,719,997,582	4.28	11,641,589,651
Number of ordinary shares as at 31 December 2011 at par Baht 1.07 ⁽³⁾	<u>10,879,990,328</u>	1.07	<u>11,641,589,651</u>
Number of ordinary shares as at 1 January 2012	10,879,990,328	1.07	11,641,589,651
Decrease during the year ⁽⁴⁾	<u>(19,220)</u>	1.07	<u>(20,565)</u>
Number of ordinary shares as at 31 December 2012	<u>10,879,971,108</u>	1.07	<u>11,641,569,086</u>

	Number of shares	Par value	Paid up capital	Share premium
	(Shares)	(Baht)	(Baht)	(Baht)

Issued and paid-up ordinary shares

Number of ordinary shares as at 1 January 2011	1,490,633,692	4.28	6,379,912,202	12,522,600
Increase due to exercise of warrants ⁽⁵⁾	21,684,944	4.28	92,811,560	13,158,314
Increase due to stock dividend	<u>250,988,477</u>	4.28	<u>1,074,230,682</u>	<u>524,565,916</u>

	Number of shares	Par value	Paid up capital	Share premium
	(Shares)	(Baht)	(Baht)	(Baht)
Number of ordinary shares as at 31 December 2011 at par Baht 4.28	1,763,307,113	4.28	7,546,954,444	550,246,830
Number of ordinary shares as at 31 December 2011 at par Baht 1.07 ⁽³⁾	7,053,228,452	1.07	7,546,954,444	550,246,830
Number of ordinary shares as at 1 January 2012	7,053,228,452	1.07	7,546,954,444	550,246,830
Increase due to exercise of warrants	829,255,447	1.07	887,303,328	33,946,670
Number of ordinary shares as at 31 December 2012	7,882,483,899	1.07	8,434,257,772	584,193,500

⁽¹⁾ Decrease registered share capital during the year 2011

On 25 April 2011 the Annual General Meeting of the Company's shareholders passed the resolutions approving the decrease of the registered capital of the Company, which will be made from the existing registered capital of Baht 15,991,205,802.64 to be the new registered capital of Baht 9,977,496,273.04 by cancelling its registered but un-issued shares, in the number of 1,405,072,320 shares, the details of which are as follows:

- To cancel the 7,050,000 shares being reserved for the exercising right of the warrants which were issued and offered to the Directors and Employees of the Company and its subsidiaries under the ESOP # 5 scheme as the same number of the warrants were left un-subscribed from the offering.
- To cancel the 22,320 shares being reserved for the exercising right of Warrants Representing Rights to Purchase Ordinary Shares of Sansiri Public Company Limited No. 1 (SIRI-W1) which were issued to the Company's existing shareholders, as they were left over after the allotment of the warrants.
- To cancel shares being reserved for the allotment on a Private Placement basis under the Re-capitalisation Plan, totalling 1,398,000,000 shares, and the Company had already cancelled such Plan.

⁽²⁾ Increase registered share capital during the year 2011

On 25 April 2011 the Annual General Meeting of the Company's shareholders passed the resolutions approving the increase of the registered capital of the Company, which will be made from the existing registered capital of Baht 9,977,496,273.04 to be the new registered capital of Baht 11,641,589,650.96 by issuing 388,806,864 new ordinary shares with the par value of 4.28 Baht and allocation of newly issued shares, the details of which are as follows:

- Allocation of 250,993,282 newly issued shares to be reserved for stock dividend.
- Allocation of 137,813,582 newly issued shares to be reserved for adjustment of rights under the condition of the Warrants to purchase ordinary shares of the Company (SIRI-W1, ESOP # 5 and ESOP # 6) due to the declaration of stock dividend payment.

⁽³⁾ Share split during the year 2011

On 27 September 2011, an extraordinary meeting of the Company's shareholders approved a change in the par value of the Company's shares, from Baht 4.28 per share to Baht 1.07 per share. The amount of the Company's registered capital remains unchanged at Baht 11,641,589,650.96, but the value and number of ordinary registered shares of the Company has changed from 2,719,997,582 shares of Baht 4.28 per share to 10,879,990,328 shares of Baht 1.07 per share. The value and number of paid up capital of the Company has changed from 1,763,307,113 shares of Baht 4.28 per share to 7,053,228,452 shares of Baht 1.07 per share. The Company registered the change in its capital with the Ministry of Commerce on 5 October 2011.

⁽⁴⁾ Decrease registered share capital during the year 2012

On 20 April 2012, the Annual General Meeting of the Company's shareholders approved a decrease of the registered capital of the Company, which was made from the existing registered capital of Baht 11,641,589,650.96 to be the new registered capital of Baht 11,641,569,085.56 by cancelling its registered but un-issued share in the number of 19,220 shares as they were left over after the allotment of the stock dividend. The Company registered the changes in the registered share capital with the Ministry of Commerce on 4 May 2012.

⁽⁵⁾ The increase in the paid-up capital during the year 2011 included 835,000 shares from the exercise of ESOP#5 and ESOP#6 on 30 December 2010 because the Company registered its paid-up capital increase with the Ministry of Commerce on 7 January 2011.

Cash receipt amounting to Baht 518,928,656 from the exercise of right to purchase the Company's share on 28 December 2012 was recorded as calls in arrears in shareholders' equity because the Company registered its paid-up capital increase with the Ministry of Commerce on 3 January 2013.

26. Statutory reserve

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

27. Warrants to purchase ordinary shares of the Company/Earnings per share

27.1 Warrants to purchase ordinary shares of the Company

The Company's warrants are as follows: -

Type of warrant	Exercise price per share	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2012	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2012
ESOP# 5	1.072	1:1.167	79,265,156	(52,940,684)	26,324,472
ESOP# 6	1.114	1:1.167	252,694,940	(146,311,802)	106,383,138
SIRI-W1	1.114	1:1.167	2,947,168,104	(910,540,984)	2,036,627,120

27.2 Earnings per share

Basic earnings per share is determined by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. Earnings per share for the year 2011 is determined by adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the issue of the stock dividend of 250,988,477 shares that was approved by the Annual General Meeting of shareholders held on 25 April 2011, as discussed in Note 32 to the financial statements and the increase in the number of shares as a result of the 1 to 4 share split discussed in Note 25 to the financial statements.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital arising from the issue of a stock dividend and the share split, as discussed, plus the weighted average number of ordinary shares which might need to be issued for the conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share.

Consolidated financial statements					
For the year ended 31 December 2012 and 2011					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share
	2012 (Thousand Baht)	2011 (Thousand Baht)	2012 (Thousand shares)	2011 (Thousand shares)	2012 (Baht) 2011 (Baht)
Basic earnings per share					
Profit attributable to equity holders of the parent	3,018,529	2,015,081	7,373,334	7,028,619	0.41 0.29
Effect of dilutive potential ordinary shares					
ESOP#5	-	-	22,867	11,529	
ESOP#6	-	-	92,371	24,056	
SIRI-W1	-	-	1,665,594	282,132	
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrant to ordinary shares	3,018,529	2,015,081	9,154,166	7,346,336	0.33 0.27

Separate financial statements

For the year ended 31 December 2012 and 2011

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2012 (Thousand Baht)	2011 (Thousand Baht)	2012 (Thousand shares)	2011 (Thousand shares)	2012 (Baht)	2011 (Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	3,529,576	1,842,790	7,373,334	7,028,619	0.48	0.26
Effect of dilutive potential ordinary shares						
ESOP#5	-	-	22,867	11,529		
ESOP#6	-	-	92,371	24,056		
SIRI-W1	-	-	1,665,594	282,132		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrant to ordinary shares	3,529,576	1,842,790	9,154,166	7,346,336	0.39	0.25

28. Revenues from other services/Cost of other services

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Revenues from other services</u>				
Revenues from medical spa business	75.19	64.66	-	-
Revenues from hotel business	19.18	18.07	19.19	18.27
Revenues from education business	142.04	95.62	-	-
Total	236.41	178.35	19.19	18.27

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Cost of other services</u>				
Cost of medical spa business	44.19	49.66	-	-
Cost of hotel business	12.21	10.59	20.15	17.80
Cost of education business	163.17	156.32	-	-
Total	219.57	216.57	20.15	17.80

29. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Purchase of land and payments of construction costs	26,877.27	15,371.29	15,396.31	9,904.32
Changes in property development for sale	(8,630.23)	(3,276.84)	(2,016.98)	(4,432.33)
Salary and wages and other employee benefits	1,489.88	1,322.20	1,157.57	811.71
Depreciation	282.20	260.16	104.87	111.61
Amortisation of intangible assets	11.41	6.18	4.60	3.99

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Amortisation of leasehold rights	30.67	46.65	-	19.78
Provision for home care warranty	109.10	80.04	85.81	38.83
Rental expenses from operating lease agreements	59.05	51.45	46.22	24.93
Bad debts and doubtful accounts (Reversal)	(0.37)	3.26	(0.06)	3.76
Expenses relating to flood effects	12.52	88.69	5.92	53.88

Due to flood situation in Nonthaburi, Pathumthani Nakhonphatom and Bangkok, between October 2011 and November 2011, water inundated some projects of the Company and its subsidiaries resulted to damage of certain house under constructions and related projects utilities and the Company and its subsidiaries have been forced to temporarily cease construction. However, the Company and its subsidiaries had already renovated those projects. Costs of renovations of projects sold, expenses in relation to flood protection and treatment for employees and customers of the Company and its subsidiaries who were effected from flood were recorded as expenses whereby costs of renovation of projects under operated are capitalised to property development.

30. Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Company and Plus Property Company Limited (a subsidiary) have been granted privileges by the Board of Investment relating to developing any apartment building project for persons who have low or middle income including 2 residential condominium projects and 1 land and housing project. The usable area in each unit of the residential condominium projects shall not be less than 28 square meters and the contracted sale amount is less than Baht 1,000,000 included land price. The usable area in each unit of the land and housing project shall not be less than 70 square meters and the contracted sale amount is less than Baht 1,200,000 included land price.

The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges.

As promoted companies, the Company and the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate.

31. Provident fund

The Company, subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiaries and their employees contributed to the fund monthly at the rate of 5-12 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012 and 2011, the Company and its subsidiaries contributed Baht 59.56 million and Baht 42.94 million, respectively, to the fund (Separate financial statements: Baht 38.97 million and Baht 31.68 million, respectively).

32. Dividend paid

Dividends of the Company which were declared in 2012 and 2011 consist of the following: -

(Unit: Baht)

Dividends	Approved by	Total dividend	Dividend per share	Date of dividends payment
Final dividend from 2011 earnings	The Annual General Meeting of the shareholders on 20 April 2012	1,001,009,945 ⁽¹⁾	0.14	16 May 2012
Final dividend from 2010 earnings	The Annual General Meeting of the shareholders on 25 April 2011	177,665,595 ⁽²⁾	0.117975	20 May 2011
Stock dividend from 2010 earnings	The Annual General Meeting of the shareholders on 25 April 2011	1,598,990,352 ⁽³⁾	1.061775	20 May 2011

⁽¹⁾ Actual dividend paid amounted to Baht 1,000,986,466 because some shareholders were not entitled to receive dividends.

⁽²⁾ Actual dividend paid amounted to Baht 177,676,576 due to inclusion of cash dividend of fractions of shares.

⁽³⁾ On 25 April 2011, the Annual General Meeting of the shareholders approved the Company's distribution of a stock dividend to the Company's shareholders, consisting of 250,993,282 shares with a par value of Baht 4.28 per share, in a ratio of 6 existing shares per 1 dividend share, equivalent to payment of Baht 1.061775 per share. The meeting also approved a cash dividend of 0.117975 per share in order to cover the payment of 10% withholding tax. Subsequently, 250,988,477 shares were allotted, or equivalent to approximately Baht 1,598,796,598. The dividend for the 4,805 shares left over (fractions of shares) was paid with the cash dividend. The Company registered the increase in its share capital with the Ministry of Commerce on 12 May 2011. The Company determined value of stock dividend based on fair value.

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2012 and 2011, the Company and its subsidiaries have the following capital commitments: -

- a) The Company and its subsidiaries had commitments of Baht 12,345.34 million and Baht 8,114.93 million, respectively, under project construction agreements, decoration agreements, advisory service agreements and system development agreements (Separate financial statements: Baht 6,094.29 million and Baht 5,338.03 million, respectively).
- b) The Company and its subsidiaries has commitments of Baht 3,376.25 million and Baht 3,155.62 million, respectively, under land and condominium units purchase agreements (Separate financial statements: Baht 1,744.49 million and Baht 2,547.65 million, respectively).

33.2 Operating lease and service commitments

- a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 4 years.

As at 31 December 2012 and 2011, future minimum lease payments required under non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Payable:				
In up to 1 year	17.16	10.03	1.80	4.96
In over 1 and up to 5 years	7.29	5.58	0.42	1.13
Total	24.45	15.61	2.22	6.09

- b) As at 31 December 2012 and 2011, the Company and its subsidiaries had commitments of Baht 70.98 million and Baht 50.72 million, respectively in relation to advertising and public relations for the projects (Separate financial statements: Baht 38.97 million and Baht 34.73 million, respectively).
- c) As at 31 December 2012 and 2011, the Company and subsidiaries have servitude over land of approximately 12 rai and 17 rai, respectively, of which the cost is included in the cost of projects.
- d) The significant long-term lease agreements are as follow: -
 - Chanachai Limited entered into a 30-year land rental agreement with the Office of The Privy Purse for construction of a condominium for the Baan Sansiri Project, covering the period from 1 November 1993 to 31 October 2023. Total amounts to Baht 117.70 million. On the agreement date, Chanachai Limited made an initial payment of Baht 30 million and the remainder is to be paid over the period of 30 years as stipulated in the agreement.
 - S.U.N. Management Company Limited entered into a land rental agreement with the Crown Property Bureau in order to construct buildings and structures on such land. The agreement is for 30 years, from 16 September 2002, and the total rental payable is approximately Baht 88.04 million. The subsidiary paid this rental in full in July 2004.

33.3 Bank guarantees

As at 31 December 2012 and 2011, there were the outstanding bank guarantees for Baht 1,358.11 million and Baht 896.94 million, respectively, issued by the banks in respect of requirements of the Company and its subsidiaries arising in the normal course of business. These included letters of guarantee to guarantee contractual performance regarding preparation and maintenance of public utilities, public services and land improvement and to guarantee electricity use (Separate financial statements: Baht 905.29 million and Baht 617.36 million, respectively).

33.4 Litigations

As at 31 December 2012 and 2011, the Company and its subsidiaries have various outstanding litigation cases, relating to allegations of breaches of agreements to purchase and to sell and torts. Total damages claimed amount to Baht 60.96 million and Baht 54.80 million, respectively (Separate financial statements: Baht 31.03 million and Baht 21.92 million, respectively). However, the Company and its subsidiaries are defending the lawsuits, and since the Company’s lawyers and management believe that the Company and its subsidiaries will not incur any losses from the litigation, no addition entries have been made in respect of these cases beyond provision already recorded (Note 23).

33.5 Other commitments

The Company has commitments regarding contribution to the United Nations International Emergency Children’s Fund (UNICEF) at a minimum of USD 1 million per year for the three-year period between 2011 and 2013. This is in accordance with memorandum of understanding between the Company and UNICEF dated 28 December 2010.

34. Financial information by segment

The Company and its subsidiaries’ main business is property development with its properties consisting of land and housing projects, residential condominium projects, serviced apartments for rent, and office buildings for rent; the provision of building management service and real estate brokerage; and the other provision of other services (hotel, medical spa and education business). The Company and its subsidiaries operate in the single geographic area of Thailand.

The financial information of the Company and its subsidiaries are divided into three main segments: real estate business, building management and real estate brokerage, and other services (hotel, medical spa and education business). The details presented in the consolidated statements of comprehensive income for the year ended 31 December 2012 and 2011 are as follows:

(Unit: Million Baht)

	Real estate		Building management and real estate brokerage		Hotel, Spa and Education		Eliminated		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenues										
Revenues from external customers	29,111.19	19,925.48	473.19	438.02	236.42	178.34	-	-	29,820.80	20,541.84
Inter segment revenues	219.67	35.15	316.04	321.79	18.33	0.81	(554.04)	(357.75)	-	-
Total revenue	29,330.86	19,960.63	789.23	759.81	254.75	179.15	(554.04)	(357.75)	29,820.80	20,541.84
Operating income (loss)	7,622.28	5,309.99	190.32	148.68	16.85	(38.22)	-	-	7,829.45	5,420.45
Other income									265.98	138.97
Common expenses									(3,944.81)	(2,553.93)
Reversal of provision for diminution in value of property development for sale, investment properties and land held for development									70.26	11.35
Profit before finance costs and income tax expenses									4,220.88	3,016.84
Finance costs									(327.76)	(222.38)
Income tax expenses									(874.29)	(778.77)
Non-controlling interest of subsidiaries									(0.30)	(0.61)
Profit for the year									3,018.53	2,015.08

The financial information in the consolidated statements of financial position as at 31 December 2012 and 2011 by real estate business, building management and real estate brokerage business, and other services (hotel, medical spa and education business) is as follows:-

(Unit: Million Baht)

	Real estate		Building management and real estate brokerage		Hotel, Spa and Education		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Property development for sale	34,244.48	25,616.04	-	-	-	-	34,244.48	25,616.04
Investment properties	636.34	676.67	-	-	-	-	636.34	676.67
Hotel, Spa and Education	-	-	-	-	774.53	823.77	774.53	823.77
Land, building and equipment	-	-	-	-	-	-	1,581.57	1,057.02
Leasehold rights	354.04	384.71	-	-	-	-	354.04	384.71
Other assets							8,515.33	7,679.47
Total assets							46,106.29	36,237.68

35. Financial instruments

35.1 Financial risk management

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

Credit risk

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

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, debentures and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2012 and 2011 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2012								
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash equivalents (excluding cash)	30.14	-	-	-	2,883.63	490.64	3,404.41	1.50 - 3.30
- Current investments	51.08	-	-	-	-	-	51.08	1.88 - 3.00
- Trade accounts receivables	-	-	-	-	-	41.19	41.19	-
- Restricted bank deposits	8.93	-	-	-	-	-	8.93	1.88 - 3.00
	90.15	-	-	-	2,883.63	531.83	3,505.61	
Financial liabilities								
- Short-term loans from banks	1,828.00	-	-	-	-	-	1,828.00	4.25 - 4.90
- Trade accounts payable	-	-	-	-	-	1,800.05	1,800.05	-

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2012								
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
- Bills of exchange	2,383.74	-	-	-	-	-	2,383.74	3.40 - 3.75
- Long-term loans	-	-	-	-	12,824.04	-	12,824.04	Note 21
- Unsecured debentures	998.36	5,971.27	-	-	-	-	6,969.63	Note 24
	5,210.10	5,971.27	-	-	12,824.04	1,800.05	25,805.46	

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2011								
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash equivalents (excluding cash)	367.52	-	-	-	2,341.94	150.38	2,859.84	2.50 - 3.30
- Current investments	-	-	-	-	-	104.90	104.90	-
- Trade accounts receivables	-	-	-	-	-	47.55	47.55	-
- Restricted bank deposits	50.64	-	-	-	-	-	50.64	2.50 - 3.30
	418.16	-	-	-	2,341.94	302.83	3,062.93	
Financial liabilities								
- Short-term loans from banks	1,246.60	-	-	-	-	-	1,246.60	5.00 - 6.00
- Promissory notes - purchase of land	-	-	-	-	-	787.60	787.60	-
- Trade accounts payable	-	-	-	-	-	974.68	974.68	-

(Unit: Million Baht)

Consolidated financial statements								
As at 31 December 2011								
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
- Bills of exchange	596.43	-	-	-	-	-	596.43	5.00
- Long-term loans	-	-	-	-	10,750.23	-	10,750.23	Note 21
- Unsecured debentures	998.49	4,971.83	-	-	-	-	5,970.32	Note 24
	2,841.52	4,971.83	-	-	10,750.23	1,762.28	20,325.86	

(Unit: Million Baht)

Separate financial statements								
As at 31 December 2012								
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash equivalents (excluding cash)	2.03	-	-	-	1,916.71	492.22	2,410.96	1.50 - 3.30
- Current investments	1.86	-	-	-	-	-	1.86	1.88 - 3.00
- Trade accounts receivables	-	-	-	-	-	127.37	127.37	-
- Restricted bank deposits	0.77	-	-	-	-	-	0.77	1.88 - 3.00
- Short-term loans to related parties	-	-	-	8,623.02	-	-	8,623.02	3.00 - 3.55
	4.66	-	-	8,623.02	1,916.71	619.59	11,163.98	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2012

	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial liabilities								
- Short-term loans from banks	1,828.00	-	-	-	-	-	1,828.00	4.25 - 4.90
- Trade accounts payable	-	-	-	-	-	1,103.25	1,103.25	-
- Bills of exchange	2,383.74	-	-	-	-	-	2,383.74	3.40 - 3.75
- Long-term loans	-	-	-	-	7,828.26	-	7,828.26	Note 21
- Unsecured debentures	998.36	5,971.27	-	-	-	-	6,969.63	Note 24
	5,210.10	5,971.27	-	-	7,828.26	1,103.25	20,112.88	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2011

	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash equivalents (excluding cash)	252.00	-	-	-	1,330.18	124.52	1,706.70	1.50 - 3.30
- Current investments	-	-	-	-	-	101.95	101.95	-
- Trade accounts receivables	-	-	-	-	-	7.68	7.68	-
- Restricted bank deposits	6.77	-	-	-	-	-	6.77	2.50 - 3.30
- Short-term loans to related parties	-	-	-	4,329.59	-	-	4,329.59	3.00
	258.77	-	-	4,329.59	1,330.18	234.15	6,152.69	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2011

	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within one year	1 - 5 years	Over 5 years	At call				
Financial liabilities								
- Short-term loans from banks	1,246.60	-	-	-	-	-	1,246.60	5.00 - 6.00
- Promissory notes - purchase of land	-	-	-	-	-	787.60	787.60	-
- Trade accounts payable	-	-	-	-	-	738.40	738.40	-
- Bills of exchange	596.43	-	-	-	-	-	596.43	5.00
- Long-term loans	-	-	-	-	8,042.31	-	8,042.31	Note 21
- Unsecured debentures	998.49	4,971.83	-	-	-	-	5,970.32	Note 24
	2,841.52	4,971.83	-	-	8,042.31	1,526.00	17,381.66	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from loans denominated in foreign currencies. Since liabilities denominated in foreign currencies are not significant and due in short period, the Company and its subsidiaries do not use any derivatives to manage such risk.

As at 31 December 2012 and 2011, the Company and its subsidiaries had loans from banks denominated in GBP 3.25 million and GBP 3.25 million, respectively (Separate financial statements: loans to a subsidiary in GBP 5.76 million and GBP 5.56 million, respectively) (average exchange rate Baht 49.70 per 1 GBP and Baht 49.21 per 1 GBP, respectively).

35.2 Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.

- b) For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) For fixed rate debentures and promissory notes – purchase of land, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For short-term and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

The fair values of the Company and its subsidiaries' financial instruments are estimated to approximately the amounts presented in the statements of financial position, except for the following:

(Unit: Million Baht)

	Consolidated / Separate financial statements			
	Carrying amount		Fair value	
	2012	2011	2012	2011
<u>Financial liabilities</u>				
Promissory notes - purchase of land	-	787.60	-	776.73
Unsecured debentures	6,969.63	5,970.32	6,976.23	5,559.64

36. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in loan agreements with banks and debenture issuance, which requires the Company to maintain a debt-to-equity ratio of not more than 2.5:1 (2011: 2:1). Debt means to interest bearing debts.

The Company's capital used to calculate above financial ratio includes ordinary shares, and retained earnings less the net unrealised gains reserve.

As at 31 December 2012, the Group's debt-to-equity ratio was 1.62:1.00 (2011: 1.63:1.00) and the Company's was 1.31:1.00 (2011: 1.50:1.00).

No changes were made in the objectives, policies or processes during the years end 31 December 2012 and 2011.

37. Events after the reporting period

37.1 On 24 January 2013, the Company has issued and offered of Baht 1,000 million of unsecured and unsubordinated debentures number 1/2013. The debentures will be redeemed in 2018 and carry interest at a rate of 4.99 percent per annum as approved by the resolution of the Company's Board of Directors on 14 December 2012. The Company received cash from the debenture issuance on 24 January 2013.

37.2 On 27 February 2013, the meeting of the Company's Board of Directors passed a resolution to approve the issuance and offering of not more than Baht 4,000 million of debentures, or the equivalent in other currencies. The debentures to be issued may be of any type and in any form (secured or unsecured debentures), depending on prevailing market conditions at the time the debentures are issued and offered, and they are to have a term of not over 10 years. This resolution will be proposed for approval at the 2013 Annual General Meeting of the Company's shareholders.

37.3 On 27 February 2013, the meeting of the Company's Board of Directors passed a resolution to approve to pay annual dividend for the operational results from 1 January 2012 to 31 December 2012 at the rate of Baht 0.17 (Seventeen Satang) per share.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2013.

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