



Annual Report 2013

บริษัท วีรีเทล จำกัด (มหาชน) We Retail Public Company Limited

Bangkok Midtown



BANGKOK
MIDTOWN



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Message from President

2013 was a significant change for the Company to start a new business which is property development, after selling out its original food and beverage business. During the year, the Company has started the construction of two community malls and one shopping center. For community mall, “Metro West Town” which is located on Kalapapruk Road and “Metro East Town” which is located on Sukhumvit 77 Road, Lad Krabang are expected to be opened for service within 2014 and 2015 respectively. For the shopping center, this project is called “Bangkok Midtown (Phase 1), located on the west side of Ratchadaphisek Road in the area of the old Jusco department store, which has construction area of more than 159,000 square meters and saleable area of approximately 60,000 square meters. The construction set to be completed and opened for service within first quarter of 2016. Furthermore, the Company had increased its capital to support the investment for the existing projects and future projects.

The Company did not realize operating income in last year because all projects were under construction. Our Board of Directors and employees spend most of their times in planning and developing the existing projects and future projects in order to ensure that project design and building construction are in good standard and timeframe. We had also restructured the financial structure to a suitable financial level. All of our mentioned works is to ensure that the Company can be in property development business in strongly and stability and can be resumed trading of the Company’s shares in the Stock Exchange of Thailand to reward shareholders who have always trusted and continuously supported the Company.

Finally, I, as Board of Directors’ representative, would like to convey a sincere appreciation to supporters, shareholders, suppliers, customers, financial institutions and all employees for their continuous trust and support. The Company’s success in the past and in the future will depend on cooperation and supports from multiple parties. Please be assured that Board of Directors will work and apply the experience with the best effort in order to lead the Company to succeed according to the company’s ambitions.

(Mr. Tawatchai Nakhata)

Chairman

Audit Committee Report

Audit Committee of We Retail Public Company Limited consists of;

- | | |
|------------------------------|-----------------------------|
| 1. Mr. Chirdsak Kukiattinun | Chairman of Audit Committee |
| 2. Mr. Chaikakorn Boonlop | Director of Audit Committee |
| 3. Mr. Sukpoch Chotigavanich | Director of Audit Committee |

In 2013, the Audit Committee has focused and strictly conducted the audit of investment and appropriately controlled the Company's expense. The Committee has monitored the audited results in every quarters, as well as provided recommendation and improvement of the Company's internal operation to ensure that it is correct and appropriate to increase efficiency in the operation. The Committee has also encouraged the employees to participate in training in area of real estate business, internal operation, and laws and regulations relating to business operation in order to have better knowledge and expertise.

Furthermore, the Committee has emphasized on compliance with the laws, accounting standards, and the Company's code of conduct, including correctly and completely presenting related party transaction between the Company, parent company and subsidiary. The Audit Committee has also reviewed the financial statements which there were a change of accounting standard No. 12 regarding Tax Income and Accounting Standard on comment and report of financial statement relating to the change of auditor's report page.

The Committee has considered and is of the opinion that the Company's internal control system is sufficient and suitable for the business according to the principles of good corporate governance. The Company's financial statements were prepared in conformity with generally accepted accounting principles and the information disclosure is complete and sufficient.

For the Company's auditors in 2014, the Audit Committee has considered and agreed to appoint Ms. Siraporn Ouannunkun, C.P.A. number 3844, and/or Mr. Supachai Phanyawattano, C.P.A. number 3930, and/or Ms. Chonlaros Suntiasvaraporn, C.P.A. number 4523 of E.Y. Office Limited (previously known as Ernst & Young Office Limited) should be appointed as the Company's auditors, which any one of them shall audit and comment on the financial statement of the Company.

(Mr. Chirdsak Kukiattinun)
Chairman of Audit Committee

General Information of the Company

We Retail Public Company Limited was originally known as Daidomon Group Public Company Limited registered as a legal entity according to the Civil and Commercial Code with registration number 12084/25331 on October 9, 1990, and registered as a public company on April 27, 2001.

Company Name	WR
Registration Number	0107544000019
Location	100/1 Vorasombat Building, 17th Floor, Rama 9 Rd., Huaykwang, Bangkok
Type of Business	Property Development: shopping mall, office building and commercial area.
Telephone Number	+662 619-2171 to 4
Fax Number	+662 619-2175
Registered Capital	6,337,678,570 Baht; divided into 1,267,535,714 ordinary shares at par value of 5.00 Baht
Paid-up Capital	6,337,678,570 Baht; divided into 1,267,535,714 ordinary shares at par value of 5.00 Baht

*** As of March 4, 2014, the Company decreased its paid-up capital by decreasing par value from 5.00 Baht to 1.05 Baht. And on March 5, 2014, the Company registered capital increase of another 3,267,535,714 shares or 3,430,912,499.70 Baht according to the resolution of the Extraordinary General Meeting No. 2/2013 hold on December 19, 2013*

Therefore, as of March 5, 2014, the Company has registered capital and paid-up capital as follows;

"Registered capital: Common share of 4,535,071,428 shares at par value of 1.05 Baht, totaling 4,761,824,999.40 Baht

Paid-up capital: Common share of 1,267,535,714 shares at par value of 1.05 Baht, totaling 1,330,912,499.70 Baht"

Auditor	Mr. Supachai Phanyawattano Certified Public Accountant (Thailand) No. 3930 Ernst & Young Office Limited
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Major Shareholders (as at 29 November 2013):

<u>List of Shareholders</u>	<u>No. of Shares (shares)</u>	<u>%</u>
1. Property Perfect Public Company Limited	1,182,714,078	93.31 %
2. Mr. Kampol Tatiyakavee	51,181,818	4.04 %
3. Mr. Raywat Wirojanakuth	10,000,000	0.79 %
4. Others	<u>23,639,818</u>	<u>1.87 %</u>
Total	1,267,535,714	100.00 %

Backgrounds:

October 9, 1990	Established the company under the name of Daidomon Group Public Company Limited, registered as a legal entity according to the Civil and Commercial Code, to operate food and beverage business.
April 27, 2001	Converted from limited company to public company and changed its name to Daidomon Group Public Company Limited.
November 24, 2011	Changed the name to We Retail Public Company Limited in order to comply with its new business of shopping center, office building, and commercial area replacing its original food and beverage business.
December 15, 2011	Sold out all assets of food and beverage business under Daidomon trademark to Hotpot Public Company Limited.
December 16, 2011	Acquired 99.99 percent of common shares of Centerpoint Shopping Mall Company Limited, which is the owner of the freehold and leasehold right on Ratchadaphisek Road to operate shopping center.

Operating Results:

In 2011, the Company sold out food and beverage business on December 15, 2011, which was the Company's original business including Daidomon trademark, to Hotpot Public Company Limited. In the consolidated financial statement, the Company and its subsidiary had net loss of 69.78 million Baht.

In 2012, the Company and its subsidiary had not realized income from its main business because all projects were still in developing process. The Company has planned to start the construction of the projects in 2013. Therefore, in 2012, the Company and its subsidiary still had net loss of 21.32 million Baht. Most of the loss came from administrative expense relating to the Company's project such as consultant fees, land lease fee, and directors and executives' remuneration. However, the financial cost in 2012 decreased from 2011, which was the result of selling out the food and beverage business in 2011, causing the burden of interest payment to decrease.

In 2013, the Company and its subsidiary still had not realized income from the main business as the projects have still under construction. Therefore, the Company and subsidiary had net loss of 45.17 million Baht mainly from administrative expense, consultation fee, land lease cost, and interest payment. Furthermore, the Company had an increase in total assets from 2012 to 2,120.04 million Baht from purchasing of land and land lease.

(Unit: Baht)

	Consolidated			Company		
	2013	2012	2011	2013	2012	2011
Revenue	-	-	-	-	-	223,810,617
Other Revenue	7,025,528	1,241,511	140,932	33,032,696	5,594,207	21,279,912
EBITDA	(40,150,067)	(23,940,233)	(66,888,254)	(3,944,832)	(10,194,772)	(16,721,333)
Net Profit (Loss)	(45,166,468)	(21,319,458)	(69,780,088)	(14,775,658)	(9,215,625)	(7,294,729)
Total Assets	2,120,378,420	862,090,213	423,548,125	1,823,126,467	911,496,941	464,244,864
Total Liabilities	883,522,330	95,098,809	61,298,831	495,404,529	84,030,499	52,350,527
Shareholders' Equity	1,236,856,090	766,991,404	362,249,293	1,327,721,938	827,466,442	411,894,337

Financial Ratios	2013	2012	2011
Current Ratio (Times)	0.13	6.17	5.38
Gross Profit Margin (%)	-	-	10.20*
Debt to Equity Ratio (Times)	0.71	0.12	0.17
Book Value per Share (Baht)	1.05	1.00	0.88
Earnings (Loss) per Share (Baht)	(0.04)	(0.04)	(0.19)
Dividend per Share (Baht)	-	-	-

Note: * Calculated from separate financial statements

The Company has prepared the annual financial statements for the year 2013 and appointed Ernst & Yong Office Limited, which authorized Mr. Supachai Phanyawattano as an auditor C.P.A. number 3930, to audit the financial statements of the Company. The auditor's opinion is that the financial statements present fairly, in all material respects, the financial position of We Retail Public Company Limited and its subsidiary as of December 31, 2013 and their financial performance and cash flows for the year then ended, in accordance with Thai Accounting Standards.

Summary of the audited financial statement of the Company and its subsidiary:

Balance Sheet (as of 31 December)

(Unit: Baht)

	Financial Statement – Consolidated			Financial Statement -Company		
	2013	2012	2011	2013	2012	2011
Total current assets	103,975,662	396,393,121	263,111,615	947,864,763	395,113,121	47,254,885
Total non-current assets	2,016,402,758	465,697,092	160,436,509	875,261,704	516,383,820	416,989,979
Total assets	2,120,378,420	862,090,213	423,548,125	1,823,126,467	911,496,941	464,244,864
Total current liabilities	828,286,428	64,270,201	57,963,127	475,267,238	53,938,971	50,480,764
Total non-current liabilities	55,235,902	30,828,608	3,335,705	20,137,291	30,091,528	1,869,764
Total liabilities	883,522,330	95,098,809	61,298,831	495,404,529	84,030,499	52,350,527
Total Equity	1,236,856,090	766,991,404	362,249,293	1,327,721,938	827,466,442	411,894,337

Income Statement (as of 31 December)

(Unit: Baht)

	Financial Statement – Consolidated			Financial Statement -Company		
	2013	2012	2011	2013	2012	2011
Total Revenues	7,025,528	1,241,511	140,932	33,032,696	5,594,207	245,090,529
Total Expenses	(48,372,148)	(26,286,674)	(67,868,253)	(37,194,081)	(15,913,910)	(250,171,271)
Financial Costs	(13,864,290)	(701,525)	(2,052,766)	(13,807,679)	(674,069)	(2,213,987)
Net Profit (Loss)	(45,166,468)	(21,319,458)	(69,780,088)	(14,775,658)	(9,215,625)	(7,294,729)
Earnings (Loss) per Share	(0.04)	(0.04)	(0.19)	(0.01)	(0.02)	(0.11)

Cash Flow Statement (as of 31 December)

(Unit: Baht)

	Financial Statement – Consolidated			Financial Statement –Company		
	2013	2012	2013	2012	2013	2012
Net Cash In from (Use Out) Operating Activities	(254,567,907)	(236,751,073)	(131,857,390)	(165,420,549)	(169,760,733)	(18,820,297)
Net Cash In from (Use Out) Investing Activities	(654,809,226)	(299,955,584)	3,108,333	(720,953,347)	(308,480,585)	63,667,895
Net Cash In from (Use Out) Financing Activities	921,124,723	454,787,730	224,288,458	886,124,723	454,787,730	(18,094,099)
Cash and Cash Equivalents at end of year	41,825,424	20,077,834	101,996,761	13,122,838	13,372,011	36,825,599

The Company in Brief:

Originally, the Company operated Japanese restaurant business such as grilling, sukiyaki, and shabu under 4 brands; Daidomon, Yasuki, Umami and Mitake, having totaling 26 branches. Each brand has different styles. The Company also had one product which is seasoning sauce selling in retail and wholesale.

On December 15, 2011, the Company sold out all assets of food and beverage business. And on December 16, 2011, the Company has invested in common shares from Centerpoint Shopping Mall Company Limited (“Centerpoint”), which operates property development business in form of shopping center, office building, and commercial space types to replace the original business, and changed the Company’s name to We Retail Public Company Limited on November 29, 2011.



The Company has short-term and long-term plans to develop the projects in the form of shopping center, office building, and commercial space, which is divided into 2 phases;

First Phase (First 1 – 2 years): To develop and operate Open Shopping Complex in form of community mall, which each project requires small amount of investment. Later, the Company will develop and operate Closed Shopping Complex, and office building for lease.

Second Phase (Next 3 – 5 years): To develop and operate addition 3 to 5 projects of community mall and commercial space, which will focus on area near community and residence, or along large scale mass transportation system such as skytrain.

Currently, the Company is developing 3 projects of shopping center, which consists of 2 projects of community mall and one project of shopping center. Two community malls consists of Metro West Town, located on Kalapaprak Road and Metro East Town, located on Sukhumvit 77 Road, Lad Krabang. Both projects are under construction and expected to be completed in Quarter 4 of 2014 and Quarter 1 of 2015 respectively. Furthermore, the Company developed another closed shopping center by its subsidiary; Centerpoint Shipping Mall Company Limited, which is called “Bangkok Midtown” (Phase 1). This shopping center is located on Ratchadaphisek Road, outbound (west side), in the area that was the old Jusco Department Store. It will be developed into a large shopping center with the total construction area of more than 150,000 square meters, and total saleable area of more than 59,000 square meters. Currently, this shopping center under construction and is expected to be completed in Quarter 1 of 2016.

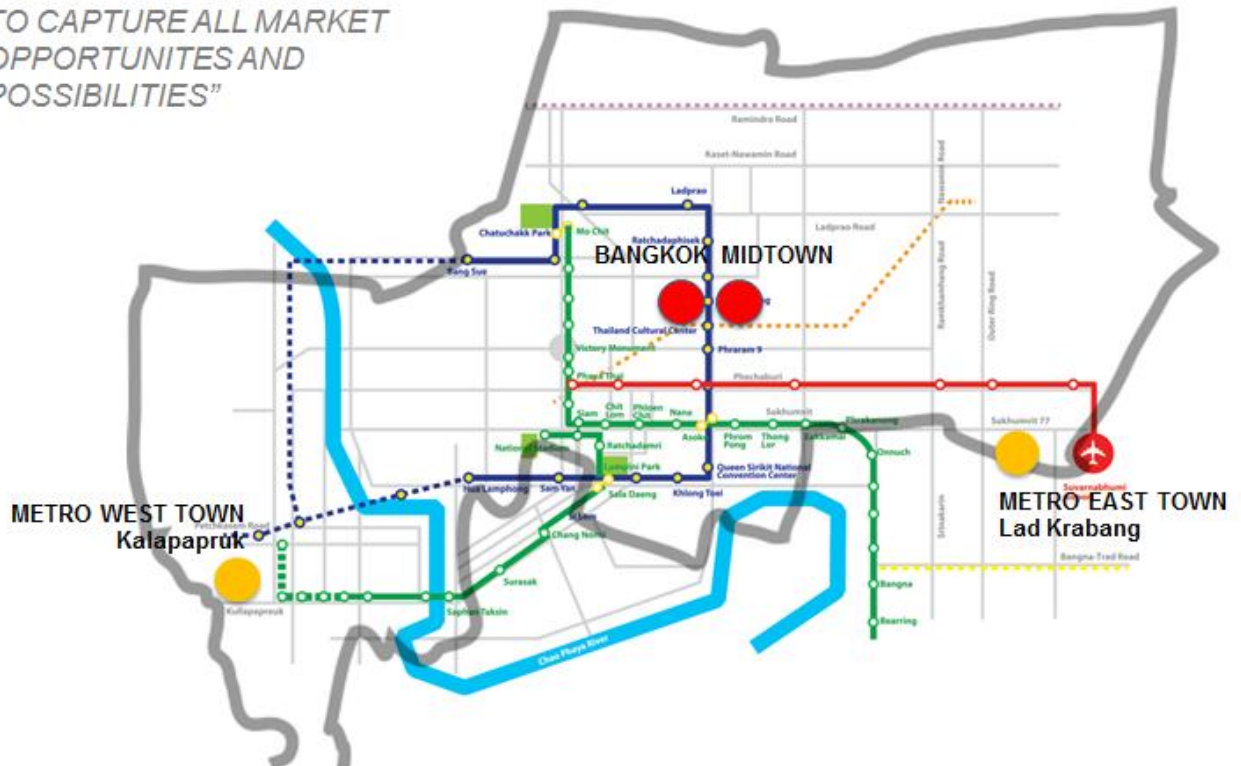
Project Summary:

	Metro West Town	Metro East Town	Bangkok Midtown (Phase 1)
Project's Owner	We Retail Public Company Limited	We Retail Public Company Limited	Centerpoint Shopping Mall Company Limited
Project Type	Community Mall	Community Mall	Shopping Mall
Location	Kalapapruk Road, Phasi Charoen District, Bangkok	Sukhumvit 77 Road, Lad Krabang Sub-district, Lad Krabang District, Bangkok	Ratchadaphisek Road, West Side, Huakwang Sub-district, Huakwang District, Bangkok
Project's Characteristics	Consists of 4 connected buildings (Building A, B, C, and D), divided into supermarket, restaurant and plaza.	Consists of mixed buildings both open zone and air conditioning zone, divided into supermarket, lifestyle, small stores, learning center and restaurant.	One building with 8 floors, and 2 underground floors, which consists of various segments such as clothing store, restaurant and variety of stores.
Land's Area	11-1-34.5 Rai	16-2-29 Rai	13-3-9.2 Rai
Construction Area	20,559 square meters	14,106 square meters	152,878 square meters
Leasable Area	10,221 square meters	10,265 square meters	59,145 square meters
Parking Space	300 vehicles	385 vehicles	1,500 vehicles
Investment	692 million Baht	418 million Baht	5,000 million Baht
Project's Features	Located on the main road and in front of Metro Park Sathorn project that has a large population.	Located on the main road and in front of Perfect Place and Perfect Place Master projects that have a large population.	Located on the main road and near MRT, Cultural Centre Station, and is a high population density area.
Target Customer Group	Medium Group, teenager, working group, and new generation of family live nearby, including residents of Metro Park Sathorn project.	Medium Group, teenager, working group, and new generation of family live nearby, including residents of Perfect Place project.	Teenager and working group, and MRT users, including residents of Din Daeng, Ratchadaphisek, Suthisarn, Huakwang, and Ladphrao.
Construction	1 - 1.5 years (2013-2014)	1 - 1.5 years (2013-2015)	2 years (2014-2015)
Operation Launch	Approximately Q4/2014	Approximately Q1/2015	Approximately Q1/2016
			

Project Location of the Company and its Subsidiary



“STRATEGICALLY LOCATED
TO CAPTURE ALL MARKET
OPPORTUNITIES AND
POSSIBILITIES”



Capital Structure:

At the end of December 31, 2013, the Company has a registered capital of 6,337,678,570 Baht, divided into 1,267,535,714 ordinary shares at the par value of 5.00 Baht and paid-up capital of 6,337,678,570 Baht.

As at the end of period	31 December 2011	31 December 2012	31 December 2013
Authorized Share Capital:			
- Amount of Shares (Baht)	4,131,549,100	4,131,549,100	6,337,678,570
- Number of Shares (Shares)	826,309,820	826,309,820	1,267,535,714
Issued and Fully Paid-up Share Capital			
- Amount of Shares (Baht)	2,065,774,550	3,996,627,870	6,337,678,570
- Number of Shares (Shares)	413,159,910	799,325,574	1,267,535,714
Par Value (Baht)	5.00	5.00	5.00

*** As of March 4, 2014, the Company decreased its paid-up capital by decreasing par value from 5.00 Baht to 1.05 Baht. And, later, on March 5, 2014, the Company registered capital increase of another 3,267,535,714 shares, or 3,430,912,499.70 Baht according to the resolution of the Extraordinary General Meeting No. 2/2013 on December 19, 2013, which as of March 5, 2014, the Company had registered capital and paid up capital as follows;*

"Registered capital: Common share of 4,535,071,428 shares at par value of 1.05 Baht, totaling 4,761,824,999.40 Baht

Paid up capital: Common share of 1,267,535,714 shares at par value of 1.05 Baht, totaling 1,330,912,499.70 Baht"

Management Structure

Board of Directors:

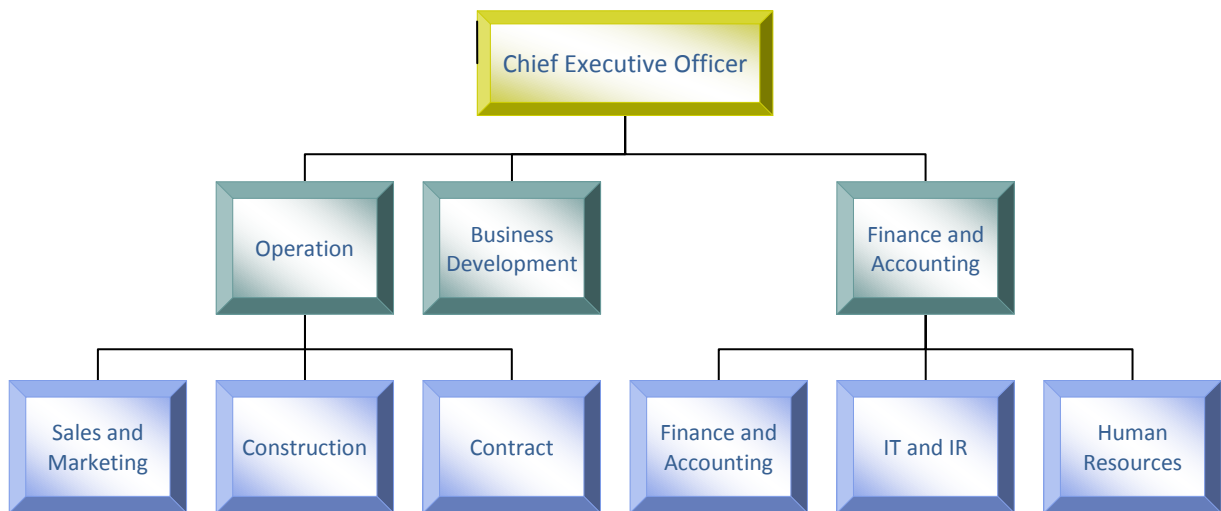
1. Mr. Tawatchai Nakhata Chairman
2. Mr. Chainid Adhyanasakul Director and Vice Chairman
3. Mr. Pramote Rermyindee Director
4. Mr. Kampol Tatiyakavee Director
5. Mr. Chirdsak Kukiattinun Director, Independent Director and Chairman of Audit Committee
6. Mr. Chaikorn Boonlop Director, Independent Director and Audit Committee
7. Mr. Sukpoch Chotigavanich* Director, Independent Director and Audit Committee

*Note: *Director has passed away on 29 January 2014.*

Managements of the Company:

1. Mr. Chainid Adhyanasakul Chief Executive Officer (Acting)
2. Mr. Voraphot Chanyakomol Chief Finance Officer
3. Ms. Wanna Apichonbancha Finance and Accounting Director

Organization Structure



The List of Directors and Managements of We Retail Public Company Limited

Name-Surname	Age	Education	Shares (%)	Period	Position	Business
Mr. Tawatchai Nakhata	66	Ph.D. University of Illinois, USA Audit Committed Program (ACP) 13/2006 Director Accreditation Program (DAP) 52/2006 Thai Institute of Directors	-	2011-Present 1992-Present 2006-2009 1995-2006	Chairman Chairman /Chief Executive Director Chairman Managing Director	We Retail Plc. Property Perfect Plc. Ceda Co., Ltd. Ceda Co., Ltd.
Mr. Chainid Adhyanasakul	59	Bachelor of Laws, Chulalongkorn University Thai Barrister-at-Law, Thai Bar Association	-	2011-Present 1985-Present 2007-Present 2007-Present 2002-Present 1999-Present 1995-2010	Vice Chairman CEO/ Vice Chief Executive Director Director Director Director	We Retail Plc. Property Perfect Plc. Bright Development Bangkok Co., Ltd. Centrepont Shopping Mall Co., Ltd. Krungthep Land Plc. Estate Perfect Co., Ltd. Thai Property Plc.
Mr. Pramote Rermyindee	59	Bachelor of Laws, Chulalongkorn University Thai Barrister-at-Law, Thai Bar Association Graduate Diploma in Business Law Thammasat University Director Certification Program (DCP) 69/2006 Director Accreditation Program (DAP) 43/2005 Thai Institute of Directors	-	2011-Present 2008-Present	Director Company Secretary	We Retail Plc. Property Perfect Plc.
Mr. Kampol Tatiyakavee	54	B.A. Engineering, Chulalongkorn University M.A. Engineering, University of Texas Certificate, Director Certification Program (DCP74), Thai Director Promotion Institute Association	4.04%	2013-Present 2012-Present 2011-Present 2010-2013 2008-2010 2006-2008	Chief Operation Officer Director Director Chief Executive Officer Chief Executive Officer Managing Director	Amata VN Plc. ThreeSixtyFive Plc. We Retail Plc. We Retail Plc. Pattaya Food Industry Co., Ltd. Siam Foods Plc.

Name-Surname	Age	Education	Shares (%)	Period	Position	Business
Mr. Chirdsak Kukiattinun	60	B.Sc. (Economics) Major in Accounting and Finance, London School of Economics political Science, University of London (1975) M.Sc. (Systems Analysis) Aston University (1976) Director Certification Program, Institute of Directors	-	2011-Present 2011-Present 2011-2012	Chairman of the Audit Committee Director of Risk Management Director of Audit Committee	We Retail Plc. Property Perfect Plc. Thai Property Plc.
Mr. Chaikorn Boonlop	67	Bachelor of Law, Thammasat University	-	2011-Present 2010-Present	Director of Audit Committee Advisor of Chairman of Phayathai Hospital Advisor of Board of Director	We Retail Plc. Prasit Pattana Co., Ltd. Cable Thai Holding Plc.
Mr. Sukpoch Chotigavanich (Passed away)	66	Bachelor of Commerce and Accountancy, Chulalongkorn University	-	2011-Present 1998-2003	Director of Audit Committee General Managing Director	We Retail Plc. Thai Factory Development Plc.
Mr. Voraphot Chanyakomol	46	Bachelor of Engineering (Metallurgical Engineering), Chulalongkorn University M.BA. (Finance) University of Dallas, Texas, USA	-	2013-Present 2008-2013 1999-2008	Chief Finance Officer Associate Director Associate Director	We Retail Plc. OptAsia Capital Co., Ltd SGE Capital Co., Ltd.
Ms. Wanna Apichonbancha	54	Bachelor of Accountancy, Thammasat University M.BA. Thammasat University M.Sc. (MIS) Chulalongkorn University	-	2013-Present 2009-2013 1999-2009	Finance and Accounting Director Director Finance and Property Director	We Retail Plc. Nai Lai Transport Co., Ltd. Boots Retail (Thailand) Ltd.

Inter-Related Transactions with Related Parties:

The Company had accounting transactions with related persons and companies, the important remaining balance and inter-items between the Company and related persons and companies, as per note to financial statements for the year ended December 31, 2012 to 2013, are as follows:

Names and Relationships

Name	Relationship
Property Perfect Plc.	Parent company
Centerpoint Shopping Mall Co., Ltd.	Legal subsidiary

1) Inter-Company Revenues and Expenses

	Pricing Policy	2013 (Baht)	2012 (Baht)
Interest Income			
Centerpoint Shopping Mall Co., Ltd.	5.4% p.a.	29,084,074	4,486,000
Interest Expense			
Property Perfect Plc.	5.19-7.375% p.a.	13,323,975	121,000
Centerpoint Shopping Mall Co., Ltd.	7.50% p.a.	-	68,000

2) Inter-Company Assets and Liabilities

	2013 (Baht)	2012 (Baht)
Accrued Interest Receivable - Related Party		
Centerpoint Shopping Mall Co., Ltd.	33,570,375	4,486,000
Accrued Interest Payable - Related Party		
Property Perfect Plc.	3,249,684	121,000

Risk Factors:

1) Risk from the business competition

It is a risk from the competitors in the same business of the Company, who would compete with the Company in customers and tenants' attraction. The Company also faces risk of lower number of customers which are tenants' customers if there are other new shopping centers opened in nearby areas. This will affect the businesses of tenants, which in turn has an effect on the occupancy rates and rental and service fees of the Company.

However, the Company will have planned to develop projects in the most outstanding location area such as nearby the subway line or community area and in order to reduce the effect of such competition, the Company has also prepared marketing promotion and campaign to attract more tenants and customers to the shopping centers.

2) Risk of operating new business

The Company has hired the experienced and expert personnel to operate the project as well as the major shareholder (Property Perfect Plc.), who even has no direct experience toward the developing the shopping center project. However, Property Perfect Plc. has the long experience in property development business. Therefore, Property Perfect Plc. can have the expert and experience in choosing successful location of the project.

3) Risk of the delay from receiving the rental and service fee of project

Rent of space is the Company's main income. If the tenants are inability to pay the rent on time, it will affect the operating performance of the Company. However, there are groups of long-term lease contracts especially anchors which the Company receive a lump sum of advance rental and service. These anchors have not much burden to pay the rest rental and service fee. Therefore, it can mitigate the risk of not pay the rental and service fee from the anchors. Besides, the Company always looks after the rental and service fee payment from both anchors and co-tenants, the 6-12 months rental and service fee deposits in order to mitigate risk of delay receiving the rental and service fee.

We Retail Public Company Limited and its subsidiary
Report and consolidated financial statements
31 December 2013

Independent Auditor's Report

To the Shareholders of We Retail Public Company Limited

I have audited the accompanying consolidated financial statements of We Retail Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2013, and 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 We Retail 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 We Retail Public Company Limited and its subsidiary and of We Retail 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 adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.

Other matters

The consolidated statement of financial position of We Retail Public Company Limited and its subsidiary and the separate statement of financial position of We Retail Public Company Limited as at 31 December 2011 (which have been used for preparing the consolidated and separate statements of financial position as at 1 January 2012 as described in the preceding paragraph) were audited by other auditor, who expressed an unqualified opinion on those statements, under his report dated 23 February 2012.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 24 February 2014

We Retail Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2013

(Unit: Baht)

Consolidated financial statements				Separate financial statements		
	As at	As at	As at	As at	As at	As at
Note	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)			(Restated)	
Assets						
Current assets						
Cash and cash equivalents	41,825,424	20,077,834	101,996,761	13,122,838	13,372,011	36,825,599
Trade and other receivables	8 4,174,469	4,338,180	9,045,933	34,701,411	6,657,814	9,045,933
Short-term loan to related party	7 -	-	-	865,292,000	250,000,000	-
Land and construction under development	9 -	371,202,670	150,629,028	-	124,377,605	-
Advances to contractor	52,550,122	-	-	29,954,882	-	-
Other current assets	5,425,647	774,437	1,439,893	4,793,632	705,691	1,383,353
Total current assets	103,975,662	396,393,121	263,111,615	947,864,763	395,113,121	47,254,885
Non-current assets						
Restricted bank deposits	17 285,369,000	40,000,000	-	30,000,000	40,000,000	-
Investment in subsidiary	10 -	-	-	414,700,000	414,700,000	414,700,000
Advances for purchases of land	11 12,357,000	12,357,000	33,717,266	-	-	-
Investment properties	12 662,840,526	-	-	255,017,558	-	-
Building improvement and equipment	13 1,603,781	2,622,340	2,746,685	817,095	855,654	-
Leasehold rights	14 1,036,469,905	402,394,167	120,610,080	168,810,961	57,500,000	-
Deferred tax assets	21 15,745,510	5,701,068	1,273,838	4,971,553	1,778,147	-
Other non-current assets	2,017,036	2,622,517	3,362,480	944,537	1,550,019	2,289,979
Total non-current assets	2,016,402,758	465,697,092	161,710,349	875,261,704	516,383,820	416,989,979
Total assets	2,120,378,420	862,090,213	424,821,964	1,823,126,467	911,496,941	464,244,864

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

We Retail Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)		(Restated)		
Liabilities and shareholders' equity							
Current liabilities							
Other payables	15	138,944,956	13,642,378	44,497,530	42,702,382	4,040,009	37,705,374
Creditors per rehabilitation plan	16	9,995,686	9,511,983	9,026,955	9,995,686	9,511,983	9,026,955
Short-term loan from related party	7	411,093,569	30,000,000	-	411,093,569	30,000,000	-
Current portion of notes payable	17	265,368,000	10,000,000	-	10,000,000	10,000,000	-
Other current liabilities		2,884,217	1,115,840	4,438,641	1,475,601	386,979	3,748,434
Total current liabilities		828,286,428	64,270,201	57,963,126	475,267,238	53,938,971	50,480,763
Non-current liabilities							
Notes payable - net of current portion	17	20,000,000	30,000,000	-	20,000,000	30,000,000	-
Long-term loans	18	35,000,000	-	-	-	-	-
Other non-current liabilities		235,902	828,608	3,335,706	137,291	91,528	1,869,764
Total non-current liabilities		55,235,902	30,828,608	3,335,706	20,137,291	30,091,528	1,869,764
Total liabilities		883,522,330	95,098,809	61,298,832	495,404,529	84,030,499	52,350,527
Shareholders' equity							
Share capital	19						
Registered							
1,267,535,714 ordinary shares of Baht 5 each							
(2012: 826,309,820 ordinary shares of Baht 5 each)		6,337,678,570	4,131,549,100	4,131,549,100	6,337,678,570	4,131,549,100	4,131,549,100
Issued and fully paid-up							
1,267,535,714 ordinary shares of Baht 5 each							
(31 December 2012: 799,325,574 ordinary shares							
and 1 January 2012: 413,154,910 ordinary shares							
of Baht 5 each)		6,337,678,570	3,996,627,870	2,065,774,550	6,337,678,570	3,996,627,870	2,065,774,550
Share discount	19	(4,866,476,046)	(3,040,456,500)	(1,534,390,910)	(4,866,476,046)	(3,040,456,500)	(1,534,390,910)
Adjustment of share capital from reverse acquisition	19	(74,954,715)	(74,954,715)	(74,954,715)	-	-	-
Deficit		(159,391,719)	(114,225,251)	(92,905,793)	(143,480,586)	(128,704,928)	(119,489,303)
Total shareholders' equity		1,236,856,090	766,991,404	363,523,132	1,327,721,938	827,466,442	411,894,337
Total liabilities and shareholders' equity		2,120,378,420	862,090,213	424,821,964	1,823,126,467	911,496,941	464,244,864

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

Directors

We Retail Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
			(Restated)		(Restated)
Profit or loss:					
Revenues					
Interest income		5,084,566	409,054	31,091,734	4,761,750
Other income		1,940,962	832,457	1,940,962	832,457
Total revenues		7,025,528	1,241,511	33,032,696	5,594,207
Expenses					
Administrative expenses		48,372,148	26,286,674	37,194,081	15,913,910
Total expenses		48,372,148	26,286,674	37,194,081	15,913,910
Loss before finance cost and income tax expenses		(41,346,620)	(25,045,163)	(4,161,385)	(10,319,703)
Finance cost		(13,864,290)	(701,525)	(13,807,679)	(674,069)
Loss before income tax expenses		(55,210,910)	(25,746,688)	(17,969,064)	(10,993,772)
Tax income	21	10,044,442	4,427,230	3,193,406	1,778,147
Loss for the year		(45,166,468)	(21,319,458)	(14,775,658)	(9,215,625)
Other comprehensive income for the year					
		-	-	-	-
Total comprehensive income for the year		(45,166,468)	(21,319,458)	(14,775,658)	(9,215,625)
Basic loss per share					
	22				
Loss		(0.044)	(0.036)	(0.014)	(0.015)

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

We Retail Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Cash flows from operating activities				
Loss for the year	(55,210,910)	(25,746,688)	(17,969,064)	(10,993,772)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,196,553	1,104,930	216,553	124,931
Allowance for doubtful debt	-	29,517	-	29,517
Interest income	(5,084,566)	(409,054)	(31,091,734)	(4,761,750)
Interest expenses	13,864,290	701,525	13,807,679	674,069
Loss from operating activities before changes in operating assets and liabilities	(45,234,633)	(24,319,770)	(35,036,566)	(14,927,005)
Decrease (increase) in operating assets				
Trade and other receivables	457,144	4,678,236	1,333,909	6,844,903
Land and construction under development	(235,648,763)	(179,371,696)	(120,938,219)	(124,377,605)
Advances to contractors	(52,550,122)	-	(29,954,882)	-
Other current assets	(4,633,733)	667,470	(4,070,799)	677,662
Other non-current assets	605,480	744,625	605,481	744,622
Increase (decrease) in operating liabilities				
Trade and other payables	89,782,961	(33,627,153)	30,004,580	(33,786,598)
Other current liabilities	1,768,378	(3,361,455)	1,088,622	(3,361,455)
Other non-current liabilities	(592,706)	(2,468,443)	45,764	(1,778,236)
Cash used in operating activities	(246,045,994)	(237,058,186)	(156,922,110)	(169,963,712)
Cash received from interest income	1,747,700	409,054	1,714,228	275,449
Cash paid for interest expenses	(10,252,136)	(95,265)	(10,195,525)	(67,808)
Cash paid for corporate income tax	(17,477)	(6,676)	(17,142)	(4,662)
Net cash used in operating activities	(254,567,907)	(236,751,073)	(165,420,549)	(169,760,733)

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

We Retail Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from investing activities				
Increase in short-term loan to related party	-	-	(615,292,000)	(250,000,000)
Decrease (increase) in restricted bank deposits	(245,369,000)	(40,000,000)	10,000,000	(40,000,000)
Increase in advances for purchases of land	-	(12,357,000)	-	-
Increase in leasehold rights	(399,262,232)	(246,617,999)	(115,483,353)	(17,500,000)
Increase in building improvement and equipment	(177,994)	(980,585)	(177,994)	(980,585)
Net cash used in investing activities	(644,809,226)	(299,955,584)	(720,953,347)	(308,480,585)
Cash flows from financing activities				
Decrease in notes payable	(10,000,000)	-	(10,000,000)	-
Increase in long-term loans	35,000,000	-	-	-
Increase in short-term loans from related party	381,093,569	30,000,000	381,093,569	30,000,000
Cash received from the issuance of additional ordinary shares	515,031,154	424,787,730	515,031,154	424,787,730
Net cash from financing activities	921,124,723	454,787,730	886,124,723	454,787,730
Net increase (decrease) in cash and cash equivalents	21,747,590	(81,918,927)	(249,173)	(23,453,588)
Cash and cash equivalents at beginning of year	20,077,834	101,996,761	13,372,011	36,825,599
Cash and cash equivalents at end of year	41,825,424	20,077,834	13,122,838	13,372,011

Supplemental cash flow information

Non-cash transaction

Leasehold rights amortised to cost of land and construction under development	20,554,494	4,833,912	4,172,392	-
Increase in land and construction under development from accrued land rental expenses	32,391,166	2,650,768	5,529,342	-
Transfer advances for purchases of land to land and construction under development	-	33,717,266	-	-
Increase in promissory notes for purchase of leasehold rights	255,368,000	40,000,000	-	40,000,000
Transfer land and construction under development to investment properties	662,840,526	-	255,017,558	-

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

We Retail Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share discount	Adjustment of share capital from reverse acquisition	Deficit	
Balance as at 31 December 2011 - as previously reported	2,065,774,550	(1,534,390,910)	(74,954,715)	(94,179,631)	362,249,294
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	1,273,838	1,273,838
Balance as at 31 December 2011 - as restated	2,065,774,550	(1,534,390,910)	(74,954,715)	(92,905,793)	363,523,132
Additional ordinary shares	1,930,853,320	(1,506,065,590)	-	-	424,787,730
Total comprehensive income for the year (restated)	-	-	-	(21,319,458)	(21,319,458)
Balance as at 31 December 2012 - as restated	<u>3,996,627,870</u>	<u>(3,040,456,500)</u>	<u>(74,954,715)</u>	<u>(114,225,251)</u>	<u>766,991,404</u>
					-
Balance as at 31 December 2012 - as previously reported	3,996,627,870	(3,040,456,500)	(74,954,715)	(119,926,319)	761,290,336
Cumulative effect of change in accounting policy for deferred tax (Note 4)				5,701,068	5,701,068
Balance as at 31 December 2012 - as restated	3,996,627,870	(3,040,456,500)	(74,954,715)	(114,225,251)	766,991,404
Additional ordinary shares (Note 19)	2,341,050,700	(1,826,019,546)	-	-	515,031,154
Total comprehensive income for the year	-	-	-	(45,166,468)	(45,166,468)
Balance as at 31 December 2013	<u>6,337,678,570</u>	<u>(4,866,476,046)</u>	<u>(74,954,715)</u>	<u>(159,391,719)</u>	<u>1,236,856,090</u>

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

We Retail Public Company Limited and its subsidiary
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements			Total shareholders' equity
	Issued and paid-up share capital	Share discount	Deficit	
Balance as at 31 December 2011 - as previously reported	2,065,774,550	(1,534,390,910)	(119,489,303)	411,894,337
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-
Balance as at 31 December 2011 - as restated	2,065,774,550	(1,534,390,910)	(119,489,303)	411,894,337
Additional ordinary shares	1,930,853,320	(1,506,065,590)	-	424,787,730
Total comprehensive income for the year (restated)	-	-	(9,215,625)	(9,215,625)
Balance as at 31 December 2012 - as restated	<u>3,996,627,870</u>	<u>(3,040,456,500)</u>	<u>(128,704,928)</u>	<u>827,466,442</u>
				-
Balance as at 31 December 2012 - as previously reported	3,996,627,870	(3,040,456,500)	(130,483,075)	825,688,295
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	1,778,147	1,778,147
Balance as at 31 December 2012 - as restated	3,996,627,870	(3,040,456,500)	(128,704,928)	827,466,442
Additional ordinary shares (Note 19)	2,341,050,700	(1,826,019,546)	-	515,031,154
Total comprehensive income for the year	-	-	(14,775,658)	(14,775,658)
Balance as at 31 December 2013	<u>6,337,678,570</u>	<u>(4,866,476,046)</u>	<u>(143,480,586)</u>	<u>1,327,721,938</u>

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

We Retail Public Company Limited and its subsidiary

Notes to consolidated financial statements

For the year ended 31 December 2013

1. General information

We Retail Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Property Perfect Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the property development, shopping mall and commercial areas. During the current year, the Company is in the construction state of its projects. The registered office of the Company is at 100/1 Vorasombat Building, 17th Floor, Rama 9 Road, Huaykwang, Bangkok.

2. Basis for preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions 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) These consolidated financial statements are prepared for a reverse acquisition, whereby We Retail Public Company Limited (“the Company”) is the legal parent company (acquiree for accounting purposes) and Centrepont Shopping Mall Company Limited is the legal subsidiary company (the acquirer for accounting purposes) (“subsidiary”). The subsidiary is domiciled in Thailand and principally engaged in development of property, shopping malls and commercial areas.

Because the consolidated financial statements represent a continuation of the financial statements of the subsidiary (the accounting acquirer), except for its capital structure, they reflect:

- 1) The assets and liabilities of the subsidiary (the accounting acquirer) recognised and measured at their pre-combination carrying amounts.
 - 2) The assets and liabilities of the Company (the accounting acquiree) recognised and measured in accordance with TFRS 3 (revised 2009) "Business Combinations".
 - 3) The retained earnings and other equity balances of the subsidiary (accounting acquirer) before the business combination.
 - 4) The equity structure in the consolidated financial statements reflects the equity structure of the Company (the accounting acquiree) and the number of its ordinary shares.
- b) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- c) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements, which present investment in subsidiary under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

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

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiary 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 subsidiary 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

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014

		<u>Effective date</u>
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 <i>Financial Reporting in Hyperinflationary Economies</i>	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 management of the Company and its subsidiary 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 subsidiary 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.

	As at 31 December 2013		As at 31 December 2012		(Unit: Thousand Baht) As at 1 January 2012	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial	financial	financial
	statements	statements	statements	statements	statements	statements
Statements of financial position						
Increase in deferred tax assets	15,746	4,972	5,701	1,778	1,274	-
Decrease in deficit	15,746	4,972	5,701	1,778	1,274	-

	For the year ended		For the year ended	
	31 December 2013		31 December 2012	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statements	statements	statements	statements
Statements of comprehensive income				
Profit or loss:				
Decrease in income tax expenses		10,044	3,193	4,427
Decrease in loss attributable to equity holders of the Company		10,044	3,193	4,427
Decrease in basic loss per share (Baht)		0.010	0.003	0.007

5. Significant accounting policies

5.1 Revenue recognition

Interest income

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

5.2 Cash and cash equivalents

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

5.3 Accounts receivable

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.

5.4 Land and construction under development

Land and construction under development are valued at the lower of cost and net realisable value.

Land and construction under development consist of the costs of land, land development, construction, land lease and related interest.

5.5 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).

No depreciation has been provided on investment properties in progress.

5.6 Building improvement and equipment and depreciation

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

Depreciation of building improvement and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 5 years.

Depreciation is included in profit or loss.

No depreciation has been provided on construction in progress.

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

5.7 Leasehold rights and amortisation

Leasehold right is stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any).

Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

Amortisation is included in profit or loss and is capitalised as part of project costs for leasehold rights of project under development.

5.8 Investment

Investment in subsidiary is accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

5.9 Related party transactions

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

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

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

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

5.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the building improvement and equipment, investment properties and leasehold right whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Such reversal is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

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

The Company and its subsidiary has no obligation in respect of the severance payments it must make to employees upon retirement under labor law since the Company and its subsidiary assessed that there is no possibility that the employees of the Company and its subsidiary will work until retirement and the Company and its subsidiary has no other defined benefit plans other than under labor law.

5.13 Provisions

Provisions are recognised when the Company and its subsidiary has 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.

5.14 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 subsidiary 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 subsidiary 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 subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

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

Fair value of financial instruments

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

Building improvement and equipment/Depreciation

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

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

Deferred tax assets

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

Litigations

The Company and its subsidiary has contingent liabilities as a result of litigations. The Company's and its subsidiary's management has used judgement to assess the results of the litigations and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

7. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with parent company</u>					
Interest expenses	13,324	121	13,324	121	5.10% - 7.38% per annum
Purchase land	41,960	-	41,960	-	Contract price
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Interest expenses	-	-	-	68	7.50% per annum
Interest income	-	-	29,084	4,486	5.00% - 5.42% per annum
<u>Transactions with related party</u>					
Leasehold rights	60,000	-	60,000	-	Contract price
Rental expenses included in land and construction under development	2,843	-	2,843	-	Contract price

The outstanding balances of the related transactions are shown as a separate item in the statements of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Accrued interest receivable- related party (Note 8)</u>				
Subsidiary	-	-	33,570	4,486
Total accrued interest receivable - related party	-	-	33,570	4,486
<u>Accrued interest payable - related party (Note 15)</u>				
Parent company	3,250	121	3,250	121
Total accrued interest payable - related party	3,250	121	3,250	121

Short-term loan to related party

As at 31 December 2013 and 2012, the balance of loan between the Company and a related company and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
Loan to related party	Related by	31 December 2012	during the year	during the year	31 December 2013
Centrepont Shopping Mall					
Company Limited	subsidiary	250,000	615,292	-	865,292
Total		250,000	615,292	-	865,292

Short-term loan from related party

As at 31 December 2013 and 2012, the balance of loan between the Company and a related company and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated and separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
Loan from related party	Related by	31 December 2012	during the year	during the year	31 December 2013
Property Perfect Public	Parent				
Company Limited	company	30,000	411,000	(29,906)	411,094
Total		30,000	411,000	(29,906)	411,094

Directors' and management's benefits

During the current year, the Company and its subsidiary had short-term employee benefit expenses payable to their directors and management amounting to Baht 1.2 million (2012: Baht 4.3 million).

8. Trade and other receivables

As at 31 December 2013 and 2012, trade and other receivables were classified by aging as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade receivables</u>				
Past due				
more than 12 months	30	30	30	30
Total	30	30	30	30
Less: allowance for doubtful debt	(30)	(30)	(30)	(30)
Total trade receivables, net	-	-	-	-
<u>Other receivables</u>				
Other receivables	838	4,338	838	2,172
Interest receivable from				
related party (Note 7)	-	-	33,570	4,486
Interest receivable	3,336	-	293	-
Total other receivables	4,174	4,338	34,701	6,658
Trade and other receivables, net	4,174	4,338	34,701	6,658

9. Land and construction under development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cost of land	-	312,689	-	123,961
Development cost	-	58,514	-	417
Total	-	371,203	-	124,378

During the current year, the Company and its subsidiary have followed a clear policy of renting out development projects that had previously been classified as land and construction under development. The Company and its subsidiary therefore classified Baht 662.8 million (Separate financial statement: Baht 255.0 million) of land and construction under development as investment properties.

10. Investment in subsidiary

The balances represent an investment in all shares of Centrepont Shopping Mall Company Limited. The subsidiary has registered and a paid-up capital of Baht 400.2 million.

11. Advances for purchases of land

Advance payment for the purchase of land amounting to Baht 12.4 million (Separate financial statement: Nil) was made to the landowner in accordance with an agreement to purchase and to sell, signed by the subsidiary's agent and the landowner. The subsidiary has entered in to agreement to purchase and to sell land amounting to Baht 61.8 million.

12. Investment properties

As discussed in Note 9 to the financial statements, the Company and its subsidiary classified Baht 662.8 million (Separate financial statements: Baht 255.0 million) of land and construction under development as investment properties. The investment properties, shopping mall and commercial areas for lease, are under construction. The Company and its subsidiary expect to be able to reliably measure the fair value of the property when construction is complete.

The Company and its subsidiary have pledged investment properties amounting to approximately Baht 68.9 million as collateral against credit facilities received from financial institutions.

13. Building improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements			
	Building improvement	Furniture, fixture and office equipment	Motor vehicles	Total
Cost				
1 January 2012	-	-	4,900	4,900
Additions	430	551	-	981
31 December 2012	430	551	4,900	5,881
Additions	89	89	-	178
31 December 2013	519	640	4,900	6,059
Accumulated depreciation:				
1 January 2012	-	-	2,153	2,153
Depreciation for the year	48	77	980	1,105
31 December 2012	48	77	3,133	3,258
Depreciation for the year	96	121	980	1,197
31 December 2013	144	198	4,113	4,455
Net book value:				
31 December 2012	382	474	1,767	2,623
31 December 2013	375	442	787	1,604
Depreciation for the year as included in selling and administrative expenses				
2012				1,105
2013				1,197

(Unit: Thousand Baht)

	Separate financial statements		
	Building improvement	Furniture, fixture and office equipment	Total
Cost			
1 January 2012	-	-	-
Additions	430	551	981
31 December 2012	430	551	981
Additions	89	89	178
31 December 2013	519	640	1,159
Accumulated depreciation			
1 January 2012	-	-	-
Depreciation for the year	48	77	125
31 December 2012	48	77	125
Depreciation for the year	96	121	217
31 December 2013	144	198	342
Net book value:			
31 December 2012	382	474	856
31 December 2013	375	442	817
Depreciation for the year as included in selling and administrative expenses			
2012			125
2013			217

14. Leasehold rights

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost		
1 January 2012	128,957	-
Additions	286,618	57,500
31 December 2012	415,575	57,500
Additions	654,630	115,483
31 December 2013	1,070,205	172,983
Accumulated amortization		
1 January 2012	8,347	-
Amortisation for the year	4,834	-
31 December 2012	13,181	-
Amortisation for the year	20,554	4,172
31 December 2013	33,735	4,172
Net book value		
31 December 2012	402,394	57,500
31 December 2013	1,036,470	168,811
Amortisation for the year as included in land and construction under development		
2012	4,834	-
2013	20,554	4,172

The details of the leasehold rights are as follows:

The Company

Counterparty	Lease term	Lease period	Upfront fee and rental throughout the contract	Remark
			period (Million Baht)	
Crown Property Bureau	30 years	1 April 2015 to 31 March 2045	141.2	a)
Individual	30 years	1 June 2013 to 31 May 2043	33.3	
Related company	30 years	1 October 2014 to 31 August 2044	212.3	

- a) On 15 November 2012, the Company entered into a memorandum of agreement to transfer the leasehold rights with an individual, in order to acquire leasehold rights from the Crown Property Bureau. The Company is to pay a consideration of Baht 50 million (The Company made payment of Baht 10 million and issued 4 promissory notes of Baht 10 million each availed by a bank. The Company has already settled a promissory note of Baht 10 million, and the remaining balance of promissory notes is Baht 30 million).

According to the land lease agreement, no rental will be collected during the construction period of 2 years, from 1 April 2013 to 31 March 2015.

Subsidiary

Counterparty	Lease term	Lease period	Upfront fee and rental throughout the contract	Remark
			period (Million Baht)	
Individual	26 years 8 months	8 April 2010 to 31 December 2036	378.6	
A company	30 years	1 January 2015 to 31 December 2044	2,525.5	b)

- b) The subsidiary paid an upfront fee of approximately Baht 229.1 million on 23 August 2012, paid a further amount of approximately Baht 256.0 million on 30 May 2013 and issue promissory notes amounting to Baht 255.4 million, availed by a bank. The promissory note is repayable on 31 July 2014.

15. Other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Construction payables	83,899	-	25,923	-
Retention payable	1,897	-	1,897	-
Accrued interest expenses to related party (Note 7)	3,250	121	3,250	121
Accrued interest expenses	60	-	-	-
Accrued expenses	46,057	12,657	7,850	3,055
Other payables	3,782	864	3,782	864
Total other payables	<u>138,945</u>	<u>13,642</u>	<u>42,702</u>	<u>4,040</u>

16. Creditors per rehabilitation plan

On 18 November 2010, the Central Bankruptcy Court ordered the cancellation of the rehabilitation of the Company, since the Company had completed implementation of the rehabilitation plan. Remaining liabilities under the rehabilitation plan are debts of the 6th group of creditors, each of which is to receive settlement of principal from the amounts that the Company receives from the Exxa Insurance Public Co., Ltd. The comptroller in bankruptcy is considering the cases and the final outcome of the lawsuits involving the 6th group of creditors is not yet known.

17. Notes payable

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Notes payable	285,368	40,000	30,000	40,000
Less: Current portion	(265,368)	(10,000)	(10,000)	(10,000)
Notes payable - net of current portion	<u>20,000</u>	<u>30,000</u>	<u>20,000</u>	<u>30,000</u>

The Company and its subsidiary issued promissory notes in order to settle the cost of the leasehold rights with the land owners, as discussed in Note 14 to the financial statements. The promissory notes are availed by a financial institution, and the aval is secured by the pledge of fixed deposits.

18. Long-term loans

In 2013, the subsidiary entered into a loan agreement with a financial institution. A facility of Baht 35 million, subject to interest at a rate tied to the minimum loan rate (MLR), is secured by the mortgage of part of the subsidiary's project land and construction. It is to be repaid monthly as from July 2015. Any remaining balance is to be repaid within December 2018.

19. Share capital

Consolidated financial statements

The equity structure in the consolidated financial statements reflects the equity structure of the Company and the number of its ordinary shares, and in the preparation of the consolidated financial statements for a reverse acquisition, the value of ordinary shares represents the sum of the value of ordinary shares of the subsidiary (accounting acquirer) outstanding before the business combination, the cost of the business combination and the value of the ordinary shares of the Company (accounting acquiree) issued after the business combination. Details are as follows:

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Value of ordinary shares of the subsidiary (accounting acquires) outstanding before the business combination	400,200	400,200
Fair value of consideration transferred from reverse acquisition	56,229	56,229
Total	456,429	456,429
Value of ordinary shares of the Company (accounting acquires) issued after the reverse business combination	4,271,904	1,930,853
Increase in share discount from ordinary shares issues after the reverse business combination	(3,332,085)	(1,506,066)
Value of ordinary shares, in consolidated financial statements	1,396,248	881,216

The value of the ordinary shares in the consolidated financial statements is presented to reflect the equity structure of the Company, which is the legal parent company (accounting acquires). Details are as follows:

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Issued and fully paid share capital	6,337,679	3,996,628
Share discount	(4,866,476)	(3,040,457)
Adjustment of share capital from reverse acquisition	(74,955)	(74,955)
Total	1,396,248	881,216

Separate financial statements

The Annual General Meeting of the Company's shareholders held on 23 April 2013 passed the following significant resolutions:

- a) Approved the reduction of the registered share capital from Baht 4,131,549,100 (826,309,820 ordinary shares with a par value of Baht 5 each) to Baht 3,996,627,870 (799,325,574 ordinary shares with a par value of Baht 5 each) by canceling unissued shares of the Company.
- b) Approved increase in the registered share capital from Baht 3,996,627,870 (799,325,574 ordinary shares with a par value of Baht 5 each) to Baht 6,496,627,870 (1,299,325,574 ordinary shares with a par value of Baht 5 each) by issuing 500,000,000 ordinary shares with a par value of Baht 5 each to offer to the Company's existing shareholders through a rights offering with a ratio of 5 new shares for every 8 existing shares, at a price of Baht 1.10 each. Fractional shares will be ignored.

The Company registered the reduction of the registered share capital and increase in the registered share capital with the Ministry of Commerce on 25 and 26 April 2013, respectively.

The Extraordinary General Meeting of the Company's shareholders held on 4 September 2013 passed the following significant resolutions:

- a) Approved the reduction of the registered share capital from Baht 6,496,627,870 (1,299,325,574 ordinary shares with a par value of Baht 5 each) to Baht 6,337,678,570 (1,267,535,714 ordinary shares with a par value of Baht 5 each) by canceling unissued shares of the Company.
- b) Approved increase in the registered share capital from Baht 6,337,678,570 (1,267,535,714 ordinary shares with a par value of Baht 5 each) to Baht 10,837,678,570 (2,167,535,714 ordinary shares with a par value of Baht 5 each) by issuing 900,000,000 ordinary shares with a par value of Baht 5 each.
- c) Approved allocation of up to 900,000,000 ordinary shares with a par value of Baht 5 to be sold by private placement at a price not less than 90% of the market price or not less than Baht 1.12 per share. If there are shares remaining after the private placement, the Company will allocate them to be sold to its existing shareholders (rights offering) at a price of Baht 1.10 each and with the conditions stipulated in a resolution of an Extraordinary General Meeting of the Company's shareholders.

The Company registered the reduction of the registered share capital and increase in the registered share capital with the Ministry of Commerce on 12 and 13 September 2013, respectively.

The Extraordinary General Meeting of the Company's shareholders held on 19 December 2013 passed the following significant resolutions:

- a) Approved the reduction of the registered share capital from Baht 10,837,678,570 (2,167,535,714 ordinary shares with a par value of Baht 5 each) to Baht 6,337,678,570 (1,267,535,714 ordinary shares with a par value of Baht 5 each) by canceling 900,000,000 unissued ordinary shares with a par value of Baht 5 each.

The Company registered the reduction of the registered share capital with the Ministry of Commerce on 24 December 2013.

- b) Approved the reduction of the registered share capital and the issued and paid-up share capital from Baht 6,337,678,570 (1,267,535,714 ordinary shares with a par value of Baht 5 each) to Baht 1,330,912,500 by changing the par value of the Company's ordinary shares from Baht 5 to Baht 1.05 per share, with the capital reduction of Baht 5,006,766,070 to be used to offset the Company's share discount and deficit, respectively.
- c) Approved increase in the registered share capital from Baht 1,330,912,500 (1,267,535,714 ordinary shares with a par value of Baht 1.05 each) to Baht 4,761,825,000 (4,535,071,428 ordinary shares with a par value of Baht 1.05 each) by issuing 3,267,535,714 ordinary shares with a par value of Baht 1.05 each.
- d) Approved the allocation of 1,267,535,714 ordinary shares with a par value of Baht 1.05 to be sold to its existing shareholders (rights offering) in a ratio of 1 new shares for every 1 existing share at a price of Baht 1.10 each. If any shares remain after the first rights offering, the Company will re-allocate these shares, in accordance with the conditions stipulated in a resolution of an Extraordinary General Meeting of the Company's shareholders.
- e) Approved the allocation of 2,000,000,000 ordinary shares with a par value of Baht 1.05 each to be sold by private placement to unrelated parties in a single or multiple tranches, at a price that is not less than Baht 1.12 per share, which is not less than 90% of the market price.

The Company is in the process of implementing the legal measures necessary to comply with the resolutions of the Extraordinary General Meeting of the Company's shareholders.

As at 31 December 2013, the Company's issued and fully paid share capital had increased from Baht 3,996,627,870 (799,325,574 ordinary shares with a par value of Baht 5 each) to Baht 6,337,678,570 (1,267,535,714 ordinary shares with a par value of Baht 5 each) as a result of the Company issued 468,210,140 ordinary shares with a par value of Baht 5 each, at a price of Baht 1.10 each, totaling Baht 515,031,154, to be allocated to the Company's existing shareholder pro rata to their shareholdings in accordance with the resolution of the Annual General Meeting of the Company's shareholders, held on 23 April 2013. The related share discount of Baht 1,826,019,546 resulted in a total share discount of Baht 4,866,476,046. The Company registered the increase in issued and paid-up capital with the Ministry of Commerce on 15 July 2013.

20. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salaries and other employee benefits	5,477	5,752	5,477	5,752
Depreciation and amortisation	1,197	1,105	217	125
Rental and service expenses	941	570	941	570
Consulting fee	24,120	12,207	16,818	3,904

21. Income tax

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Restated)		(Restated)	
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(10,044)	(5,091)	(3,193)	(2,045)
Effects of changes in the applicable tax rates	-	664	-	267
Tax income reported in the statement of comprehensive income	<u>(10,044)</u>	<u>(4,427)</u>	<u>(3,193)</u>	<u>(1,778)</u>

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		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Accounting profit before tax	<u>(55,211)</u>	<u>(25,747)</u>	<u>(17,969)</u>	<u>(10,994)</u>
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	(11,042)	(5,922)	(3,594)	(2,529)
Effects of changes in the applicable tax rates	-	664	-	267
Effects of: non-deductible expenses	<u>998</u>	<u>831</u>	<u>401</u>	<u>484</u>
Tax income reported in the statement of comprehensive income	<u>(10,044)</u>	<u>(4,427)</u>	<u>(3,193)</u>	<u>(1,778)</u>

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	As at	As at	As at	As at	As at
	31 December	31 December	1 January	31 December	31 December	1 January
	<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>
		(Restated)			(Restated)	
Deferred tax assets						
Inter-interest capitalised to project cost of the subsidiary	6,106	897	-	-	-	-
Unused tax loss	<u>9,640</u>	<u>4,804</u>	<u>1,274</u>	<u>4,972</u>	<u>1,778</u>	-
Total	<u>15,746</u>	<u>5,701</u>	<u>1,274</u>	<u>4,972</u>	<u>1,778</u>	-

The Company and its subsidiary calculated deferred tax assets based on a reduction in the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent as from 2013 in compliance with Royal Decree B.E. 2554 date December 2011 governing corporate income tax reduction.

As at 31 December 2013 the Company had unused tax losses totaling Baht 14.3 million (2012: Baht 14.3 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

22. Loss per share

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

The following table sets forth the computation of basic loss per share:

Consolidated financial statements						
Loss for the year		Weighted average number of		Loss per share		
		ordinary shares				
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Thousand	Thousand	Thousand	Thousand	Baht	Baht	
Baht	Baht	shares	shares			
(Restated)				(Restated)		
Basic loss per share						
Loss attributable to equity holders of the Company	(45,166)	(21,319)	1,030,266	596,744	(0.044)	(0.036)

Separate financial statements						
Loss for the year		Weighted average number of		Loss per share		
		ordinary shares				
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Thousand	Thousand	Thousand	Thousand	Baht	Baht	
Baht	Baht	shares	shares			
(Restated)				(Restated)		
Basic loss per share						
Loss attributable to equity holders of the Company	(14,776)	(9,216)	1,030,266	596,744	(0.014)	(0.015)

23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiary are principally engaged in the property development, shopping mall and commercial areas. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

24. Commitments

24.1 Capital commitment

- a) As at 31 December 2013, the Company and its subsidiary had outstanding capital commitment of approximately Baht 557.8 million (2012: Baht 62.7 million) in respect of construction, a design contract for shopping center and office project and consulting contract.
- b) As at 31 December 2013, the subsidiary had outstanding capital commitment of approximately Baht 49.4 million (2012: Baht 49.4 million) in respect of purchases of land.

24.2 Operating lease commitments

The Company has entered into several lease agreements in respect of office space and various services. The terms of the agreements are generally 2 years. Operating lease agreements are non-cancellable.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

(Unit: Million Baht)		
As at 31 December		
	<u>2013</u>	<u>2012</u>
Payable:		
Less than 1 year	0.3	0.9
1 to 2 years	-	0.3

During the year 2013, the Company recognised rental expenses of Baht 0.9 million (2012: Baht 0.6 million).

24.3 Service lease commitment

As at 31 December 2013, the Company and its subsidiary had service agreements in respect of the real estate project, effective from July 2011 to December 2016. Under the conditions of the agreements, the Company and its subsidiary are to pay a monthly service fee as stipulated in agreement. During the current year, the Company and its subsidiary recognised fee expenses of Baht 15.4 million (2012: Baht 7.7 million) (Separate financial statements: Baht 9.6 million (2012: Nil)).

25. Financial instruments

25.1 Financial risk management

The Company's and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally consist of the following.

<u>Financial assets</u>	<u>Financial liabilities</u>
- Cash and cash equivalents	- Other payables
- Trade and other receivables	- Short-term loan from related party
- Short-term loan to related party	- Notes payable
- Advances to contractors	- Long-term loans
- Restricted bank deposits	
- Advances for purchases of land	

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other receivables and loan. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loan as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary are exposed to interest rate risk relating primarily to their cash at banks, loans, and notes payable. Most of the Company's and its subsidiary's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2013 classified by type of interest rates are summarised in the table below on the maturity date or, the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2013							
Consolidated financial statements							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1 - 5 years	Over 5 years					
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	41.8	-	41.8	0.45 - 0.75
Trade and other receivables	-	-	-	-	4.2	4.2	-
Advances to contractors	-	-	-	-	52.6	52.6	-
Restricted bank deposits	285.4	-	-	-	-	285.4	1.85 - 2.50
Advances for purchases of land	-	-	-	-	12.4	12.4	-
	285.4	-	-	41.8	69.2	396.4	
<u>Financial liabilities</u>							
Other payables	-	-	-	-	138.9	138.9	-
Short-term loan from related party	411.1	-	-	-	-	411.1	5.00 - 5.42
Notes payable	-	-	-	-	285.4	285.4	-
Long-term loans	-	-	-	35.0	-	35.0	10.48
	411.1	-	-	35.0	424.3	870.4	

(Unit: Million Baht)

As at 31 December 2012							
Consolidated financial statements							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1 - 5 years	Over 5 years					
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	19.7	0.4	20.1	0.65 - 0.75
Trade and other receivables	-	-	-	-	4.3	4.3	-
Restricted bank deposits	40.0	-	-	-	-	40.0	2.50
Advances for purchases of land	-	-	-	-	12.4	12.4	-
	40.0	-	-	19.7	17.1	76.8	
<u>Financial liabilities</u>							
Other payables	-	-	-	-	13.6	13.6	-
Short-term loan from related party	30.0	-	-	-	-	30.0	7.38
Notes payable	-	-	-	-	40.0	40.0	-
	30.0	-	-	-	53.6	83.6	

(Unit: Million Baht)

As at 31 December 2013							
Separate financial statements							
	Fixed interest rates			Floating			
	Within	1 - 5	Over	interest	Non-interest		
	1 year	years	5 years	rate	Bearing	Total	Interest rate
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	13.1	-	13.1	0.45 - 0.75
Trade and other receivables	-	-	-	-	34.7	34.7	-
Short-term loan to related party	865.3	-	-	-	-	865.3	5.00 - 5.42
Advances to contractors	-	-	-	-	30.0	30.0	-
Restricted bank deposits	30.0	-	-	-	-	30.0	1.85 - 2.25
	895.3	-	-	13.1	64.7	973.1	
<u>Financial liabilities</u>							
Other payables	-	-	-	-	42.7	42.7	-
Short-term loan from related party	411.1	-	-	-	-	411.1	5.10 - 5.42
Notes payable	-	-	-	-	30.0	30.0	-
	411.1	-	-	-	72.7	483.8	

(Unit: Million Baht)

As at 31 December 2012							
Separate financial statements							
Fixed interest rates			Floating		Non-interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	Over 5 years	interest rate				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	13.0	0.4	13.4	0.75
Trade and other receivables	-	-	-	-	6.7	6.7	-
Short-term loan to related party	250.0	-	-	-	-	250.0	5.00
Restricted bank deposits	40.0	-	-	-	-	40.0	2.50
	290.0	-	-	13.0	7.1	310.1	
<u>Financial liabilities</u>							
Other payables	-	-	-	-	4.0	4.0	-
Short-term loan from related party	30.0	-	-	-	-	30.0	7.38
Notes payable	-	-	-	-	40.0	40.0	-
	30.0	-	-	-	44.0	74.0	

25.2 Fair value of financial instruments

Since the majority of the Company's and its subsidiary's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

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

26. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 0.71:1 (2012: 0.12:1) and the Company's was 0.37:1 (2012: 0.10:1).

27. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2014.