



Discovering Sustainable Progress on New Frontiers

ANNUAL REPORT 2013

SANSIRI PUBLIC COMPANY LIMITED

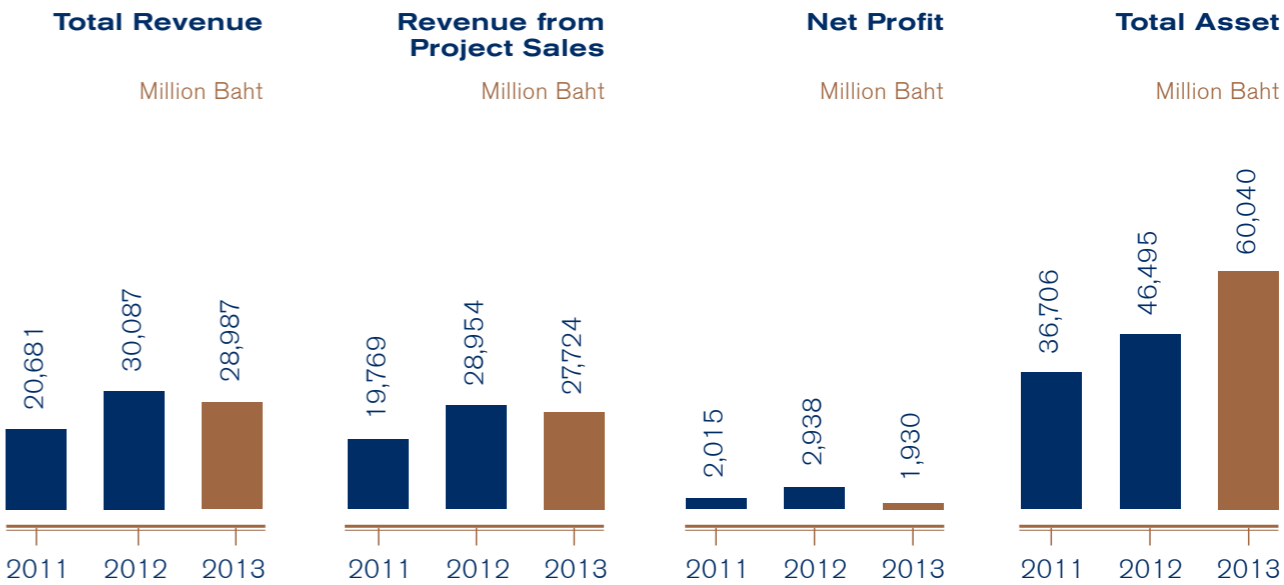
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FINANCIAL HIGHLIGHTS

		2013	2012	2011
Total Revenue	Million Baht	28,987	30,087	20,681
Revenue from Project Sales	Million Baht	27,724	28,954	19,769
Net Profit	Million Baht	1,930	2,938	2,015
Total Asset	Million Baht	60,040	46,495	36,706
Total Shareholders' Equity	Million Baht	17,068	15,225	11,846
Gross Profit Margin (Core Revenue)	%	32.62	33.26	34.23
Net Profit Margin	%	6.66	9.77	9.74
Debt to Equity Ratio	Times	2.52	2.05	2.10
Gearing Ratio	Times	2.03	1.58	1.57
Net Gearing Ratio	Times	1.91	1.35	1.33
Earnings per Share	Baht	0.21	0.40	0.29
Book Value per Share	Baht	1.87	2.06	1.69



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

CHAIRMAN'S MESSAGE

The real estate market in 2013 was a tale of two halves; the first enjoyed a robust growth that spilled over from the end of 2012, while the second experienced a drastic slowdown as the public confidence deteriorated due to disappointing economic expansion comply with worsened political environment. Nonetheless, the company managed to expand into new regions such as Udon Thani, Songkhla (Hat Yai), Surat Thani and Chiang Rai, as earlier contemplated, all with good response. Furthermore, we have also expanded our customer base by successfully introducing Met Town (1.5 Million Baht range townhouses) and Kanasiri (3 Million Baht range single-detached houses) to the Bangkok market.

On the CSR front, Sansiri, in cooperation with UNICEF Thailand, continues with our mission to develop welfare of children in Thailand and globally. Last year was the third consecutive year that Sansiri donated 1 Million US Dollar to UNICEF emergency fund which is used to help children affected from natural disasters or mankind throughout the world. Locally, we have strictly enforced the policy against child labour in all our construction sites. Last year, we also started to provide day-care/school within worker campsites, as well as providing basic education, especially to migrant children who would otherwise be outside the educational system.

In 2014, Sansiri remains committed to further develop our customer base by expanding to other provinces with indicated demands. Our management and employees strive to further improve product and service quality and efficiency in order to promote the company's long-term sustainability.

Lastly, on behalf of Sansiri Public Company Limited, I would like to thank all the shareholders, customers, financial institutions, mass media and all our business partners for their continuous support and look forward to future collaboration.



Kovit Poshyananda
Chairman



CHIEF EXECUTIVE OFFICER'S MESSAGE

In 2013, Sansiri has been successful in further expanding our customer base through introduction of new products and increased coverage in new provinces. In the first quarter, we achieved record-high quarterly presales of 20,903 Million Baht. Despite this early success, the subsequent economic slowdown and political unrest in the latter part of the year impacted our business considerably and prompted us to adjust our strategies accordingly.

In 2013, Sansiri reported total revenue of 28,987 Million Baht, declined by 4 percent from the total revenue in 2012, with a net profit of 1,930 Million Baht representing earnings per share of 0.21 Baht. Revenue from project sales remained the core revenue representing 96 percent of total revenue. To the total revenue from project sales in 2013, 15,157 Million Baht revenue from condominium projects contributed 55 percent, 10,166 Million Baht revenue from single-detached house projects contributed 37 percent, with the balance of 2,367 Million Baht from townhouse projects contributed 8 percent.

In response to our successful operations of the precast factory since 2012, Sansiri decided to invest in the second phase in order to complement existing production by making special elements such as planks, staircases, etc. Precast technologies are preferred for their superior quality and efficiency, as well as reducing dependency on skilled labour, thus ensuring prompt delivery to our customers. This second phase has been in operation since December 2013.

In 2013, Sansiri staff had to exert extra efforts to overcome economic and political risks in order to maintain our course. On behalf of the company, I would like to thank every member of the staff for their complete commitment. With such commitment, I am confident that Sansiri will be able to tackle any challenges in the coming year and continue to be a leading property developer in Thailand. We are also committed to our contribution to the society through our various corporate social responsibility activities to promote sustainable development of the country.



Apichart Chutrakul
Chief Executive Officer

BOARD OF DIRECTORS



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

4. Mr. Jesadavat Priebjivat
Independent Director

5. Mr. Wirat Uanarumit
Independent Director

6. Mr. Srettha Thavisin
Director / President

7. Mr. Wanchak Buranasiri
Director /
Chief Operating Officer

**8. Mr. Kriengkrai
Thiennukul**
Director

**9. Mr. Thongchai
Jira-alongkorn**
Director

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

AUDIT COMMITTEE



1. Mr. Mana Noppun
Chairman of the Audit Committee

2. Mr. Jesadavat Priebjivat
Member of the Audit Committee

3. Mr. Wirat Uanarumit
Member of the Audit Committee

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
(CSR COMMITTEE)



1. Mr. Srettha Thavisin
Chairman of the CSR Committee

2. Mr. Jesadavat Priebjivat
Member of the CSR Committee

3. Mr. Porntat Amatavivadhana
Member of the CSR Committee

CORPORATE SOCIAL RESPONSIBILITY

In conducting its business, Sansiri believes in the principle of carefully balancing between sustainable business growth and the responsibility it has towards society and the environment. The Company's Board of Directors are directly involved in and responsible for laying out corporate policy on this issue, to make sure the right balance is effectively achieved. Since 2010, the Company's Board of Directors have appointed the Corporate Social Responsibility Committee to oversee the Company's conduct of all activities and campaigns towards society, communities, and environment, ensuring the direction corresponds to specified policies and progress reports are submitted in a timely manner for the review of the Board of Directors.

Corporate Governance

The Company adheres to business principles that emphasise good governance, fairness, and morality in achieving its missions and goals. The Company fully respects and complies with the law, as well as adhering to fundamental rules and regulations for conducting business. All of the Company's stakeholders including shareholders, customers, employees, the general public, and business partners, are treated fairly and with equal importance, in order to provide them with equitable benefits.

The Company adheres to common standards and principles that are accepted by the business community. These include avoiding any conduct that could result in business conflicts, rejecting all corrupt practices, as well as corporate espionage, and distancing itself from instances of rights violations and infringement of intellectual property rights.

Anti-corruption

The Company's business conduct is based on the principles of good governance and transparency. The organisation is structured in such a way that transparency and efficiency are encouraged, while ensuring that business goals are still achieved. There are clear borders separating functions, responsibilities, processes, reporting lines and authorisations, so that checks and balances can be properly maintained and fully functional.

The Company encourages integrity among its employees, inspiring them to conduct their duties with transparency and to comply with rules and regulations. The Company has a proper and transparent financial transaction approval system in place that maintains an intense examination procedure, to discourage corruption and help protect the integrity of all transactions.

Human Rights

In partnership with and under the supervision of UNICEF since 2010, Sansiri has become an organisation that fully supports child-friendly policies. The Company has adopted and activated child-friendly policies which include:

- MOUs with partners and contractors that prohibit the use of child labour in their conduct of business with Sansiri
- MOUs with partners and contractors that clearly state the penalty for violating the prohibition will result in the immediate termination of contract
- Seven pilot projects in Bangkok, Phuket, Khao Yai, and Chiang Mai that accommodate child-friendly spaces at construction sites providing safe environments and basic education to children who live with their parents at construction sites, with projects being planned to cover further sites in the future

The Company's "Child Space in Construction Sites Project" has become a case study in global forums hosted by the United Nations and UNICEF, and set a new benchmark for the business sector. The Project's success can be attributed to true and sincere collaboration between the Company's employees, business partners, and contractors, for their contributions in terms of budgets and volunteer teacher for children at construction sites.

Labour Treatment

Sansiri respects and adheres to the protection of human rights. The Company has human resource policies in place that fully adhere and comply with labour laws. These policies include:

- A zero-tolerance policy towards child labour and illegal foreign labour
- Systematic key performance indicators and evaluation processes that allow fair and transparent remuneration and staff promotion
- Provision of additional welfare and benefits surpassing standard regulations, to improve the work-life balance of its employees that take into consideration external economic and social factors, as well as industry benchmarks

Responsibility to Customers

Sansiri has clearly stated policies in place that the Company will take full responsibility for genuine complaints and problems that arise from genuine product and service defects. The Company has specific teams and functionaries that receive and file the complaints, inspect and provide solutions, and then follow up on progress with relevant teams. The Company also has a cross-functional evaluation process that allows it to make sure all issues are properly handled and customers are appropriately taken care of with minimum repercussions.

In cases where problems affect the living of its customers, even if the warranty period has expired or the problems are beyond the Company's scope of responsibilities as stipulated in the contract, Sansiri is determined to take the issues into serious consideration and provide the best solution for all. For instance, Sansiri set up a special task-force and activated an extraordinary contingency protocol to handle all issues during the major flood in 2012, to ensure the utmost readiness in helping customers regardless of warranty period and scope of responsibilities by contract.

The Environment

Sansiri has placed considerable importance on responsibility to the environment, especially the recycling of construction material waste that is abundant in every site. In recent years Sansiri has also started sharing its environmental philosophy with partners and in 2013 Sansiri, together with 17 other business partners, launched a project called “Green Hope” to foster the recycling of construction materials. The first project was a communal house for Inn Udom community built out of used or waste materials. The house provides space for a library and multi-purpose area for various activities hosted by the people of the community.



Commitment to Society and Community

Sansiri understands the importance of its co-existence with the environment and the neighbourhood, and has endeavoured to participate and engage in various activities within the framework of social development that would help create more sustainable values for society. Examples of these activities include:

- Green Hope Project: part of Sansiri’s commitment previously mentioned in the “Environment” section
- “GIVE Project”: in collaboration with Phuket’s Office of Social Development (Ministry of Social Development and Human Security), Youth Council of Phuket and Phuket Municipality, Sansiri launched a seminar and workshop programme to promote social responsibility among the youth. Following the participation in the programme, the youth has got the opportunity to work with the Governor of Phuket on other social responsibility projects. The success of the “GIVE Project” in Phuket has led to the implementation plan of this project in other provinces. In this regard, the “GIVE Project” in Chiang Mai was launched, aiming to encourage the youth to analyse the social problems and start their own projects, with the pilot project on maintaining local traditions.



VISION, MISSION, AND CORPORATE STRATEGY

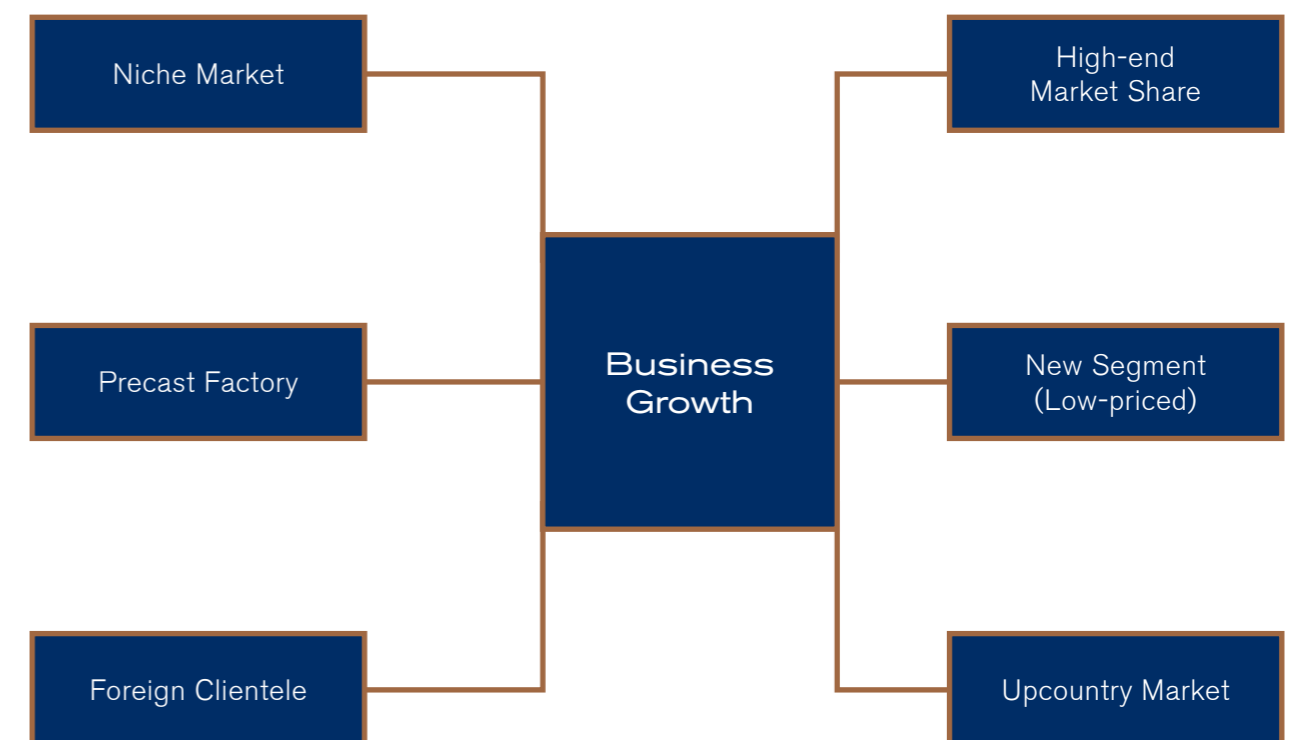
Vision

As the most preferred property developer in Thailand, we strive to enhance the quality of life and pleasurable living experience for all of our stakeholders, including customers, business partners, employees, and relevant communities.

Mission

- To be an essential part of living; by not only providing a home, but also a lifestyle and unique brand experience. We are truly a part of your community and are here to serve today, tomorrow and always
- To act as a one-stop, world-class property services group in Thailand that provides a fully integrated range of products and services
- To collaborate with all local and international stakeholders, including shareholders, business partners, employees, and communities, in order to create “the good life” for everyone
- To provide “best in class” products and services that cover all market segments, both in Thailand and overseas

Corporate Strategy



Six key success factors for Sansiri's business growth in 2013

- Penetrate a niche market by launching condominiums for students through the “dcondo Campus Resort” brand
- Regain market leadership position in luxury single-detached houses by launching “Narasiri” projects
- Develop new single-detached houses under the “Kanasiri” brand and townhouses under the “Met Town” brand to tap into the low-priced housing market
- Continue to expand customer base into new potential locations
- Increase brand awareness among foreign clientele
- Fully utilise precast factory to mitigate labour shortages



Narasiri Bangna



Narasiri Rama II



Narasiri
Buddhamonthon Sai 1

MILESTONE DURING THE YEAR

- In terms of the development of new products, Sansiri created single-detached house and townhouse projects for lower income customers under the two new brands of “Kanasiri”, single-detached houses with an average unit price of around 3 Million Baht, and “Met Town”, townhouses with an average unit price of around 1.5 Million Baht.
- In its expansion to upcountry markets, Sansiri penetrated 7 new provincial locations in 2013 including Chon Buri (Bangsaen), Rayong, Songkhla (Hat Yai), Udon Thani, Surat Thani, Chiang Rai, and Nakhon Ratchasima. In Chiang Mai this year Sansiri launched Setthasiri Sansai, the first single-detached house project to the market following an initial introduction of condominium projects there.
- In 2013, Sansiri fully entered into the hotel business under the brand “Escape Sansiri Hotel Collection” to take advantage of the projected future growth in the tourism sector. Sansiri began with hotel operations in 2 prime locations; Hua Hin district, Prachuap Khiri Khan, and Pak Chong district (Khao Yai), Nakhon Ratchasima. Escape Sansiri Hotel Collection Hua Hin started operating in October 2013, after a renovation from Sansiri's previous hotel operated under the name “Casa del Mare”. Escape Sansiri Hotel Collection Khao Yai is located in the vicinity of the 23° Estate project at Pansuk-Kudkla Road. This hotel is expected to start services from 2014 onwards.



Escape Sansiri Hotel Collection Hua Hin

Awards

- Sansiri's first precast factory in 2012 was a great success in supporting the company's business expansion objectives, as producing precast concrete substitutions for conventional construction methods under the Semi-Automated Carousel System ensured enhanced accuracy and speed of work. Sansiri therefore moved a step further by opening a second phase precast factory. Operations began in December 2013 to produce a larger variety of pieces and parts for a greater range of segments, thus making Sansiri less dependent on outsourced contractors for these components. In addition, using this method helps Sansiri to have more control over production and increases the company's ability to compete in the future.
- In 2013, Sansiri issued 4 tranches of unsecured debentures, with an average maturity of 5 to 5.5 years and a total value of 7,000 Million Baht.
- In 2013, Sansiri received awards from several institutions including:
 - The Basil Hetzel Award, from The International Council for Control of Iodine Deficiency Disorders Global Network (ICCIDD)
 - Three awards from International Property Awards in Asia Pacific category for 2013 consisting of
 - Best Public Service Architecture Thailand for the Setthasiri Chaengwattana-Prachachuen project
 - Highly Commended Public Service Architecture Thailand for the Setthasiri Watcharapol project
 - Highly Commended Landscape Architecture Thailand for the WYNE Sukhumvit project
 - Two awards from Thailand Property Awards 2013 for
 - Best Developer
 - Best Housing Development (Bangkok) for Narasiri Bhuddhamonthon Sai 1
 - Best Developer Thailand from South East Asia Property Awards
 - Outstanding Investor Relations Awards from The Stock Exchange of Thailand's SET Awards 2013, in group of company with market capitalisation between 20,000 - 50,000 Million Baht, for the second consecutive year.

Basil Hetzel Award



Thailand Property Awards 2013



South East Asia Property Awards



SET Awards

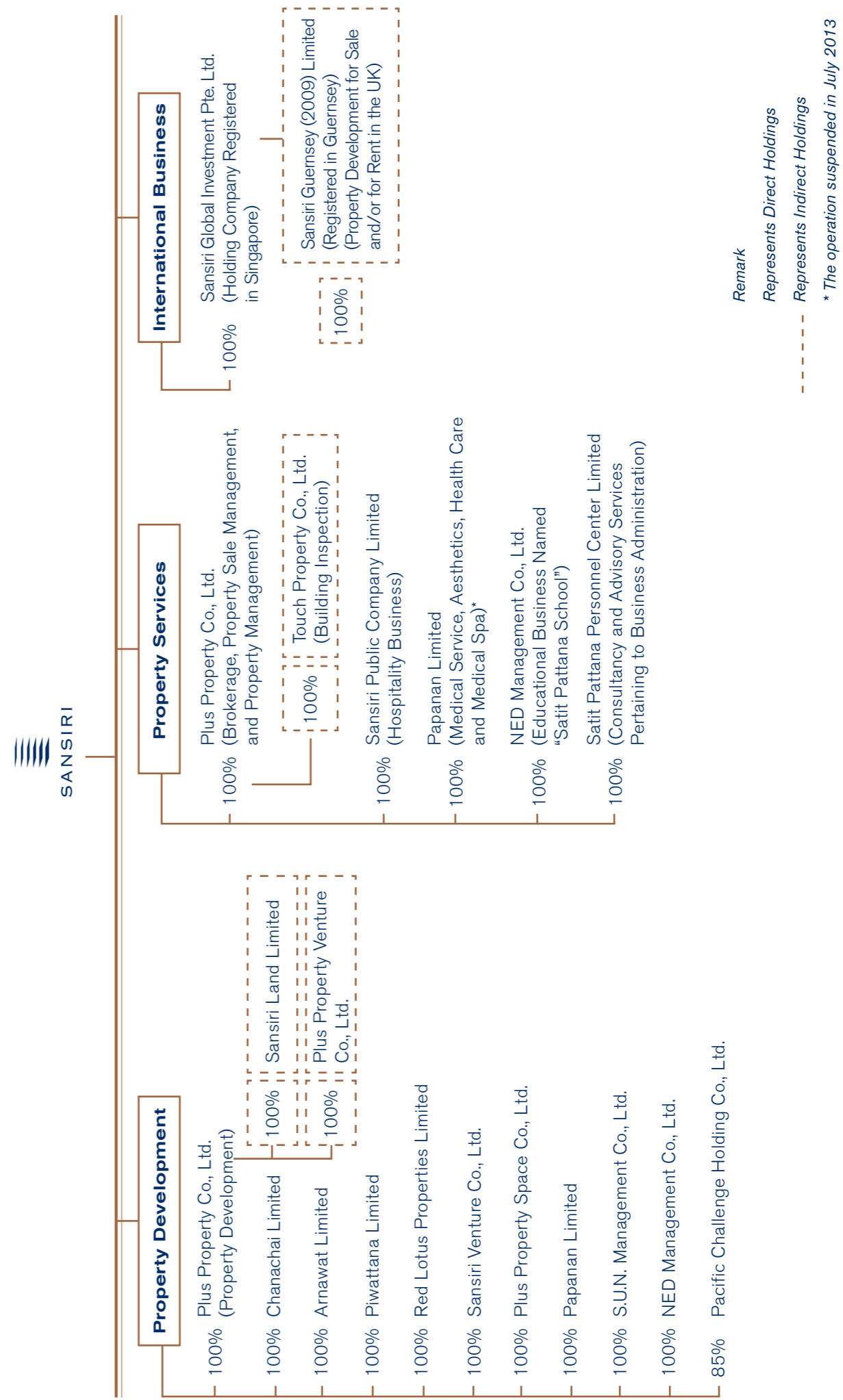


INVESTMENT STRUCTURE OF SANSIRI GROUP

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



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” (The operation suspended in July 2013)
- 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

Revenue structure classified by business groups during 2011 - 2013, is as follows:

Products / Services	Operated by	% Shares Held by Sansiri	Year Ending 2013		Year Ending 2012		Year Ending 2011	
			Million Baht	%	Million Baht	%	Million Baht	%
1. Property Development								
1.1 Property Development for Sale								
- Single-detached house	SIRI, PW, AW, CC, PPN	- , 100, 100, 100, 100	10,166	35.1	9,406	31.3	7,099	34.3
- Townhouse	SIRI, PLUS, PPV, CC, PW, SL, PPN, AW, NED	- , 100, 100, 100, 100, 100, 100, 100	2,367	8.2	4,635	15.4	3,372	16.3
- Condominium	SIRI, SV, RED, AW, PPN, SL, SG	- , 100, 100, 100, 100, 100, 100	15,191	52.4	14,913	49.6	9,299	45.0
1.2 Property Development for Rent								
- Projects for rent	SIRI, SUN, AW, RED, PPN, NED, SL, TOUCH, CC, PCH	- , 100, 100, 100, 100, 100, 100, 100, 85	84	0.3	113	0.4	113	0.5
- Leasehold rights written off	SUN, CC	100, 100	42	0.1	44	0.1	43	0.2
2. Property Services	SIRI, PW, PPN, PLUS, SL, TOUCH, SPC	- , 100, 100, 100, 100, 100	747	2.6	710	2.4	616	3.0
3. Other Revenues								
- Interest income			21	0.1	32	0.1	26	0.1
- Revenue from common property charges			66	0.2	61	0.2	64	0.3
- Revenue from forfeiture of down payment and changed contract fee			127	0.4	55	0.2	25	0.1
- Other income			175	0.6	119	0.4	25	0.1
Total Revenue			28,987	100.0	30,087	100.0	20,681	100.0
% Increase (Decrease) in Revenue			-3.7		45.5		10.3	










TYPE OF PRODUCTS AND SERVICES

The 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 categories are as follows:

1. Property Development

1.1 Property Development for Sale

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
		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")
		SG	means	Sansiri Guernsey (2009) Limited

Price Range	Product Type		
	Single-Detached House /Detached House	Townhouse/ Shophouse/ Home Office	Condominium
High	> 10.10 Million Baht per unit 	> 7.10 Million Baht per unit 	> 120,000 Baht per sqm. 
Medium	5.10-10.10 Million Baht per unit 	3.10-7.10 Million Baht per unit 	80,000-120,000 Baht per sqm. 
Low	2.51-5.10 Million Baht per unit 	1.20-3.10 Million Baht per unit 	60,000-80,000 Baht per sqm. 

Sansiri has developed various types of products for sale such as single-detached houses, townhouses, shophouses, home offices, and condominiums, under different brands to serve customers' needs in all segments. All products focus on the high quality expected to meet Sansiri standards. In 2013, Sansiri focused on more new product development for niche markets such as developing new condominium projects for students under the "dcondo Campus Resort" brand, launching single-detached house and townhouse projects for low income customers. "Kanasiri" is the new brand for single-detached houses with an average price per unit of 3 Million Baht to serve customers who have household incomes of at least 72,000 Baht per month, as well as a new townhouse brand named "Met Town", which has an average price per unit of around 1.5 Million Baht and is suitable for customers who have household incomes of more than 36,000 Baht per month.

Sansiri has continued to expand its project development into provinces with good potential since last year. Nakhon Ratchasima (Korat), Rayong, Udon Thani, Chiang Rai, Surat Thani, Hat Yai district, and Bangsaen district were new locations of investment in 2013. In terms of new project launches in 2013, 48 projects were launched consisting of 23 projects launched in Bangkok and vicinities, and 25 projects launched in upcountry areas. However, Sansiri initiated developing new projects in upcountry areas with small condominium projects under "The BASE" and "dcondo" brands and would expand to housing or condominium projects that had higher project values once success had been achieved in these areas.

1.2 Property Development for Rent

Sansiri has recurring income from properties for rent including two office buildings; Siripinyo Building and Bhakdi Building (the contract ended in July 2013). Sansiri also has a leasehold commercial building in the Silom area named "Sun Square Silom" and a leasehold residential building named "Baan Sansiri".

2. Property Services

2.1 Property Services

The Property Services business provided by Plus Property Company Limited ("Plus") suitably complements Sansiri's core business - property development for sale - by not only creating customer satisfaction with 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 and more effectively answer the needs of market demand. The 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 2013, Plus manages over 146 residential and commercial projects covering an area of 3.59 million square meters and (3) Consultancy services for real estate which include the consulting services of project feasibility studies, market surveys and analysis, and financial feasibility analysis, as well as a 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 creates 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 "Escape Hotel Sansiri Collection Hua Hin", which was rebranded from the former Casa del Mare, located on an area of 3 Rai, 2 Ngan, 51 Square Wah in Hua Hin district, Prachuap Khiri Khan province.

2.4 Medical Spa Business

Sansiri operated a medical spa business through its subsidiary Papanan Limited under the brand "S Medical Spa", located at Bhakdi Building. Due to the end of Bhakdi Building's rental contract in July 2013, the business had to suspend its operation.

MARKET AND COMPETITION

1. Marketing Products and Services

As a result of continuing economic growth from the second half of 2012, Sansiri began 2013 with the aim of sustaining its business growth. The key challenge for this year was to maintain the growth rate Sansiri has experienced over the past three to four years by covering various product segments and grabbing market share from key competitors. Sansiri set out with 6 key drivers that would assist in supporting the growth:

The first driver was continuing expansion into upcountry markets. This year Sansiri extended its reach to 7 more provinces namely Chon Buri (Bangsaen), Rayong, Songkhla (Hat Yai), Udon Thani, Surat Thani, Chiang Rai, and Nakhon Ratchasima. Key product segments for these markets were middle to lower end condominium brands including “dcondo” and “The BASE”. Furthermore, Sansiri diversified its product portfolios by introducing low-rise projects such as Setthasiri Sansai to Chiang Mai this year. The overall result was deemed satisfactory, as Sansiri managed to achieve average more than 60 percent of sales volume in each province when projects were launched.

For upcountry markets, besides commercial activities, Sansiri maintained that its social engagement policy must also be sustained and tried to get involved with local festivities whenever possible, such as its participation in the Phuket vegetarian festival. In order to promote coffee farming in Chiang Rai province, Sansiri hired villagers to produce batches of roasted beans for Sansiri to be utilised as a complimentary value-added service for customers who visited its numerous facilities.

The second driver was discovering and creating new niche markets. Instead of focusing only on obvious, existing markets, Sansiri found that there were explicit demands for specific products that could be especially created. The dcondo Campus Series, which focused on residential demands around colleges and universities, and dBURA Prannok near Siriraj Hospital, which focused on the housing demands of hospital personnel, were two examples of these market innovations. In order to create awareness amongst consumers for dcondo projects that were launched this year, both in Bangkok and upcountry, Sansiri devised an integrated communication campaigns throughout the year and hosted simultaneous marketing activities at every site.

The third driver was the spectacular return to the high-end single-detached house market with the launch of three Narasiri projects. Sansiri used to be very active in the luxury market, where demand has always been strong, however, Sansiri had been absent from the market for the past few years. The three Narasiri projects simultaneously launched this year were Narasiri Bangna, Narasiri Rama 2 and Narasiri Bhuddhamonthon Sai 1. All projects were supported with fully integrated communication campaigns during the second and the third quarters of 2013.

The fourth driver was the foreign buyer market. Sansiri’s heightened interest in this market sector is a major component of the company’s middle to long term growth strategy. Foreign buyers had so far accounted for less than 3 percent of its total customer base and Sansiri foresaw that herein lay an untapped opportunity that could further improve its results and provide a competitive edge over its competitors. Sansiri identified various categories of foreign buyers that it could tap into including investors from Asia and the West, wealthy retired couples, expatriates working in Thailand or with Thai families who might be looking for permanent residences, and vacation home buyers, amongst others. Sansiri believed that its product portfolios had a wide selection to cater to these different categories.

With the help of its subsidiary, Plus Property Company Limited, a property agency that has expertise in foreign markets and expanded networks, Sansiri managed to gain the necessary data and knowledge necessary to properly analyse the market. Activities and campaigns were devised to expose the brand to more foreign buyers including site and company visits by foreign media, executive interviews with media, overseas road shows with networked co-agents, various activities with expatriate communities

in Thailand. Sansiri hopes that involvement in activities such as these would position Sansiri in the near future as the first name members of these communities would think of in terms of Thai property development.

The fifth driver was an expansion into the mass-market single-detached house segment with the brand “Kanasiri” and the mass-market townhouse segment with the brand “Met Town”. Entering these lower-end segments turned out to be a challenge for Sansiri, with fierce competition amongst key competitors from whom Sansiri hoped to gain market share. The projects Sansiri introduced aimed to serve markets around high-density areas such as Pracha-Uthit or Samrong and industrial estates such as Pathum Thani or Kanchanaphisek Ring road.

The sixth driver was an increasing role of Sansiri’s Precast Construction System. With problems occurring of labour shortages and increasing daily wages, Sansiri recognised that a solution needed to be found to alleviate these issues. Sansiri increased the output of its precast construction system to serve more diversified segments of its projects. One key factor was that the precast construction system would allow Sansiri to realise revenue faster than conventional systems.

In 2013 Sansiri opened the second phase of precast factory, which was situated in the same area as the first one. The second phase allowed Sansiri to produce a larger variety of pieces and parts for a greater range of segments, thus making Sansiri less dependent on outsourced contractors for these components.

Besides these 6 key drivers, Sansiri also maintained marketing drives in order to build the brand and support sales at the same time. Sansiri began the year with the Life Comes Home event, hosted in February at Siam Paragon. The event presented all existing and new projects to customers at the same time and was deemed truly a great success. The activity stimulated the market and pushed its presales value up to more than 21,000 Million Baht in the first quarter, the record-high presales per quarter in the company’s history.

Being aware that lifestyle trends were becoming more an integral part of its target consumer’s life, Sansiri set out to tap into their preferences by introducing innovative and interesting campaigns that were beyond expectation. Sansiri managed to entice Monocle, a highly-esteemed British lifestyle magazine, to open a pop-up store at Sansiri Lounge. The week-long event was a success, creating awareness and impression among its target consumers that Sansiri understood the way they perceived their lifestyles to be. Additionally in the third and the fourth quarters, Sansiri hosted the “Bridging a Good Life” and “Winter Market Fest” events in the vicinity of Sukhumvit 77 where its projects are located. The event allowed Sansiri’s target customers to experience its philosophy of living, as well as the actual environment of residential projects they might be interested in.

Sansiri carefully devised every marketing activity in detail to cover all consumer segments and every campaign proved to be a success, as evidenced by customers’ feedback and strong presales from projects both in Bangkok and upcountry. Moreover, these marketing activities help strengthen to the brand positioning among current customers as well as prospective home owners.

2. Property Market in 2013 and Outlook 2014

Thailand's real estate sector in 2013 moderately improved from 2012. During the first half of the year, there were still supporting factors from the implementation of the government's stimulus packages. These included the zero percent housing loan interest rate campaign for first home buyers with an extended expiration date to March 2013, the government's infrastructure projects and low interest mortgage loans. Recovery of the global economy and Thai economic growth also helped stimulate the growth of the real estate sector in the first half of 2013.

The growth of the real estate sector in 2013 was driven by several main factors including the growth of the condominium market and the expansion of real estate markets outside Bangkok and its vicinities. The condominium market expanded significantly from the previous year, as evidenced by the increase in the number of units launched and number of presales. In addition, major developers expanded their markets to cover high potential provinces with significant economic growth, in both the industrial sector and tourism sector, as well as provinces that are commercial or logistical hubs. For instance, Chon Buri, Chiang Mai, Phuket, Nakhon Ratchasima, Khon Kaen, Udon Thani were identified as such provinces. Furthermore, the limited availability of land in Bangkok and its vicinities, together with the reasonable price of land in other provinces, was the key driver of market expansion to upcountry areas.

Nevertheless, higher construction costs stemming from the increase in the cost of materials and labour due to the shortage of labour and suppliers, was one of the negative factors that affected the real estate sector in 2013. However, the shortage had a greater impact on small, labour-intensive developers than large developers with construction technology and less dependence on skilled labour. Moreover, the political unrest during the end of 2013 was another negative factor that affected consumer confidence, causing those who did not have urgent and immediate demand for housing to postpone their purchasing decisions.

The real estate market in 2014 is expected to slow down due to several factors such as the ongoing political unrest, the prudent lending policy of financial institutions, as well as the labour shortage situation. In terms of demand, decreasing consumer confidence caused by the political unrest has led to the delay in housing purchasing decisions. On the supply side, the cost of construction, materials, labour, as well as land prices will likely to increase in the future as well.

Large developers with well-defined business strategies and the potential to expand to cover all market segments will still dominate the real estate market in 2014. Consequently, medium and small developers are forced to adapt their business strategies, improve their marketing channels, and continuously develop housing innovations to cope with the competitive market. Nevertheless, large developers still have the advantages of strong brand recognition and a full range of products and services to provide customers with. They are likely to gain not only a higher market share but also higher pricing power. Marketing activities will be one of the tools that will help developers stimulate consumer purchasing decisions.

Summary of Property Market in 2013

The survey was made in 6 areas of Bangkok and its vicinities, as follows;

Area	Province	District
Northern	Bangkok	Chatuchak, Lak si, Don Muang, Lad Prao, Bang Khen, Sai Mai
	Nonthaburi	Muang (Nonthaburi), Pak Kret
	Pathum Thani	Muang (Pathum Thani), Thanyaburi, Lum luk ka, Nong sua, Khlong Luang
Northeastern	Bangkok	Bang Kapi, Wang Thonglang, Saphan Sung, Khlong Samwa, Nong Chok, Min Buri, Bung Kum, Kannayao
Eastern	Bangkok	Phra Khanong, Bangna, Suan Luang, Pravet, Lad Krabang
	Samut Prakarn	Muang (Samut Prakarn), Phra Pradaeng, Bang Phli, Bang Poo
Western	Bangkok	Taling Chan, Bang Kae (Petchkasem - North), Pasi Charoen (Petchkasem - North), Thawi - Watthana, Nong Khaem
	Nonthaburi	Bang Buathong, Bang Yai, Bang Kruai, Sai noi
	Nakhon Pathom	Buddhamonthon, Sam Phran
Southern	Bangkok	Rat Burana, Chom Thong, Bang Bon, Bang Khunthian, Thung Kru
	Samut Sakorn	Muang (Samut Sakorn), Krathum Baen
	Samut Prakarn	Phrasamut Ja Dee

Situation of the Single-Detached House Market

The supply of single-detached houses in the latter half of 2013 amounted to 22,753 units, a decrease of 1,689 units or 7 percent compared to the latter half of 2012 and a decrease from 23,754 units in the first half of 2013. Factors contributing to the decline included the slowdown in the demand for housing, as well as the political unrest that caused several developers to delay new project launches and slow down new investments. As a result, the housing supply in the market was mostly stock units from previous years. Compared to the same period last year, the housing supply in the second half of 2013 dropped in most areas except in the Southern area of Bangkok and its vicinities, where the supply increased by 17 percent from the continued second phase launches of the housing projects, as shown in Table 1. In addition, the supply of single-detached houses from major developers accounted for 66 percent, a 0.6 percent increase from the same period of last year. Major developers who gained greatly in market share included Prukso Real Estate Public Company Limited, Land & House Public Company Limited and Sansiri Public Company Limited.

In the second half of 2013, the number of units sold was 6,395 units, a decrease of 16 percent or 1,232 units from the second half of 2012, as a result of a decrease in economic growth caused by the decrease in private spending from the high base in 2012. Moreover, the ongoing political unrest resulted in a delay in consumer purchasing decisions on property. In addition, the lifestyle of some customer groups changed from the buying of houses to instead buying condominiums in the center of the city to reduce time and money spent on commuting to work. Consequently, the number of single-detached house units sold dropped in most areas, when compared with the same period of last year.

However, single-detached house projects in Eastern and Western areas of Bangkok received a good response from customers, with an increase in the sales of property over the same period of last year as a result of desirable locations and attractive sales promotions.

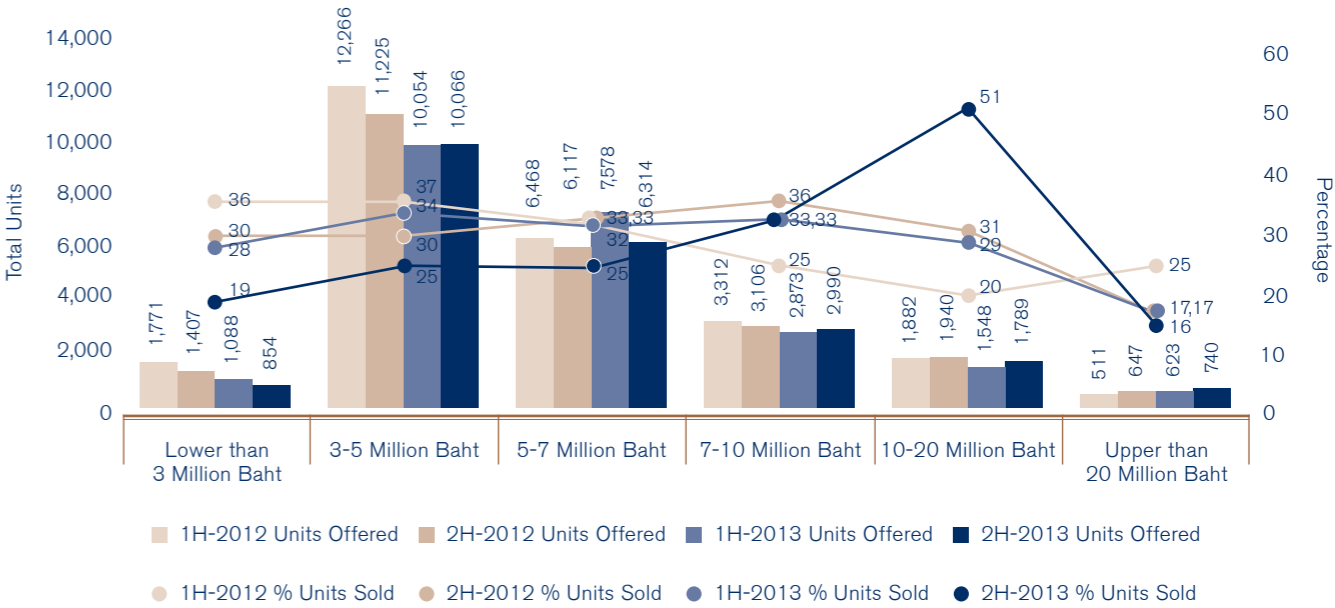
Table 1: Total Units Offered, Total Units Sold, and Percentage of Units Sold of Single-Detached Houses as of 2H-2012, 1H-2013 and 2H-2013

Area	2H-2012			1H-2013			2H-2013		
	Total Units Offered	Total Units Sold	% Sold	Total Units Offered	Total Units Sold	% Sold	Total Units Offered	Total Unit Sold	% Sold
Northern	6,931	2,014	29	6,404	2,543	40	5,727	1,630	25
Northeastern	3,372	1,760	52	2,296	736	32	2,670	784	12
Eastern	3,732	1,258	34	5,338	2,062	39	3,767	1,495	23
Western	7,836	1,909	24	6,803	1,801	26	7,593	2,098	33
Southern	2,571	686	27	2,923	578	20	2,996	388	6
Total	24,442	7,627	31	23,764	7,720	32	22,753	6,395	28

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

Based on the selling price range of the housing supply in the latter half of 2013, single-detached houses with an average unit price of 3 to 5 Million Baht dominated the market with a total of 10,066 units offered, representing 44 percent of total units offered in the market, while the number of units offered under the average unit price of more than 20 Million Baht increased the most. It increased by 14 percent due to the change in investment structure of the major developers, concentrating more on high-priced products instead of lower-priced products in which the competition was high and the demand had been decreasing. However, single-detached houses with an average unit price of 10 to 20 Million Baht had the highest number of units sold, accounting for 51 percent of total units sold, or an increase of 20 percent from the same period of last year. Customers who bought houses in that price range were those who are financially established and less affected by the fluctuating economy. On the other hand, the units sold of single-detached houses in other price ranges decreased. The sales of single-detached houses in the price range of under 3 Million Baht per unit, decreased dramatically to 19 percent of total units sold in the latter half of 2013, or an 11 percent decrease, as shown 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.

In the latter half of 2013, there was a slowdown in the single-detached house market, especially medium-priced and low-priced products, due to several factors including an increase in production cost, the political unrest, and the decrease in economic growth. The economic slowdown was partly due to the high spending base in 2012, especially from the government's first-time car buyer policy. The increase in cost of living caused by rising energy prices, as well as the traffic congestion persuaded more customers to live in condominiums in the center of the city. In addition to these factors, the growth of the single-detached house market was threatened by the high level of household debt, causing commercial banks to be more prudent in lending. In this regard, the absorption rate of the remaining supply of 16,358 units was expected at over 13 months, with the forecast that at least 2,000 new single-detached houses will be launched. High-priced products will be in focus to support the demand of wealthy customers, whereas the development of medium and low-priced products will have a tendency to decline in the future.

Situation of the Townhouse Market

In the latter half of 2013, the townhouse supply amounted to 23,270 units, an increase of 2,840 units or 14 percent over the same period of last year. The supply also increased from 21,967 units in the first half of 2013 as developers increased their investments on low rise projects, which could be better controlled in terms of costs and sales during the period of economic fluctuation. Moreover, the target groups of townhouse projects are those who have real housing demands. As a result, the supply of townhouses in the latter half of 2013 increased in every area except Northeastern Bangkok, where developers decreased their new unit launches. The units offered were mostly stock units from last year,

as shown in Table 2. In addition, the units offered by major developers accounted for 56 percent of the market, an increase of 1 percent from last year. Major developers included Pruksa Real Estate Public Company Limited, Sansiri Public Company Limited, and AP (Thailand) Public Company Limited.

In the latter half of 2013, the number of units sold was 10,079 units, a 0.22 percent or 22 units decrease from the same period of last year, due to the economic slowdown that caused customers to delay their purchasing decisions. As a result, the number of units sold decreased in most areas, except in the Western and Northern areas of the city where there were a number of large project launches, as shown in Table 2.

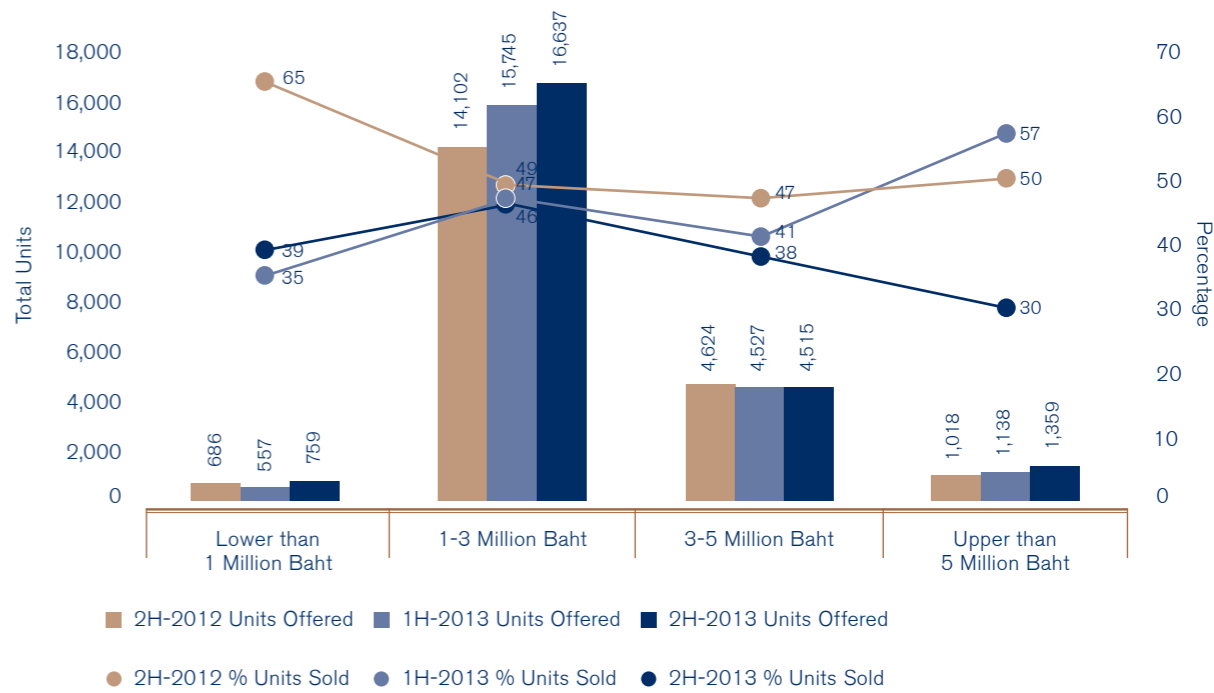
Table 2: Total Units Offered, Total Units Sold, and Percentage of Units Sold of Townhouses as of 2H-2012, 1H-2013 and 2H-2013

Area	2H-2012			1H-2013			2H-2013		
	Total Units Offered	Total Units Sold	% Sold	Total Units Offered	Total Units Sold	% Sold	Total Units Offered	Total Units Sold	% Sold
Northern	4,735	2,159	46	5,599	3,232	58	5,270	2,411	46
Northeastern	4,222	2,018	48	3,310	1,373	41	2,820	897	32
Eastern	4,182	2,409	58	5,219	3,193	61	4,295	1,982	46
Western	3,228	1,456	45	2,910	1,273	44	5,820	3,740	64
Southern	4,063	2,059	51	4,929	1,064	22	5,065	1,049	21
Total	20,430	10,101	49	21,967	10,135	46	23,270	10,079	43

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

Based on the selling price range of the townhouse supply in the latter half of 2013, townhouses with an average unit price of 1 to 3 Million Baht had the highest supply of 16,637 units, accounting for 71 percent of total units offered. The number of units sold in this price range also increased the most, with a 10 percent or 691 units increase from that of last year. Based on supply growth, the number of units offered of townhouses with an average unit price of more than 5 Million Baht increased the most, by 33 percent, however the number of units sold decreased by 20 percent or 103 units from the same period of last year. The declining sales rate was due to the disparity between supply and demand, caused by the faster rate of launching the new supply during the previous year, as shown in Figure 2.

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



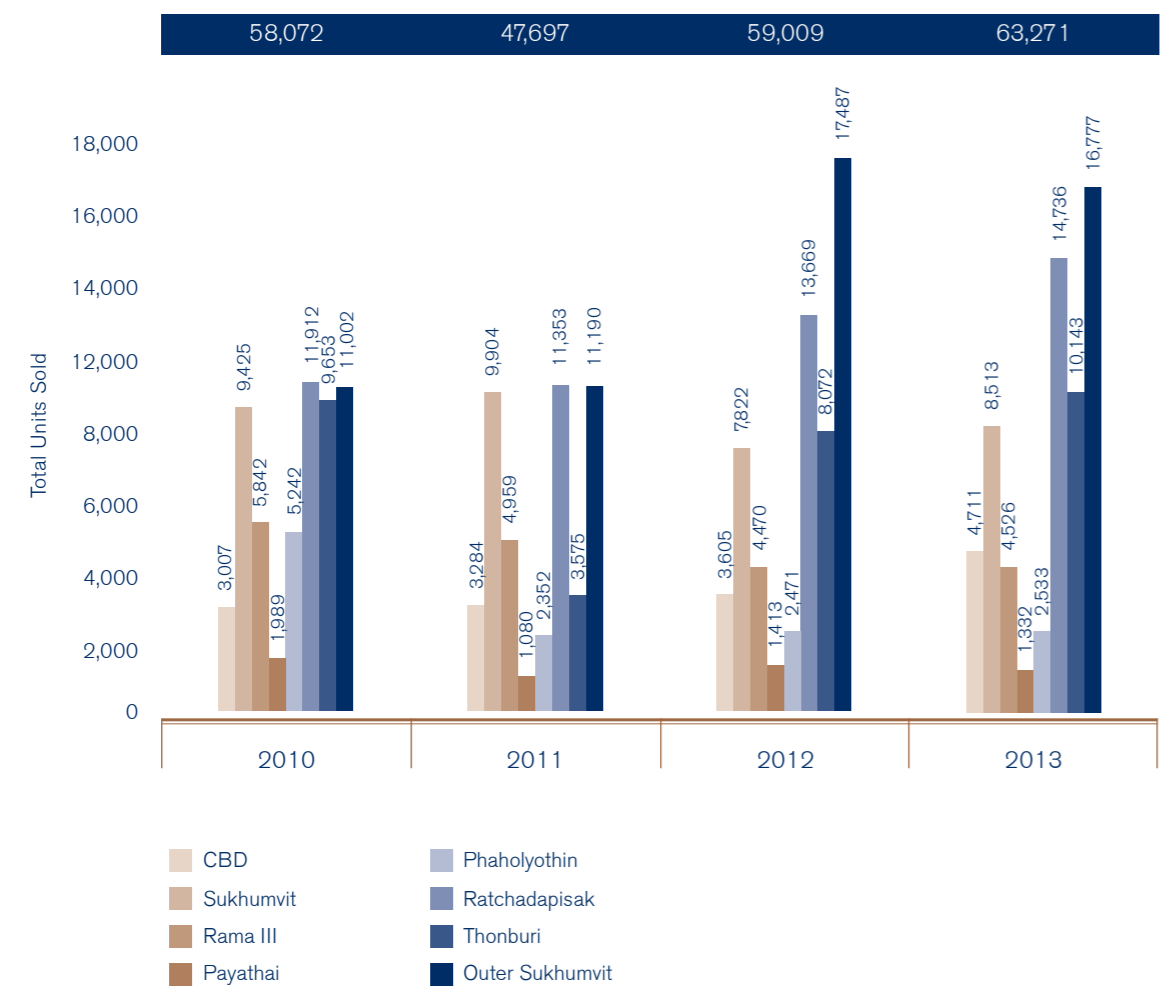
Source: Research & Development Department, Plus Property Co., Ltd.

In the latter half of 2012, the number of units sold in the townhouse market slowed down due to the high level of household debt affecting the credit approval of housing loans. Moreover, the economic slowdown due to the political unrest and the decline in government investment caused customers to be more cautious on spending and delay their decisions on house purchases. Nevertheless, the townhouse market still has a high tendency to grow. It is forecasted that at least 3,000 townhouses will be launched in the first half of 2014 with the expected absorption rate of 13,191 stock units at approximately 8 to 9 months.

Situation of the Condominium Market

In the second half of 2013, the supply of condominiums in 8 areas, excluding Nonthaburi, Min Buri and Ramkhamhaeng, was 63,271 units, a 7 percent or 4,262 units increase from the same period of last year, driven by continuous launches since the beginning of the year. The supply of condominiums increased correspondingly to the increase in demand for housing in the centre of the city, close to facilities such as department stores, offices, schools and close to public transportation such as BTS sky train, subway, etc. The area with the highest supply growth of 31 percent was the Central Business Area (CBD), followed by Thonburi area and Sukhumvit area with growth of 26 percent and 9 percent respectively. Meanwhile, the supply in Phayathai area and outer Sukhumvit area, decreased due to negative factors including limited land availability, high land prices and the increase of stock units in these areas. As a result, developers slowed down their investments in those areas and preferred other areas with the same infrastructure, as shown in Figure 3.

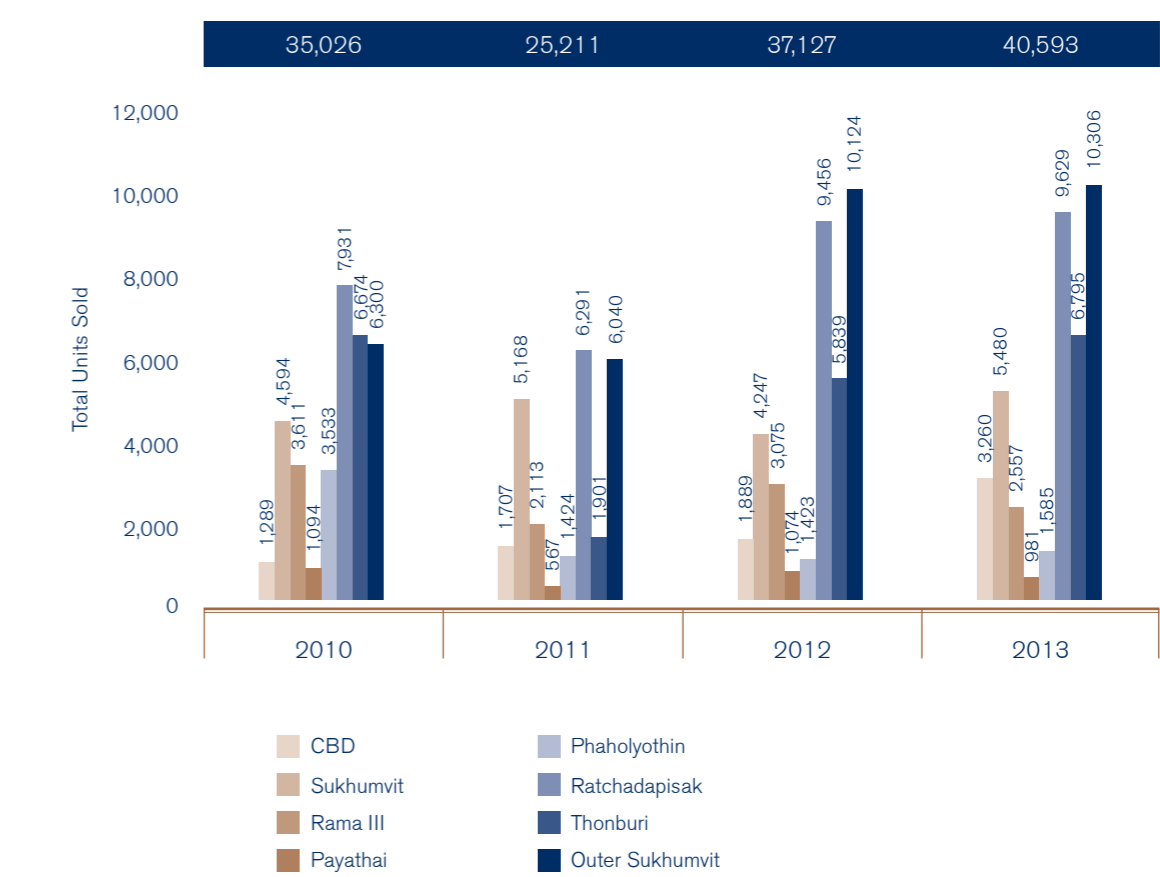
Figure 3: Annual Supply of Condominium Units in 2010 to 2013



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

The total number of units sold in all 8 areas in 2013 was 40,593 units, an increase of 3,466 units or 9 percent from 2012, which accounted for 64 percent of the total units offered. The increasing sales indicated an increasing demand for high rise residences near BTS lines, offices or schools, as a means to save time and money spent on commuting to work. As a result, the number of units sold in the CBD increased by 73 percent, followed by Sukhumvit area and Thonburi area with growth of 29 percent and 16 percent respectively. On the contrary, the selling rate decreased by 17 percent and 9 percent in Rama III area and Payathai area respectively, as shown in Figure 4.

Figure 4: Annual Demand of Condominium Units in 2010 to 2013

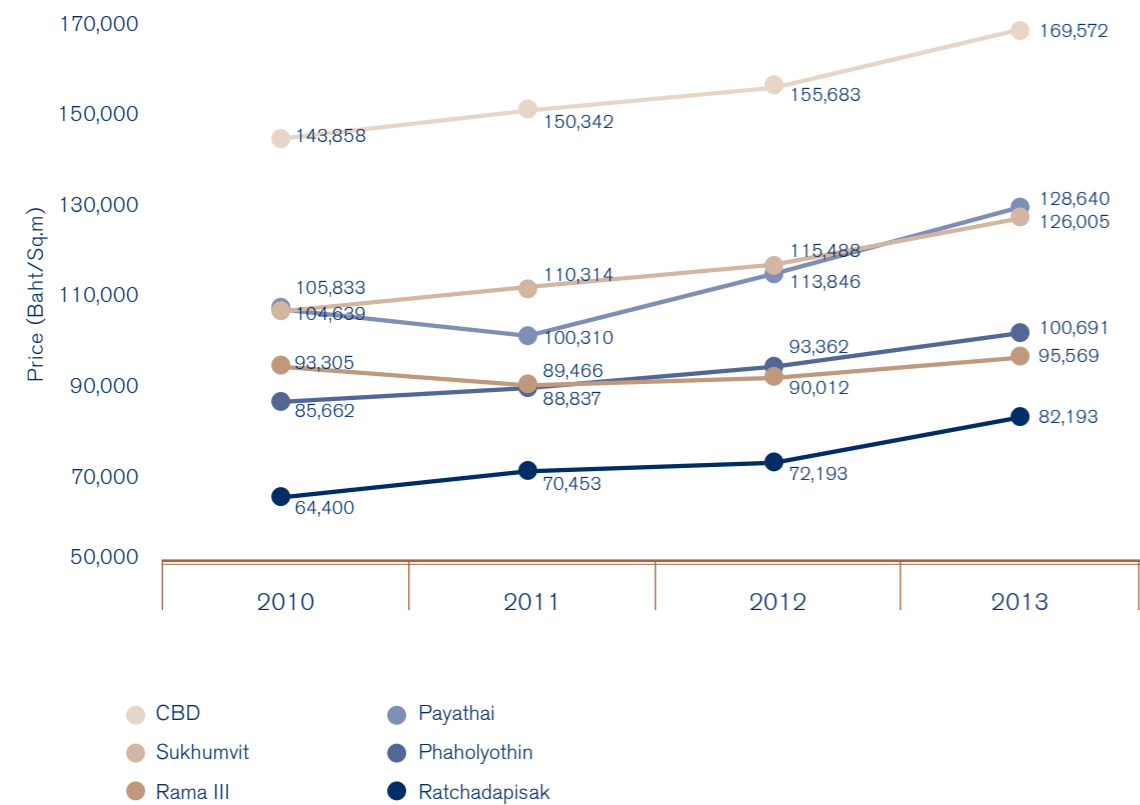


Source: Research & Development Department, Plus Property Co., Ltd.

The average selling price of condominiums in 2013 in 6 major areas went up by 10 percent from last year with an increase of 10,348 Baht per square meter to 117,112 Baht per square meter. The average selling price in Ratchadapisak area increased the most, by 14 percent to 82,193 Baht per square meter, followed by Payathai area with 13 percent growth to 128,640 Baht per square meter, as shown in Figure 5. The increasing price was driven by the higher price of the new launches as well as the upward adjustment in selling price of existing projects.

PRODUCT PROCUREMENT

Figure 5: Asking Price of Condominium Units by Area in 2010 to 2013



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

In 2013, the condominium market still expanded in accordance with the improving economy during the first half of the year, together with the forecast of positive economic outlook leading to new launches by developers. Consequently, the number of units offered and units sold of last year reached a record-high in 9 years. Nevertheless economic expansion did not reach its expected target, with signs of a slowdown occurring in the last quarter of 2013. Moreover, the political unrest caused the economy and the condominium market to slow down accordingly. The condominium market in 2014 is expected to slow down due to negative factors including the ongoing political unrest undermining economic recovery and consumer purchasing power, and the high number of stock units in 2013. It is forecasted that 60 new projects will be launched with a total of over 51,000 units, which is a 40 percent decrease from last year. Moreover, the average unit price of existing condominiums in 2014 is estimated to slightly increase by 1 to 3 percent, whereas the price of newly launched condominiums is estimated to rise by at least 3 to 5 percent.

1. Selection of Locations for Project Development

Sansiri has a dedicated business development division that focuses on selecting locations for the company's project development. To select suitable locations for development, the division has to work closely with Sansiri's brokerage network and with Plus Property Company Limited (Plus), in addition to relying upon site surveys compiled by the business development team. For further convenience, Sansiri has increased channels to gain land information through its website "www.sansiri.com" and the company's 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 project development at each location, as well as selecting suitable product types among single-detached houses, townhouses, condominiums and commercial buildings. The company's business development division, together with the legal and government affairs teams, undertakes feasibility studies covering matters such as building heights and set-back areas, while the product development and marketing teams select the product most suited for each 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 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 procedures for the procurement of construction materials to keep purchasing prices and high quality standards aligned. The bidding process to procure construction materials allows Sansiri to compare price versus quality. Sansiri also gains economies of scale by 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 changes and preset the delivery prices of necessary material. Sansiri copes with the fluctuation in construction material prices for single-detached house and townhouse projects by purchasing the materials directly from 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 the risk of increasing material costs through turnkey construction contracts with contractors. Moreover, Sansiri also highly emphasises the quality control of the construction by maintaining standards through selected and preferred vendors. In order to assess suppliers, Sansiri considers a number of criteria including price competitiveness and production capacity, as well as the capability to source raw materials and 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, in order to ensure that they maintain their services according to Sansiri's predetermined standards. To guarantee the high standards of suppliers, additional incentives are given to those who have performed exceptionally.

3. Selection of Contractors

The ability to procure the services of first-rate and trustworthy contractors is important in the real estate business. Sansiri selects contractors based on their specifications, in conjunction with their construction capability in ensuring timely construction and ability to operate within Sansiri's budgetary and standards criteria. Utilising small contractors for single-detached house and townhouse projects provides more flexibility in managing the construction plan and coping with changes that may occur.

For condominium projects, Sansiri uses turnkey construction contracts with contractors for cost control. Furthermore, Sansiri closely monitors and meticulously inspects to ensure construction is of a high quality and completed within schedule. Currently, Sansiri is able to coordinate its construction requirements through more than 70 medium and large scale contractors.

4. Construction Technology

Labour shortages have become a major concern for the construction industry. As the industry continues to expand, the occurrence of shortages becomes more severe. In order to mitigate the risk of labour shortages, as well as to help support growth of the business, Sansiri has combined new construction technology with conventional construction methods, such as requiring the concreting of main structures including columns, beams, floors, and brick walls at the construction site.

Sansiri uses the Tunnel Form construction system, a construction method that allows the casting of walls and slabs in one operation on a daily cycle and involves pouring concrete into wall molds built on the construction site, particularly for constructing townhouse projects. For single-detached house projects, Sansiri has begun to use precast technology. Precast concretes, including walls and finished parts, produced at a precast factory are transported and assembled at the construction site. The key to this method of construction is the use of “Load Bearing Walls” to support the weight of buildings, instead of using columns and beams. In addition, pipes for plumbing and electricity are already embedded in the concrete walls during the production process. Therefore, the construction process can occur immediately after the precast concretes are assembled and the construction period is shortened. Moreover, every step of the production process is controlled by a computerised system to ensure the quality and the standard of every finished part.

Sansiri’s Precast Factory is operated under the Semi-Automated Carousel System, which is the latest production technology from Germany. Each station of the production line is controlled by the computer system with the use of Shuttering Robot Technology to give accuracy to the size of the precast concretes, as well as to shorten the production time. In addition, an Automatic Pallet Stacker System is used to manage the inventory in order to support transportation and installation under the JIT (Just in time) system.

With modern production technology and management, Sansiri is able to shorten the construction period, reduce reliance on skilled labour, and have better cost control while maintaining its strength in the unique design of each project.

5. Environmental Impacts

Developing a housing project may have an adverse impact on the environment. A project’s waste water drainage in particular, may pollute public water sources if there is ineffective and unstandardised wastewater treatment. In order to prevent this, Sansiri has set up a waste water disposal system in each housing unit, so waste water from each housing unit will pass through the waste water treatment process before being drained into public water sources.

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 the past few years, the company has been expanding through introduction of new products and increased coverage in new provinces in order to stand in good stead for entry into the Asean Economic Community (AEC). These include locations in Chiang Mai, Phitsanulok, Chon Buri, Khon Kaen, Udon Thani, Nakhon Ratchasima, Surat Thani, Phuket, Songkhla (Hat Yai), amongst others. For condominium projects, Sansiri generally selects mid-city locations near key business areas, mainly close to the BTS Sky train, MRT subway lines and high speed trains, 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 selects locations with easy access to the heart of the city and close to office areas.

Nevertheless, searching for land in Bangkok and other provinces faces the risk of not acquiring prime locations for developing projects. This has been mitigated through an extensive network of both individual brokers and brokerage firms covering all areas, and local brokers that have deep insight of their markets. There are similarly two more channels for land sourcing, notably through the company’s website- “www.sansiri.com” and the “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 the property market. Plus also has a valuable real estate database, providing property information that is able to effectively track movement in the market for Sansiri.

2. Pre-Selling Condominiums

Selling condominiums before commencing construction not only reduces market risk, while giving Sansiri more flexibility in developing products to cope with changing market conditions. It also provides Sansiri with working capital. Nevertheless, pre-selling of condominiums bears the risk of unexpected construction costs that cannot be passed on to 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 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, project construction has always been completed on time.

In addition pre-selling condominiums bears the market risk of having unsold units upon construction completion, if condominium projects were not well-received by 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 construction completion to stimulate the sales. Generally, down payment and installments for condominium projects are set at 5 to 20 percent of 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. The company’s 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, the Customer Relations Department will issue a warning letter to customers if they have not paid installments for 3 months. In such cases, the unit will be taken back and resold so that Sansiri will not lose the opportunity to sell the unit in time to meet the planned transfer schedule. However, the low down payment is usually applied to condominiums in the low to mid-priced market, catering mostly to customers who buy as a home to live in. Therefore, the possibility of forfeiting their deposits is quite low.

3. Fluctuation in Construction Material Prices

In 2013, the price index of construction materials increased slightly by 1 percent compared to 3.6 percent in 2012 (Source: Bureau of Trade and Economic Indices, Ministry of Commerce). Most construction material prices have increased due to the strong demand from the government's infrastructure projects and the property developers' housing projects, the rising cost of importing and production, and an ongoing labour shortage situation. Generally, there were price increases in several construction materials including lumber and wood products, concrete products, cement products, plaster materials, sanitary ware and plumbing equipment, and aluminum bars. Despite the price increase of many products, the price of steel products fell significantly due to an overproduction in China together with declining global demand caused by concerns over the global economic recovery. As a result, the overall increase in construction material prices is not significant. Nevertheless, these construction materials are the 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 manufacturers through a bidding process and pre-agreeing delivery prices, as well as sourcing more trade partners to support the expansion of new projects. In this regard, Sansiri has focused on increasing its 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 increased to 45 percent of total construction cost. For 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 projects through turnkey construction contracts 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 change. These responses include, but are not limited to, re-negotiating future contract prices with manufacturers or contractors when the construction material price significantly decreases. Sansiri usually receives good cooperation from manufacturers or contractors due to its status as a valuable and reputable business partner with 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 the performance of every supplier on a semi-annual basis.

4. A Shortage of Contractors

Sansiri and its 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 shortages, which can mean construction quality does not meet Sansiri's high standards. However, Sansiri mitigates the risk by establishing strong relationships with a group of contractors to create a valuable database and finding alternatives for construction. Changing construction technology from "Conventional Construction" to "Precast Construction" have been considered and applied in Sansiri. Under Precast Construction, some wall and finished parts were produced from precast factories, helping Sansiri reduce its dependence on skilled labour. Sansiri also constructed its own precast factory in 2011, which started production in 2012. Besides, Sansiri tends to increase the proportion of precast construction systems applied in single-detached house and townhouse projects. In 2013, Sansiri decided to invest in the second phase of its precast factory strategy in order to complement existing production by producing elements such as planks, staircases, etc.

Following the preliminary selection process, Sansiri evaluates construction capabilities 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 delay or defective construction delivery. Given such risks, Sansiri closely monitors and meticulously inspects via the company's Quality Control Department to ensure the high standard of every housing project. Relying on its efficient operational system and transparent selection process, Sansiri currently has a list of more than 70 qualified contractors, ranging from medium to large, which helps reinforce the company's development progress and growth.

Similar to previous years, Sansiri held the annual QC Award ceremony in 2013 to motivate contractors to deliver high quality and timely construction. The award-winning contractor will receive certain privileges, such as a reduction in retention amounts.

5. Unsold Units

Sansiri plans construction progress based on sales forecasts, which are regularly updated by the 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 efficient inventory management. To enhance the ability to cope with the changing environment, single-detached house and townhouse projects have been phased with both pre-built houses and semi pre-built houses available for sale. Consequently, Sansiri is able to adjust construction plans to correspond to softer housing demand, as well as to modify subsequent project phases that satisfy consumer preferences and affordability. As of 31 December 2013, Sansiri had 51 housing projects under construction and available for sale with a total project value of 61,184 Million Baht, 30,214 Million Baht or 49 percent of which were sold. Consequently, Sansiri had finished but unsold housing stock of 634 units worth approximately 4,402 Million Baht.

For condominium projects, Sansiri steadfastly conducts in-depth research on consumer behavior before launching any projects, along with creating attractive sales promotions to stimulate sales transactions. As of 31 December 2013, Sansiri had 66 condominium projects available for sale with a total project value of 86,698 Million Baht, 64,174 Million Baht or 74 percent of which were sold. Consequently, Sansiri had completed but unsold condominium stock of 873 units worth approximately 1,774 Million Baht.

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

Sansiri has earned a reputation as the leading property developer with a strong track record in achieving its planned quantity of high presales, as well as exceeding targets in a number of housing projects. This has resulted in an established credibility among the financial institution community and consequent continual financial support. Nonetheless, Sansiri is aware of the risk of limited accessibility to sources of funds. Sansiri has mitigated the risk by establishing strong relationships with various commercial banks and always negotiating to achieve competitive prices on project-financing loans. All current projects are secured by project-financing loans and other credit facilities made available by domestic financial institutions. Interest rates in 2013 remained unchanged from the previous year with a minimal effect on the cost of funding. With this in mind, Sansiri issued fixed rate unsecured debentures worth 7,000 Million Baht in 2013 to manage the risk of higher interest rates in the future. The debenture placements were successful and well-received by customers, providing alternative sources of funding for Sansiri's future project development.

7. Environmental Impact Assessment (EIA) Report Approval

There are several housing projects that require Sansiri and its subsidiaries to provide an environment 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. Housing projects requiring 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 its subsidiaries fully comply with EIA rules and regulations for all housing projects which require approval from the Environmental Impact Evaluation Bureau. In this regard, Sansiri and its subsidiaries work closely with contractors to ensure that 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 the company is in compliance with all rules, and approval is obtained from the Environmental Impact Evaluation Bureau as scheduled.

8. Upcountry Market Expansion

In 2013, Sansiri expanded to upcountry markets, focusing on developing new projects in large provinces and districts such as Chon Buri, Chiang Mai, Phuket, Nakhon Ratchasima, Khon Kaen, Udon Thani, Songkhla (Hat Yai), Surat Thani and Hua Hin. Twenty five projects were launched in 2013. Sansiri always tests new markets by launching small condominium projects with low investment value to limit the risk Sansiri may face if things do not go as planned. However, expansion to upcountry areas outside Bangkok and its vicinities might face several risks since people in different areas have varying 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 also focuses on the standard, quality, and location of every residential project, incorporating clear marketing strategies. The market expansion upcountry in 2013, therefore, received good feedback from customers, both in Bangkok and local areas. Sansiri now aims to expand and cover more markets and major cities in other regions of Thailand.

9. A Change in the Comprehensive City Plan of Bangkok

The Bangkok Metropolitan Administration (BMA) launched a new comprehensive city plan for Bangkok in May 2013. 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 the Central Business District (CBD) and along MRT and BTS lines, which are suitable for the development of condominium projects, are currently in Brown and Red Zoning in the comprehensive city plan. According to the plan, no changes will affect land usage in Brown Zoning areas (code Yor 8 to Yor 10 for crowded residential areas) unlike Red Zoning areas (code Por 1 to Por 3 for commercial areas). Red Zoning classification is affected the most by the changes, especially by road width requirements and the frontage requirements of the land connected to public roads, which will create more difficulty for the development of condominium projects.

Sansiri realises that there could be some negative impact when the new comprehensive city plan becomes effective in the middle of 2013. Therefore, the company is alleviating potential problems by having facilitated feasibility studies based on the new plan since the middle of 2012. Consequently, every plot of land bought prior to the implementation of the new plan has already acquired construction permits. Following the adoption of the new comprehensive city plan, Sansiri has strictly abided by the rules in order to minimise the risk of having any disputes with an individual or juristic person associated with project development.

GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

General Information

Company Name	Sansiri Public Company Limited
Security Symbol	SIRI
Type of Business	Property Development
Head Office Address	475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400
Registration Number	0107538000665
Established	Since 1984
Registered Capital	As at 31 December 2013, the Company's registered capital was 11,641,569,085.56 Baht consisting of 10,879,971,108 ordinary shares at the par value of 1.07 Baht
Paid-up Capital	As at 31 December 2013, the Company's paid-up capital was 10,200,884,167.35 Baht, with issued and paid-up capital 9,533,536,605 ordinary shares
Telephone Number	(662) 201-3905, (662) 201-3906
Facsimile	(662) 201-3904
Home Page	www.sansiri.com

The Company's subsidiaries are as follows:

(As of 31 December 2013)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in which Sansiri directly holds shares			
<u>Chanachai Limited</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	90,000,000 Baht by divided into 90,000 ordinary shares with a par value of 1,000 Baht each	100
<u>Arnawat Limited</u> 12 th 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> 10 th 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> 16 th 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

(As of 31 December 2013)

Company / Head Office Address	Type of Business	Paid-up Capital	% of Share Holding
Subsidiaries in which Sansiri directly holds shares			
<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
<u>S.U.N. Management Co., Ltd.</u> 16 th 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> 12 th 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> 10 th 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> 12 th 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 2013)

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.”) 12 th 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> 6 th Floor, 475 Siripinyo Building, Sri Ayutthaya Road, Thanon Payathai Sub-district, Rajthevi District, Bangkok 10400 Tel. (662) 201-3922 Fax. (662) 201-3992	Property Development	2,500,000 Baht by divided into 250,000 ordinary shares with a par value of 10 Baht each	85
Subsidiaries in which Sansiri indirectly holds shares through Plus Property Co., Ltd.			
<u>Sansiri Land Limited</u> 11 th 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	1,000,000 Baht by divided into 100,000 ordinary shares with a par value of 10 Baht each	100

(As of 31 December 2013)

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>Touch Property Co., Ltd.</u> 14 th 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> 16 th 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
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

Other References

1. 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) 359-1259
TSD Call center : (662) 229-2888
E-mail : TSDCallCenter@set.or.th
Website : <http://www.tsd.co.th>

2. Debenture Registrar

Siam Commercial Bank Public Company Limited

1060 Phetchaburi Road, Makkasan Sub-district,
Rajthevi District, Bangkok 10400, Thailand
Telephone : (662) 256-2323-6
Facsimile : (662) 256-2406

Debentures under this debenture registrar consist of

- Unsecured Debenture of Sansiri Public Company Limited No. 2/2010 Due 2017
- Unsecured Debenture of Sansiri Public Company Limited No. 1/2011 Due 2016
- Unsecured Debenture of Sansiri Public Company Limited No. 1/2012 Due 2015
- Unsecured Debenture of Sansiri Public Company Limited No. 2/2012 Due 2015
- Unsecured Debenture of Sansiri Public Company Limited No. 1/2013 Due 2018
- Unsecured Debenture of Sansiri Public Company Limited No. 4/2013 Due 2019

Bangkok Bank Public Company Limited

333 Silom Road, Bang Rak District, Bangkok 10500, Thailand
Telephone : (662) 230-1893
Facsimile : (662) 626-4545-6

Debenture under this debenture registrar consists of

- Unsecured Debenture of Sansiri Public Company Limited No. 2/2013 Due 2018

Kasikornbank Public Company Limited

400/22 Phaholyothin Road, Sam Sen Nai Sub-district,
Payathai District, Bangkok 10400, Thailand
Telephone : (662) 470-1994
Facsimile : (662) 470-1998

Debentures under this debenture registrar consist of

- Unsecured Debenture of Sansiri Public Company Limited No. 2/2011 Due 2016
- Unsecured Debenture of Sansiri Public Company Limited No. 3/2013 Due 2018

3. Debenture Holders' Representative

TMB Bank Public Company Limited

3000 Phaholyothin Road, Chom Phon Sub-district,
Chatuchak District, Bangkok 10900, Thailand

Telephone : (662) 299-2807

Facsimile : (662) 299-1278

Debentures under this debenture holders' representative consist of

- Unsecured Debenture of Sansiri Public Company Limited No. 1/2011 Due 2016
- Unsecured Debenture of Sansiri Public Company Limited No. 2/2011 Due 2016
- Unsecured Debenture of Sansiri Public Company Limited No. 1/2012 Due 2015
- Unsecured Debenture of Sansiri Public Company Limited No. 2/2012 Due 2015
- Unsecured Debenture of Sansiri Public Company Limited No. 1/2013 Due 2018
- Unsecured Debenture of Sansiri Public Company Limited No. 2/2013 Due 2018
- Unsecured Debenture of Sansiri Public Company Limited No. 3/2013 Due 2018
- Unsecured Debenture of Sansiri Public Company Limited No. 4/2013 Due 2019

4. The Auditor

EY Office Limited (Formerly known as 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

Other Significant Information

-none-

SHAREHOLDERS

The ten largest shareholders according to the latest registry of shareholders on 14 January 2014 (the closing date of the shares register book - XO), are as follows:

No.	Major Shareholders	Number of Shares	Proportion of shareholding Percentage of paid-up capital*
1	Viriyah Insurance Public Company Limited	629,061,530	6.58
2	Thai NVDR Co., Ltd. ^{1/}	500,779,932	5.24
3	Finansa Life Assurance Company Limited	254,674,400	2.66
4	Chase Nominees Limited 47	222,195,200	2.32
5	Mr. Wanchak Buranasiri	216,756,868	2.27
6	Littledown Nominees Limited 38	215,062,190	2.25
7	Chase Nominees Limited 50	175,678,500	1.84
8	Chase Nominees Limited 42	160,976,900	1.68
9	Thailand Securities Depository Co., Ltd. For Depositor	150,002,000	1.57
10	Mr. Napat Thavisin Group ^{2/}	140,070,000	1.46
Total		2,665,257,520	27.87

* As of 14 January 2014, the Company has the paid-up capital of 10,231,901,626.95 Baht divided into 9,562,524,885 ordinary shares at a par value of 1.07 Baht each.

Remark:

^{1/} Thai NVDR Co., Ltd., a wholly owned subsidiary of the SET, is responsible for executing the purchase or sale of those listed Company shares whose investors wish to trade through NVDRs. This service is offered to all, irrespective of the number of securities held or the holder's nationality. NVDR holders receive the same full financial benefits as they would receive by investment directly in shares (i.e. dividends, rights, and warrants). However, there are no voting rights for NVDR holders except in motions involving delisting. The investor can find the report of investment in securities of Thai NVDR Co., Ltd. at www.set.or.th/nvdr/, that shown the proportion of investment as at the end of the working day prior to the date on which the investor's checking.

^{2/} Mr. Napat Thavisin Group consists of (1) T.S. Star Co., Ltd. (the holding company wholly owned by Mr. Napat Thavisin who is also the director), holding 130,000,000 shares, equivalent to 1.36 percent of the Company's paid-up capital and (2) Mr. Napat Thavisin, holding 10,070,000 shares, equivalent to 0.11 percent of the Company's paid-up capital.

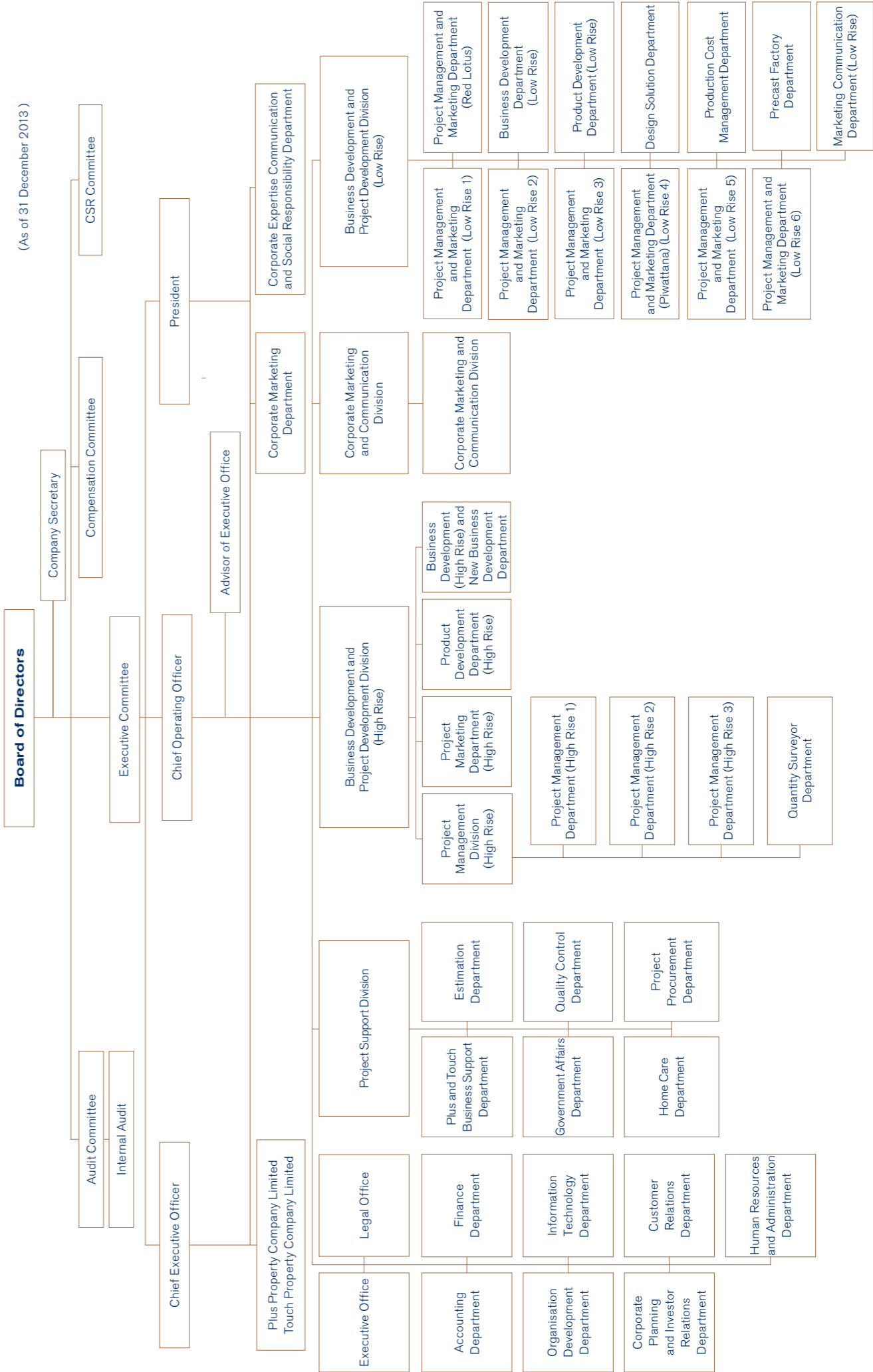
DIVIDEND PAYMENT POLICY

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

As for the dividend policy of the Company's subsidiaries, the Company does not fix any particular rate of dividend payment. The dividend policy is dependent on the operational results of each individual subsidiary, and the Board of Directors of that subsidiary will make decisions concerning dividends on a case-by-case basis.

MANAGEMENT STRUCTURE

Organisation Chart
Sansiri Public Company Limited



MANAGEMENT STRUCTURE

The Board of Directors

As of 31 December 2013, the Company has ten directors, comprised of seven non-executive directors (five of which are independent directors), and three executive directors as their names, directorship and meeting attendant information in the previous year listed below:

The Name of Directors	Position	Board of Directors Meeting	
		Total Meetings Held	Meeting Attendance
1. Mr. Kovit Poshyananda	Chairman of the Board and Independent Director	13	13
2. Mr. Apichart Chutrakul	Vice-Chairman	13	12
3. Mr. Mana Noppun	Independent Director Chairman of the Audit Committee and Chairman of the Compensation Committee	13	13
4. Mr. Jesadavat Priebjrivat	Independent Director Member of the Audit Committee and Member of the Compensation Committee	13	10
5. Mr. Wirat Uanarumit	Independent Director and Member of the Audit Committee	13	8
6. Mr. Srettha Thavisin	Director	13	12
7. Mr. Wanchak Buranasiri	Director	13	13
8. Mr. Kriengkrai Thiennukul	Director	13	11
9. Mr. Thongchai Jira-alongkorn ^{1/}	Director	13	6
10. Mr. Porntat Amatavivadhana	Independent Director and Member of the Compensation Committee	13	13

^{1/}Appointed to be director in replacement of Mrs. Nujchanart Panthawangkun who resigned, effective from 13 May 2013. There were six Board meetings held before his appointment date.

Authorised Directors as the Company's Signatory

The Company's directors whose signatures binding the Company shall be Mr. Apichart Chutrakul, Mr. Srettha Thavisin, Mr. Wanchak Buranasiri, two authorised directors shall jointly sign with the Company's seal affixed. (Details are provided in the Company's Affidavit as registered to Department of Business Development, Ministry of Commerce).

Management Team

On 31 December 2013, the Company's management team has twenty-six members, as their names are shown in the organisation structure and in accordance with the definition stipulated in the notification of The Securities and Exchange Commission, namely:

The Name of Management			Position
1.	Mr. Apichart	Chutrakul	Chief Executive Officer
2.	Mr. Srettha	Thavisin	President
3.	Mr. Wanchak	Buranasiri	Chief Operating Officer
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) and 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 - Production Cost Management Department Executive Vice President - Design Solution Department
9.	Mr. Suriya	Wannabuit	Executive Vice President - Project Management and Marketing Department (Piwattana) (Low Rise 4) Executive Vice President - Project Management and Marketing Department (Low Rise 5) Executive Vice President - Project Management and Marketing Department (Low Rise 6) Executive Vice President - Precast Factory

The Name of Management			Position
10.	Mr. Somchai	Charntanawet	Executive Vice President - Finance and Information Technology Department
11.	Miss Natthaluck	Sakulpoonyapond	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
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	Maha-amatayatibodee	Senior Vice President - Home Care Department
17.	Miss Dusadee	Tancharoen	Senior Vice President - Marketing
18.	Mr. Pornchai	Chaimongkolsub	Senior Vice President - Project Management and Marketing Department (Low Rise 1)
19.	Mrs. Sirindra	Mongkolnavin	Senior Vice President - Investor Relations and 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)
24.	Miss Varangkana	Artkarasatapon	Vice President - Business Development (High Rise)
25.	Mr. Ongart	Suwannakul	Vice President - Project Management Department (High Rise 3)
26.	Mrs. Jariya	Janjerdsak	Vice President - Product Development Department (High Rise)

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

Company Secretary

The Board of Directors appointed Mr. Nopporn Boonthanom as the Company Secretary, became effective on 13 August 2008 with the principle duty and scope of responsibility as specified by The Securities and Exchange Acts (No.4) B.E. 2551. The Company Secretary takes responsibility in providing advices to the Board of Directors and Management regarding the applicable laws and regulations that they must recognise and act upon, as well as arranging the Board of Directors meeting, sub-committee meeting and the meeting of shareholders. In this regard, The Company Secretary also coordinates with all involved parties to ensure that all information is properly disclosed as regulated by related organisations, that activities of the Company conform to relevant laws, objectives, article of association, and that the Board of Directors and shareholders' resolutions are fully complied of information.

Profile and information about the Company Secretary listed below:

Name - Surname	Mr. Nopporn Boonthanom
Position	Company Secretary
Age	49 years
Education	Master of Law, Chulalongkorn University
Company Secretary Training Programme	Corporate Secretary Development Programme held by the Thai Listed Companies Association
% of Shares Held	0.0650% (including the shares held by spouse and minor children)
Relationship with Directors and Management	- None –
Working Experience	2005 - present General Counsel - Legal Office Sansiri Public Company Limited

Remuneration of Directors and Management

The Compensation Committee will propose remuneration of the Company's directors and members of the audit committee, to the Board of Directors for approval. Then, the proposed remuneration shall be submitted for approval at the shareholders' meeting which is held on an annual basis.

(1) **Monetary remuneration**

- Remuneration of the Board of Directors consists of meeting allowances, special remuneration of Non-executive Directors and salary of the Audit Committee.

The monetary remuneration of each director in year 2013 is as follows:

The Name of Directors		Position	Meeting Allowances (Baht / Year)	Special Remuneration of Non-executive Directors (Baht / Year)	Salary of the Audit Committee (Baht / Year)	Total Amount (Baht / Year)
Mr. Kovit	Poshyananda	Chairman of the Board and Independent Director	260,000	2,000,000	-	2,260,000
Mr. Apichart	Chutrakul	Vice-Chairman	260,000	-	-	260,000
Mr. Mana	Noppun	Independent Director and Chairman of the Audit Committee	260,000	1,500,000	600,000	2,360,000
Mr. Jesadavat	Priebjrivat	Independent Director and Member of the Audit Committee	260,000	1,500,000	360,000	2,120,000
Mr. Wirat	Uanarumit	Independent Director and Member of the Audit Committee	260,000	1,500,000	360,000	2,120,000
Mr. Srettha	Thavisin	Director	260,000	-	-	260,000
Mr. Wanchak	Buranasiri	Director	260,000	-	-	260,000
Mr. Kriengkrai	Thiennukul	Director	260,000	1,500,000	-	1,760,000
Mr. Porntat	Amatavivadhana	Independent Director	260,000	1,500,000	-	1,760,000
Mr. Thongchai	Jira-alongkorn ^{1/}	Director	140,000	-	-	140,000
Mrs. Nujchanart	Panthawangkun ^{2/}	Director	120,000	1,500,000	-	1,620,000
Total						13,600,000

^{1/} Mr. Thongchai Jira-alongkorn was appointed to be director in replacement of Mrs. Nujchanart Panthawangkun who resigned, and became effective on 13 May 2013.

^{2/} Mrs. Nujchanart Panthawangkun has resigned from the Company's director, effective from 13 May 2013.

• Remuneration of the Company's management team

In year 2013, the remuneration of the Company's management, totaling 26 persons was 263.23 Million Baht, which included salary and bonus payments.

(2) Other Remuneration

• 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 2013 there were ESOP schemes which are summarised as follows:

Scheme	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

Scheme	ESOP # 5	ESOP # 6
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	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 Priebjivat	-	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

• Contributions to the Provident Fund

The Company had not paid any contributions to the provident funds of directors, except for directors who are employees of the Company, and the Management, totalling 26 persons. In year 2013, the contributions were paid to their provident funds in an amount of 10.87 Million Baht.

Staff

The Company has total staff of 1,471 people (only Sansiri Public Company Limited, as of 31 December 2013). The Company's compensation to employees was 1,085.44 Million Baht including salary, bonus, provident fund, etc.

Human Resources Development

Sansiri realises that the competent staff working under the supportive environment is essential for achieving the business goal. Consequently, the Company has launched several programmes as follows:

1. Evaluation system with well-defined Key Performance Indicators and detailed manual provided, to ensure that the evaluation process has been done efficiently with fairness and transparency.
2. Salary survey and salary structure revision, to ensure that the remuneration is fair, updated, and competitive with the industry.
3. Sansiri Leadership Programme (SLP), a training programme to support the staff of a high calibre, in which the staff will learn the procedures and strategies of the modern management, as well as leadership skills, in preparation to be the executives.
4. Employee survey, to evaluate the staff's participation in corporate culture and use the feedback for organisation improvement as well as proper implementation of organisational and human resources management, in both short-term and long-term.
5. Corporate culture, to ensure that the staff are proud of the Company, realise the importance of customers, always pay attention to detail of delivering quality housing units and services to customers, being service-minded and creative, and value the teamwork.
6. The Good Life activities, to promote Sansiri as a pleasant workplace with supportive teamwork and working environment, which encourages the staff to work happily with creativity, determination, and continuous improvement.
7. Seminars and excursions, to help improve skills and knowledge, to explore new visions, and to reward the staffs for their great services.
8. Competency-based management, to improve efficiency of staff by providing the training model and career development plan for each staff individually.
9. Training course on Quality Control, to educate the operating staff about the quality control processes and to instill the concept of attention to detail in the staff, to ensure that all property products and services are inspected prior to delivery to the customers.
10. Recreational activities, to encourage the staff to build good relations among the team and across the Company.
11. Sansiri Passport Project, a one-year mentor programme aiming not only to equip the new staff with the knowledge and skills necessary for a job but also to provide counsellor for both professional and personal matters, to ensure that the new staff will get supports and follow-up constantly.
12. Employee Branding Programme, to educate and create awareness among the staff of the importance of branding and the staff as a brand ambassador, by encouraging the staff to always impress the customers with good personality and service excellence.

13. Knowledge Management Project, to encourage learning of the staff by providing knowledge centre with a full range of availability from both internal and external knowledge and an easy accessibility to offer learning from anywhere at any time.

DETAILS ON THE DIRECTORS AND MANAGEMENT

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
1 Mr. Kovit Poshyananda - Chairman of the Board - Independent Director	79	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)	0.0897	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 Chutrakul - Vice Chairman (Authorised Director)	53	Master of Business Administration University of San Diego United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - None -	0.6886	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
				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.U.N. Management Company Limited

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

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
2 Mr. Apichart Chutrakul - Vice Chairman (Authorised Director) (Continued)	53	Master of Business Administration University of San Diego United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - None -	0.6886	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
				1990 - 2012	Director	Rojnaruemit Limited
3 Mr. Srettha Thavisin - Director (Authorised Director)	51	Master of Business Administration (Finance) Claremont Graduate School United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - None -	0.0084	Present	President	Sansiri Public Company Limited
				2013 - Present	Director	Papanan Limited
				2010 - Present	Director	S.U.N. 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	Amawat 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
				1990 - Present	Director	Chanachai Limited
				1994 - 2012	Director	Rojnaruemit Limited

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

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
4 Mr. Wanchak Buranasiri - Director (Authorised Director) - Secretary to the Compensation Committee	48	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)	2.2736	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	Amawat Limited
				2003 - Present	Director	Piwattana Limited
				2003 - Present	Director	Satit Pattana Personnel Center Limited
				2002 - Present	Director	S.U.N. Management Company Limited
				2002 - Present	Director	Sansiri Venture Company Limited
5 Mr. Mana Noppun - Chairman of the Audit Committee - Chairman of the Compensation Committee - Independent Director	72	Bachelor of Engineering Chulalongkorn University Bachelor of Arts in Economics Sukhothai Thammathirat Open University	0.0409	2000 - Present	Director	Sansiri Land Limited
				1998 - Present	Director	Plus Property Company Limited
				1993 - Present	Director	Chanachai Limited
				1994 - 2012	Director	Rojnaruemit Limited
				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)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
5 Mr. Mana Noppun - Chairman of the Audit Committee - Chairman of the Compensation Committee - Independent Director (Continued)	72	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)	0.0409			
6 Mr. Jesadavat Pribrivat - Independent Director - Member of the Audit Committee - Member of the Compensation Committee	56	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)	0.0196	2013 - Present 2010 - 2012 2008 - 2011	Independent Director Chief Financial Officer Director and Chairman of the Risk Management Committee	Seamco Securities Public Company Limited CAT Telecom Public Company Limited Islamic Bank of Thailand

Note

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

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
6 Mr. Jesadavat Pribrivat - Independent Director - Member of the Audit Committee - Member of the Compensation Committee (Continued)	56	Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : (continued) - Monitoring the Internal Audit Function (MIA) - Monitoring the Quality of Financial Reporting (MRF) - Monitoring Fraud Risk Management (MFM) - Role of the Chairman Programme (RCP)	0.0196			
7 Mr. Wirat Uanarumit - Independent Director - Member of the Audit Committee	51	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)	0.0136	2005 - Present 2011 2005 - 2011	Executive Vice President Senior Executive Vice President - Corporate Accounting and Finance Assistant Managing Director - Finance	PTT Public Company Limited IRPC Public Company Limited Thai Oil Public Company Limited
8 Mr. Kriengkrai Thiennukul - Director	54	Bachelor of Arts in Economics Thammasat University Attended the Leadership Programme Capital Market Academy Attended the Training Course held by the National Defense College	0.0280	Present Present Present Present Present	Deputy Secretary Secretary Managing Director Independent Director Executive Director	The Federation of Thai Industries Suankularb College Alumni Association under the Royal Patronage New Waitek Company Limited PTT Global Chemical Public Company Limited Prestige Direct Marketing Company Limited

Note

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

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
8 Mr. Kriengkrai Thiennukul - Director (Continued)	54	Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Certification Programme (DCP) - Audit Committee Programme (ACP)	0.0280	Present	Executive Director	Prestige Gift and Premium Company Limited
				Present	Executive Director	Milk Plus
				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)
9 Mr. Thongchai Jira-alongkorn - Director	55	Bachelor of Business Administration Bangkok University Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	0.0249	2006 - 2010	Advisor	Committee Checks and Follow Work Police Administration Bangrak Metro Police
				2006 - 2009	Member of The Board	Metropolitan Electricity Authority (MEA)
				2009 - Present	Deputy Managing Director	Viriyah Insurance Company Limited
				1997 - Present	Managing Director	Viriyah International Broker Company Limited
				1996 - Present	Committee and Managing Director	Thonburi Automotive Commercial Company Limited
				1994 - Present	Committee and Managing Director	Thonburi Panich Leasing Company Limited
				1987 - Present	General Manager	Viriyah Leasing Company Limited
				10 Mr. Pomtat Amatavivadhana - Independent Director - Member of the Compensation Committee	44	Master of Science in Management Boston University United States
2007 - Present	Chief Executive Officer	Infinite Capital Company Limited				
2008 - 2013	Director	Eurotech Engineering International 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)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
10 Mr. Pomtat Amatavivadhana - Independent Director - Member of the Compensation Committee (Continued)	44	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-			
				Present	Senior Executive Vice President - Accounting Department	Sansiri Public Company Limited
				2008 - Present	Director	Sansiri Venture Company Limited
				2006 - Present	Director	Red Lotus Properties Limited
				2003 - Present	Director	Amawat Limited
11 Mr. Thalin Asimtitiwat - Member of the Executive Committee - Secretary to the Audit Committee	52	Master of Business Administration Western Michigan University United States Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	0.1783	2003 - Present	Director	Piwattana 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) and Marketing Communication Division	Sansiri Public Company Limited
				2011 - Present	Director	Papanan Limited
12 Mr. Uthai Uthaisangsuk - Member of the Executive Committee	45	Master of Business Administration Middle Tennessee State University United States	0.1301	2009 - Present	Director	NED Management Company Limited
				2009 - Present	Director	Satit Pattana Personnel Center Limited
				2008 - Present	Director	Sansiri Venture Company Limited

Note

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

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
12 Mr. Uthai Uthaisangsuk - Member of the Executive Committee (Continued)	45	Master of Business Administration Middle Tennessee State University United States	0.1301	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
13 Mr. Metha Angwatanapanich - Member of the Executive Committee	46	Master of Business Administration National Institute of Development Administration (NIDA) Attended the Leadership Programme Capital Market Academy Attended the Leadership Programme National Defence College	0.0554	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
14 Mr. Nopporn Boonthanom - Member of the Executive Committee - Company Secretary	49	Master of Law Chulalongkorn University Attended the following Training Course held by the Thai Institute of Directors Association (IOD) : - Director Accreditation Programme (DAP)	0.0650	Present	General Counsel - Legal Office	Sansiri Public Company Limited
				2010 - Present	Director	S.U.N. Management Company Limited
				2009 - Present	Director	NED Management Company Limited
				2008 - Present	Director	Sansiri Venture 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	Chanachai Limited

Note

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

DETAILS ON THE DIRECTORS AND MANAGEMENT (Continued)

(As of 31 December 2013)

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
15 Mr. Manu Trakulwatanakit - Member of the Executive Committee	53	Master of Business Administration National Institute of Development Administration (NIDA)	0.0042	Present	Executive Vice President - Project Management and Marketing Department (Low Rise 3)	Sansiri Public Company Limited
					Executive Vice President - Product Development Department (Low Rise) Executive Vice President - Production Cost Management Department Executive Vice President - Design Solution Department	
16 Mr. Somchai Chamtanawet - Member of the Executive Committee	53	Master of Business Administration Chulalongkorn University	0.0042	Present	Executive Vice President - Finance and Information Technology Department	Sansiri Public Company Limited
17 Miss Natthaluck Sakulpoonyapond - Member of the Executive Committee - Secretary to the Executive Committee	54	Master of Science in Human Resources and Organisation Development National Institute of Development Administration (NIDA)	0.0033	Present	Senior Vice President - Customer Relations and Human Resources Department	Sansiri Public Company Limited
18 Mr. Suriya Wannabuit - Executive Vice President - Project Management and Marketing Department (Low Rise 4, 5, 6) and Precast Factory	43	Master of Business Administration Chulalongkorn University	0.0220	Present	Executive Vice President - Project Management and Marketing Department (Low Rise 5) Executive Vice President - Project Management and Marketing Department (Low Rise 6) Executive Vice President - Precast Factory	Sansiri Public Company Limited
					Executive Vice President - Project Management and Marketing Department (Low Rise 4)	
					Managing Director	
					Managing Director	
19 Miss Vilasinee Dejamornthan - Senior Vice President - Project Management and Marketing Department (Low Rise 2)	42	Master of Business Administration Assumption University	- None -	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

Name - Present Position in Company	Age	Highest Academic Qualifications	% of Shares Held in the Company ^{1/}	Working Experience During The Past 5 Years		
				Period	Position	Company
20 Mr. Chookiat Joomthong - Senior Vice President - Government Affairs Department	46	Bachelor of Law Thammasat University	- None -	Present	Senior Vice President - Government Affairs Department	Sansiri Public Company Limited
21 Mr. Supol Sombathwichathon - Senior Vice President - Quality Control and Estimation Department	54	Executive Master of Business Administration (XMBA) Thammasat University	0.0399	Present	Senior Vice President - Quality Control and Estimation Department	Sansiri Public Company Limited
22 Mr. Apisit Srisakulpong - Senior Vice President - Project Management (High Rise 1) and Quantity Surveyor Department	48	Master of Business Administration Chulalongkorn University	0.0206	Present	Senior Vice President - Project Management (High Rise 1) and Quantity Surveyor Department	Sansiri Public Company Limited
23 Mr. Tasanin Maha-amatayaitibodee - Senior Vice President - Home Care Department	50	Bachelor of Architecture King Mongkut's Institute of Technology Ladkrabang	0.0010	Present	Senior Vice President - Home Care Department	Sansiri Public Company Limited
24 Miss Dusadee Tancharoen - Senior Vice President - Marketing	42	Bachelor of Arts Chulalongkorn University	0.0105	Present	Senior Vice President - Marketing	Sansiri Public Company Limited
25 Mr. Pornchai Chaimongkolsub - Senior Vice President - Project Management and Marketing Department (Low Rise 1)	47	Bachelor of Arts (Business Administration) Bangkok University	0.0189	Present	Senior Vice President - Project Management and Marketing Department (Low Rise 1)	Sansiri Public Company Limited
26 Mrs. Sirindra Mongkolnavin - Senior Vice President - Investor Relations and Organisation Development Department	41	Master of Business Administration Tepper School of Business Carnegie Mellon University United States	0.0178	Present	Senior Vice President - Investor Relations and Organisation Development 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/}	Working Experience During The Past 5 Years		
				Period	Position	Company
27 Mr. Samatcha Promsiri - Vice President - Corporate Marketing Department	40	Master of Arts (International Relations) University of Nottingham United Kingdom	0.0000	Present	Vice President - Corporate Marketing Department	Sansiri Public Company Limited
28 Mr. Prasert Trakranvachirahut - Vice President - Project Procurement Department	41	Master of Arts (International Political Economy) University of Warwick United Kingdom	0.0016	Present	Vice President - Project Procurement Department	Sansiri Public Company Limited
29 Miss Suwannee Mahanarongchai - Vice President - Plus and Touch Business Support Department (Research-Business Development and Consultant)	38	Master of Business Administration (Finance) Assumption University	0.0247	Present	Vice President - Plus and Touch Business Support Department (Research-Business Development and Consultant)	Sansiri Public Company Limited
30 Mr. Piti Jarukamjorn - Vice President - Project Management Department (High Rise 2)	36	Master of Engineering (Construction Management) North Carolina State University United States	0.0014	Present	Vice President - Project Management Department (High Rise 2)	Sansiri Public Company Limited
31 Miss Varangkana Artkarasatapon - Vice President - Business Development Department (High Rise)	35	Master of Business Administration (Innovation in Management) Mahidol University	0.0097	Present	Vice President - Business Development Department (High Rise)	Sansiri Public Company Limited
32 Mr. Ongart Suwanmakul - Vice President - Project Management Department (High Rise 3)	36	Master of Business Administration (Management) Srinakharinwirot University	0.0023	Present	Vice President - Project Management Department (High Rise 3)	Sansiri Public Company Limited
33 Mrs. Jariya Janjersak - Vice President - Product Development Department (High Rise)	44	Master of Business Administration (General Management) National Institute of Development Administration (NIDA)	- None -	Present	Vice President - Product Development Department (High Rise)	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 2013)

The name the Companies		Sansiri PCL	Subsidiary Companies																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
The names of the Management			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.		
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

Note
X = Chairman of the Board
/ = Director

XO = Chairman of the Audit Committee
O = Member of the Audit Committee

Details on the Management of the Subsidiaries or Related Companies (Continued)

(As of 31 December 2013)

The name the Companies		Sansiri PCL	Subsidiary Companies														
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
The names of the Management			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.
17	Miss Natthaluck	Sakulpoonyapond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Mr. Suriya	Wannabuit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Ms. Vilasinee	Dejamornthan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Mr. Chookiat	Joomthong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Mr. Supol	Sombathwichathon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Mr. Apisit	Srisakulpong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Mr. Tasanin	Maha-anatayatibodee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Ms. Dusadee	Tancharoen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Mr. Pornchai	Chaimongkolsub	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Mrs. Sirindra	Mongkolnavin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Mr. Samatcha	Promsiri	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Mr. Prasert	Trakranvachirahut	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Ms. Suwannee	Mahanarongchai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Mr. Piti	Jarukamjorn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Ms. Varangkana	Artkarasatapon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Mr. Ongart	Suwannakul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Mrs. Jariya	Janjersak	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note
X = Chairman of the Board
/ = Director

XO = Chairman of the Audit Committee
O = Member of the Audit Committee

The name of Subsidiaries		Subsidiaries														
Name of the Director		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Mr. Apichart Chutrakul	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
2	Mr. Sretha Thavisin	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
3	Mr. Wanchak Buranasiri	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
4	Mr. Thalin Aeimtitiwat	/	/	/	-	/	/	/	-	-	-	-	-	-	-	-
5	Mr. Nopporn Boonthanom	/	/	/	/	/	/	/	-	-	-	-	-	-	-	/
6	Mr. Uthai Uthaisangsuk	-	/	-	/	/	/	/	-	-	-	/	-	-	-	/
7	Mr. Metha Angwatanapanich	-	/	/	-	-	-	-	-	-	-	-	-	-	-	-
8	Mr. Monthian Soisuwan	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-
9	Mrs. Ob-oom Chutrakul	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-
10	Mr. Poomipak Julmanichoti	-	-	-	/	-	-	-	/	/	/	-	-	/	-	/
11	Mrs. Nirada Wonganantkul	-	-	-	/	-	-	-	-	-	-	-	-	-	-	/
12	Mr. Chan Sirirat	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
13	Mr. Jirayu Archacharoensuk	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
14	Mr. Chatchai Udomphon	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-

Note
/ = Director

In Year 2013, the changing of subsidiaries companies's directors are as follows:

- Mrs. Pakpilai Thavisin registered the resignation from the directors of Papanan Limited since 4 November 2013.
- Mr. Sretha Thavisin registered as a director of Papanan Limited since 4 November 2013.

CORPORATE GOVERNANCE

Corporate Governance Policy and Compliance with Good Corporate Governance

The Company is aware of the significance of operating its business with the Good Corporate Governance as well as supporting the responsibility for one's position through transparency and enhances corporate competitiveness as a means 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, which is a crucial part of the sustainability.

Regarding the compliance with principles and guidelines set forth by The Stock Exchange of Thailand, the Company is herewith explained as follows:

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:

- 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.
- The Chairman of the meeting allocates sufficient and appropriate time and facilitates 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.
- 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.
- The Company operates business with efficiency, transparency, accountability, and sufficient information disclosure for the utmost benefits of shareholders and stakeholders.

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 2013, the Company held the shareholders' meeting once, an Annual General Meeting of Shareholders, on 30 April 2013. 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 31 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 2013, 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 the 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 conducted 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 2013 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.

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.

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 interested 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.

Responsibility of the Board of Directors

(1) 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, involved 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 enable 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.

(2) 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. The meeting agenda is well-defined and 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 2013, the Board of Directors held six regular meetings and seven extraordinary meetings, totaling thirteen meetings. The meeting attendance information in the previous year is provided under the topic "Management Structure".

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.

(3) 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.

(4) 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 Structure".

(5) 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 business plan to achieve corporate 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. Accordingly, the Company sets up the committees, consisting of the top management and the management of each strategic business unit as deemed appropriate. Consequently, the committees hold meetings to set the working plan and coordination for planning and business operations in various functions including product development, sales and marketing, finance, and other supporting functions. The Committees include the investment committee considering and making decisions on land acquisition 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.

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. 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.

The Structure of the Company’s Directors

The structure of the Company’s directors comprises the Board of Directors and four sub-committees which are appointed by the Board in order to assist in corporate administration and supervision, namely: the Audit Committee, the Compensation Committee, the Corporate Social Responsibility Committee (CSR Committee) and the Executive Committee.

The Board of Directors

The Board of Directors has been elected by the shareholders’ meeting in accordance with the Company’s Article of Associations. The Board consists of experts who are fully qualified, under the Public Limited Companies Act, without any prohibited characteristics, for election as directors of the Company, under the criteria of the Office of The Securities and Exchange Commission and other regulatory agencies. The directors shall also be able to dedicate themselves and time to fully perform duties and responsibility.

On 31 December 2013, the Board of Directors’ structure has total of ten directors, which is appropriate to the size of business. It is divided into seven non-executive directors (there are five independent directors on the board which is more than one third (1/3) of total numbers of directors on board); and three executive directors: Chief Executive Officer, President and Chief Operating Officer. The information of non-executive directors, independent directors and executive directors of the Company are provided under the topic “Details on Directors and the Management”.

In this regard, non-executive directors, including the independent directors 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 independent directors, providing sufficient balance in the opinion of the Company.

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.

Sub-Committees of the Company

1. The Audit Committee

The Audit Committee is appointed by the Board of Directors and their term is three years. The committee members have the required knowledge and qualifications as stipulated by The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand. The Committee members are Mr. Mana Noppun who is a Chairman of the Audit Committee with other members, Mr. Jesadavat Priebjrivat and Mr. Wirat Uanarumit. All members are independent directors, having adequate expertise and experience to audit creditability of the Company’s financial reports.

Scope of Duty and Responsibility of the Audit Committee

The Audit Committee of the Company has the scope of duty and responsibility as appointed by 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 meeting with an auditor at least once a year, with no involvement of the management
- (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.

2. The Compensation Committee

The Compensation Committee consists of three non-executive directors, namely, Mr. Mana Noppun who is a Chairman of the Compensation Committee with other members, Mr. Jesadavat Priebjrivat and Mr. Porntat Amatavivadhana.

Scope of Authority and Responsibility of the Compensation Committee

- (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

3. The Corporate Social Responsibility Committee (CSR Committee)

The Corporate Social Responsibility Committee (CSR Committee) is appointed by the Board of Directors namely, Mr. Srettha Thavisin who is a Chairman of the CSR Committee with other members, Mr. Jesadavat Priebjrivat and Mr. Porntat Amatavivadhana.

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.

Scope of Duty and Responsibility of the CSR Committee

- (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 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

4. 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 or independent advisors, 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).

On 31 December 2013, the Executive Committee presently consists of:

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.	Miss Natthaluck	Sakulpoonyapond	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.

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.

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.

Supervision of Subsidiaries' Operations

The Board of Directors has appointed the Chief Executive Officer, President, Chief Operating Officer and other senior executives to serve as members on the boards in the subsidiaries that the Company held 100 percent of the shares. This policy states that those individuals have the duty and responsibility to act in the best interest of the company they serve as a director, and also controlling that important policies set by its subsidiaries will perform in the same direction with the Company.

Supervising the Use of Inside Information

The Company determines the directors and managements who are obliged to report their holdings of the securities according to the definition of Securities and Exchange Commission regulations, have signed an acknowledgement to report any change to their shareholding in the Company within 3 working days of any transaction. This responsibility is assumed upon their appointment to their positions and also to report their holdings of the Company's securities 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.

In addition, 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.

Audit Fee and Non-audit Fee

Audit Fee

For the fiscal year 2013, the Company and its subsidiaries paid a total audit fee of 6 Million Baht to EY Office Limited (Formerly known as Ernst & Young Office Limited), which is the auditor of the Company. In this regard, the audit fee for the Company and its subsidiaries were 1.95 Million Baht and 4.05 Million Baht, respectively.

Non-audit Fee

For the fiscal year 2013, the Company and its subsidiaries paid for non-audit fee to EY Office Limited (Formerly known as Ernst & Young Office Limited), which is the auditor of the Company as follows:

- (a) A total of 76,412 Baht is paid for Audit Instruction Charge
- (b) Other non-audit fee to be paid in the future as the agreed services are not yet completed : - None -

INTERNAL CONTROLS AND RISK MANAGEMENT

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 work 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, consist of: (1) the organisation and its surroundings; (2) risk management; (3) control of management's operations; (4) information and communication systems; (5) monitoring systems.

1. The Organisation and its Surroundings

Sansiri's organisation structure was set up in a way that operations of the management can be easily controlled. 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, consist of authorising, recording financial data and other information, and asset management.

In this regard, Sansiri has set up the Office of Internal Audits, which acts independently and reports directly to the Audit Committee. The Office of Internal Audits helps in monitoring, evaluating, and improving the internal control system. It consistently examines important issues in accounting and finance as well as compliance with the relevant rules in order to ensure that the operations of the Company are carried out according to the objectives of the internal control in an efficient and effective way. If a fault is detected, it will notify the relevant authorities to provide solutions or improvements in which will be further reported to the Audit Committee and the Board of Directors.

2. 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.

3. 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 companywide 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.

4. Information and Communication Systems

In light of the importance of information and communication systems, Sansiri has upgraded its 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 currently 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.

5. Monitoring Systems

The Board of Directors met 13 times in 2013, 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 at least once 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 # 3/2014 held on 27 February 2014, the Audit Committee had presented the assessment on Sansiri's internal control system in accordance with an evaluation form provided by The Securities and Exchange Commission. Following an inquiry into details with the management, the Board of Directors had agreed upon the Audit committee 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.

In addition, the Company’s financial statements in 2013, which was audited by a Certified Public Accountant of EY Office Limited (Formerly known as Ernst & Young Office Limited), present no significant flaw of the internal control that have impact on the financial statements.

Internal Audit Manager

Mrs. Supanan Limjaroensuk acts as an internal audit manager of the Company. The Audit Committee has agreed that the person has knowledge, skills, work experiences and adequate trainings to perform her duties. During the past year, Mrs. Supanan Limjaroensuk had presented the procedure of the internal audit department to the Audit Committee in order to ensure the efficiency and effectiveness of the internal audit.

The details of the Internal Audit Manager are as follows:

Name - Surname	Mrs. Supanan Limjaroensuk
Position	Senior Section Manager - Internal Audit
Age	58 years
Education	Bachelor of Business Administration (Accounting) Thammasat University
Training	Internal Audit Role Internal Audit Conference 2010
Shareholding (%)	-None-
Relationship with executives	-None-
Work experience in the past 5 years	Internal Audit Section Manager Sansiri Public Company Limited

INTER-RELATED TRANSACTION

During the financial year ending 31 December 2013, 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 obtained 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.

REPORT OF THE AUDIT COMMITTEE

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 summaried 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 review shows that the Company’s internal control system is sufficient, appropriate and being regularly updated to cope with the changing environment and serve 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 The 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.

REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITY
FOR FINANCIAL STATEMENTS

A Summary Review By The Audit Committee

In 2013, 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.

On behalf of the Audit Committee,



Mr. Mana Noppun

Chairman of the Audit Committee

The Board of Directors of Sansiri Public Company Limited is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries, including all other financial information stated in its annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles and standard under appropriate accounting policies and regular adherence to them with prudence and rationality. All material information has been sufficiently disclosed in the notes to financial statements, which is useful to all shareholders and investors.

The Board of Directors has provided and maintained appropriate risk management and internal control system to ensure accurate and comprehensive financial records on a timely basis to maintain assets and prevent fraud or significantly unusual operation. In this connection, the Board of Directors has appointed the Audit Committee, which is comprised of independent directors, to oversee and review the financial statements to ensure the reliability and accuracy, as well as to assess the efficiency and effectiveness of internal control and internal audit. The Audit Committee has expressed an opinion regarding aforementioned matters in the report of the Audit Committee included in the annual report.

The Board of Directors has an opinion that Sansiri Public Company Limited has maintained effective internal control system to provide reasonable assurance that the financial statements and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2013 are reliable in accordance with generally accepted accounting principles and comply with all relevant and applicable rules and regulations.



Mr. Kovit Poshyananda

Chairman of the Board of Directors



Mr. Apichart Chutrakul

Chairman of the Executive Committee

TABLE OF KEY FINANCIAL RATIOS

Financial Ratio		2013	2012	2011
Liquidity Ratio				
Current Ratio	Times	2.73	2.26	2.17
Quick Ratio	Times	0.11	0.19	0.20
Operating Cash Flow to Total Debt	Times	(0.22)	(0.09)	(0.12)
Accounts Receivable Turnover	Times	667.23	672.09	419.42
Collection Period	Days	0.54	0.54	0.86
Inventory Turnover	Times	0.46	0.64	0.54
Inventory Turnover	Days	774.57	558.82	668.50
Accounts Payable Turnover	Times	9.51	11.17	8.92
Payment Period	Days	37.84	32.22	40.37
Cash Cycle	Days	737.27	527.14	628.99
Profitability Ratio				
Gross Profit Margin (of Core Revenue)	%	32.62	33.26	34.23
Gross Profit Margin (of Revenue from Project Sales)	%	33.04	33.38	34.69
Net Profit Margin	%	6.66	9.77	9.74
Return on Equity	%	11.95	21.71	18.93
Efficiency Ratio				
Return on Total Assets	%	3.62	7.06	5.94
Return on Fixed Assets	%	39.85	77.15	67.49
Asset Turnover	Times	0.54	0.72	0.61

Financial Ratio		2013	2012	2011
Financial Ratio				
Debt-to-Equity Ratio	Times	2.52	2.05	2.10
Gearing Ratio	Times	2.03	1.58	1.57
Net Gearing Ratio	Times	1.91	1.35	1.33
Interest Coverage	Times	1.98	3.58	3.40
Debt Service Coverage Ratio	Times	0.35	0.34	0.34
Payout Ratio	%	50.00	50.00	50.00
Per Share				
Book Value per Share	Baht	1.87	2.06	1.69
Earnings per Share	Baht	0.21	0.40	0.29
Dividend per Share	Baht	0.10	0.17	0.14
Growth Ratio				
Total Assets	%	29.13	26.67	17.68
Total Liabilities	%	37.42	25.79	14.34
Total Shareholders' Equity	%	12.11	28.52	25.39
Revenue from Sales and Services	%	(4.10)	45.17	10.47
Operating Expenses	%	12.83	44.83	26.57
Net Profit	%	(34.33)	45.82	6.18

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Market Condition for the Year 2013 and Economic Outlook for the Year 2014

In 2013, Thai economy expanded by 2.9 percent (Source: Office of the National Economic and Social Development Board or NESDB), a sharp decrease compared to 6.5 percent last year as a result of a slowdown in household consumption, government spending, private investment, as well as export.

The household consumption in 2013 expanded slightly by 0.2 percent due to a high consumption base in 2012, especially the consumption on cars from the government's first-car buyer policy, a slow improvement of household income, and a decrease in consumer confidence. Private investment decreased by 2.8 percent as a result of a decrease in machinery investment. The export value was at 225,397 Million US Dollar, a decrease of 0.2 percent compared to that of last year.

The slowdown in consumption and export sector resulted in a decreasing growth rate of production in every sector. The agriculture sector grew by 1.4 percent, whilst the industrial sector and the construction sector grew by 0.1 and 1.2 percent respectively. The hotel and restaurant sector grew by 12.1 percent, in line with a 19.6 percent increase in the number of tourists, totaling 26.7 million visitors. Despite the slowdown the employment rate is still considered to be at an acceptable level, with unemployment running at a low rate of 0.7 percent. The inflation rate and the interest rate remained low as well.

The real estate sector in 2013 improved from the previous year, as can be seen from the 21 percent increase in housing transfer value in Bangkok and its vicinities. Based on the report by the Real Estate Information Center (REIC), the number of new registration units in Bangkok and its vicinities in 2013 was 130,100 units, a 4 percent increase from that of last year. The new registration units of condominiums increased the most among all product types, which increased by 53 percent from that of the previous year. The growth of the real estate sector in the first half of 2013 was continuously driven by the implementation of the government's stimulus packages in 2012 and the low interest rate of mortgage loans. However in the latter half of the year, the real estate sector encountered a slowdown after facing high growth from 2012 to the first half of 2013 due to several factors. For instance, the high number of new project launches in the previous period, the increase in construction costs and political uncertainty that affected the economy and undermined consumers' confidence, which caused a delay in their house purchasing decisions.

As for the economic outlook for 2014, the NESDB forecasted that the economy will expand at the rate of 3 to 4 percent. The main driving factors for this growth include the expansion of the export and tourism sectors, as well as the increase in spending of both government and private sectors. Meanwhile the export sector is expected to grow following the global economic recovery, which is forecasted to expand 3.6 percent from that of last year. Nevertheless, every sector is expected to grow at a lower rate. Furthermore, Thailand's political uncertainty is still a concern as it will affect the economy, thereby affecting the confidence of consumers, business sector, and tourism sector as well.

Financial Results

Total revenue in 2013 amounted to 28,987 Million Baht, decreased by 4 percent from 30,087 Million Baht in 2012. The decrease in total revenue was caused by the decrease in revenue from project sales and revenue from projects for rent which dropped by 4 percent and 20 percent respectively. 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 2011 - 2013 is as follows:

	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached houses	10,166	36.7	9,406	32.5	7,099	35.9
Townhouses / Home Office	2,367	8.5	4,635	16.0	3,372	17.1
Condominiums	15,157	54.7	14,804	51.1	9,262	46.8
Others	34	0.1	109	0.4	37	0.2
Total	27,724	100.0	28,954	100.0	19,769	100.0

In 2013, Sansiri and its subsidiaries recorded revenue from project sales at 27,724 Million Baht, or a 4 percent decrease from 28,954 Million Baht in 2012, due to the delay in transfer of ownership to customers. The political unrest in Thailand has affected some government agencies to pause their operations in some areas such as Phuket and Chiang Mai province. Consequently, the title deeds cannot be issued as planned resulting in the postponement of transfer of ownership of several housing projects. To the total revenue from project sales in 2013, 15,157 Million Baht revenue from condominium projects contributed 55 percent, 10,166 Million Baht revenue from single-detached house projects contributed 37 percent, with the balance of 2,367 Million Baht from townhouse projects contributed 8 percent.

Revenue from single-detached house projects in 2013 amounted to 10,166 Million Baht, an 8 percent increase from that of the year 2012. The brand “Setthasiri” and “Habitia” were the main contributors to revenue from single-detached house projects in 2013, representing 24 percent of total revenue from project sales. The eight single-detached house projects under “Setthasiri” altogether contributed 4,276 Million Baht whereas the nine single-detached house projects under “Habitia” altogether contributed 2,500 Million Baht. In this regard, Setthasiri Chaengwattana-Prachachuen was the biggest contributor to revenue from single-detached house projects in 2013 amounted to 1,284 Million Baht.

In 2013, revenue from townhouse projects amounted to 2,367 Million Baht, decreased by 49 percent from the previous year. The main contributors were the 848-Million Baht revenue from eight townhouse projects under the brand “Town Avenue” together with the 694-Million Baht revenue from four townhouse projects under the brand “Habitown”. The biggest contributors to revenue from townhouse projects in 2013 were Habitown Fold Tiwanon-Chaengwattana and Town Avenue 60's Vibhavadi 60. Nonetheless, the proportion of revenue from townhouse projects has been declining in respect of the investment plan with decreasing portion of townhouse projects to 5 to 10 percent of total portfolio value.

In this regard, revenue from condominium projects increased from 14,804 Million Baht in 2012 to 15,157 Million Baht in 2013 with an increasing proportion of revenue from condominium projects from 51 percent of the total revenue from project sales in 2012 to 55 percent of the total revenue from project sales in 2013 correspondingly. An increase in revenue was driven by the transfer of ownership of the

12 newly completed condominium projects together with the 11 condominium projects that were completed and started transfer since the fourth quarter of last year. The major contributor was revenue from six condominium projects, including ONYX Phaholyothin, The BASE Chaengwattana, The BASE Sukhumvit 77, WYNE Sukhumvit, CEIL by Sansiri, and Baan Sankraam, altogether contributed 8,058 Million Baht or 29 percent to the total revenue from project sales.

Revenue from Property Services

Revenue from projects for rent decreased from 157 Million Baht in 2012 to 126 Million Baht due to the expiry of the rental contract of Bhakdi Building in July 2013. Revenue from business management was 500 Million Baht, a 6 percent increase from 473 Million Baht in 2012; mainly due to the larger customer base of asset management and property management which were managed by Plus Property Company Limited. Similarly, revenue from other services including revenue from medical spa business, hotel business, and education business, was 246 Million Baht, a 4 percent growth from 236 Million Baht in the previous year, due to a 29 percent increase in revenue from education business from that of the year 2012. A significant growth in revenue from education business was driven by an increase in number of new students as well as an increase in tuition fees, 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 2013, cost of project sales amounted to 18,565 Million Baht, a 4 percent decrease from that of the year 2012, in accordance with a decrease in revenue from project sales. Gross profit margin of project sales slightly dropped from 33.4 percent in 2012 to 33.0 percent in 2013 due to the higher construction cost incurred to manage on-time construction under the labour shortage situation. Cost of projects for rent in 2013 amounted to 71 Million Baht, close to that of the year 2012. Nevertheless, cost of business management grew up from 298 Million Baht in 2012 to 339 Million Baht in 2013, 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 was caused by the government's minimum wage for graduate students and English language school outsourcing. To improve the quality of English classes, the primary school outsources the English courses to British Council, the educational institution with expertise in teaching English language.

Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 2013 at 23.5 percent of total revenue, increased from 20.1 percent from that of the year 2012. Selling expenses in 2013 were at 3,956 Million Baht or 13.6 percent of total revenue, compared to 10.9 percent of total revenue or 3,289 Million Baht in 2012 due to the marketing expenses associated to the launches of 48 new projects, as well as the higher marketing expenses incurred from expansion to upcountry markets in order to create brand awareness among customers. These expenses were recorded in 2013 whereas revenue from project sales will be recognised in the future; hence, there were a discrepancy between the selling expenses and revenue realisation. In this regard, percentage of selling expense to total revenue was quite high. Nonetheless, the higher marketing expenses investing by Sansiri were justified by the high presales of approximately 42,200 Million Baht in 2013. The administrative expenses (including management benefit expenses) in 2013 increased from that of the year 2012 in accordance with business expansion, or increased by

107 Million Baht to 2,852 Million Baht. The decrease in revenue base resulted in an increasing percentage of administrative expense to total revenue from 9.1 percent in 2012 to 9.8 percent in 2013 as well.

Financial Expense

In 2013, financial expense increased significantly from 328 Million Baht in 2012 to 616 Million Baht due to the interest expenses incurred by the undeveloped land plots, which were acquired in 2013 and still in the design and marketing process. In addition, the interest expense of complete condominium projects that were ready for transfer of ownership was included in the financial expenses as well.

Net Profit

For the year 2013, Sansiri and its subsidiaries reported net profit of 1,930 Million Baht, a 34 percent decrease from 2,938 Million Baht in 2012, with the net profit margin of 6.7 percent of total revenue, whereas operating profit margin was at 8.8 percent of total revenue. The main factor was the decrease in total revenue and the increase in operating expense which increased by 13 percent. An effective corporate income tax in 2013 was at 16.6 percent of earnings before corporate income tax.

Assets

Total assets of Sansiri and its subsidiaries as of 31 December 2013 amounted to 60,040 Million Baht, an increase of 13,545 Million Baht from that of 31 December 2012. Following the successful business expansion and construction progress of housing units to be transferred to customers in the future, the property development for sale increased significantly by 11,355 Million Baht, with 6,595 Million Baht increase in single-detached house and townhouse projects and 4,760 Million Baht increase in condominium projects. The advance payment to contractors increased by 1,796 Million Baht accordingly. As a result, current assets as of 31 December 2013 was at 52,957 Million Baht, increased by 11,884 Million Baht from that of 31 December 2012. Total non-current assets as of 31 December 2013 was at 7,083 Million Baht, increased by 1,661 Million Baht from that of 31 December 2012 due to an increase in land held for development and land, building and equipment.

Liabilities

Total liabilities of Sansiri Group amounted to 42,972 Million Baht as of 31 December 2013, an increase of 11,702 Million Baht over the same period of last year. Total current liabilities amounted to 19,388 Million Baht or increased by 1,215 Million Baht while total non-current liabilities increased by 10,487 Million Baht to 23,584 Million Baht. Sansiri issued four tranches of 5-year to 5.5-year unsecured debentures with debenture holders' representative in January, May, August, and October 2013, with total issuance of 7,000 Million Baht. The four tranches of debentures carry an average coupon rate of 4.95 to 5.20 percent per annum in order to accommodate business expansion while mitigate risk of higher interest rate in the future. Furthermore, unearned income increased by 974 Million Baht corresponding to an increase in sales value.

In this regard, the interest-bearing debt increased from 24,005 Million Baht as of 31 December 2012 to 34,669 Million Baht as of 31 December 2013. The debt-to-equity ratio was 2.52 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 2.03 times. Nevertheless, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

Shareholders’ Equity

Shareholders' Equity as of 31 December 2013 amounted to 17,068 Million Baht, an increase of 1,843 Million Baht from the previous year, mainly driven by the 2013 net profit of 1,930 Million Baht, together with payment received from the exercise of ESOP#5 and ESOP#6 allocating to directors and employees of Sansiri and its subsidiaries, and of SIRI-W1 amounted to 1,352 Million Baht. In addition, Sansiri paid out cash dividend of 1,425 Million Baht based on the 2012 financial result.

Cashflow

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

Unit: Million Baht

	31 December 2013	31 December 2012	31 December 2011
Net cash provided by (used in) operating activities	(9,589)	(2,733)	(2,992)
Net cash provided by (used in) investing activities	(815)	(622)	(402)
Net cash provided by (used in) financing activities	9,093	3,899	2,908
Cash and cash equivalents at end of the year	2,120	3,408	2,863

For the year 2013, beginning cash balance was 3,408 Million Baht with net cash used in operating activities and investing activities of 9,589 Million Baht and 815 Million Baht respectively, and net cash provided by financing activities of 9,093 Million Baht, resulting in the ending cash balance of 2,120 Million Baht. In 2013, profit from operating activities before changes in operating assets and liabilities was at 21,759 Million Baht, together with the advances received from customers and unearned income amounted to 981 Million Baht. In this regard, cash outflow as development costs for property development for sale amounted to 29,650 Million Baht. For investing activities, cash outflow for the purchase of land, building and equipment amounted to 829 Million Baht. For financing activities, cash inflow from bills of exchange issuance, debenture issuance and loans drawdown from bank amounted to 19,730 Million Baht while cash outflow for loan repayment including interest payment to financial institutions and debenture repayment to debenture holders were 10,561 Million Baht. In 2013, cash outflow for dividend payment was 1,425 Million Baht.

Sources of Funds

In 2013, 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 12,824 Million Baht as of 31 December 2012 to 15,685 Million Baht as of 31 December 2013 whereas proceeds from unsecured debenture issuance in 2013 amounted to 12,951 Million Baht. Funds were used 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 2.26 times as of 31 December 2012 to 2.73 times as of 31 December 2013. An increase in advance payment to contractors as well as an increase in property development for sale which increase from 34,267 Million Baht as of 31 December 2012 to 45,621 Million Baht as of 31 December 2013 resulted in a 29 percent increase in total current assets. Total current liabilities grew by 7 percent compared to as of 31 December 2012, due to an increase in short-term loans from banks and unearned income amounting to 1,722 Million Baht and 974 Million Baht respectively.

Return on Equity

As of 31 December 2013, return on equity was 11.95 percent, declined from 21.71 percent as of 31 December 2012. A decrease in return on equity was mainly due to a decrease in net profit margin from 9.77 percent in 2012 to 6.66 percent in 2013 in accordance with a decrease in return on assets from 7.06 percent in 2012 to 3.62 percent in 2013. In this regard, an increase in property development for sale with several housing units still under construction and will be transferred to customers in the future, resulted in the low return on assets. Furthermore, the debt-to-equity ratio increased from 2.05 times in 2012 to 2.52 times in 2013 as well.

Summary of Factors Affecting the Future Operations

The external factors which will affect Sansiri's performance include higher construction cost, more severe labour shortage situation as well as political uncertainty affecting consumers' confidence and declining purchasing power due to the economic slowdown. Consequently, Sansiri may not achieve the target as forecasted or the performance may change significantly from the previous year. However, Sansiri realises the effect of these external factors and attempt to adapt the business strategies to cope with the changing situation consistently.

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 2013, and the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of 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.

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 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

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



Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
(Formerly known as Ernst & Young Office Limited)
Bangkok: 27 February 2014

Sansiri Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	2,119,572,986	3,408,456,949	2,863,358,197	975,336,866	2,413,316,949	1,707,871,908
Current investments		36,144,303	51,082,791	104,898,606	-	1,861,607	101,946,782
Trade accounts receivable	10	44,524,815	41,192,676	47,547,987	415,587,644	127,369,855	7,680,720
Prepaid expenses		69,340,740	64,738,385	26,058,446	49,680,865	75,802,595	40,318,132
Current portion of loans to related parties	7.3	-	-	-	5,080,412,581	2,171,049,617	2,050,000,000
Property development for sale	11	45,621,390,263	34,266,530,436	25,616,043,872	24,246,394,199	21,538,428,472	19,521,447,462
Advance payment to contractors		3,414,015,719	1,618,085,282	1,435,265,238	1,342,634,921	641,833,901	911,587,907
Deposits for land and purchase of assets		1,358,218,438	1,410,135,933	2,076,016,344	859,061,100	805,891,093	1,761,805,014
Other current assets	7.3	294,037,270	213,196,709	124,137,262	440,257,329	659,391,138	88,462,487
Total current assets		<u>52,957,244,534</u>	<u>41,073,419,161</u>	<u>32,293,325,952</u>	<u>33,409,365,505</u>	<u>28,434,945,227</u>	<u>26,191,120,412</u>
Non-current assets							
Restricted bank deposits	9	6,660,030	8,929,688	50,643,138	-	773,258	6,773,258
Loans to related parties - net of current portion	7.3	-	-	-	9,898,919,741	6,451,974,319	2,279,597,190
Investments in subsidiaries	12	-	-	-	907,526,709	907,526,709	960,076,709
Other investments		330,400	330,400	330,400	330,400	330,400	330,400
Investment properties	13	597,159,672	636,340,344	676,666,635	8,726,698	-	-
Land held for development	14	2,425,490,085	1,375,075,023	700,982,440	1,953,814,564	1,056,035,000	382,035,201
Land, building and equipment	15	2,699,542,962	2,356,102,262	1,880,794,277	1,197,116,401	1,137,205,151	826,134,270
Deferred tax asset	31	621,257,743	388,626,469	468,673,105	169,688,251	179,622,465	238,580,854
Goodwill	16	141,253,448	141,253,448	141,253,448	-	-	-
Other intangible assets	17	91,983,979	53,884,636	39,270,884	77,834,055	46,949,974	31,208,995
Leasehold rights	18	368,565,156	354,038,442	384,709,701	41,196,023	-	-
Other non-current assets		130,401,357	106,914,743	69,702,272	89,845,280	109,742,018	122,611,345
Total non-current assets		<u>7,082,644,832</u>	<u>5,421,495,455</u>	<u>4,413,026,300</u>	<u>14,344,998,122</u>	<u>9,890,159,294</u>	<u>4,847,348,222</u>
Total assets		<u>60,039,889,366</u>	<u>46,494,914,616</u>	<u>36,706,352,252</u>	<u>47,754,363,627</u>	<u>38,325,104,521</u>	<u>31,038,468,634</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 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from banks	19	3,550,000,000	1,828,000,000	1,246,600,000	3,550,000,000	1,828,000,000	1,246,600,000
Bills of exchange	19	2,483,284,900	2,383,743,765	596,428,571	2,483,284,900	2,383,743,765	596,428,571
Trade accounts payable	20	2,250,620,938	1,800,048,403	974,677,444	1,225,659,188	1,103,249,705	738,399,868
Current portion of long-term loans	22	5,820,287,286	6,376,359,269	6,448,177,184	3,133,365,571	4,068,579,500	5,353,464,770
Short-term promissory notes - purchase of land	21	-	-	787,600,000	-	-	787,600,000
Unsecured debentures - due within one year	25	-	998,356,325	998,486,770	-	998,356,325	998,486,770
Corporate income tax payable		184,412,224	445,584,512	381,389,671	54,740,315	326,216,306	178,179,715
Short-term provisions	24	98,314,109	104,834,345	84,322,080	63,296,872	76,674,933	41,781,836
Unearned income	11.5	3,001,588,011	2,027,787,956	1,962,800,983	1,212,793,919	1,428,129,633	1,711,533,218
Other current liabilities							
Rental fees received in advance		71,460,348	63,989,349	68,590,026	104,459	204,425	1,142,080
Construction retention		577,959,072	371,310,412	290,258,667	276,613,247	225,286,299	203,923,919
Accrued expenses		589,020,031	853,855,159	538,464,059	470,476,016	669,939,590	425,021,315
Accrued construction costs		463,476,441	672,622,354	383,604,214	236,334,397	550,854,367	184,673,654
Others		297,903,976	246,553,320	106,892,185	159,813,137	160,766,528	54,583,626
Total current liabilities		<u>19,388,327,336</u>	<u>18,173,045,169</u>	<u>14,868,291,854</u>	<u>12,866,482,021</u>	<u>13,820,001,376</u>	<u>12,521,819,342</u>
Non-current liabilities							
Deferred leasehold revenue		513,005,419	558,098,759	599,996,242	-	-	-
Long term loans - net of current portion	22	9,864,728,545	6,447,684,515	4,302,053,971	5,285,032,719	3,759,680,549	2,688,845,932
Unsecured debentures	25	12,950,877,311	5,971,268,644	4,971,831,694	12,950,877,311	5,971,268,644	4,971,831,694
Provision for long-term employee benefits	23	69,716,918	27,411,391	24,956,955	46,401,056	18,772,100	16,783,752
Long-term provisions	24	159,982,865	51,523,598	53,037,020	99,342,577	32,464,599	28,629,701
Other non-current liabilities		25,650,160	41,308,781	39,784,095	13,594,829	17,753,341	15,204,416
Total non-current liabilities		<u>23,583,961,218</u>	<u>13,097,295,688</u>	<u>9,991,659,977</u>	<u>18,395,248,492</u>	<u>9,799,939,233</u>	<u>7,721,295,495</u>
Total liabilities		<u>42,972,288,554</u>	<u>31,270,340,857</u>	<u>24,859,951,831</u>	<u>31,261,730,513</u>	<u>23,619,940,609</u>	<u>20,243,114,837</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 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Shareholders' equity							
Share capital	26						
Registered							
10,879,971,108 ordinary shares of Baht 1.07 each (31 December 2012: 10,879,971,108 ordinary shares of Baht 1.07 each) (1 January 2012: 10,879,990,328 ordinary shares of Baht 1.07 each)		11,641,569,086	11,641,569,086	11,641,589,651	11,641,569,086	11,641,569,086	11,641,589,651
Issued and paid-up							
9,533,536,605 ordinary shares of Baht 1.07 each (31 December 2012: 7,882,483,899 ordinary shares of Baht 1.07 each) (1 January 2012: 7,053,228,452 ordinary shares of Baht 1.07 each)		10,200,884,167	8,434,257,772	7,546,954,444	10,200,884,167	8,434,257,772	7,546,954,444
Share premium	26	656,624,039	584,193,500	550,246,830	656,624,039	584,193,500	550,246,830
Calls in arrears	26	32,292,944	518,928,656	-	32,292,944	518,928,656	-
Retained earnings							
Appropriated - statutory reserve	27	774,006,508	677,552,838	501,074,022	774,006,508	677,552,838	501,074,022
Unappropriated		5,399,190,659	5,026,843,896	3,265,827,213	4,828,825,456	4,490,231,146	2,197,078,501
Other components of shareholders' equity		4,414,887	(17,983,478)	(18,180,227)	-	-	-
Equity attributable to owners of the Company		17,067,413,204	15,223,793,184	11,845,922,282	16,492,633,114	14,705,163,912	10,795,353,797
Non-controlling interest of subsidiaries		187,608	780,575	478,139	-	-	-
Total shareholders' equity		<u>17,067,600,812</u>	<u>15,224,573,759</u>	<u>11,846,400,421</u>	<u>16,492,633,114</u>	<u>14,705,163,912</u>	<u>10,795,353,797</u>
Total liabilities and shareholders' equity		<u>60,039,889,366</u>	<u>46,494,914,616</u>	<u>36,706,352,252</u>	<u>47,754,363,627</u>	<u>38,325,104,521</u>	<u>31,038,468,634</u>

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Revenues from project sales		27,724,008,600	28,954,243,137	17,241,245,035	21,134,547,252
Revenues from sales of construction materials		-	-	430,683,964	126,941,186
Revenues from projects for rent		126,164,268	156,948,683	1,319,273	-
Revenues from business management		500,150,735	473,193,593	39,547,571	44,820,558
Revenues from other services	29	246,488,740	236,415,735	14,282,699	19,194,792
Other revenues					
Interest income		20,704,664	31,530,441	441,747,806	667,119,112
Dividend income		19,824	-	609,379,824	906,240,000
Others		369,146,598	234,449,514	226,114,196	170,480,448
Total revenues		<u>28,986,683,429</u>	<u>30,086,781,103</u>	<u>19,004,320,368</u>	<u>23,069,343,348</u>
Expenses					
Cost of project sales		18,564,835,259	19,288,500,678	11,767,638,206	14,262,205,200
Cost of construction materials sales		-	-	319,425,304	193,651,107
Cost of projects for rent		70,870,595	70,908,335	1,184,492	-
Cost of business management		339,266,266	297,584,119	18,586,259	12,412,660
Cost of other services	29	292,582,791	245,845,550	21,303,236	20,145,749
Selling expenses		3,956,073,309	3,288,800,252	2,265,466,272	2,412,652,642
Administrative expenses		2,851,577,834	2,744,521,516	1,878,686,149	1,862,543,781
Other expenses					
Reversal of loss on diminution in value of property development for sale, investment properties and land held for development	11.4	(17,654,384)	(70,264,905)	-	(50,000,000)
Loss on impairment of investments and loans to subsidiaries (reversal)	7.3	-	-	-	(6,245,005)
Total expenses		<u>26,057,551,670</u>	<u>25,865,895,545</u>	<u>16,272,289,918</u>	<u>18,707,366,134</u>
Profit before finance cost and income tax expenses		<u>2,929,131,759</u>	<u>4,220,885,558</u>	<u>2,732,030,450</u>	<u>4,361,977,214</u>
Finance cost		(616,114,985)	(327,764,574)	(514,929,968)	(238,523,301)
Profit before income tax expenses		<u>2,313,016,774</u>	<u>3,893,120,984</u>	<u>2,217,100,482</u>	<u>4,123,453,913</u>
Income tax expenses	31	(383,943,366)	(954,336,583)	(333,266,782)	(652,835,986)
Profit for the year		<u>1,929,073,408</u>	<u>2,938,784,401</u>	<u>1,883,833,700</u>	<u>3,470,617,927</u>

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		22,398,365	196,749	-	-
Actuarial losses		(44,616,786)	-	(29,516,509)	-
Income tax effect		8,923,357	-	5,903,302	-
Other comprehensive income for the year		(13,295,064)	196,749	(23,613,207)	-
Total comprehensive income for the year		<u>1,915,778,344</u>	<u>2,938,981,150</u>	<u>1,860,220,493</u>	<u>3,470,617,927</u>
Profit attributable to:					
Equity holders of the Company		1,929,666,375	2,938,481,965	<u>1,883,833,700</u>	<u>3,470,617,927</u>
Non-controlling interest of the subsidiaries		<u>(592,967)</u>	<u>302,436</u>		
		<u>1,929,073,408</u>	<u>2,938,784,401</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,916,371,311	2,938,678,714	<u>1,860,220,493</u>	<u>3,470,617,927</u>
Non-controlling interest of the subsidiaries		<u>(592,967)</u>	<u>302,436</u>		
		<u>1,915,778,344</u>	<u>2,938,981,150</u>		
Earnings per share	28.2				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.21</u>	<u>0.40</u>	<u>0.20</u>	<u>0.47</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.19</u>	<u>0.32</u>	<u>0.18</u>	<u>0.38</u>

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 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before tax	2,313,016,774	3,893,120,984	2,217,100,482	4,123,453,913
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	18,564,835,259	19,288,500,678	11,767,638,206	14,262,205,200
Depreciation of investment properties	20,436,397	21,843,646	389,954	-
Depreciation of land, building and equipment	219,158,016	260,352,685	136,195,911	104,867,474
Amortisation of intangible assets	14,008,299	11,417,480	7,853,438	4,604,089
Amortisation of leasehold rights	27,463,825	30,671,259	794,517	-
Gain on sales of investment properties	-	(4,137,836)	-	-
(Gain) loss on sales of equipment	(8,656,500)	7,846,848	128,904	(100,445)
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)
Reversal of allowance for doubtful accounts	1,722,587	(374,312)	399,738	(64,161)
Leasehold revenue amortisation	(44,623,768)	(41,897,483)	-	-
Unrealised gain on exchanges	-	-	(25,308,095)	(2,598,961)
Reversal of loss on diminution in value of property development for sale, investment properties and land held for development	(17,654,384)	(70,264,905)	-	(50,000,000)
Unrealised loss on change in value of investments	-	12,290	-	12,290
Homecare warranty and housing estate juristic persons expenses	70,800,358	128,811,881	44,775,994	96,220,943
Reversal of provision for law suits	(556,500)	(773,258)	-	-
Long-term employee benefits expenses	3,528,131	3,382,470	2,063,446	2,005,549
Dividend income	(19,824)	-	(609,379,824)	(906,240,000)
Interest income	(20,704,664)	(31,530,441)	(441,747,806)	(667,119,112)
Interest expense	<u>616,114,985</u>	<u>327,764,574</u>	<u>514,929,968</u>	<u>238,523,301</u>
Profit from operating activities before changes in operating assets and liabilities	21,758,868,991	23,824,797,281	13,615,834,833	17,199,495,075
(Increase) decrease in operating assets				
Trade accounts receivable	(5,524,298)	6,729,623	(288,617,527)	(119,624,974)
Property development for sale	(29,649,878,807)	(27,653,677,319)	(14,494,314,507)	(16,072,912,543)
Deposits for land	51,917,495	665,880,411	(53,170,007)	955,913,921
Other current assets	(1,572,595,875)	(299,488,226)	(265,142,681)	212,291,669
Other non-current assets	(65,477,153)	(36,113,400)	(22,093,802)	12,869,327
Increase (decrease) in operating liabilities				
Trade accounts payable	450,572,535	833,224,957	122,409,483	371,565,615
Advances received from customers and unearned income	981,271,054	60,386,296	(215,435,680)	(284,341,240)
Other current liabilities	(325,747,490)	726,338,319	(555,747,591)	680,294,997
Other liabilities	<u>(34,860,622)</u>	<u>(40,338,162)</u>	<u>(19,660,518)</u>	<u>(14,449,357)</u>
Cash flows from (used in) operating activities	(8,411,454,170)	(1,912,260,220)	(2,175,937,997)	2,941,102,490
Cash paid for corporate income tax	<u>(1,177,601,049)</u>	<u>(821,158,073)</u>	<u>(775,765,446)</u>	<u>(445,841,006)</u>
Net cash from (used in) operating activities	<u>(9,589,055,219)</u>	<u>(2,733,418,293)</u>	<u>(2,951,703,443)</u>	<u>2,495,261,484</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 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease in current investments	14,938,488	53,803,525	1,861,607	100,072,885
(Increase) decrease in restricted bank deposits	2,269,658	41,713,450	773,258	6,000,000
Cash received from return of capital of a subsidiary	-	-	-	51,900,000
Increase in loans to related parties	-	-	(6,334,542,901)	(4,284,608,101)
Payment on purchase of investment properties	(81,434)	(10,932,861)	-	-
Payment on purchase of land, building and equipment	(829,112,156)	(772,622,088)	(330,658,342)	(416,058,416)
Payment on purchase of intangible assets	(49,593,005)	(26,099,261)	(38,737,519)	(20,345,069)
Proceeds from sales of investment properties	-	33,553,342	-	-
Proceeds from sales of equipment	26,075,043	28,005,257	28,037	220,506
Net cash received (paid) from sale of investment in subsidiary	-	(782,816)	-	680,000
Interest income	20,704,664	31,530,441	441,747,806	118,193,656
Dividend income	19,824	-	609,379,824	906,240,000
Net cash from (used in) investing activities	(814,778,918)	(621,831,011)	(5,650,148,230)	(3,537,704,539)
Cash flows from financing activities				
Increase in short-term loans from banks	1,722,000,000	581,400,000	1,722,000,000	581,400,000
Decrease in promissory notes - purchase of land	-	(787,600,000)	-	(787,600,000)
Increase in bills of exchange	99,541,135	1,787,315,194	99,541,135	1,787,315,194
Increase in long-term loans	10,941,190,001	12,787,671,718	4,983,360,000	8,312,893,117
Repayment of long-term loans	(8,080,217,954)	(10,715,445,251)	(4,393,221,759)	(8,526,943,770)
Proceeds from debentures issuance	6,966,830,000	1,989,300,000	6,966,830,000	1,989,300,000
Repayment of debentures	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)
Payment of interest expenses	(1,480,706,216)	(1,180,566,586)	(1,138,552,629)	(1,044,966,515)
Dividend paid	(1,425,172,512)	(1,000,986,466)	(1,425,172,512)	(1,000,986,466)
Payment of finance lease payables	(3,333,867)	(2,702,118)	(3,333,867)	(2,702,118)
Proceeds from capital increase	1,352,421,222	1,440,178,654	1,352,421,222	1,440,178,654
Net cash from financing activities	9,092,551,809	3,898,565,145	7,163,871,590	1,747,888,096
Translation adjustment	22,398,365	1,782,911	-	-
Net increase (decrease) in cash and cash equivalents	(1,288,883,963)	545,098,752	(1,437,980,083)	705,445,041
Cash and cash equivalents at beginning of the year	3,408,456,949	2,863,358,197	2,413,316,949	1,707,871,908
Cash and cash equivalents at end of the year	<u>2,119,572,986</u>	<u>3,408,456,949</u>	<u>975,336,866</u>	<u>2,413,316,949</u>
Supplementary cash flows information				
Non-cash item:				
Interest recorded as cost of projects	915,349,112	877,260,782	675,362,418	826,581,254

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 2013

(Unit: Baht)

Consolidated financial statements									
Equity attributable to the parent's shareholders									
Note	Issued and paid-up share capital	Share premium	Calls in arrears	Retained earnings		Other components of equity - Other comprehensive income	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated				
Balance as at 31 December 2011 - as previously reported	7546,954,444	550,246,830	-	501,074,022	2,797,154,108	(18,180,227)	11,377,249,177	478,139	11,377,727,316
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	468,673,105	-	468,673,105	-	468,673,105
Balance as at 31 December 2011 - as restated	7546,954,444	550,246,830	-	501,074,022	3,265,827,213	(18,180,227)	11,845,922,282	478,139	11,846,400,421
26 Increase capital	887,303,328	33,946,670	518,928,656	-	-	-	1,440,178,654	-	1,440,178,654
34 Dividend paid	-	-	-	-	(1,000,986,466)	-	(1,000,986,466)	-	(1,000,986,466)
Total comprehensive income for the year - as restated	-	-	-	-	2938,481,965	196,749	2,938,678,714	302,436	2,938,981,150
Statutory reserve	-	-	-	176,478,816	(176,478,816)	-	-	-	-
Balance as at 31 December 2012 - as restated	8,434,257,772	584,193,500	518,928,656	677,552,838	5,026,843,896	(179,833,478)	15,223,793,184	780,575	15,224,573,759
Balance as at 31 December 2012 - as previously reported	8,434,257,772	584,193,500	518,928,656	677,552,838	4,638,217,427	(179,833,478)	14,835,166,715	780,575	14,835,947,290
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	388,626,469	-	388,626,469	-	388,626,469
Balance as at 31 December 2012 - as restated	8,434,257,772	584,193,500	518,928,656	677,552,838	5,026,843,896	(179,833,478)	15,223,793,184	780,575	15,224,573,759
26 Increase capital	1,766,626,395	72,430,539	(486,635,712)	-	-	-	1,352,421,222	-	1,352,421,222
34 Dividend paid	-	-	-	-	(1,425,172,513)	-	(1,425,172,513)	-	(1,425,172,513)
Total comprehensive income for the year	-	-	-	-	1,893,972,946	22,398,365	1,916,371,311	(592,967)	1,915,778,344
Statutory reserve	-	-	-	96,453,670	(96,453,670)	-	-	-	-
Balance as at 31 December 2013	10,200,884,167	656,624,039	32,292,944	774,006,508	5,399,190,659	4,414,887	17,067,413,204	187,608	17,067,600,812

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

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium	Calls in arrears	Retained earnings		Total shareholders' equity
					Appropriated	Unappropriated	
Balance as at 31 December 2011 - as previously reported		7,546,954,444	550,246,830	-	501,074,022	1,958,497,647	10,556,772,943
Cumulative effect of change in accounting policy for deferred tax (Note 4)		-	-	-	-	238,580,854	238,580,854
Balance as at 31 December 2011 - as restated		7,546,954,444	550,246,830	-	501,074,022	2,197,078,501	10,795,353,797
Increase capital	26	887,303,328	33,946,670	518,928,656	-	-	1,440,178,654
Dividend paid	34	-	-	-	-	(1,000,986,466)	(1,000,986,466)
Total comprehensive income for the year - as restated		-	-	-	-	3,470,617,927	3,470,617,927
Statutory reserve		-	-	-	176,478,816	(176,478,816)	-
Balance as at 31 December 2012 - as restated		8,434,257,772	584,193,500	518,928,656	677,552,838	4,490,231,146	14,705,163,912
Balance as at 31 December 2012 - as previously reported		8,434,257,772	584,193,500	518,928,656	677,552,838	4,310,608,681	14,525,541,447
Cumulative effect of change in accounting policy for deferred tax (Note 4)		-	-	-	-	179,622,465	179,622,465
Balance as at 31 December 2012 - as restated	26	8,434,257,772	584,193,500	518,928,656	677,552,838	4,490,231,146	14,705,163,912
Increase capital	34	1,766,626,395	72,430,539	(486,635,712)	-	-	1,352,421,222
Dividend paid		-	-	-	-	(1,425,172,513)	(1,425,172,513)
Total comprehensive income for the year		-	-	-	-	1,860,220,493	1,860,220,493
Statutory reserve		-	-	-	96,453,670	(96,453,670)	-
Balance as at 31 December 2013		10,200,884,167	656,624,039	32,292,944	774,006,508	4,828,825,456	16,492,633,114

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 14 January 2014, the latest closing date of the shares register book, are as following:

	Percentage of shareholding (based on paid-up capital)
1. The Viriyah Insurance Co., Ltd.	6.58
2. Thai NVDR Co., Ltd.	5.24
3. Finansa Life Assurance Co., Ltd.	2.60
4. Chase Nominees Limited 47	2.32
5. Mr. Wanchak Buranasiri	2.27

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 Thai Financial Reporting Standards 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	
			2013	2012
			Percent	Percent
Directly owned				
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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
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.	Property development and holder of Satit Pattana School's license	Thailand	100	100
Satit Pattana Personnel Center Ltd.	Provision of administrative services to Satit Pattana School	Thailand	100	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

- 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.
- The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 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.
- Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New accounting standards

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

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

Accounting standards:	
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
Financial Reporting Standard:	
TFRS 8	Operating Segments
Accounting Standard Interpretations:	
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers of Financial Assets	

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

TAS 12 Income Taxes

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

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

	Effective date
Accounting Standards:	
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases

		Effective date
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

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

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

(Unit: Thousand Baht)

	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in deferred tax assets	621,258	169,688	388,626	179,622	468,673	238,581
Decrease in unappropriated retained earnings	621,258	169,688	388,626	179,622	468,673	238,581

(Unit: Thousand Baht)

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax expenses	(223,708)	15,838	80,047	58,958
Increase (decrease) in profit attributable to equity holders of the Company	223,708	(15,838)	(80,047)	(58,958)
Increase (decrease) in basic earnings per share (Baht)	0.02	(0.01)	-	(0.01)
Increase (decrease) in diluted earnings per share (Baht)	0.02	(0.01)	-	(0.01)

5. Significant accounting policies

5.1 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 risks and 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 value 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for 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.

5.8 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	5 - 40 years
Buildings decoration	5 - 8 years
Fixtures and equipment	2 - 20 years
Motor vehicles	5 years
Temporary sales office	1 - 5 years

Depreciation of equipment (machinery operating in precast factory) is calculated by reference to their costs on a unit-of-production basis.

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.

5.9 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.

5.10 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:

	Useful lives
Computer software	3 - 10 years
Franchise fee	5 years

The amortisation is included in determining income.

5.11 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.

5.12 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.

5.13 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.

5.14 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.

5.15 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.16 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.

5.17 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.

5.18 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.

5.19 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

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.

6. 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.

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.

7. Related party transactions

7.1 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
	2013	2012	2013	2012	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of precast concrete	-	-	430,684	126,941	Cost plus certain margin of 5%
Revenues from business management and project management	-	-	8,578	17,453	Based on agreement (1)
Interest income	-	-	429,490	649,120	Close to fixed deposits interest rate
Commission income	-	-	29,690	22,432	Based on agreement (3)
Project management fee and other expenses	-	-	31,018	30,604	Based on agreement (2)
Commission expenses	-	-	101,804	129,878	Based on agreement (3)
Purchase of land	-	-	-	10,784	Cost plus certain margin
Transactions with related persons					
Revenues from project sales	12,334	47,717	9,200	33,902	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.

7.2 Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2013	2012
Short-term employee benefits	289,255	438,123
Post-employment benefits	1,297	1,257
Total	290,552	439,380

7.3 The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related companies are as follows: -

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Accounts receivable				
Subsidiaries				
Chanachai Ltd.	-	-	2,804	948
Plus Property Co., Ltd.	-	-	483	3,781
Plus Property Space Co., Ltd.	-	-	25	-
Piwattana Ltd.	-	-	12,437	31,188
Sansiri Land Ltd.	-	-	50	912
Papanan Ltd.	-	-	51,112	14,623
Anawat Ltd.	-	-	346,226	75,296
NED Management Co., Ltd.	-	-	295	-
S.U.N. Management Co., Ltd.	-	-	15	-
Total	-	-	413,447	126,748
Prepaid rental expenses				
Subsidiary				
Papanan Ltd.	-	-	65,225	88,943
Satit Pattana School	-	-	62	-
Total	-	-	65,287	88,943
Loans to related parties				
Subsidiaries				
Arnawat Ltd.	-	-	5,648,794	3,506,529
Piwattana Ltd.	-	-	1,813,836	481,872
Red Lotus Properties Ltd.	-	-	2,081,689	1,272,967
Pacific Challenge Holding Co., Ltd.	-	-	-	5,000
Sansiri Global Investment Pte. Ltd.	-	-	239,214	282,174

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Plus Property Space Co., Ltd.	-	-	726,450	209,800
Papanan Ltd.	-	-	1,802,290	2,285,330
NED Management Co., Ltd.	-	-	3,332,760	1,250,652
Sansiri Venture Co., Ltd.	-	-	5,600	-
Related party				
Regency One Co., Ltd. (held by Chanachai Ltd.)	5,000	5,000	-	-
Total	<u>5,000</u>	<u>5,000</u>	<u>15,650,633</u>	<u>9,294,324</u>
Current portion	-	-	5,080,413	2,171,050
Less: Allowance for doubtful accounts	-	-	-	-
Net	<u>-</u>	<u>-</u>	<u>5,080,413</u>	<u>2,171,050</u>
Long-term portion	5,000	5,000	10,570,220	7,123,274
Less: Allowance for doubtful accounts	(5,000)	(5,000)	(671,300)	(671,300)
Net	<u>-</u>	<u>-</u>	<u>9,898,920</u>	<u>6,451,974</u>

During the year 2012, the Company reversed allowance for doubtful accounts of loans to subsidiaries amounting to Baht 6.24 million (2013: Nil).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Interest receivables				
Subsidiaries				
Arnawat Ltd.	-	-	14,895	293,967
Piwattana Ltd.	-	-	25,406	3,270
Red Lotus Properties Ltd.	-	-	94,518	80,008
Pacific Challenge Holding Co., Ltd.	-	-	-	148
Sansiri Global Investment Pte. Ltd.	-	-	40,096	31,729
Plus Property Space Co., Ltd.	-	-	16,013	2,563
Papanan Ltd.	-	-	98,524	105,546
NED Management Co., Ltd.	-	-	102,931	47,263
Sansiri Venture Co., Ltd.	-	-	100	-
Related party				
Regency One Co., Ltd. (held by Chanachai Ltd.)	333	333	-	-
Total	<u>333</u>	<u>333</u>	<u>392,483</u>	<u>564,494</u>
Less: Allowance for doubtful accounts	(333)	(333)	(4,076)	(4,076)
Net	<u>-</u>	<u>-</u>	<u>388,407</u>	<u>560,418</u>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Unearned income				
Related parties				
Related persons	12,791	4,512	8,472	3,126
Total	<u>12,791</u>	<u>4,512</u>	<u>8,472</u>	<u>3,126</u>
Trade accounts payable				
Subsidiaries				
Arnawat Ltd.	-	-	579	-
Plus Property Co., Ltd.	-	-	7,211	46,869
Piwattana Ltd.	-	-	1,954	1,760
Papanan Ltd.	-	-	5,460	456
Sansiri Land Ltd.	-	-	-	8,088
Total	<u>-</u>	<u>-</u>	<u>15,204</u>	<u>57,173</u>
Deposits for building rental and others				
Subsidiary				
Chanachai Ltd.	-	-	-	18
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>

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

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at 1 January 2013	During the year		Balance as at 31 December 2013
		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 2013	During the year		Balance as at 31 December 2013
		Increase	Decrease	
Subsidiaries				
Plus Property Co., Ltd.	-	350.50	(350.50)	-
Arnawat Ltd.	3,506.53	4,585.75	(2,443.49)	5,648.79
Piwattana Ltd.	481.87	2,308.61	(976.64)	1,813.84
Red Lotus Properties Ltd.	1,272.97	1,482.27	(673.55)	2,081.69
Pacific Challenge Holding Co., Ltd.	5.00	-	(5.00)	-

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2013	During the year		Balance as at 31 December 2013
		Increase	Decrease	
Sansiri Global Investment Pte. Ltd.	282.17	39.78	(82.74)	239.21
Plus Property Space Co., Ltd.	209.80	530.90	(14.25)	726.45
Papanan Ltd.	2,285.33	1,443.03	(1,926.07)	1,802.29
NED Management Co., Ltd.	1,250.65	2,584.72	(502.61)	3,332.76
Sansiri Venture Co., Ltd.	-	101.60	(96.00)	5.60
Total	<u>9,294.32</u>	<u>13,427.16</u>	<u>(7,070.85)</u>	<u>15,650.63</u>

As at 31 December 2013 and 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.

As at 31 December 2013 and 2012, 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.

7.5 Guarantees to related companies

As at 31 December 2013 and 2012, the Company and its subsidiaries have the following obligations in respect of guarantees provided to banks for loans facilities: -

(Unit: Million Baht)

Guarantor	Guarantee	2013	2012
Sansiri Plc.	Arnawat Ltd.	395	395
	Piwattana Ltd.	-	395
Total		<u>395</u>	<u>790</u>

8. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	4.52	4.05	1.42	2.36
Bank deposits	2,089.93	3,379.41	973.92	2,410.96
Bills of exchange	25.13	25.00	-	-
Total	<u>2,119.58</u>	<u>3,408.46</u>	<u>975.34</u>	<u>2,413.32</u>

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 1.50 - 3.10 percent per annum (2012: between 1.50 - 3.30 percent per annum).

9. Restricted bank deposits

As at 31 December 2013 and 2012, 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.

10. Trade accounts receivable

Trade accounts receivable as at 31 December 2013 and 2012 presented as follows: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	-	-	57.75	80.63
3 - 6 months	-	-	90.92	32.35
6 - 12 months	-	-	216.26	13.77
Over 12 months	-	-	48.52	-
Total trade receivables - related parties	<u>-</u>	<u>-</u>	<u>413.45</u>	<u>126.75</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	16.57	23.23	-	-
Past due				
Up to 3 months	24.11	14.50	2.14	0.62
3 - 6 months	1.42	1.74	0.09	-
6 - 12 months	6.32	3.49	0.24	-
Over 12 months	12.16	14.25	0.42	0.68
Total	<u>60.58</u>	<u>57.21</u>	<u>2.89</u>	<u>1.30</u>
Less: Allowance for doubtful debts	<u>(16.06)</u>	<u>(16.02)</u>	<u>(0.75)</u>	<u>(0.68)</u>
Total trade receivables - unrelated parties, net	<u>44.52</u>	<u>41.19</u>	<u>2.14</u>	<u>0.62</u>
Total trade receivables - net	<u>44.52</u>	<u>41.19</u>	<u>415.59</u>	<u>127.37</u>

11. Property development for sale

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Construction materials	38.82	41.09	36.43	38.69
Land	36,023.98	26,936.89	21,164.91	17,084.50
Construction cost and others	36,922.45	21,779.47	21,351.96	13,901.30
Utility costs	11,229.94	6,452.62	6,434.20	4,121.12
Capitalised financial costs	2,779.03	1,878.95	2,308.37	1,664.96
Total	86,994.22	57,089.02	51,295.87	36,810.57
Less: Accumulated transfer to cost of project	(41,341.08)	(22,807.47)	(27,049.48)	(15,272.14)
Allowance for loss on diminution in value of project	(31.75)	(15.02)	-	-
Balance	45,621.39	34,266.53	24,246.39	21,538.43

11.1 As at 31 December 2013 and 2012, land and construction thereon of projects of the Company and its subsidiaries amounting Baht 33,289.10 million and Baht 26,194.51 million, respectively (Separate financial statements: Baht 18,134.31 million and Baht 17,529.60 million, respectively) were pledged as collateral for loans obtained from banks.

11.2 As at 31 December 2013 and 2012, 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 53,796.32 million and Baht 39,652.92 million, respectively (Separate financial statements: Baht 22,812.75 million and Baht 20,267.77 million, respectively).

11.3 During the year 2013 and 2012, the Company and its subsidiaries included borrowing costs in the cost of property development amounting to Baht 900.08 million and Baht 934.65 million, respectively (Separate financial statements: Baht 643.41 million and Baht 839.88 million, respectively). Capitalisation rates for the years 2013 and 2012 were 4.74% and 4.99%, respectively (Separate financial statements: 4.71% and 4.99%, respectively).

11.4 Reversal of loss on diminution in value of property development for sale and land held for development for the year 2013 and 2012 are as follow.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Property development for sale (Note 11)	16.73	(20.26)	-	-
Land held for development (Note 14)	(34.38)	(50.00)	-	(50.00)
Total	(17.65)	(70.26)	-	(50.00)

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Sales with signed agreements	116,185.38	95,673.84	58,622.07	55,916.88
Total estimated project value	171,624.48	148,404.08	82,185.91	92,392.11
The ratio of sales with signed agreements to total estimated project sales	67.70%	64.47%	71.33%	60.52%
Unearned income	3,001.59	2,027.79	1,212.79	1,428.13

12. Investments in subsidiaries

Investments in subsidiaries as stated in the separate financial statements as at 31 December 2013 and 2012 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	
	2013	2012	2013 Percent	2012 Percent	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries - Directly owned												
Chanachai Ltd.	90.00	90.00	100	100	101.52	101.52	-	-	101.52	101.52	225.36	585.54
Plus Property Co., Ltd.	600.00	600.00	100	100	610.52	610.52	-	-	610.52	610.52	384.00	318.00
Sansiri Venture Co., Ltd.	3.00	3.00	100	100	4.52	4.52	-	-	4.52	4.52	-	270
S.U.N. Management Co., Ltd.	10.00	10.00	100	100	20.08	20.08	-	-	20.08	20.08	-	-
Arnawat Ltd.	2.50	2.50	100	100	2.50	2.50	-	-	2.50	2.50	-	-
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 Propety 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	-	-
NED Management 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					927.53	927.53	(20.00)	(20.00)	907.53	907.53	609.36	906.24

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

13. Investments properties

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

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements
	House for rent	Condominium for rent	Office building for rent	Total	Condominium for rent
As at 31 December 2013					
Cost	119.92	19.53	559.58	699.03	9.12
Less: Accumulated depreciation	(35.84)	(1.26)	(31.88)	(68.98)	(0.39)
Less: Allowance for diminution in value	(32.89)	-	-	(32.89)	-
Net book value	51.19	18.27	527.70	597.16	8.73
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	59.55	39.05	537.74	636.34	-

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	636.34	676.67	-	-
Acquisition of assets	0.08	10.93	-	-
Transfer from property development for sale	9.12	-	9.12	-
Disposals - net book value	(27.94)	(29.42)	-	-
Depreciation charged	(20.44)	(21.84)	(0.39)	-
Net book value at end of year	597.16	636.34	8.73	-

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 2013 and 2012 stated below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements
	2013	2012	2013
House for rent	73.40	77.46	-
Condominium for rent	30.42	53.51	14.71
Office building for rent	1,282.40	647.78	-
Total	1,386.22	778.75	14.71

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 526.24 million (2012: Baht 537.74 million) as collateral against credit facilities received from financial institutions.

14. Land held for development

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land held for development	2,477.98	1,461.95	1,953.81	1,056.04
Less: Allowance for loss on diminution in value of project	(52.49)	(86.87)	-	-
Net	2,425.49	1,375.08	1,953.81	1,056.04

As at 31 December 2013, land held for development of the Company and its subsidiaries amounting Baht 2,040.95 million were pledged as collateral for loans obtained from banks (Separate financial statements: Baht 1,939.54 million) (2012: None).

15. 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 2012	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

(Unit: Million Baht)

	Consolidated financial statements							
	Land	Buildings decoration	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
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
Purchases	62.24	-	79.45	167.56	-	47.40	472.46	829.11
Disposals/Write off	-	(128.06)	(14.64)	(53.76)	-	(36.58)	-	(233.04)
Transfer in/Transfer out	7.85	-	53.92	11.95	0.03	(343.83)	(141.75)	(411.83)
Balance as at 31 December 2013	523.87	-	1,535.85	991.25	43.79	82.14	436.89	3,613.79
Accumulated depreciation								
Balance as at 1 January 2012	-	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)
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
Depreciation for the year	-	1.94	67.64	107.86	5.69	36.02	-	219.15
Disposals/Write off	-	(86.80)	(4.56)	(48.11)	-	(19.53)	-	(159.00)
Transfer in/Transfer out	-	-	(2.94)	(2.05)	0.03	(174.39)	-	(179.35)
Balance as at 31 December 2013	-	-	325.49	462.08	35.32	32.67	-	855.56
Allowance for impairment loss								
Balance as at 1 January 2012 and 31 December 2012 and 2013	1.57	40.00	57.12	-	-	-	-	98.69
Write-off	-	(40.00)	-	-	-	-	-	(40.00)
Balance as at 31 December 2013	1.57	-	57.12	-	-	-	-	58.69
Net book value								
Balance as at 1 January 2012	443.87	776	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
Balance as at 31 December 2013	522.30	-	1,153.24	529.17	8.47	49.47	436.89	2,699.54
Depreciation for the year								
2012 (Baht 75.99 million included in cost of other services, Baht 17.30 million included in manufacturing cost of construction material, other than that included in administrative expenses)								260.36
2013 (Baht 43.61 million included in cost of other services, Baht 36.41 million included in manufacturing cost of construction materials, other than that included in administrative expenses)								219.15

(Unit: Million Baht)

	Separate financial statements						
	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Cost							
Balance as at 1 January 2012	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
Purchases	3.53	77.53	121.90	-	44.67	83.03	330.66
Disposals/Write off	-	-	(0.36)	-	-	-	(0.36)
Transfer in/Transfer out	(1.32)	70.30	13.55	-	(265.38)	(99.03)	(281.88)
Balance as at 31 December 2013	156.74	662.16	742.25	36.73	36.35	6.80	1,641.03

(Unit: Million Baht)

	Separate financial statements						
	Land	Buildings and improvement	Fixtures and equipment	Motor vehicle	Temporary sales office	Construction in progress	Total
Accumulated depreciation							
Balance as at 1 January 2012	-	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
Depreciation for the year	-	27.30	79.42	4.59	24.89	-	136.20
Disposals/Write off	-	-	(0.17)	-	-	-	(0.17)
Transfer in / Transfer out	-	(0.39)	-	-	(147.13)	-	(147.52)
Balance as at 31 December 2013	-	105.56	297.02	30.75	9.16	-	442.49
Allowance for impairment loss							
Balance as at 1 January 2012, 31 December 2012 and 31 December 2013	1.42	-	-	-	-	-	1.42
Net book value							
Balance as at 1 January 2012	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
Balance as at 31 December 2013	155.32	556.60	445.23	5.98	27.19	6.80	1,197.12
Depreciation for the year							
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
2013 (Baht 4.62 million included in cost of other services, Baht 36.41 million included in manufacturing cost of construction materials, other than that included in administrative expenses)							136.20

As at 31 December 2013 and 2012, 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 331.64 million and Baht 265.74 million, respectively (Separate financial statement: Baht 181.84 million and Baht 147.32 million, respectively).

During the year 2013, the Company included borrowings costs in the costs of assets amounting to Baht 0.62 million with capitalisation rate of 5%. (2012: None)

As at 31 December 2013 and 2012, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 5.42 million and Baht 9.81 million, respectively (Separate financial statement: Baht 5.42 million and Baht 9.81 million, respectively).

As at 31 December 2013 and 2012, the Company's land and construction thereon which the net book value amounted Baht 973.71 million and Baht 855.49 million, respectively, were mortgaged to secure loans from banks (Separate financial statements: Baht 732.05 million and Baht 607.97 million, respectively).

16. Goodwill

As at 31 December 2013 and 2012, 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.

17. Intangible assets

The net book value of intangible assets as at 31 December 2013 and 2012 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 2013						
Cost	21.58	195.51	217.09	-	155.86	155.86
Less: Accumulated amortisation	(20.88)	(104.23)	(125.11)	-	(78.03)	(78.03)
Net book value	<u>0.70</u>	<u>91.28</u>	<u>91.98</u>	-	<u>77.83</u>	<u>77.83</u>
As at 31 December 2012						
Cost	20.28	144.71	164.99	-	117.12	117.12
Less: Accumulated amortisation	(19.62)	(91.49)	(111.11)	-	(70.17)	(70.17)
Net book value	<u>0.66</u>	<u>53.22</u>	<u>53.88</u>	-	<u>46.95</u>	<u>46.95</u>

A reconciliation of the net book value of intangible assets for the year 2013 and 2012 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	53.88	39.27	46.95	31.21
Acquisition of computer software	49.59	26.10	38.74	20.34
Transfer in	2.51	-	-	-
Amortisation	(14.00)	(11.41)	(7.86)	(4.60)
Disposal during the year - At net book value	-	(0.08)	-	-
Net book value at end of year	<u>91.98</u>	<u>53.88</u>	<u>77.83</u>	<u>46.95</u>

As at 31 December 2013 and 2012, 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 72.14 million and Baht 71.74 million, respectively (Separate financial statements: Baht 58.25 million and Baht 58.05 million, respectively).

18. Leasehold rights

(Unit: Million Baht)

Project	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Habito	41.99	-	41.99	-
Baan Sansiri Condominium	609.98	609.98	-	-
Sun Square Silom	<u>192.76</u>	<u>192.76</u>	-	-
Total	844.73	802.74	41.99	-
Less: Accumulated amortisation	(476.16)	(448.70)	(0.79)	-
Leasehold rights - net	<u>368.57</u>	<u>354.04</u>	<u>41.20</u>	-
Amortisation expenses for the year	<u>27.46</u>	<u>30.67</u>	<u>0.79</u>	-

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

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

(Unit: Million Baht)

	Consolidated / Separate financial statements	
	2013	2012
<u>Short-term loans from banks</u>		
Promissory notes	<u>3,550.00</u>	<u>1,828.00</u>
<u>Bills of exchange</u>		
Face value	2,500.00	2,395.00
Less: Prepaid interest expense	<u>(16.72)</u>	<u>(11.26)</u>
Net	<u>2,483.28</u>	<u>2,383.74</u>

As at 31 December 2013, short-term loans from banks carry interest at rates of 3.60 - 4.05 percent per annum and are secured by land and constructions of projects of the Company and its subsidiaries (2012: 4.25 - 4.90 percent per annum). Bills of exchange carry interest at rates of 3.15 - 3.25 percent per annum (2012: 3.40 - 3.75 percent per annum).

20. Trade accounts payable

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - unrelated parties	2,250.62	1,800.05	1,210.46	1,046.08
Trade payables - related parties	-	-	15.20	57.17
Total	<u>2,250.62</u>	<u>1,800.05</u>	<u>1,225.66</u>	<u>1,103.25</u>

21. Promissory notes - purchase of land

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

22. Long-term loans

As at 31 December 2013 and 2012, long-term loans presented below: -

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Loans from banks	15,685.02	12,824.04	8,418.40	7,828.26
Less: Current portion of long-term loans	(5,820.29)	(6,376.36)	(3,133.37)	(4,068.58)
Net	9,864.73	6,447.68	5,285.03	3,759.68

Movements in the long-term loans account during the years ended 31 December 2013 and 2012 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	10,750.23	8,042.31
Add: Additional borrowings	12,787.67	8,312.89
Less: Repayment	(10,715.45)	(8,526.94)
Add: Translation adjustments	1.59	-
Balance as at 31 December 2012	12,824.04	7,828.26
Add: Additional borrowings	10,941.19	4,983.36
Less: Repayment	(8,080.21)	(4,393.22)
Balance as at 31 December 2013	15,685.02	8,418.40

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
	2013	2012	2013	2012	
	Million Baht	Million Baht	Percent per annum	Percent per annum	
Sansiri Plc.	8,418	7,828	MLR - 2.63% to MLR - 1.00%	MLR - 2.62% 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
Chanachai Ltd.	-	19	-	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
	2013	2012	2013	2012	
	Million Baht	Million Baht	Percent per annum	Percent per annum	
Sansiri Land Ltd.	-	151	-	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 2015
Red Lotus Properties Ltd.	653	560	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 2016
Arnawat Ltd.	2,675	1,641	MLR - 2.00% to MLR - 1.25%	MLR - 2.00% 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 2018
Piwattana Ltd.	807	14	MLR - 2.00% to MLR - 1.25%	MLR - 1.75% 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
Sansiri Guernsey (2009) Limited	-	160	-	LIBOR + 3.5%	Full payment is to be made within 2014
Papanan Ltd.	1,129	1,685	MLR - 2.50% to MLR - 1.75%	MLR - 2.00% to MLR - 1.75%	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
Plus Property Space Co., Ltd.	118	118	MLR - 2.00% to MLR - 1.75%	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.	1,510	648	MLR - 2.00%	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 2017
Touch Property Co., Ltd.	375	-	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 2015
Total	15,685	12,824			

As at 31 December 2013 and 2012, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 39,824 million and Baht 22,308 million, respectively (Separate financial statement: Baht 18,313 million and Baht 13,030 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.

23. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2013 and 2012, which is compensations on employees' retirement, was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Balance at the beginning of the year	27.41	24.96	18.77	16.78
Current service cost	2.41	2.43	1.37	1.44
Interest cost	0.95	0.95	0.69	0.57
Benefits paid during the year	(5.67)	(0.93)	(3.95)	(0.02)
Actuarial (gain) loss	44.62	-	29.52	-
Balance at the end of the year	<u>69.72</u>	<u>27.41</u>	<u>46.40</u>	<u>18.77</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	2,408	2,431	1,375	1,442
Interest cost	947	951	688	564
Total expenses recognised in profit or loss	<u>3,355</u>	<u>3,382</u>	<u>2,063</u>	<u>2,006</u>
Line items under which such expenses are included in profit or loss				
Cost of sales	956	894	-	-
Selling and administrative expenses	2,399	2,488	2,063	2,006

The cumulative amount of actuarial gains or losses recognized in other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 December 2013 amounted to Baht 44.62 million (The Company only: Baht 29.52).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.40	4.20	4.40	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)	5.00 - 15.00	8.00 - 20.00	5.00 - 15.00	8.00 - 20.00

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

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	69,717	46,401	19,045	11,866
Year 2012	27,411	18,772	-	-
Year 2011	24,957	16,784	-	-
Year 2010	22,646	15,545	-	-

24. Provisions

Provisions for liabilities on law suit, home care warranty and compensation for Housing Estate Juristic Persons for the years ended 31 December 2013 and 2012 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 2012	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	3.51	101.32	104.83	2.95	73.72	76.67
Increase during the year	-	95.36	95.36	-	60.34	60.34
Paid during the year	-	(78.17)	(78.17)	-	(58.15)	(58.15)
Reverse	(0.56)	(23.15)	(23.71)	-	(15.57)	(15.57)
Balance as at 31 December 2013	<u>2.95</u>	<u>95.36</u>	<u>98.31</u>	<u>2.95</u>	<u>60.34</u>	<u>63.29</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 2012	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
Increase during the year	122.30	78.58
Paid during the year	(13.36)	(11.55)
Reverse	(0.48)	(0.16)
Balance as at 31 December 2013	159.98	99.34

25. Unsecured debentures

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

(Unit: Million Baht)

Debentures	Interest rate	Terms	Due date	Consolidated / Separate financial statements	
				2013	2012
Debentures # 1/2010	4.90% p.a.	3 years 7 months 20 days	30 September 2013	-	1,000.00
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 6.00% p.a. for 4th - 5th year	5 years	21 July 2016	1,000.00	1,000.00
Debentures # 2/2011	5.40% p.a. for 1st - 3rd year 6.00% p.a. for 4th - 5th year	5 years	3 October 2016	1,000.00	1,000.00
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	1,000.00
Debentures # 2/2012	4.80% p.a.	3 years	19 October 2015	1,000.00	1,000.00
Debentures # 1/2013	4.99% p.a.	5 years	24 January 2018	3,000.00	-
Debentures # 2/2013	4.75% p.a. for 1st - 2nd year 5.00% p.a. for 3rd - 4th year 5.30% p.a. for 5th year	5 years	30 May 2018	1,000.00	-
Debentures # 3/2013	4.95% p.a.	5 years	23 August 2018	2,000.00	-
Debentures # 4/2013	5.20% p.a.	5 years 6 months	4 April 2019	1,000.00	-
Total debentures, at face value				13,000.00	7,000.00
Less: Unamortised portion of deferred transaction costs				(49.12)	(30.37)
Total debentures				12,950.88	6,969.63
Less: Debentures due within one year				-	(998.36)
Debentures - due over one year				12,950.88	5,971.27

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 (2012: 2.5:1) along with debentures' periods (debts mean interest bearing loans).

26. Share capital

During the years 2013 and 2012, 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 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
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			
31 January 2013	2,301,548	2,685,904	1.072	1 February 2013	6 February 2013
28 February 2013	993,793	1,159,755	1.072	1 March 2013	6 March 2013
Total exercise in 2013	3,295,341	3,845,659			
ESOP#6					
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

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)		
28 September 2012	13,442,497	15,687,391	1.114	3 October 2012	8 October 2012
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>			
31 January 2013	11,492,382	13,411,607	1.114	1 February 2013	6 February 2013
28 February 2013	16,132,406	18,826,515	1.114	1 March 2013	6 March 2013
29 March 2013	11,106,899	12,961,751	1.114	2 April 2013	5 April 2013
30 April 2013	1,510,000	1,762,170	1.114	2 May 2013	8 May 2013
31 May 2013	4,628,450	5,401,400	1.114	3 June 2013	6 June 2013
28 June 2013	1,370,000	1,598,790	1.114	1 July 2013	5 July 2013
31 July 2013	200,000	233,400	1.114	31 July 2013	5 August 2013
30 September 2013	171,380	200,000	1.114	2 October 2013	7 October 2013
27 December 2013	630,000	735,210	1.114	3 January 2014	8 January 2014
Total exercise in 2013	<u>47,241,517</u>	<u>55,130,843</u>			
SIRI-W1					
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>			
29 March 2013	601,330,208	701,752,333	1.114	2 April 2013	5 April 2013
28 June 2013	362,572,764	423,122,401	1.114	1 July 2013	5 July 2013
30 September 2013	1,768,060	2,063,325	1.114	2 October 2013	7 October 2013
27 December 2013	24,210,000	28,253,070	1.114	3 January 2014	8 January 2014
Total exercise in 2013	<u>989,881,032</u>	<u>1,155,191,129</u>			

The exercise of the warrants above 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)
Registered ordinary shares			
Number of ordinary shares as at 1 January 2012	10,879,990,328	1.07	11,641,589,651
Decrease during the year ⁽¹⁾	<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 ordinary shares as at 31 December 2013	<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 2012	7,053,228,452	1.07	7,546,954,444	550,246,830
Increase due to exercise of warrants	<u>829,255,447</u>	1.07	<u>887,303,328</u>	<u>33,946,670</u>
Number of ordinary shares as at 31 December 2012	7,882,483,899	1.07	8,434,257,772	584,193,500
Increase due to exercise of warrants	<u>1,651,052,706</u>	1.07	<u>1,766,626,395</u>	<u>72,430,539</u>
Number of ordinary shares as at 31 December 2013	<u>9,533,536,605</u>	1.07	<u>10,200,884,167</u>	<u>656,624,039</u>

⁽¹⁾ 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 canceling 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.

Cash receipt amounting to Baht 32,292,944 from the exercise of right to purchase the Company's share on 27 December 2013 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 2014.

27. 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.

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

28.1 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 2013	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2013
ESOP# 5	1.072	1:1.167	26,324,472	(3,295,341)	23,029,131
ESOP# 6	1.114	1:1.167	106,383,138	(47,241,517)	59,141,621
SIRI-W1	1.114	1:1.167	2,036,627,210	(989,881,032)	1,046,746,178

28.2 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.

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, 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 2013 and 2012					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares) (Restated)	(Baht)	(Baht) (Restated)
Basic earnings per share						
Profit attributable to equity holders of the parent	1,929,666	2,938,482	9,147,338	7,373,334	0.21	0.40
Effect of dilutive potential ordinary shares						
ESOP#5	-	-	18,190	22,867		
ESOP#6	-	-	51,535	92,371		
SIRI-W1	-	-	1,057,184	1,665,594		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrant to ordinary shares	<u>1,929,666</u>	<u>2,938,482</u>	<u>10,274,247</u>	<u>9,154,166</u>	0.19	0.32

	Separate financial statements					
	For the year ended 31 December 2013 and 2012					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares) (Restated)	(Baht)	(Baht) (Restated)
Basic earnings per share						
Profit attributable to equity holders of the parent	1,883,834	3,470,618	9,147,338	7,373,334	0.20	0.47
Effect of dilutive potential ordinary shares						
ESOP#5	-	-	18,190	22,867		
ESOP#6	-	-	51,535	92,371		
SIRI-W1	-	-	1,057,184	1,665,594		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrant to ordinary shares	<u>1,883,834</u>	<u>3,470,618</u>	<u>10,274,247</u>	<u>9,154,166</u>	0.18	0.38

29. Revenues from other services/Cost of other services

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Revenues from other services</u>				
Revenues from medical spa business	48.69	75.19	-	-
Revenues from hotel business	14.28	19.19	14.28	19.19
Revenues from education business	183.52	142.04	-	-
Total	<u>246.49</u>	<u>236.42</u>	<u>14.28</u>	<u>19.19</u>
<u>Cost of other services</u>				
Cost of medical spa business	31.15	44.19	-	-
Cost of hotel business	12.79	12.21	21.30	20.15
Cost of education business	248.64	189.45	-	-
Total	<u>292.58</u>	<u>245.85</u>	<u>21.30</u>	<u>20.15</u>

30. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Purchase of land and payments of construction costs	29,905.20	26,877.27	14,485.30	15,396.31
Changes in property development for sale	(18,533.61)	(8,630.23)	(11,777.34)	(2,016.98)
Salary and wages and other employee benefits	1,288.80	1,489.88	1,083.56	1,157.57
Depreciation of investments properties	20.44	21.84	0.39	-
Depreciation of land, buildings and equipment	219.15	260.36	136.20	104.87
Amortisation of intangible assets	14.00	11.41	7.86	4.60
Amortisation of leasehold rights	27.46	30.67	0.79	-
Provision for home care warrantee	95.36	109.10	60.34	85.81
Rental expenses from operating lease agreements	78.70	59.05	73.07	46.22
Expenses relating to flood effects	-	12.52	-	5.92

31. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax:				
Current income tax charge	607,651	874,290	317,429	593,878
Adjustment in respect of current income tax of previous year				
Deferred tax:				
Relating to origination and reversal of temporary differences	(223,708)	69,606	15,838	51,828
Effects of changes in the applicable tax rates	-	10,441	-	7,130
Income tax expense reported in the statement of comprehensive income	383,943	954,337	333,267	652,836

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Deferred tax relating to actuarial loss arising from defined benefit plan of employees	8,923	-	5,903	-
	8,923	-	5,903	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Accounting profit before tax	2,313,017	3,893,121	2,217,100	4,123,454
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	462,603	895,418	443,420	948,394
Effects of changes in the applicable tax rates	-	10,441	-	7,130
Effects of:				
Promotional privileges (Note 32)	(2,493)	(20,844)	(2,493)	(14,604)
Tax exempted income	(3,965)	-	(121,876)	(306,302)
Non-deductible expenses	29,455	123,792	14,216	11,166
Additional expense deductions allowed	(101,052)	(54,470)	-	-
Others	(605)	-	-	7,052
Total	(78,660)	48,478	(110,153)	(302,688)
Income tax expenses reported in the statement of comprehensive income	383,943	954,337	333,267	652,836

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

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax assets						
Allowance for doubtful accounts	3,222	2,887	2,978	216	136	150
Property development for sale	505,117	262,877	318,874	157,357	166,472	232,655
Short-term provisions	19,663	20,967	16,864	12,659	15,335	8,356
Provision for long-term employee benefits	13,943	5,482	4,991	9,280	3,754	3,357
Rental fees received in advance	18,809	18,111	22,928	-	-	-
Unused tax loss	70,328	84,377	107,975	-	-	-
Total	<u>631,082</u>	<u>394,701</u>	<u>474,610</u>	<u>179,512</u>	<u>185,697</u>	<u>244,518</u>

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
Deferred tax liabilities						
Unamortised portion of deferred transaction costs	9,824	6,075	5,937	9,824	6,075	5,937
Total	<u>9,824</u>	<u>6,075</u>	<u>5,937</u>	<u>9,824</u>	<u>6,075</u>	<u>5,937</u>
Deferred tax assets - net	<u>621,258</u>	<u>388,626</u>	<u>468,673</u>	<u>169,688</u>	<u>179,622</u>	<u>238,581</u>

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

32. Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Company 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 1 residential condominium project 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 must comply with certain terms and conditions prescribed in the promotional certificate.

33. 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 2013 and 2012, the Company and its subsidiaries contributed Baht 71.91 million and Baht 59.56 million, respectively, to the fund (Separate financial statements: Baht 48.62 million and Baht 38.97 million, respectively).

34. Dividend paid

Dividend of the Company which were declared in 2013 and 2012 consist of the following: -

(Unit: Baht)

Dividends	Approved by	Total dividend	Dividend per share	Date of dividends payment
Final dividend from 2012 earnings	The Annual General Meeting of the Shareholders on 30 April 2013	1,425,354,975 ⁽¹⁾	0.17	17 May 2013
Final dividend from 2011 earnings	The Annual General Meeting of the Shareholders on 20 April 2012	1,001,009,945 ⁽²⁾	0.14	16 May 2012

⁽¹⁾Actual dividend paid amounted to Baht 1,425,172,513 because some shareholders were not entitled to receive dividend

⁽²⁾ Actual dividend paid amounted to Baht 1,000,986,466 because some shareholders were not entitled to receive dividend

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2013 and 2012, the Company and its subsidiaries have the following capital commitments: -

- a) The Company and its subsidiaries had commitments of Baht 20,549.71 million and Baht 12,345.34 million, respectively, under project construction agreements, decoration agreements, advisory service agreements and system development agreements (Separate financial statements: Baht 8,825.60 million and Baht 6,094.29 million, respectively).
- b) The Company and its subsidiaries has commitments of Baht 4,509.16 million and Baht 3,376.25 million, respectively, under land and condominium units purchase agreements (Separate financial statements: Baht 1,421.38 million and Baht 1,744.49 million, respectively).

35.2 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 2013 and 2012, future minimum lease payments required under non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Payable:				
In up to 1 year	4.80	17.16	0.63	1.80
In over 1 and up to 5 years	<u>26.50</u>	<u>7.29</u>	<u>22.05</u>	<u>0.42</u>
Total	<u>31.30</u>	<u>24.45</u>	<u>22.68</u>	<u>2.22</u>

- b) As at 31 December 2013 and 2012, the Company and its subsidiaries had commitments of Baht 72.08 million and Baht 70.98 million, respectively in relation to advertising and public relations for the projects (Separate financial statements: Baht 32.04 million and Baht 38.97 million, respectively).
- c) As at 31 December 2013 and 2012, the Company and subsidiaries have servitude over land of approximately 19 rai and 12 rai, respectively, of which the cost is included in the cost of projects.
- d) The significant long-term lease agreements are as follow: -
 - Sansiri Public Company Limited entered into a 30-year land rental agreement at Sukhumvit 77 alley for construction of a community mall for the Habito Project, covering the period from 16 August 2014 to 15 August 2043. Total amounts to Baht 42.11 million are to be paid, divided into by 3 installments. In August 2013, the Company made an initial payment of Baht 21.05 million and the remainder is to be paid Baht 10.53 million each over the period of 10 and 20 years of rental agreement.

- 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.

35.3 Bank guarantees

As at 31 December 2013 and 2012, there were the outstanding bank guarantees for Baht 2,121.91 million and Baht 1,358.11 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 1,356.47 million and Baht 905.29 million, respectively).

35.4 Litigations

As at 31 December 2013 and 2012, 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 280.27 million and Baht 60.96 million, respectively (Separate financial statements: Baht 241.14 million and Baht 31.03 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 24).

35.5 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. However, the board of director considered and approved extension for the commitments to 3 years from 2014 to 2016.

36. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Property development business segment consists of land and housing projects, residential condominium projects, serviced apartments for rent, and office buildings for rent.

- Building management and real estate brokerage business segment consists of the provision of building management service and real estate brokerage.
- Other business segment consists of hotel, medical spa and education business.

No operating segments have been aggregated to form the above reportable operating segments.

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

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

(Unit: Million Baht)

Year ended 31 December 2013	Real estate	Building management and real estate brokerage	Other business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	27,850.22	500.15	246.49	28,596.86	-	28,596.86
Inter-segment revenue	512.71	353.08	-	865.79	(865.79)	-
Interest revenue	448.16	14.24	6.30	468.70	(447.99)	20.71
Interest expense	(668.19)	(3.37)	(40.37)	(711.93)	95.82	(616.11)
Depreciation and amortization	(127.47)	(14.09)	(0.24)	(141.80)	1.39	(140.41)
Reversal of loss on diminution in value of property developmentfor sale	17.65	-	-	-	-	17.65
Segment profit	6,866.21	510.74	(80.40)	7,296.55	(1,216.57)	6,079.98
Other income						369.17
Common expense						(4,136.14)
Income tax expense						(383.94)
Profit for the year						1,927.07
Segment total assets	58,486.38	194.95	1,358.56	60,039.89	-	60,039.89
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance	1,510.62	15.15	445.42	1,971.19	-	1,971.19

(Unit: Million Baht)

Year ended 31 December 2012	Real estate	Building management and real estate brokerage	Other business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	29,111.19	473.19	236.42	29,820.80	-	29,820.80
Inter-segment revenue	219.67	316.04	18.33	554.04	(554.04)	-
Interest revenue	677.84	22.72	5.48	706.04	(674.52)	31.53
Interest expense	(380.35)	(5.48)	(42.29)	(428.12)	100.36	(327.76)
Depreciation and amortization	(136.30)	(14.67)	(0.56)	(151.53)	(14.33)	(165.86)
Reversal of loss on diminution in value of property development for sale	70.26	-	-	-	-	70.26
Segment profit	8,073.40	494.22	(28.47)	8,539.15	(1,142.52)	7,396.63
Other income						234.45
Common expense						(3,737.97)
Income tax expense						(945.34)
Profit for the year						2,938.78
Segment total assets	45,344.65	232.33	917.93	46,494.91	-	46,494.91
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance	1,331.65	5.96	72.43	1,410.04	-	1,410.04

Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2013	2012
Revenue from external customers		
Thailand	28,225	29,821
Others	372	-
Total	28,597	29,821
Non-current assets (other than financial instruments, deferred tax assets)		
Thailand	6,183	4,775

(Unit: Million Baht)

Major customers

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

37. Financial instruments

37.1 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, short-term loans, 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 2013 and 2012 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 2013							
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call				(% p.a.)
	Financial Assets							
- Cash equivalents (excluding cash)	-	-	-	-	1,921.48	193.58	2,115.06	1.50 -3.10
- Current investments	36.14	-	-	-	-	-	36.14	1.60 -2.85
- Trade accounts receivables	-	-	-	-	-	44.52	44.52	-
- Restricted bank deposits	6.66	-	-	-	-	-	6.66	1.45 -2.00
	42.80	-	-	-	1,921.48	238.10	2,202.38	

	Consolidated financial statements							
	As at 31 December 2013							
	Fixed interest rate				Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call				(% p.a.)
	Financial liabilities							
- Short-term loans from banks	3,550.00	-	-	-	-	-	3,550.00	3.60 - 4.05
- Bill of exchange	2,483.28	-	-	-	-	-	2,483.28	3.15 - 3.25
- Trade accounts payable	-	-	-	-	-	2,250.62	2,250.62	-
- Long-term loans	-	-	-	-	15,685.02	-	15,685.02	Note 22
- Unsecured debentures	-	12,950.88	-	-	-	-	12,950.88	Note 25
	6,033.28	12,950.88	-	-	15,685.02	2,250.62	36,919.80	

(Unit: Million Baht)

	Consolidated financial statements							
	As at 31 December 2012							
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call				(% p.a.)
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	-
- Bills of exchange	2,383.74	-	-	-	-	-	2,383.74	3.40 - 3.75
- Long-term loans	-	-	-	-	12,824.04	-	12,824.04	Note 22
- Unsecured debentures	998.36	5,971.27	-	-	-	-	6,969.63	Note 25
	5,210.10	5,971.27	-	-	12,824.04	1,800.05	25,805.46	

(Unit: Million Baht)

	Separate financial statements							
	As at 31 December 2013							
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within one year	1 - 5 years	Over 5 years	At call				
Financial Assets								
- Cash equivalents (excluding cash)	-	-	-	-	853.34	120.58	973.92	1.50 - 3.10
- Trade accounts receivables	-	-	-	-	-	415.59	415.59	-
- Short-term loans to related parties	-	-	-	14,979.33	-	-	14,979.33	3.00 - 3.55
	-	-	-	14,979.33	853.34	536.17	16,368.84	
Financial liabilities								
- Short-term loans from banks	3,550.00	-	-	-	-	-	3,550.00	3.60 - 4.05
- Trade accounts payable	-	-	-	-	-	1,225.66	1,225.66	-
- Bills of exchange	2,483.28	-	-	-	-	-	2,483.28	3.15 - 3.25
- Long-term loans	-	-	-	-	8,418.40	-	8,418.40	Note 22
- Unsecured debentures	-	12,950.88	-	-	-	-	12,950.88	Note 25
	6,033.28	12,950.88	-	-	8,418.40	1,225.66	28,628.22	

(Unit: Million Baht)

	Separate financial statements							
	As at 31 December 2012							
	Fixed interest rate				Floating interest rate	Non-interest bearing	Total	Effective interest rate
	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	
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 22
- Unsecured debentures	998.36	5,971.27	-	-	-	-	6,969.63	Note 25
	5,210.10	5,971.27	-	-	7,828.26	1,103.25	20,112.88	

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 2013, the Company and its subsidiaries had no loans from banks denominated in foreign currency (2012: GBP 3.25 million) (Separate financial statements: loans to a subsidiary in GBP 4.47 million and GBP 5.76 million, respectively) (average exchange rate Baht 53.58 per 1 GBP and Baht 49.70 per 1 GBP, respectively).

37.2 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.
- 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.
- For fixed rate debentures, 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.
- 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	
	2013	2012	2013	2012
	(% p.a.)			
Financial liabilities				
Unsecured debentures	12,950.88	6,969.63	11,877.96	6,976.23

38. 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 (2012: 2.5:1). 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 2013, the Group's debt - to - equity ratio was 2.03:1.00 (2012: 1.58: 1.00) and the Company's was 1.66:1.00 (2012: 1.29:1.00).

No changes were made in the objectives, policies or processes during the years end 31 December 2013 and 2012.

39. Events after the reporting period

- 39.1 On 27 February 2014 the meeting of the Company's Board of Directors passed a resolution to approve the issuance and offering of not more than Baht 5,000 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 2014 Annual General Meeting of the Company's shareholders.
- 39.2 On 27 February 2014, 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 2013 to 31 December 2013 at the rate of Baht 0.10 (Ten Satang) per share.
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40. Approval of financial statements

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

