

Your Home Our Heart

รายงานประจำปี 2555 | Annual Report 2012



บริษัท เอ็น.ซี. โฮสซิ่ง จำกัด (มหาชน)
N.C. Housing Public Company Limited



Vision

To be a property development company providing international quality of products and services with modern management and utilizing the latest technology and stands ready to expand by co-investment domestically or internationally.

Mission

To develop a strong and encompassing investment and business expansion strategy. To continually develop quality products and services. Maximize customer satisfaction and maximize stakeholders' benefit. Continually develop staff capability and team work. Emphasize good corporate governance. Strengthen network and business relationships



Company's Value

Diligence, dedication
Honesty, intent
Self development
Team working



Contents

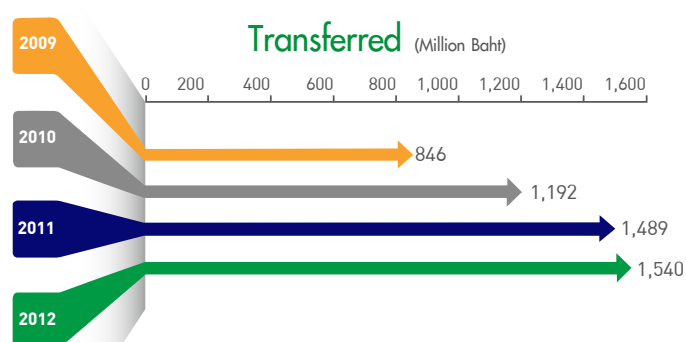
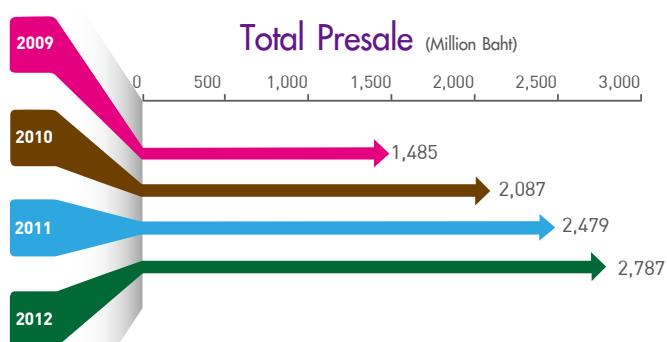


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Financial Highlight

Consolidated Financial Statements	2012	2011	2010
Financial Performance (THB Million)			
Revenue from sales, construction and services	1,549	2,039	1,208
Total Revenues	1,574	2,049	1,221
Cost of sales, construction and services	1,015	1,272	841
Total Expenses	1,437	1,709	1,122
Gross profit	532	768	367
Net profit (loss)	100	193	71
Financial Status (THB Million)			
Assets	3,688	3,311	3,156
Liabilities	1,452	1,092	1,076
Shareholders' equity	2,236	2,219	2,079
Paid-up share capital	1,186	1,186	1,186
Per Share (THB)			
Earnings (THB)	0.08	0.16	0.06
Book value (THB)	1.89	1.87	1.75
Dividend	0.035*	0.07	0.03
Financial Ratio			
Gross profit margin (%)	33.82	37.64	30.38
Net profit margin (%)	6.36	9.40	7.23
Return on equities	4.48	8.68	3.40
Return on assets (%)	2.71	5.82	2.24
Liquidity ratio (Times)	4.94	5.74	9.10
Debt to equity ratio (Times)	0.65	0.49	0.52

* The dividend payments be made on AGM 2013 (April 25,2013)



NCH NEW LOOK 2012

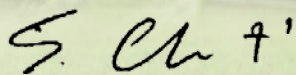
YOUR HOME OUR HEART



The year 2012 was our significant step to improve the image of N.C. Group. We have adopted a modern and remarkable new logo to correspond with our expansive and sustainable business growth. Our memorable Brand Positioning, “Your Home Our Heart”, illustrates our commitment. Our Brand Vision, “A Happy Living Community”

Message from the Chairman

Over the past 18 years, N.C. Group has been a leading company in real estate market for northern zone as we have more than 20 projects, and we are continuously and effectively growing and expanding our market to various locations. Currently, there are a total of 44 sold and operating projects having total value of Baht 26.4 billion.



Mr. Sudham Chatwalwong
Chairman



In year 2013 in particular, N.C. Group has changed our strategy in several ways *including our new logo that helps promoting brand recognition which is in line with our Brand Positioning “We Build Your Home with Our Heart”*. Our Brand Value includes Understanding, Caring, Helpful, and Expert, which are key components of organizational management, executives and staff in order to create quality product and maximum satisfaction for our customers.

We have launched a total of 4 new projects, which is considered as the most projects being launched in many years with a total investment value of Baht 3,000 million in types of detached and semi-detached houses including NC Royal Pinklao Project to meet the life style of Premium customers, Baan Pah Greenery North Pattaya Chaipornvitee Project and Baan Pha Piyarom Nesto, Lamlukka Klong 6 Project, which is awarded with excellent real estate project of year 2012 in a category of detached houses in medium price, by Thailand's Real Estate Information Center and Agency for Real Estate Affairs Company Limited. This truly shows our focus to develop new quality projects. We also increase our competitive ability in vertical construction project in Natureza Condominium North Pattaya Project. All of these projects receive good response from the customers.

Our sales success: Even though the first quarter of the year was affected by the flood crisis taken place end of last year but we are able to quickly overcome the crisis, improve internal working process in various aspects and establish strategic marketing plan to push our sales. We have sales revenue of Baht 482 million, Baht 679 million, Baht 728 million and Baht 898 million, respectively, for each quarter, in a total of Baht 2,787 million, which is in accordance with our established plan, and is 12% higher than last year.

In year 2013, there are both supporting and risk factors against real estate industry. ¶The strength in global economy and preparedness in entering to ASEAN Economic Community or AEC in 2015 can be both business opportunity and intense competition at the same time. The lack of contractors, management of increasing construction and labor costs, and political stability within the country are challenges for the entrepreneurs. However, the Company is confident that we will be able to improve our potential, enhance our competitive ability and manage our operation to achieve organizational goals and bring maximum benefits to all stakeholders including shareholders, customers, trade partners, employees, community, society and environment under N.C. Group's good governance and Brand Vision “*A Happy Living Community*”

On behalf of the Company's Board of Directors, I would like to extend our gratitude to you for always being a part in contributing to N.C. Group's success.



YOUR HOME OUR HEART



Understanding
Caring
Helpful
Expert

Board of Directors



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01 Mr. Sudham Chatwalwong
Chairman

02 Mr. Piboon Limpraphat, Ph.D.
Director, Independent Director,
Chairman of the Audit Committee,
Chairman of the Nomination Committee and
Chairman of the Remuneration Committee

03 Mr. Kobsak Pongponrat
Director, Independent Director,
Member of the Audit Committee and
Member of the Nomination Committee

04 Mr. Vichit Vichaisarn
Director, Independent Director,
Member of the Audit Committee and
Member of the Remuneration Committee

05 Mr. Somchao Tanthathoedtham
Director, Member of the Remuneration
Committee and Chairman of the Board of
Executive Directors

06 Mr. Wichian Silapacharanan
Director and Executive Director

07 Mr. Rungsarn Nuntakawong
Director and Executive Director

08 Mr. Somnuek Tanthathoedtham
Director, Member of the Nomination
Committee and Executive Director

Senior Management



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01 Mr. Somchao Tanthathoerdtham
Chief Executive Ofcer (Authorized Director)

05 Mr. Boonchai Chaiananbavorn
Executive Vice President (Operation 1)

02 Mr. Wichian Silapacharanan
Senior Executive Vice President (Administration)
(Authorized Director)

06 Mr. Warapong Nilsiri
Executive Vice President (Operation 3)

03 Mr. Rungsarn Nuntakawong
Senior Executive Vice President (Operation 1)
(Authorized Director)

04 Mr. Somnuek Tanthathoedtham
Senior Executive Vice President (Operation 2)
(Authorized Director)



08 14 09 10 07 11 13 12 15

07 Ms. Yossawan Rungwara
Senior Vice President

08 Mr. Boonchai Rojpanich
Senior Vice President

09 Mrs. Suangphat Jareraruai
Senior Vice President

10 Mrs. Nopparat Wichaiyutphong
Senior Vice President, Marketing Department

11 Mrs. Nampetch Tantawiriya
Senior Vice President,
Human Resource Department

12 Ms. Sumanee Boonsarana
Senior Vice President,
Accounting Department

13 Mrs. Ajchara Kingsai
Senior Vice President, Sales Department

14 Ms. Kamonwan Sawadchai
Vice President, Accounting Department

15 Mr. Walatchanat Rujidasirisakul
Vice President, Financial Department

Management's Information

Mr. Sudham Chatwalwong

Chairman



Ages 68 Years

% of Shareholding* -

Relations -

Education / Training Background

- Master of Engineering (Hydraulic Engineering), Asian Institute of Technology (AIT)
- Bachelor of Engineering (Hydrology), Chulalongkorn University
- Diploma, National Defense College, No. 399

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 53/2005)

Experience for the past 5 years

2007 - Present

Chairman
N.C. Housing Plc.
Property Development

2007 - February 2011

Chairman and Independent Director
N.C. Housing Plc.
Property Development

2003 - 2007

Director, Independent Director,
and Member of the Audit Committee
N.C. Housing Plc.
Property Development

2002 - 2004

Governor
Metropolitan Waterworks Authority
State Enterprise



Mr. Piboon Limraphat, Ph.D.

Director, Independent Director,
Chairman of the Audit Committee,
Chairman of the Nomination Committee
and Chairman of the Remuneration Committee

Ages 73 Years

% of Shareholding* -

Relations -

Education / Training Background

- Ph.D. University of Illinois
- M.A. (ECON) University of Philippines
- Bachelor of Economics, Thammasat University

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Audit Committee Program (ACP 1/2004)
- Board & CEO Assessment No. 2/2003
- Director Certification Program (DCP 19/2002)
- The Role of the Chairman Program (RCP 3/2001)

Experience for the past 5 years

2009 - Present

Chairman
Chu kai Plc.
Sell, repair service for cranes and provide rental service

2007 - Present

Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee
N.C. Housing Plc.
Property Development

2005 - Present

Director
Ladprao Bilingual School
Education Institute

2005 - Present

Director and Vice Chairman
Asia Medical and Agricultural Laboratory
and Research Center
Medical and Agricultural Laboratory and Research Center

2004 - Present

Director
Ladprao General Hospital
Hospital

Mr. Kobsak Pongponrat

Director, Independent Director,
Member of the Audit Committee and
Member of the Nomination Committee



Ages 64 Years

% of Shareholding* -

Relations -

Education / Training Background

- Master of Public Administration, Roosevelt University Chicago, ILL, USA
- Barrister at Law, Thai-Bar Association of Thailand
- L.L.B. Thammasart University
- Diploma, National Defense College, 1996
- Financial Institute for Executive Senior Thai Band Association, No. 4/1993

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 53/2005)
- Director Accreditation Program (DAP 7/2004)

Experience for the past 5 years

2007 - Present

Director, Independent Director,
Member of the Audit Committee and
Member of the Nomination Committee
N.C. Housing Plc.
Property Development

2003 - 2008

Senior Executive Vice President
Small and Medium Enterprise Development Bank
of Thailand
Banking

2003 - 2007

Director, Independent Director and
Member of the Audit Committee
N.C. Housing Plc.
Property Development



Mr. Vichit Vichaisarn

Director, Independent Director,
Member of the Audit Committee and
Member of the Remuneration Committee



Ages 67 Years

% of Shareholding* -

Relations -

Education / Training Background

- The Executive Master of Business Administration (EMBA) Asian Institute Of Technology (AIT)
- Master of Arts (Government), Chulalongkorn University
- Bachelor of Arts (Political Science), Chulalongkorn University
- The Senior Executive Development Program, Australia
- Colombo Plan Scholarship, Urban Planning and Management Program
- Diploma, National Defense College, No. 42

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 96/2007)
- Finance for Non-finance Director (FND 38/2007)
- Understanding the Financial Statement (UFS 12/2007)
- Audit Committee Program (ACP 20/2007)
- Monitoring the Quality of Financial Reporting (MRF 2/2008)
- IT Governance : A Strategic Part Forward

Experience for the past 5 years

2007 - Present

Director, Independent Director,
Member of the Audit Committee and
Member of the Remuneration Committee
N.C. Housing Plc.
Property Development

2006 - 2008

Director
Metropolitan Electricity Authority
State Enterprise

2004 - 2006

Governor of Suratthani Province
Office of the Permanent Secretary for Interior
Government Service

2003 - 2004

Governor of Pathumthani Province
Office of the Permanent Secretary for Interior
Government Service

2001 - 2003

Governor of Satun Province
Office of the Permanent Secretary for Interior
Government Service

Mr. Somchao Tanthathoedtham

Director, Member of the Remuneration Committee,
Chairman of the Board of Executive Directors,
and Chief Executive Officer
(Authorized Director)



Ages 59 Years

% of Shareholding* 1.14

Relations

- The brother of Mr. Somnuek Tanthathoedtham

Education / Training Background

- Graduate Diploma in Management of Public Economy for Executive Course (No.7), King Prajakhipok's Institute
- Graduate Diploma in Public Law and Management (No.6), King Prajakhipok's Institute
- Master of Business Administration, (Business Law), Ramkhamhaeng University
- Master of Business Administration, Thammasart University
- Bachelor of Medicine, Chulalongkorn University
- Diploma, National Defense College, No. 399

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 128/2010)
- Director Accreditation Program (DAP 8/2004)
- CEO Performance Evaluation, 2004

Experience for the past 5 years

2010 - Present

Vice Chairman
Thai Appraisal Foundation
Scholarly Organizations

2007 - Present

Director, Member of the Remuneration Committee,
Chairman of the Board of Executive Directors and
Chief Executive Office
N.C. Housing Plc.
Property Development

1998 - Present

Director
N.C. Property Management Co., Ltd.
Project Management

1998 - Present

Director
Quality Living Management Co., Ltd.
Community Management to housing residential
and Condominium

1998 - 2008

President
Thailand Real Estate Association
Association

2003 - 2007

Director, Executive Director, and Managing Director
N.C. Housing Co., Ltd.
Property Development

1994 - 2003

Managing Director
N.C. Housing Co., Ltd.
Property Development



Mr. Wichian Silapacharanan

Director, Executive Director and
Senior Executive Vice President (Administration)
(Authorized Director)

Ages 52 Years

% of Shareholding* 0.04

Relations -

Education / Training Background

- Master of Business Administration (Finance),
Chulalongkorn University
- Bachelor of Science (Statistics),
Chulalongkorn University
- Bachelor of Science (Statistics),
Chulalongkorn University
- Organization Risk Management No. 4/2005,
Listed Companies Association

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 81/2006)
- Director Accreditation Program (DAP 8/2004)
- Board Performance Evaluation 2004

Experience for the past 5 years

October 2011 - Present

Director, Executive Director and
Senior Executive Vice President (Administration)
N.C. Housing Plc.
Property Development

2007 - October 2011

Director, Member of the Nomination Committee,
Executive Director and Senior Executive Vice
President (Administration)
N.C. Housing Plc.
Property Development

2003 - 2007

Director, Executive Director and
Senior Executive Vice President (Administration)
N.C. Housing Plc.
Property Development

1994 - 2003

Deputy Managing Director (Administration)
N.C. Housing Co., Ltd.
Property Development

Mr. Rungsarn Nuntakawong

Director, Executive Director,
and Senior Executive Vice President (Operation 1)
(Authorized Director)



Ages 51 Years

% of Shareholding* 0.08

Relations -

Education / Training Background

- Master of Regional Planning, Chulalongkorn University
- Bachelor of Arts (Political Science), Public Administration, Ramkhamhaeng University

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 116/2009)
- Raising the Awareness of Corporate Fraud in Thailand, 2005
- Director Accreditation Program (DAP 8/2004)

Experience for the past 5 years

2003 - Present

Director, Executive Director, and
Senior Executive Vice President (Operation 1)
N.C. Housing Plc.
Property Development

1999 - Present

Mayor of Tambon Bueng Yitho
Office of the Tambon Bueng Yitho Municipality
Thunyaburi Pathumtani Province
Government Service

1999 - Present

Member of the Sub-committee on Town and Country
Planning, Pathumtani Province
Pathumtani Province
Government Service

1998 - Present

Managing Director
N.C. Property Management Co., Ltd.
Project Management

1998 - Present

Director and Managing Director
Quality Living Management Co., Ltd.
Community Management to housing residential
and condominium

2008 - 2011

President of property Management Association
of Thailand
Property Management Association of Thailand (PMA)
Association

1994 - 2003

Deputy Managing Director (Operation 1)
N.C. Housing Co., Ltd.
Property Development



Mr. Somnuek Tanthathoedtham

Director, Member of the Nomination Committee,
Executive Director and Senior Executive
Vice President (Operation 2)
(Authorized Director)

Ages 44 Years

% of Shareholding* 1.67

Relations

- The brother of Mr. Somchao Tanthathoedtham

Education / Training Background

- Master of Management (SASIN),
Chulalongkorn University, 2005
- Bachelor of Engineering (Systems)
University of Pennsylvania Philadelphia
- Bachelor of Science (Wharton School)
Finance and Management
University of Pennsylvania Philadelphia
- Professional Development Program for Corporate
Manager : Condominium / Project Village (1/2010)
- Regional Planning for Executive (1/2008)
Real Estate Management,
Chulalongkorn University, 1993

Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 90/2007)
- Director Accreditation Program (DAP 8/2004)

Experience for the past 5 years

October 2011-Present

Director, Member of the Nomination Committee,
Executive Director and Senior Executive Vice
President (Operation 2)
N.C. Housing Plc.
Property Development

2003 - October 2011

Director, Executive Director and Senior Executive
Vice President (Operation 2)
N.C. Housing Plc.
Property Development

1998 - Present

Director
N.C. Housing Plc.
Project Management

1994 - 2003

Deputy Managing Director (Operation 2)
N.C. Housing Co., Ltd.
Property Development

Mr. Boonchai Chaiananbavorn

Executive Vice President (Operation 1)



Ages 50 Years

% of Shareholding* -

Relations -

Education / Training Background

- Master of Business Administration, Faculty of commerce and Accountancy, Chulalongkorn University
- Mini MBA, Business Administration, Thammasart University
- Bachelor of Civil Engineering, Khon Kaen University

Experience for the past 5 years

2008 - Present

Executive Vice President (Operation 1)
N.C. Housing Plc.
Property Development

2004 - 2008

Senior Project Manager
N.C. Housing Plc.
Property Development

2003 - 2004

Construction Manager
Supalai Plc.
Property Development



Mr. Warapong Nilsiri

Executive Vice President (Operation 3)

Ages 51 Years

% of Shareholding* -

Relations -

Education / Training Background

- Master of Regional Planning,
Chulalongkorn University
- B.S. (Geography), Chiangmai University
- Mini MBA, Business Administration,
Kasetsart University
- Mini Master of Retail Management,
National Institute of Development Administration

Experience for the past 5 years

February 2012 - Present

Executive Vice President (Operation 3)
N.C. Housing Plc.
Property Development

2008 - February 2012

Executive Vice President (Operation 1)
N.C. Housing Plc.
Property Development

2007 - 2008

Senior Manager
N.C. Housing Plc.
Property Development

Ms. Yossawan Rungwara

Senior Vice President



Ages 60 Years

% of Shareholding* 0.001

Relations -

Education / Training Background

- Mini MBA, Business Administration, Kasetsart University
- The Key Success of the Great CEO, Marketing Association of Thailand

Experience for the past 5 years

2011 - Present

Senior Vice President
N.C. Housing Plc.
Property Development

1994 - August 2011

Senior Project Manager
N.C. Housing Plc.
Property Development



Mr. Boonchai Rojpanich

Senior Vice President

Ages 44 Years

% of Shareholding* -

Relations -

Education / Training Background

- Master of Business Administration, Marketing, Thammasart University
- Bachelor of Civil Engineering, Chulalongkorn University

Experience for the past 5 years

September 2011 - Present

Senior Vice President
N.C. Housing Plc.
Property Development

2005 - August 2011

Senior Project Manager
N.C. Housing Plc.
Property Development

1996 - 2005

Project Manager
N.C. Housing Plc.
Property Development

Mrs. Suangphat Jarerarual

Senior Vice President



Ages 60 Years

% of Shareholding* -

Relations -

Education / Training Background

- Mini MBA, Business Administration, Kasetsart University
- General Certificate , Bangkok Business College

Experience for the past 5 years

September 2011 - Present

Senior Vice President
N.C. Housing Plc
Property Development

July 2010 - August 2011

Senior Project Manager
N.C. Housing Plc
Property Development

1994 - June 2010

Project Manager
N.C. Housing Plc.
Property Development



Mrs. Nampetch Tantawiriya

Senior Vice President,
Human Resource Department

Ages 47 Years

% of Shareholding* -

Relations -

Education / Training Background

- Master of Public Management, Chulalongkorn University
- Bachelor of Arts, Political Science, Chulalongkorn University
- Training Course for Associate Judge in preparation for Youth and Family Court 2012 Selection
- Training Course for Organization Preparation in supportive of Minimum Wage and Income for (Bachelor Degree) Graduates Policy 2012
- Compensation Manager Workshop & Best Practices 2012
- Seminar on AEC and HR Challenges for Thailand 2012
- Training Course on ASEAN Economy and Wage Trend Watch 2012
- Training Course in Preparation for Associate Judge Inauguration at Youth and Family Court Part 1 2012

Experience for the past 5 years

September 2012 - Present

Senior Vice President, Human Resource Department
N.C. Housing Plc.
Property Development

September 2011 - Present

Associate Justice
Pathumthanee Juvenile & Family Court.
Courts of Justice

2005 - August 2011

Senior Manager, Human Resource Department
N.C. Housing Plc.
Property Development

2008 - February 2010

Company Secretary, Secretary of the Board Directors, Secretary of the Audit Committee, Secretary of the Nomination Committee, Secretary of the Remuneration Committee.
N.C. Housing Plc.
Property Development

Ms. Sumanee Boonsarana

Senior Vice President, Accounting Department



Ages 49 Years

% of Shareholding* -

Relations -

Education / Training Background

- Bachelor of Business Administration, Accounting, Valaya Alongkorn Rajabhat University
- Bachelor of Business Administration, Sukhothai Thammathirat

Experience for the past 5 years

September 2011 - Present

Senior Vice President, Accounting Department
N.C. Housing Plc.
Property Development

2010 - August 2011

Senior Manager, Accounting Department
N.C. Housing Plc.
Property Development

2003 - 2009

Manager, Accounting Department
N.C. Housing Plc.
Property Development

2001 - 2003

Assistant Manager, Accounting Department
N.C. Housing Plc.
Property Development



Mrs. Nopparat Wichaiyutpong

Senior vice President Marketing Department

Ages 41 Years

% of Shareholding* 0.03

Relations -

Education / Training Background

- Master of Science Major in Real Estate Business
Faculty of commerce and Accountancy,
Thammasat University
- Bachelor of Arts Major Business Economics, Faculty
of Economics, The University of The Thai Chamber
of commerce
- Training in Super Brand Manager class 14, Marketing
Association of Thailand Association of Thailand
- Training in Project Management
- Training in Employee Engagement and Team Building
- Good Personality is the key success for servicing
- Training in Empower Boss, the Delegate Leadership
- Training in how to Achieve Target in Selling
- Training in power selling for real estate management ,
generation 1 Chulalongkorn University
- Efficient Sales Motivation Training Program,
Marketing Association of Thailand

Experience for the past 5 years

September 2011 - Present

Senior vice President,
N.C. Housing Plc.
Property Development

July 2011 - August 2011

Senior Manager, Marketing Department
N.C. Housing Plc.
Property Development

2010 - July 2011

Manager Marketing Department/
Manager Project
N.C. Housing Plc.
Property Development

2002 - 2010

Manager Marketing Department /
Assistant Manager Marketing Department
N.C. Housing Plc.
Property Development

April 1999 - 2002

Section Head Marketing
N.C. Housing Plc.
Property Development

June 1993 - March 1999

Head of Marketing and Sales.
Pruksa Real Estate plc.
Property Development

October 1992 - April 1993

Information staff.
International Trade Data Co., Ltd.
Trade Data

April 1993 - May 1993

Banker
Siam Commercial Bank plc.
Banking

Mrs. Ajchara Kingsai

Senior Vice President,
Sales Department



Ages 50 Years

% of Shareholding* -

Relations -

Education / Training Background

- Siam Commercial School, Marketing
- Professional Sale of Real Estate No.21

Experience for the past 5 years

September 2011 - Present

Senior Vice President, Sale Department
N.C. Housing Plc.
Property Development

1994 - August 2011

Manager, Sale Department
N.C. Housing Plc.
Property Development



Miss. Kamonwan Sawadchai

Vice President, Accounting Department

Ages 49 Years

% of Shareholding* -

Relations -

Education / Training Background

- Bachelor of Accounting, Valaya Alongkorn Rajabhat University
- Bachelor of Management , Sukhothai Thammathirat Open University

Experience for the past 5 years

2010 - Present

Vice President, Accounting Department
Secretary of Audit Committee
N.C. Housing Plc.
Property Development

2005 - 2009

Assistant Manager, Accounting Department
N.C. Housing Plc.
Property Development

Mr. Walatchanat Rujidasirisakul

Vice President, Finance Department



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Annual Report 2012

Ages 44 Years

% of Shareholding* 0.03

Relations -

Education / Training Background

- Bachelor of Arts, Economics, Finance and Banking, The University of the Thai Chamber of Commerce
- Real Estate Development No.25, Chulalongkorn University

Experience for the past 5 years

2002 - Present

Vice President, Finance Department
N.C. Housing Plc.
Property Development

1999 - 2002

Asset Management Officer
Bank of Ayudhya Plc.
Banking

Note :

- * % Shareholding based on latest register book closing date on December 29, 2012
- Member of the company's Board of Directors and Management do not have any Prior criminal records.

Management Positions Held within the N.C. Group

As of December 31, 2012

Directors	The Company	Subsidiaries		Related Companies									
	NCH	NCPM	QLM	1	2	3	4	5	6	7	8	9	10
1.Mr. Sudham Chatwalwong	X												
2.Mr. Somchao Tanthathoedtham	/, //	/	/	/	/	/	/	/	/	/	/	/	/
3.Mr. Somnuek Tanthathoedtham	/, //	/		/	/	/		/	/	/	/		
4.Mr. Wichian Silapacharanan	/, //												
5.Mr. Rungsarn Nuntakawong	/, //		/										
6.Mr. Piboon Limpraphat, Ph.D.	/												
7.Mr. Kobsak Pongponrat	/												
8.Mr. Vichit Vichaisarn	/												

Notes :

1. NCH = N.C. Housing Plc.
NCPM = N.C. Property Management Co., Ltd.
QLM = Quality Living Management Co., Ltd.
2. X = Chairman, / = Director, // = Executive Director
3. Related Companies :
 - 1) Sathaporn Homemart (1999) Co., Ltd.
 - 2) S.C. Construction and Decoration Co., Ltd. (SC)
 - 3) Sathaporn Wattana Trading Co., Ltd.
 - 4) Sathaporn Wattana Transportation Limited Partnership
 - 5) Sap Namchai Pattana Co., Ltd.
 - 6) Namchai Land Development Co., Ltd.
 - 7) Namchai Property Development Co., Ltd.
 - 8) NCH 2555 Holding Co., Ltd. (Set up during the year 2012)
 - 9) Ensure Home Co., Ltd. (Not Operate)
 - 10) TPKS Real Estate Co., Ltd. (Not Operate)

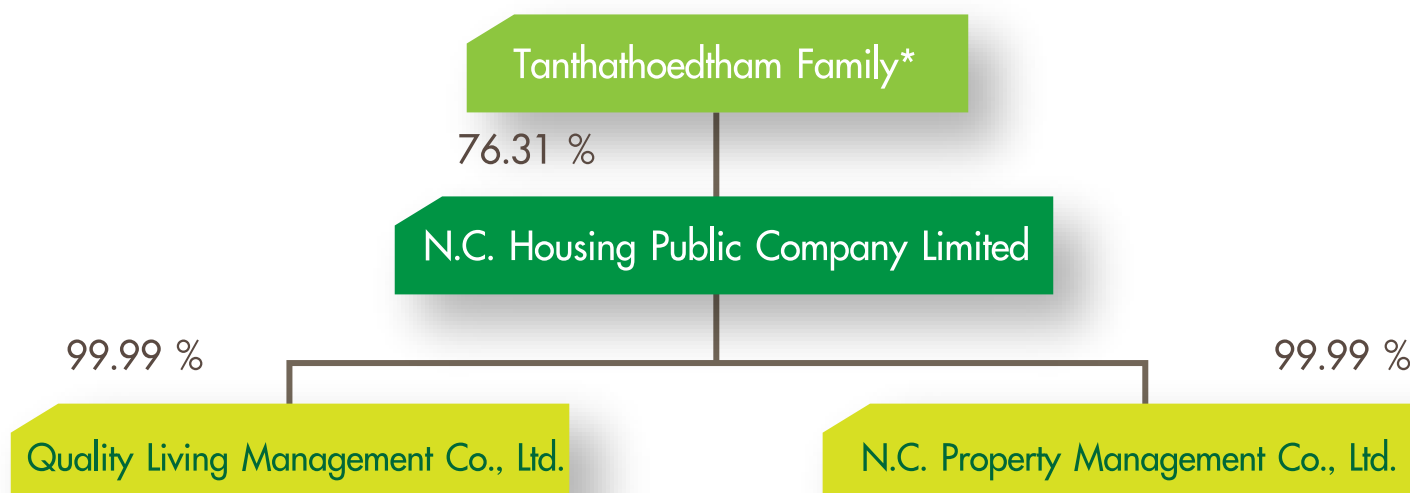
Understanding

We understand what our customers need more than anything, beginning with the creation of home designs our customers want to construction controlled by professional engineers who pay attention to every detail in the interests of residents and in line with what customers need the most.



Company and Subsidiaries' Business Profile

Shareholder Structure of N.C. Group
as of December 31, 2012



Remark :* Tanthathoedtham family includes Tanthathoedtham shareholders and related parties

Business Overview

N.C. Group is a full scale residential housing developer brand “Baa Pha” that has a special design concept for each of its projects and after sales service with a community management service.

N.C. Group puts emphasis on the selection of its project sites located within the city and its vicinity. The key for site selection is an area that has comprehensive public infrastructure with a high growth potential. These features distinguish N.C. Housing communities from others.










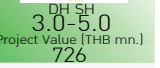
The Company successfully developed 44 projects with total project value of 26.4 Billion Baht and The Company's projects classified by zones are as follows:

- Northern Bangkok** : in the area of Rangsit - Ongkarak and Lamlukka
Baan Pha Piyaom, Baan Pha Green Park Rangsit Klong 3, Thanyathani Home on Green, Thanyathani Home on Green 2, Baan Pha Rangsit Klong 2 (Closed), Baan Pha Rangsit Lamlukka Klong 7 (Closed)
- Southern Bangkok** : in the area of Pracha Uthit Road, Baan Narisa, Baan Pha Green Park Royal Thonburirom
- Western Bangkok** : in the area of Pinklao Ring Road and Budhamonthon
NC Royal Pinklao, The Royal Green Park Kanjanapisek, Baan Pha Green Park Royal Budhamonthon 1 (Closed), Baan Pha Green Park Royal Pinklao(Closed)
- Eastern Bangkok** : in the area of Sri Nakarin Road, Sri Nakarin Grand Home (Closed)
- Inner Bangkok** : in the area of Lad Prao Road, Baan Pha Green Park Lad Prao 101 (Closed)
- Other areas** : in the area of North Pattaya Chaipayornvitee Rd., Chonburi, Baan Pha Greenery North Pattaya Chaipayornvitee, Natureza North Pattaya, In the area of Jomtien Beach, Chonburi, The Green Park Jomtien By NC group, Baan Suan Lalana (Closed), Baan Pha Rim Haad Jomtien (Closed)
in the area of Muang District, Khonkaen, The Focus Condominium (Closed)

Strategic Direction NC Business Platform

As of December 2012

ZONE	SUB Urban		Upcountry
Per Unit	NC Brand & Location		
Price (MB)			
1.0-1.4			
1.4-1.8			
1.8-2.0			
2.0-3.0			
3.0-5.0			
5.0-10.0			
10.0-15.0			
15.0-30.0			

 NESTO DH SH 2.5-5.0 Project Value (THB mn.) 836	 NATUREZA DH SH 2.0-5.0 Project Value (THB mn.) 892	 NATUREZA DH SH 3.0-13.0 Project Value (THB mn.) 1,179
 SH 3.0-10.0 Project Value (THB mn.) 882	 SH 5.0-10.0 Project Value (THB mn.) 899	 SH 5.0-30.0 Project Value (THB mn.) 1,572
 SH 10.0-30.0 Project Value (THB mn.) 805	 SH 12.0-30.0 Project Value (THB mn.) 776	 NATUREZA North Pattaya CD 1.0-3.0 Project Value (THB mn.) 527
 SH 3.0-5.0 Project Value (THB mn.) 726		

4 New Projects in 2012, Total Projects Value 3,000 MB.



Exclusive
Living

NC ROYAL
PINKLAO

NC Royal Pin klao Project

Single homes beginning at twelve to thirty million baht, totaling sixty-one units valued at 776 million baht with the concept, "Exclusive Living". Special privileges for living the lifestyle of your choice in houses uniquely designed in "Modern Contemporary" style in a setting surrounded by nature to fit perfectly with your high-end urban living at an excellent location with plenty of out-bound routes near a variety of facilities and convenient traveling by the MRT blue line subway together with a security system covering the entire project.

Modern
Contemporary



บ้านฟ้าปิยารมย์
NESTO

Baan Fah Piyarom Nesto,
Rangsit-Lamlukka Klong 6

Single and duplex homes beginning at 2.5 million baht for a total of 321 units valued at 836 million baht under the concept "Heart Warming in a Warm Community", because we believe a "home" is more than a residence. It is an integral module meant to fulfill your life, so we have built "homes" with meticulous attention to detail in direct response to the needs of residents by selecting the best location, quality materials, modern designs and décor with an effective security system, including a great environment and society.



Heart Warming
in a Warm Community

Good
location



BAANFAH GREENERY

บ้านฟ้าเขียว

Baan Fah Greenery, North Pattaya-Chaiyapornvitee

Single and duplex homes beginning at 3.2 million baht for a total of 212 units valued at 726 million baht with the concept, "Love Garden Like Sea" in the perfectly assembled natural setting. Let yourself enjoy the total refreshment of a beautiful garden in a modern tropical style surrounding the project and fill your lungs with the salty aroma of the nearby sea in North Pattaya every day.

Love Garden Like Sea

NATUREZA

North Pattaya

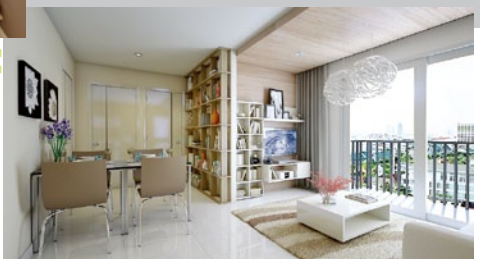
Natureza, North Pattaya

"NATUREZA", North Pattaya - Condominiums valued at 527 million baht in 406 units with the home concept "Nature is All Around", i.e. happiness....amidst nature inspired by nature applied to the condominium design in the best new green Modernized Art Park style in Pattaya together with Motif Function Design units open to refreshing breezes and pure air day and night so you can relax and enjoy yourself in this modernized art park filled with bright hues every step of the way in your Pattaya lifestyle.



Modernized Art Park

Motif Function Design



All N.C. Housing projects are also distinguished from each other in architectural design and features depending on the individual project concept. There are three types of housing for which N.C. Housing customers can choose from. “Pre-built” units (construction has been completed and is ready for ownership right transfer), “Semi-pre-built” units (construction has been partially completed), and “Pre-Sales” units (construction starts upon customer order) depending on the site and its prospective customers

Sales Revenue Breakdown by Purchase Preference

Housing Type	Down payment Installment	% of Sales Revenue		
		2012	2011	2010
1. Pre-built	(0 — 2 pmts)	67.0	71.5	71.3
2. Semi-Pre-built	(3 — 6 pmts)	15.2	13.3	16.3
3. By order	(> 7 pmts)	17.8	15.2	15.1
Total		100.0	100.0	100.0

Remarks: New Condominium sales before construction.

Operating Policy of N.C. Housing Public Company Limited and its Subsidiaries

N.C. Group aims to develop all N.C. Housing’s projects under the name “Baan Pha” or under previous project’s names acquired as projects that are either Non Performing Loans (NPL) or Non Performing Assets (NPA). Subsidiaries of N.C. Housing Public Company Limited are as follows:

- **N.C. Property Management Company Limited (NCPM)** renders a full scale property management service, including sales management, marketing, and construction through rehabilitation of the project and/or renegotiate with existing purchasers as well as creditors. Projects that NCPM renders services to include Baan Suan Lalana Pattaya, Jantima Park Budhamonton 5, Baan Suan Doi Saked Chiangmai, and Thanyathani Home on Green projects.

The company has continually developed its construction with a pre-fabricated, or pre-cast, construction system for which the production base can be moved to nearly every project. Our current main production base is located at the Baan Pha Piyarom Lamlukka Klong 6 project. Other projects or newly opened projects can be established on-site to handle construction without having to move the pre-cast walls while product quality can be controlled to create competitiveness in real estate market in the long run, to reduce the risk in terms of construction cost and labor cost which are likely to increase, to reduce the problem in terms of skilled labor and the lack of contractor. Furthermore, this development also helps reduce construction time which enables quicker sales and conveyance to customers.

- **Quality Living Management Company Limited (QLM)** renders community management services such as security services, cleaning services, and utility services to housing projects and condominiums. In 2012, the Company managed a total of 16 communities.

Income Structure of N.C. Group

The majority of the Company's revenue is derived from property development business including:

1. Revenue from property development for sale includes revenue from sales and construction where sales revenue is derived from 5 product lines - single detached houses, duplexes, townhouses, commercial buildings and other.
2. Revenue from project management services includes revenue from construction and revenue from project management services.
3. Revenue from management of residential community
4. Other revenue

Business Type / Revenue	Operated by	2012		2011		2010	
		THB mn.	%	THB mn.	%	THB mn.	%
Property development for sale	NC	1,544	98.1	2,035	99.3	1,192	97.6
▪ Revenue from sales							
- Single detached house		1,072	68.1	884	43.1	783	64.1
- Duplexes		369	23.5	493	24.1	326	26.7
- Townhouses		42	2.6	83	4.1	79	6.5
- Commercial buildings		-	-	-	-	-	-
- Other **		61	3.9	575	28.1	4	0.3
Project Management services	NCPM*	9	0.5	-	-	11	0.9
▪ Construction revenue		9	0.5	-	-	11	0.9
▪ Management service revenue and project management		-	-	-	-	-	-
Community management services	QLM*	5	0.3	4	0.2	5	0.4
Other revenue***	NC, NCPM*	17	1.0	10	0.5	13	1.1
Total revenue		1,574	100.0	2,049	100.0	1,221	100.0

Remarks * The Company holds a 99.99% stake in NCPM and QLM

** Income from other sales in 2012 comes from the sales of vacant land.

*** Rental fees, fees for altering contracts, interest receivables, gains from sales of assets and other non-core business transaction form a large part of the Company's other revenue.

NC : N.C. Housing Plc.

NCPM : N.C. Property Management Co., Ltd.

QLM : Quality Living Management Co., Ltd.

NCE : N.C. Estate Co., Ltd. (Closed)

Currently Active Projects as of December 31, 2012

As of December 31, 2012, the Company and its subsidiaries launched a total of 13 property development projects with 71.2% or 8,098 million baht backed by sales contracts. (2 projects will be developed in future)

Project Name	Location	Project Area	Project Type (rai- ngan- square wah	# of Units	Project Value (THB mn)	Sale Progress (% based on Sales Value as of Dec 31, 2012)
Northern Bangkok						
1 Thanyathani Home on Green	Ring Road Lamlukka Klong 5	148-3-27.0	SDH	203	899	95.4
2 Home on Green 2	Ring Road Lamlukka Klong 5	123-0-34.2	SDH	236	1,572	61.0
3 Baan Pha Green Park Rangsit Klong 2 (P2)	Rangsit Klong 2	90-0-95.6	SDH	405	1,077	99.3
4 Baan Pha Piyarom Lake and Park 2 (P9)	Ring Road Lamlukka Klong 6	60-3-66.0	SDH	198	882	93.4
5 Baan Pha Green Park Rangsit Klong 3	Rangsit Klong 3	58-0-86.0	SDH, DH	348	892	83.1
6 Baan Pha Piyarom Nesto (P11) *	Ring Road Lamlukka Klong 6	53-2-56.0	SDH, DH	321	836	22.2
Western Nangkong						
7 The Royal Green Park Kanjapisek	Kanjapisek Rd., Bangkok	18-3-44.4	SDH	59	805	69.7
8 NC Royal Pinklao*	Kanjapisek Rd., Bangkok	29-2-66.0	SDH	61	776	14.9
Southern Bangkok						
8 Narisa Thonburirom	Pracha Uthit Rd., Ratburana	51-2-69.6	SDH	60	403	98.1
10 Baan Pha Green Park Royal Thonburirom	Pracha Uthit Rd., Thungkhru District	65-1-54.1	SDH	258	1,179	88.4
Other Areas						
11 The Green Park Jomtien By NC Group	Banglamung District Chonburi	14-1-73	DH	94	297	97.2
12 Baan Pha Greenery North Pattaya Chaiyapornvitee*	Banglamung District Chonburi	39-1-60.0	SDH, DH	206	726	33.2
13 Natureza North Pattaya*	Banglamung District Chonburi	4-0-66	CD	406	527	37.3

- Notes :
- 1* New Project 2012 : 1) Baan Pha Piyarom Nesto (P.11) 2) NC Royal Pinklao 3) Baan Pha Greenery North Pattaya Chaiyapornvitee 4) Natureza North Pattaya
 2. Project closed 2012 : 1) Baan Pha Piyarom Premier Park (P.10) Project, Project Value 780 THB mn, SDH and DH Type, # 360 Unit 2) Baan Pha Rangsit Lamlukka Klong 7 Project, Project Value 247 THB mn, SDH and DH Type, # 187 Unit.
 3. The company continues with the policy of expanding new project on potential location. The project will be developed in future: Baan Pha Green Park Rangsit Klong 3 (P 3) , Thanya Thaini Home on Green 3
 4. SDH = Single Detached House, DH = Duplex, TH = Townhouse, CD = Condominium, CB = Commercial Building

Industry Conditions

“The Agency for Real Estate Affairs has analyzed the real estate situation and summarized key issues as follows:”

1. **Newly Opened Supply of 102,080 Units in 2012, An Increase of 19% Compared to 2011** - While the opening value of 2012 was 299,829 million baht, an increase of 17% in comparison to 2011, the sales price per unit dropped from 2.984 million baht at the end of 2011 to 2.937 million baht as a result of primary focus on medium-level products, especially condominium units adjacent to sky trains and expansions such as Bang Yai — Bang Sue, Onnuch - Bearing and Bearing - Samutprakarn.

2. **By the end of 2012, the entire market had declined by approximately 4.0% from 134,266 units at the end of 2011 to 128,934 units.**

Townhouse : Inventory is 38,617 units, a decrease of - 2.7% from 2011. In 2012 sales amounted to 23,593 units, an increased by 2% from 2011. In comparison, sales may take a period of twenty-one months due to increased sales, especially in areas affected by flooding. New supply opened at a little more than 2011 (Most of the products sold (74%) were houses opened for sale before 2012 and 26% were new houses opened in 2012).

Single Detached House : Inventory is 38,778 units, a decline of approximately - 2% from 2011, which was still marginally higher than townhouses with total sales for the entire year amounting to 13,300 units for a 14% decrease from 2011. When sales were compared, a period of thirty-five months may be required (not including new inventory) (80% of the single homes sold were homes opened for sale before 2012 and 20% of the single homes were newly opened in 2012).

Condominium : The maximum inventory is 40,853 units, a decline of approximately -6% from 2011. The total sales for the entire year amounted to 65,215 units which was an increase of 73% from 2011 because this year (2012) saw as many as 62,548 units newly opened for sale, a 51% increase from 2011. However, accumulated unsold inventory has decreased. When annual sales figures are considered, a period of approximately seven months will be required for sales (not including new inventory). Most of the units sold in 2012 (67%) were products opened in 2012, especially at prices of one to two million baht and two to three million baht (both groups comprised approximately 73% of new products sold in 2012).

3. **When compared to 2011, new inventory for 2012 saw an overall increase in terms of project and unit amounts as well as project values.** Only mean sales prices dropped marginally because entrepreneurs emphasized the development of medium-level products, especially in the condominium group, at prices of one to two million baht.

Outstanding supply for the entire market dropped by -4% because the sales for the entire year exceeded newly opened inventory by 5,332 units and sales in 2012 were more than 2011 by 31% which resulted in decreased inventory.

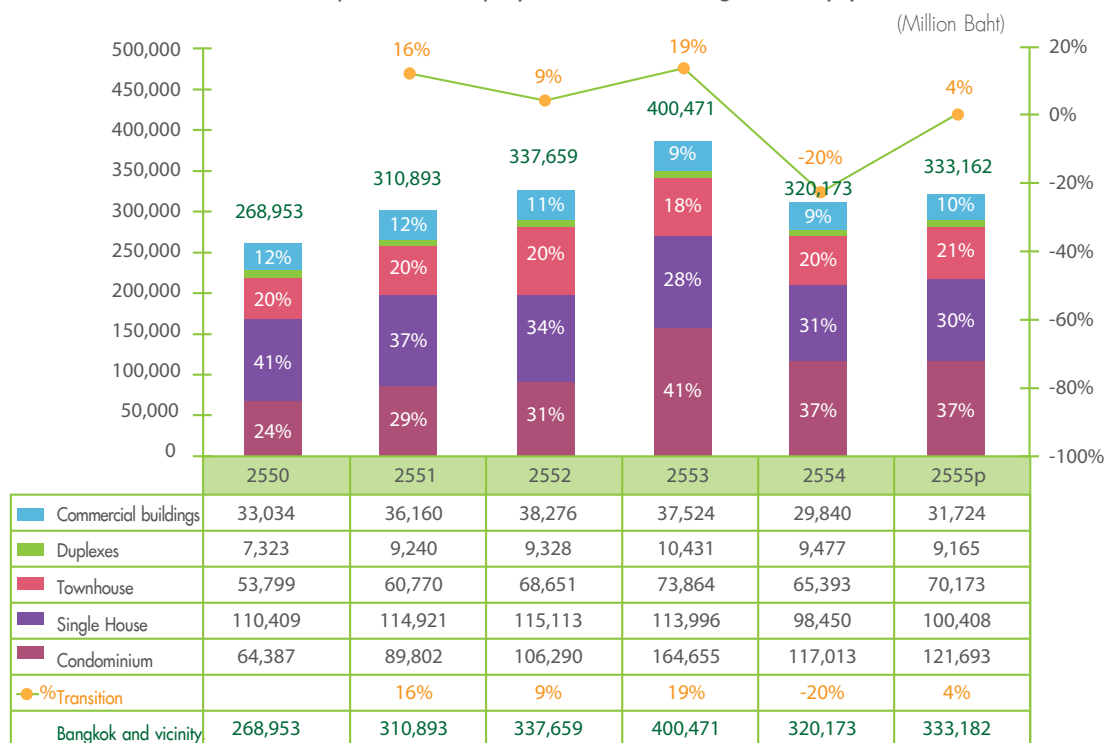
Overall demand in 2012 was 107,412 units, an increase by 31% from 2011 because most of the sales (61%) were condominiums, followed by townhouses at 22% and single homes at 12%. The remaining 5% are other residences (duplex homes, commercial buildings and allocated land).

The mean sales price for 2012 dropped by 2% when compared to 2011 due to primary focus on the development of inexpensive to medium-level products, especially concerning the production of one to two million condominiums adjacent to the expansions of new sky train routes.

4. **Major operators distributed regional investments by 10-30% to support the AEC,** especially in border area provinces, such as Had Yai, Udonthani and Chiangrai, etc. The prices for newly constructed residences had upward trends due to costs, land prices, material prices, 300-baht raise in the minimum wage, labor shortages faced by entrepreneurs (high wages), movements of migrant workers, and especially the development of high-rise residential buildings in 2013 with increasing trends for newly opened flats. However, most of the newly sold products (60%) were still condominiums. Entrepreneurs are confident in purchasing new plots of land and engaging in more investments, especially in the inner Bangkok area.

Key Statistical Data

Transfer of residence ownership rights in Bangkok-surrounding provinces displays the values categorized by year.

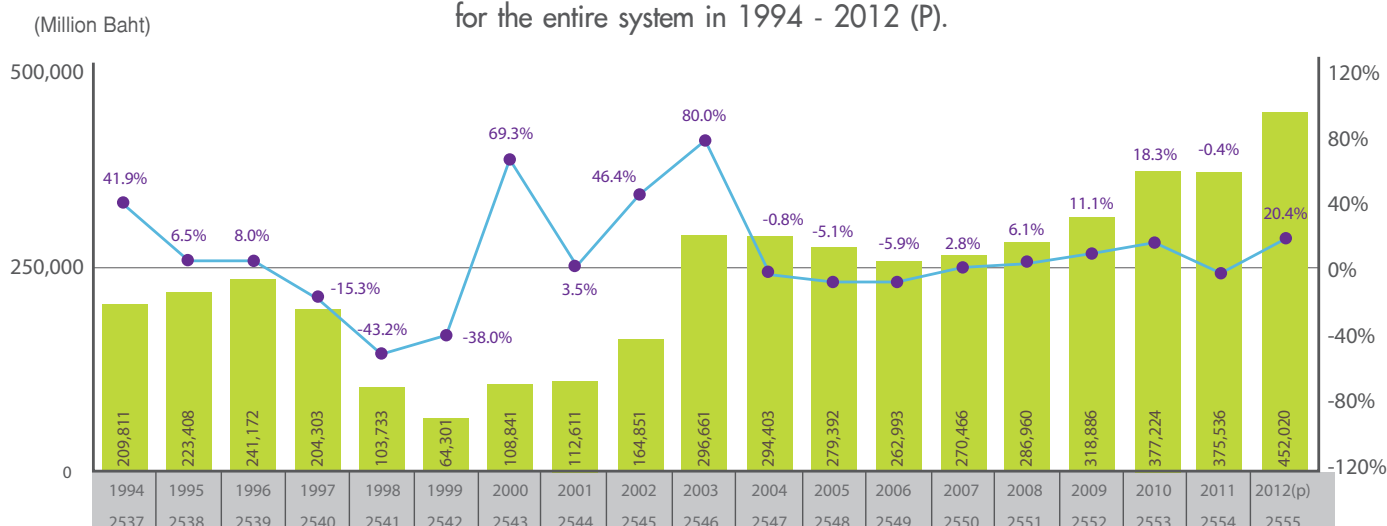


Source : Land Department. Collected and processed by the Real Estate Information Center.

Remarks : 1. Only land title deed documents and Nor. Sor. 3 Kor. documents.

2. Only sales registrations, not including consignments and mortgages

Newly released residential loans for regular individuals (POST FINANCE) for the entire system in 1994 - 2012 (P).



Source : Bank of Thailand, Government Housing Bank, Nation Housing Authority, Insurance Companies.

Caring

Because we care and are ready to care for every resident in our homes just like a member of the same family, we handle every problem, whether great or small, and serve as consultants on every issue our residents need because the contented smiles of our residents are important to us.



Risk Factors

“ In 2012, the Risk Management Work Group set risk management plans, continually monitored and evaluated results and made quarterly performance reports to the board of directors. The main contents concerning risk factors can be summarized as follows: ”

1. Risk at Shortage of Contractors

The company hired small and medium contractors to engage in constructing the projects. The company provides the contractors with Work Instructions in accordance to ISO System to ensure of the workmanship undertaken by qualified contractors.

However, since the real estate business has expanded increasingly and In 2012, the company initiated several new projects in comparison to the past several years and has future plans for continually launching new projects in the Bangkok area and other economic provinces. Possibly, this may lead to the shortage of the contractors in the future and delay of construction, and prolonged transfer of ownership to customers. To reduce such risks, the company has carried out the list of total 75 qualified contractors and their profiles. Of them, 45 contractors are currently under the construction agreement and it is considered an adequate number to complete the projects now. Most current contractors are experienced and have worked for the company for a period. In the future, if the company has additional projects, the company ensures of the availability of the contractors. Additionally, the company provides training to share knowledge for contractors, create good relationship, and develop capabilities in constructions.

2. Risk of Construction Cost

Construction materials are considered the main cost in the real estate development business and the company needs to control quality to meet standards. However, the company has not drafted construction material purchase/sales agreements in advance. Thus, the company is subject risks due to fluctuations in construction material prices.

The company placed measures for the prevention of long-term construction cost problems in several characteristics, such as prefabricated development, enhancing material costs management such as project management based on market situations and customers' needs and material requirement planning, pricing Strategy planning and systematically procuring substitute products with comparable quality. Moreover, company is in the position of large entrepreneurs with high bargaining power in terms of material price and quantity.

3. Management Risk

Major shareholder owns over 75% of total shares

As of December 29, 2012, the Company's major shareholder, the Tanthathoedtham Family holds 76.31 % (details appear in the Shareholder and Management Structure section) or more than three fourth of the Company's paid-up shares, enabling the Tanthathoedtham group to control and make all management decisions regarding all issues requiring consensus from shareholders. Therefore, there is risk for minority shareholders in regards to a check and balance system. Moreover, the concentrated shareholding of the Company's shares may prevent potential investors who see value in the Company to consider a takeover

Nevertheless, the Company's management structure includes a Board of Directors, a Board of Executive Directors, and an Audit Committee. The Company's management structure and principles were established by capable and knowledgeable individuals with business background. The directors' authorities are limited by the Company's corporate governance policies. The major shareholders and connected parties cannot cast vote on issues with conflicts of interest.

Furthermore, other risk characteristics discussed and assessed by the Risk Management Work Group are at acceptable levels. In addition, plans have been made to support the aforementioned risks: 1) land readiness or procurement for future development; 2) business operations to construct ready-to-move-in homes requiring large amounts of circulating capital; 3) minimum wage rate adjustments which have effects on construction costs and 4) risks from natural disasters, etc.

Shareholder and Management

Capital Structure

Equity

As of December 30, 2012, the Company has registered capital of THB 1,200,000,000 divided into 1,200,000,000 common shares with a par value of THB 1 per share. The paid-up capital was THB 1,185,985,052 representing 1,185,985,052 common shares with a par value of THB 1 each.

Major Shareholders As of December 29, 2012

No.	Shareholders' Name		Number of Shares	% to Paid up Share Capital
1	Mr. Namchai	Tanthathoedtham	672,000,000	56.66
2	Mrs. Sunee	Tanthathoedtham	84,000,000	7.08
3	Mr. Somnuek	Tanthathoedtham	19,810,800	1.67
4	Mr. Prasit	Tanthathoedtham	19,218,000	1.62
5	Mrs. Nongluck	Tanthathoedtham	19,203,000	1.62
6	Mrs. Somsong	Lawanprasert	19,080,000	1.61
7	Mr. Sujin	Tanthathoedtham	18,242,000	1.54
8	Ms. Rattana	Tanthathoedtham	17,871,000	1.51
9	Mr. Somchao	Tanthathoedtham	13,513,000	1.14
10	Mrs. Jintana	Jessadawarangkul	10,000,000	0.84
11	Mrs. Somporn	Daecharin	5,664,200	0.48
12	Mr. Nattawit	Tanthathoedtham	3,216,000	0.27
13	Mr. Nattawut	Tanthathoedtham	3,216,000	0.27
14 *	Sabina Public Company Limited		50,000,000	4.22
15 **	Bualuang Securities Public Company Limited		23,049,300	1.94
16	Mr.Kittipol	Tuantong	20,000,000	1.69
17	Mr. Theera	Pumsanoh	10,289,100	0.87
18	Ms.Vilaporn	Krasaesin	9,154,700	0.77
19	Mr. Kampanart	Preechatangkit	8,100,000	0.68
20	Ms. Hathaichanok	Jessadawarangkul	6,860,000	0.58
21	Mr. Thanakorn	Boonkongchuen	6,687,600	0.56
22	Ms. Auraiwan	SaeLee	6,100,000	0.51
23	Other		140,710,352	11.86
Total			1,185,985,052	100.00

Source : Thailand Securities Depository Company Limited

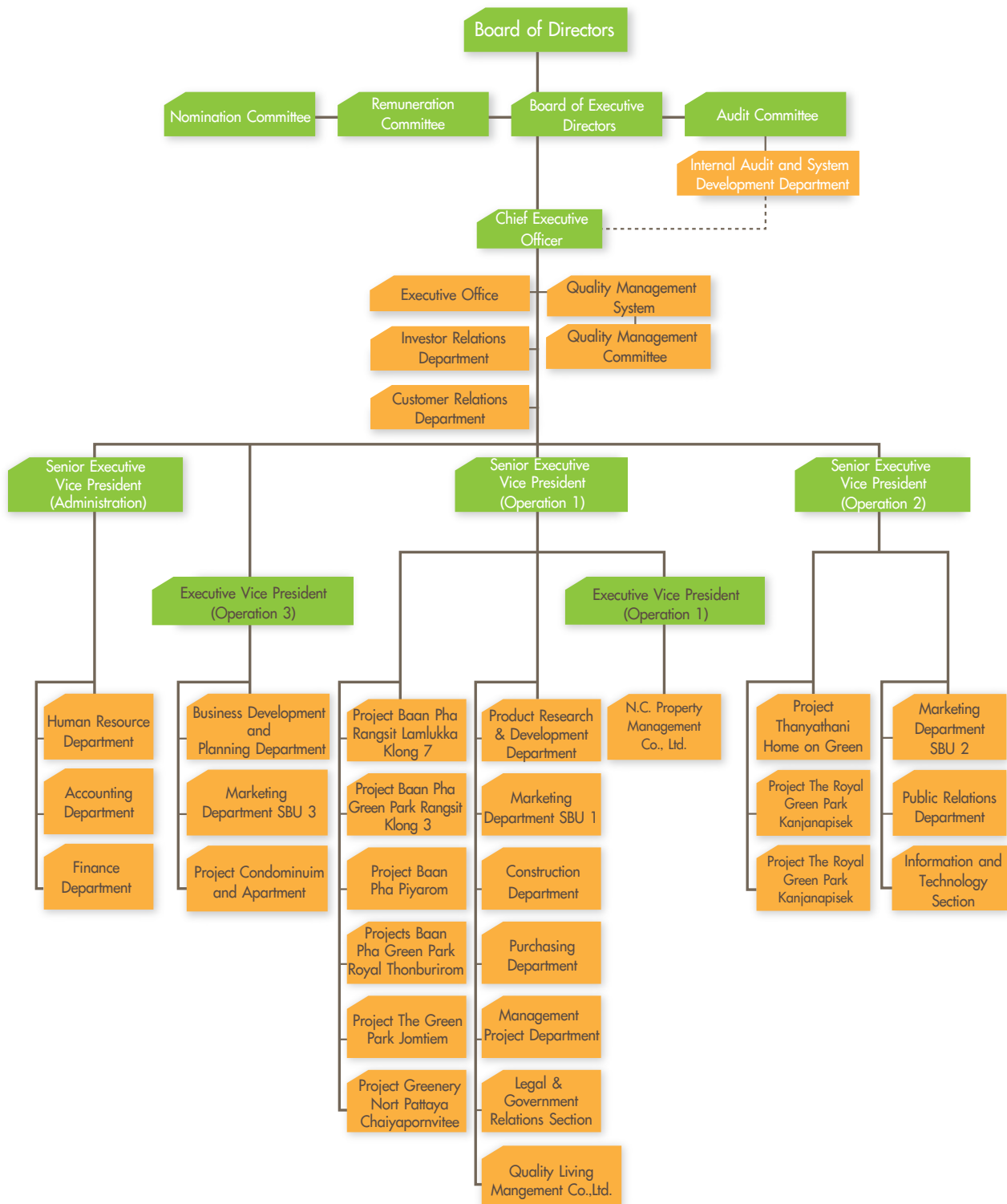
- Note :
- Shareholders ranked 1-13 are members of the Tanthathoedtham Family who hold a total of 905,034,000 shares accounting for 76.31 % of the Company's paid up shares capital
 - MR. Viroj Thanalongkorn , majority shareholder of the Sabina Public Company Limited holding 74.59% of the Company's total paid - up shares as of August 27, 2012
 - Bangkok Bank Public Company Limited, majority shareholder of the Bualuang Securities Public Company Limited holding 56.34% of the Company's total paid — up shares as of November 29, 2011
 - Investors are able to access to information on current shareholders via the Company's website www.ncgroup.co.th

Dividend Payment Policy

The Company has a policy to pay dividend of not less than 40% of its consolidated net profit after tax and legal reserves. Factors to be considered when paying dividend are operational performance, financial status, liquidity, business expansion plans, and other matters related to management of the Company given that such operation must be beneficial to the Company as well as to its shareholders.

The Board of Directors of the Company's subsidiaries will consider a dividend payment based on ending cash status and investment plan. The Board of Directors will consider a dividend payment on a case by case basis with sufficient cash status.

Organization Structure as of December 31, 2012



Management Structure

The Company's management structure consists of 5 committees including the Board of Directors, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Board of Executive Directors details are as follows:

Board of Directors

In 2012, the Company's Board of Directors met a total of 6 times. As of December 31, 2012, there were 8 members of the Board of Directors as follows:

1. Mr. Sudham Chatwalwong	Chairman
2. Mr. Somchao Tanthathoedtham	Director, Member of the Remuneration Committee and Chairman of the Board of Executive Directors
3. Mr. Somnuek Tanthathoedtham	Director, Member of the Nomination Committee and Executive Director
4. Mr. Wichian Silapacharanan	Director and Executive Director
5. Mr. Rungsarn Nuntakawong	Director and Executive Director
6. Mr. Piboon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee
7. Mr. Kobsak Pongponrat	Director, Independent Director, Member of the Audit Committee and Member of the Nomination Committee
8. Mr. Vichit Vichaisarn	Director, Independent Director, Member of the Audit Committee and Member of the Remuneration Committee

Company secretary : Ms. Vanita Roddum

Note : 1. Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham are members of the Tanthathoedtham Family, the majority shareholders holding 76.31% of the Company's total paid-up shares as of December 29, 2012.

Directors Authorized to Act on the Company's Behalf

The following Directors are eligible for filing affidavits as approved at the shareholders' meeting:

- (1) Co-signing of Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham with the Company's official seal, or
- (2) Mr. Somchao Tanthathoedtham or Mr. Somnuek Tanthathoedtham co-signing with either Mr. Wichian Silapacharanan or Mr. Rungsarn Nuntakawong with the Company's official seal.

Scope of Duties and Responsibilities of the Board of Directors

- (1) To manage the Company's business in compliance with the law, the Company's objectives, Articles of Association and resolutions of shareholders in an honest manner and with the aim to maximize benefit to the Company.
- (2) To set goals, guidelines, policies, work plans and the Company's financial budget; to ensure that the Board of Executive Directors and the Senior Management are in compliance with the policies and regulations set by the Stock Exchange of Thailand. However, the following activities will be able to carried out only with the approval of the shareholders' meeting: increasing or decreasing the Company's capital, issuing debentures, selling or transferring the Company's businesses in part or in whole to a third person or vice versa, amending the company's Memorandum of Association, Articles of Association, conducting related party transactions, and the selling or purchasing of major assets following the regulations of the Stock Exchange of Thailand or other government entities.

- (3) Setting appropriate accounting policies, providing financial reporting and reviewing the Company's financial statements to ensure integrity. Assessing the appropriateness and effectiveness of the Company's internal audit and risk management processes along with processes to review performance and modify such processes to obtain the desired results.
- (4) Ensure that there is integrity in business dealings with all Company's stakeholders.
- (5) Ensure ethical business operations.
- (6) Abide by the fiduciary duties of a publicly listed company's board member in providing a statement on the Board's responsibilities in preparing financial information for disclosure alongside that of the Company's financial auditor's statement in the Company's annual report.
- (7) To appoint director(s) and/or senior management(s) to manage and carry out business transactions as assigned by the Board of Directors.

Audit Committee

The Company's Board of Directors reached a resolution at the Board meeting 4/2006 on November 6, 2006 to appoint 3 members to the Audit Committee made up of non-executive board members and are independent directors. The appointment took effect on November 7, 2006 and a tenor of 3 years. The Board of Directors Meeting held on November 9, 2012 approved the appointment of the Audit Committee and allowed them to start their works since November 7, 2009 to November 6, 2015.

1. Mr. Piboon	Limpraphat, Ph.D. *	Chairman
2. Mr. Kobsak	Pongponrat *	Member
3. Mr. Vichit	Vichaisarn *	Member

(* is the name list of qualify and professional Audit Committee. See more details of each member on Directors and Executives topic)

Secretary of the Audit Committee: Ms. Kamonwan Sawadchai

Scope of Duties and Responsibilities of the Audit Committee

- (1) To review the Company's financial reporting process to ensure accuracy and sufficient disclosure of financial information, by coordinating with the independent financial auditor and senior management, responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest that the auditor review or examine any transactions considered necessary and significant during the audit of the Company's accounts
- (2) Check the availability, appropriateness, and effectiveness of company's internal control system and internal audit system. Examine how independence of internal audit team and give a recommendation on the appointment, transfer, termination of internal audit department head and any other departments that relevant to internal audit functions.
- (3) To ensure that the Company's business practice is in compliance with the securities and exchange laws, the rules and regulations of the Stock Exchange of Thailand, or related business laws.
- (4) Consider, select, and propose to appoint proper person to be internal auditor as well as his/her benefits based on creditability, experience, and readiness to attend the annual auditor meeting independently at least once a year.
- (5) Examine every detail that is relevant or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand.

- (6) Prepare the annual internal audit report and published in the company annual report. This report must be signed by chairman of the audit committee and must have the following detail:
 - (1) The committee's opinion regarding to the accuracy, completeness, and the reliability of the company annual report.
 - (2) The committee's opinion regarding to the sufficiency of the company's internal audit system.
 - (3) The committee's opinion regarding to the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand, or other business laws compliance.
 - (4) The committee's opinion regarding to the appropriateness of the auditor.
 - (5) The committee's opinion regarding to issues that may conflict with the company's interests.
 - (6) The number of audit committee meetings and participation of each member.
 - (7) Add their opinions or observations derived from their field work as written in the charter.
 - (8) Any other information that investors should know under committee's duty and responsibility.
 - (9) Carry out the assignment given by the board of directors under the permission of audit committee.

During 2012, the Audit Committee held a total of 5 meetings which reported to the Board of Directors with progress reports and reported to Shareholder in the Annual Report

Nomination Committee

At the 4/2007 Board meeting held on October 11, 2007, a resolution was reached by the Board of Directors to appoint a Nomination Committee to include 2 members not holding a management position within the Company and are Independent Directors. Another member of the Committee is to have a management position within the Company. The Committee's term is for 2 years.

1. Mr. Piboon	Limpraphat, Ph.D.	Chairman
2. Mr. Kobsak	Pongponrat	Member
3. Mr. Wichian	Silapacharanan	Member

Secretary of the Nomination Committee: Ms. Vanita Roddum

Scope of Duties and Responsibilities of the Nomination Committee

- (1) To draft guidelines and qualifications of candidates to be appointed to the the Company's Board of Directors, the various Committees and the Board of Executive Directors
- (2) To seek and screen persons with qualifications appropriate to be appointed to the Company's Board of Directors, the various Committees and the Board of Executive Directors in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval.
- (3) To undertake other related activities as assigned by the Company's Board of Directors.

The Nomination Committee met once for the year 2012 and points of consideration were reported to the Company's Board of Directors.

Remuneration Committee

The resolution to establish a Remuneration Committee was made at the 5/2007 Board meeting held on November 12, 2007 requiring the appointment of at least 2 members who do not hold a management position within the Company and are Independent Directors and 1 member who holds a management position within the Company. The Committee's term is for 2 years.

1. Mr. Piboon	Limpraphat, Ph.D.	Chairman
2. Mr. Vichit	Vichaisarn	Member
3. Mr. Somchao	Tanthathoedtham	Member

Secretary of the Remuneration Committee: Mrs. Vanita Roddum

Scope of Duties and Responsibilities of the Remuneration Committee

- (1) Draft guidelines for assessing the performance of the Board of Directors, the various Committees, the Board of Executive Directors and the Managing Director.
- (2) Determine the level of remuneration for members of the Board, the various Committees and the Board of Executive Directors which includes the monthly remuneration, meeting allowance, annual bonus and other cash and non-cash benefits. The proposal is to be submitted for Board and/or shareholder consideration and approval.
- (3) Determine remuneration for the Managing Director which includes the monthly salary, annual bonus and other cash and non-cash benefits to be submitted for Board consideration and approval.
- (4) To undertake other related activities as assigned by the Company's Board of Directors.

During 2012, The Remuneration Committee held a total of 1 meetings which points of consideration were reported to the Company's Board of Directors and reported to Shareholder in the Annual Report

Board of Executive Directors

As of December 31, 2012, there were 4 members of the Board of Executive Directors as follows:

1. Mr. Somchao	Tanthathoedtham	Chairman
2. Mr. Somnuek	Tanthathoedtham	Member
3. Mr. Wichian	Silapacharanan	Member
4. Mr. Rungsarn	Nuntakawong	Member

Scope of Duties and Responsibilities of the Board of Executive Directors

- (1) To determine rule- and law-abiding policies, directions, strategy and business operations to parallel the business goals set by the Board of Directors
- (2) To set the Company's organization structure and management authority, which include the nomination, employment, training and layoff of personnel, excluding the Chairman of the Board of Executive Directors and the Managing Director.
- (3) To consider and review the annual budget proposed by the Managing Director before presenting to the Board of Directors for approval.
- (4) To examine and monitor management's adherence to company policies to ensure maximum effectiveness.
- (5) To review and consider the business investment opportunities related to the core business or other businesses before presenting to the Board of Directors for approval.

- (6) To approve plans to obtain loans or advances from financial institutions for the running of normal business operations, for investments, purchasing of properties, land and construction and business operations for an amount not exceeding THB 500 million. If the transaction amount exceeds THB 500 million, it must be presented to the Board of Directors for approval.
- (7) To allocate funds for pension, bonuses or other compensations approved by the Board of Directors.
- (8) To perform other duties assigned by the Board of Directors.

The Board of Executive Directors may delegate financial authority for transactions to senior management as the Board deems appropriate.

Transactions that may have conflicts of interest require that the issue be reviewed as set forth in the Company's guidelines (in line with the regulations of the Company, and the Securities and Exchange Commission) prior to approval of such transactions, except for normal business transactions as clearly stated in the policies regarding connected transactions. The Executive Directors in the position that may lead to a conflict of interest does not have the authority to approve such transactions.

Senior Management

As of December 31, 2012, the Senior Management consisted of 15 persons as follows:

1	Mr. Somchao	Tanthathoedtham	Chief Executive Officer
2	Mr. Wichian	Silapacharanan	Senior Executive Vice President (Administration)
3	Mr. Rungsarn	Nuntakawong	Senior Executive Vice President (Operation 1)
4	Mr. Somnuek	Tanthathoedtham	Senior Executive Vice President (Operation 2)
5	Mr. Boonchai	Chaiananbavorn	Executive Vice President (Operation 1)
6	Mr. Warapong	Nilsiri	Executive Vice President (Operation 3)
7	Mrs. Nampetch	Tantawiriya	Senior Vice President, Human Resource Department
8	Mrs. Nopparat	Wichaiyutphong	Senior Vice President, Marketing Department
9	Ms. Sumanee	Boonsarana	Senior Vice President, Accounting Department
10	Ms. Yossawan	Rungwara	Senior Vice President
11	Mr. Boonchai	Rojpanich	Senior Vice President
12	Mrs. Suangphat	Jareraruai	Senior Vice President
13	Mrs. Ajchara	Kingsai	Senior Vice President, Sales Department
14	Mr. Walatchanat	Rujidasirisakul	Vice President, Financial Department
15	Ms. Kamonwan	Sawadchai	Vice President, Accounting Department

Note: 1. Ms. Thanyathorn Sirirat, ex- Senior Vice President, Marketing Department resigned on July 20, 2012.

Scope of Duties and Responsibilities of the Managing Director

- (1) To ensure that the Company's business operation is in line with the policies issued by the Board of Directors or the Board of Executive Directors, and to provide performance updates to both boards.
- (2) To prepare and review the annual budget prior to submitting to the Board of Directors for approval as well as to control the spending of each business unit.
- (3) To review and assess the Company's operating results and make necessary adjustments in operations to reflect internal and external conditions on a regular basis.
- (4) To establish business guidelines to ensure that the Company's operations are in line with the Boards strategy and goals set for management.
- (5) To control operating, selling and administrative expenses and approve business transactions including construction material procurement and investment expenditures to ensure the adherence to the budget approved by the Board of Directors or the Board of Executive Directors in the amount not exceeding THB 50 million per transaction. The Managing Director cannot alone approve any land purchase.
- (6) To review all transactions relating to the Company's assets and rights for which the Company may use to enter binding contracts with individuals, companies or financial institutions and to submit such transactions for review and approval by the Board of Executive Directors.
- (7) To review the Company's financial performance and to determine and submit for approval by the Board of Directors any interim or annual dividend.
- (8) To perform or execute any task or duty as assigned by the Board of Directors.

The Managing Director does not have any authority to approve any transactions in which the Managing Director and others may have conflicts of interest (in line with the regulations of the Company and the Securities and Exchange Commission) with the Company or the Company's subsidiaries, except for normal business transactions as clearly stated in the policies regarding connected transactions.

Nomination of Directors and Senior Management Positions

The Nomination Committee was appointed by the Company's Board of Directors to screen persons with suitable qualifications to be appointed to the Independents Director, Board of Directors, the various Committees, Chairman, the Board of Executive Directors, Company's Managing Director in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval. The Committee must ensure that the selection process is clear and transparent through the screening of persons with the necessary qualifications, expertise of various backgrounds, strong social standing, is a visionary, is an ethical person, is able to make independent contributions and has sufficient time to meaningful contribution to the Company.

For other management positions within the Company, appointments are made by the Company's Board of Directors based on the Company's guidelines in selecting persons that are able to make meaningful contributions to the Company.

The Composition and the Appointment of Directors

- (1) The Board of Directors shall compose of at least five Directors, and at least half must be of Thai nationality. Persons appointed to the Board of Directors must possess qualifications as stated in article 68 of The Public Company Act of 1992 and guidelines as set forth by the Securities and Exchange Commission. The qualifications of each candidate are reviewed including their experiences, knowledge and capability for the business, and present the name list to the shareholders' meeting for the final selection.

- (2) At least one third of the Company's Board of Directors must be independent board members.
- (3) At every annual general shareholders' meeting, one third of the Directors has to retire. If the number of Directors cannot be divided exactly by three the number closest to one third shall be retired.

Directors to retire in the first two years following the registration of the Company shall retire by a draw. In every subsequent year, the Directors who have been in the office for the longest term shall retire. A retired director is eligible for being re - elected.

- (4) The election of Directors will be voted at the shareholders' meeting under the following conditions and procedures:
 - (4.1) The number of individual's vote equals to the number of shares s/he is holding.
 - (4.2) Each individual's vote can be cast to vote for one or more nominees but the vote cannot be divided to preferred nominees.
 - (4.3) After the vote, the nominated persons shall be ranked in descending order from the highest number of votes received to the lowest and shall be appointed as Directors in that order. The number of newly elected Directors must equal to the number of the vacating Directors. If two or more Directors are eligible for the same seat and earn the same number of votes, the Chairman has the power to make the final decision as to who will be elected.
- (5) In case of vacancy on the Board of Directors other than through retirement by rotation, the Board of Directors shall elect any person who is qualified and is not subject to prohibition under laws governing public companies as a substitute Director at the next Board meeting by a vote not less than three quarters of the number of Directors remaining, unless the remaining term of the said director is less than two months. The substitute director shall hold the position only for the remaining term of the director he replaces.
- (6) A resolution may be passed at the shareholders' meeting to remove directors from office prior to retirement by rotation, by a vote not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half the number shares held by shareholders attending the meeting and having the right to vote.

Board Members' Qualifications

- (1) Each board member shall possess knowledge and capability, vision, honesty and integrity. Each member must possess high ethical standards, must possess a clean and transparent record of previous responsibilities and must have sufficient time to make meaningful contributions to the Company.
- (2) Each board member must possess the qualities and must not have been disqualified in relation to the guidelines set forth for publicly listed companies and/or any other applicable laws and regulations
- (3) Board members may serve as a board member for other Companies as long as such positions will not hamper the board member from fulfilling his/her duties as a member of the Company's board.
- (4) Board members must not operate, be partner in or be a shareholder in any business entity that operates in the same industry as that of the Company or is a competitor of the Company unless such position is disclosed to shareholders at the shareholders' meeting prior to the appointment to the Company's board.
- (5) The qualification of an independent director is similar to that of a member of the Audit Committee which complies with the Stock Exchange of Thailand's guidelines regarding the qualifications and responsibilities of members of the Audit Committee. The independent director's responsibility is to ensure that the interests of all shareholders are upheld. The independent directors are also to be allowed to freely provide thoughts and comments at Board meetings.

Denition of Independent Committee

Independent Committee is a committee that none of its member works in the same business, related businesses as company. So they can make their own decisions independently.

Independent Directors' Qualications:

- (5.1) Such person shall hold no more than 1% of the Company's, subsidiaries' or associated companies' paid-up capital. Such holding includes shareholdings by persons related to the Independent Director.
- (5.2) Such person shall have no management role and is not a salaried employee of the Company, its subsidiaries, its associated companies or the Company's major shareholders.
- (5.3) Such person shall have no direct or indirect financial or management conflicts of interest with the Company, its subsidiaries, its associated companies or the Company's major shareholders.
- (5.4) Such person does not bear any relation with the Company's management, the Company's major shareholders or persons related to the Company's major shareholders.
- (5.5) Such person is not appointed as a person to oversee the interests of Board members or that of the Company's major shareholders.
- (5.6) Such person is able to independently and freely perform his/her duties and is able to freely provide thoughts and comments, provide updates on activities of responsibility without concern for the Company's major shareholders or persons related to such shareholders.

For 2012, the qualifications as set forth by the Company's Board of Directors for an Independent Director is compliance with stipulated by the Stock Exchange of Thailand and limiting shareholding by such Directors of no more than 1% of the Company's paid-up capital. Such holding includes shareholdings by persons related to the Independent Director.

From the last accounting year Independent Directors have never been involved in any part of business or provided professional services over the boundary stated in the Rules, Conditions, and Procedures for Application for and Approval of Offer for Sale of Newly Issued Bonds announced in the Notification of Capital Market Supervisory Board by Securities and Exchange Commission (SEC).

The Appointment of Members of the Board of Executive Directors

The Company's Board of Directors has the power to appoint members of the Board of Executive Directors.

The Appointment of Members of the Audit Committee

The Board of Directors and/or the shareholders' meeting are responsible for appointing members of the Audit Committee by appointing at least three individuals whose qualifications meet the minimum requirement as stipulated by the Stock Exchange of Thailand and each appointed member has a three-year tenure.

The Appointment of Members of the Nomination and Remuneration Committees

The Board of Directors appoints at least 3 members to each of the Nomination and Remuneration Committees with the majority of the members being Independent Directors and has a term of 2 years.

History of Board Representation

Name	Title	Board Representation	Term
1. Mr. Sudham Chatwalwong	Chairman	27/11/2003 - Present	3
2. Mr. Somchao Tanthathoedtham	Director	27/11/2003 - Present	3
3. Mr. Somnuek Tanthathoedtham	Director	27/11/2003 - Present	5
4. Mr. Wichian Silapacharanan	Director	27/11/2003 - Present	5
5. Mr. Rungsarn Nuntakawong	Director	27/11/2003 - Present	5
6. Mr. Piboon Limpraphat, Ph.D	Director	15/5/2007 - Present	2
7. Mr. Kobsak Pongponrat	Director	27/11/2003 - Present	3
8. Mr. Vichit Vichaisarn/5	Director	11/10/2007 - Present	2

Board Members Attendance in 2012

Name	Title	Attendance/Total Meetings			
		Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
1. Mr. Sudham Chatwalwong	Chairman	6/6	-	-	-
2. Mr. Somchao Tanthathoedtham	Director and Remuneration Committee	6/6	-	1/1	-
3. Mr. Somnuek Tanthathoedtham	Director and Nomination Committee	6/6	-	-	1/1
4. Mr. Wichian Silapacharanan	Director	6/6	-	-	-
5. Mr. Rungsarn Nuntakawong	Director	6/6	-	-	-
6. Mr. Piboon Limpraphat, Ph.D.	Director, Chairman of the Audit Committee, Chairman of the Nomination Committee, and Chairman of the Remuneration Committee and Nomination Committee	6/6	5/5	1/1	1/1
7. Mr. Kobsak Pongponrat	Director, Member of the Audit Committee, and Nomination Committee	6/6	5/5	-	1/1
8. Mr. Vichit Vichaisarn	Director, Member of the Audit Committee, and Remuneration Committee	6/6	5/5	1/1	-

Remuneration for Board Members and Senior Management

1. Monetary Remuneration

Board of Directors remuneration in 2012

Name	Title	Allowance (THB mn.)				Annual Remuneration (THB mn.)	Total (THB mn.)
		Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee		
1. Mr. Sudham Chatwalwong	Chairman	0.30	-	-	-	0.44	0.74
2. Mr. Somchao Tanthathodtham	Director	0.12	-	0.02	-	-	0.14
3. Mr. Somnuek Tanthathodtham	Director	0.12	-	-	0.02	-	0.14
4. Mr. Wichian Silapacharanan	Director	0.12	-	-	-	-	0.12
5. Mr. Rungsarn Nuntakawong	Director	0.12	-	-	-	-	0.12
6. Mr. Piboon Limpraphat, Ph.D.	Director	0.18	0.15	0.03	0.03	0.20	0.59
7. Mr. Kobsak Pongponrat	Director	0.12	0.10	-	0.02	0.20	0.44
8. Mr. Vichit Vichaisarn	Director	0.12	0.10	0.02	-	0.20	0.44
Total		1.20	0.35	0.07	0.07	1.04	2.73

That the directors' remuneration for the year 2012 (resolutions of the 2012 Annual General Shareholders' Meeting April 25, 2012) as follows:

- | | |
|---|-----------------------------|
| 1. Chairman's meeting allowance | THB 50,000 / meeting |
| 2. Directors' meeting allowance | THB 20,000 / meeting |
| (No annual remuneration for directors) | |
| 3. Chairman of the Audit Committee's meeting allowance | THB 30,000 / meeting |
| 4. Audit Committee members' meeting Allowance | THB 20,000 / meeting |
| 5. Annual remuneration for Chairman | THB 440,000 / year |
| 6. Annual remuneration for Audit Committee members | THB 200,000 / person / year |
| 7. Chairman of the Nomination Committee's meeting allowance | THB 30,000 / meeting |
| 8. Nomination Committee members' meeting allowance | THB 20,000 / meeting |
| 9. Chairman of the Remuneration Committee's meeting allowance | THB 30,000 / meeting |
| 10. Remuneration Committee members' meeting | THB 20,000 / meeting |

Board of Executive Directors and Senior Managements Remuneration in 2012

Items	2012		
	Number of Persons	Amount (THB mn.)	Type of Remuneration
Board of Executive Directors' and Senior Management's Remuneration (As Senior Management Team)	14*	29.28	<ul style="list-style-type: none"> - Salary - Bonus - Provident Fund

Note : 1 Senior Management includes Chief Executive Officer, Senior Executive Vice President, Executive Vice President and Senior Vice President

2. * Includes Remuneration Ms. Thanyathorn Sirirat, ex- Senior Vice President, Marketing Department resigned on July 20, 2012.

2. Other Types of Remuneration

- None -

Internal Information Control

Company applies corporate governance in managing internal data, thus identifying operating guidelines for Board of Committee, management, and employee regarding the use of internal data (Insider Trading) which are not supposed to be publicly exposed for personal interest. The guidelines include **“Policy to expose information technology, Management Manual, Employee Manual, Company Ethics”** Main contents are as follows;

- Directors, senior management and employees need to report their stock ownership along with their spouses' ownership and under aged children's stock ownership. Penalties under the Securities and Stock Exchange Act 1992 section 275, and those under the Stock Exchange of Thailand have been informed to directors, executive directors, and senior management.
- **Require Directors, executive directors and senior management to report any change of their Company stock ownership, according to the section 59**, to the Securities and Exchange Commission and the Stock Exchange of Thailand. And the report copy must be sent to the Company.
- **Establish “Executive Manual”** aiming that the executives make use of the fundamental information in compliance with regulations and rules required by the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). They include executive's qualification, role and responsibility, internal data policy, security holding reporting, personal data reporting, and disclosure policy. This is to enable the executives follow it correctly and ensure that the company operates performance system equitably and transparently to all shareholders and stakeholders.
- **As stipulated in both the Company's employee handbook and that of the Company's code of ethics**, the Company's board members, management and staff are prohibited from making any purchase or sale transaction of the Company's shares in the event that such person(s) has access to information that may have significant bearing on the Company's share price one month prior to the release of such information and 48 hours post the release of such information to the general public. Internally, the Company has distributed reminders concerning the prohibition of disclosing such critical information to all its board members, management and staff.
- **Complaints**
 1. In case that employee suspects any action that is likely to violate the policies or ethics, he can reports to following responsible persons;
 - Supervisor
 - Human Resource Department
 - Board of Directors or secretary
 2. Company assigns Human Resource Department to receive external complaints. In case that you suspect any action that is likely to violate ethics,

Internal Control

Audit Committee had reviewed the internal audit system and found no significant flaws in the process. The results are congruent with the recommendation from company's auditor. So, the Audit Committee approved that NCH had sufficient, efficient and effective internal control system. There were some recommendations to improve overall performance of the company from internal audit consultant which were already done by the company. Company signed the contract with ANS Business Consultants Limited last year. This company would provide internal audit services to NCH according to company plan which was approved by Board of Directors. The services performances would be reported to Audit Committee directly.

1. Organization and Environment

1.1 The company's corporate infrastructure gives importance to establishing corporate infrastructure that supports internal control systems and corresponds with the regulations in compliance with good governance principles, whether in terms of the infrastructure for the company's board of directors, audit committee, executive committee, sub-committee for consideration of remuneration, recruitment sub-committee or system auditing and development department.

Board of director appointed executive directors and also appointed 3 independent directors to be audit committee. Executive directors would have a meeting monthly. Board of directors would have a meeting quarterly. Audit committee would have a meeting with Internal Audit and System Development and Internal Auditor quarterly.

1.2 The company provides the organizational structure and environment that boosts the internal control effectively, formulates the organization-level strategies, business goal, annual plan, KPIs plan for each department/project, and communicates the management policy to the executives and all employees as practices.. KPI committee was to review and to examine all departments' KPIs to make sure that all KPIs suited the situation as well as company's policy.

1.3 To achieve company mission and respond to stakeholders, society and public sector, the company had set the business ethics of board of directors, executives, and all personnel in doing their duties honestly, loyally and morally. Social activity is partial strategy in management. The employees' compensation policy has been set forth consistently with the company's profits. The company also provides and encourages training and educating for knowledge and competency improvement, cheer-up and encouragement that employees cooperatively work to achieve the organization's goal as whole.

1.4 To control internal flow of documents and quality of work, company implemented ISO and set the standard operation procedures for finance, procurement, and general administration.

2. Risk Management

The company has set risk management policy and established a risk management work committee to consider annual risk management operational plans together with setting risk management issues as main agendas for every quarterly meeting of the company's board of directors in order to assure that sufficient risk management measures have been taken and that the aforementioned measures are at a suitable level.

Risk Management Policy :

- 1 The Risk Management Work Committee has duties and responsibilities as set forth in overall risk management policy, which must cover key risks and the arrangement of risk assessment schedules, the setting of risk indicators and the preparation of reports about risks in line with the risk management process practiced by the company.
- 2 The risk management work plan must correspond with the policy and strategies set forth by the company with ability to assess and oversee the magnitude of the company's risks remains at a suitable level.
- 3 Sufficient review of risks by the risk management work plan, including the effectiveness of the system and practice in compliance with set policy.
- 4 Practice in compliance this risk management policy requires strict and continual adherence under the control of the company's board of directors and the company's management department.

3. Operation Control by Management

Company implemented preventive controlling system and encouraged all departments staffs to develop their own controlling system.

- 3.1 Chart of Authority of all management levels were already implemented and redesigned the organization structure to enable cross-controlling system.
- 3.2 The company provides planning and KPIs performance report on monthly basis, and strategy review is made biyearly. Reported the KPI results and reviewed plans and goals every 6 months.

In addition, Board of Directors Meeting No. 1/2556 stated that the board of directors had considered and reviewed the company's corporate vision, mission and strategy in order to assure concurrence with management policies, internal and external environmental conditions in order to build competitive capacity in the real estate market.

- 3.3 Company operates its business under the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand as well as other relevant laws such as Consumer Protection Act, Environmental Laws, City Plan Act, etc. The meeting also stipulated that consideration be given to related business transactions as a main agenda in the meetings of the board of directors every quarter in order to assure that the company had already given proper consideration to the aforementioned transactions in the maximum interests of the company, shareholders and stakeholders.

4. Information technology and communication systems:

- 4.1 The company improves the information technology reporting system through Enterprise Resources Planning (ERP) to ensure of the accuracy and speediness in performing duties and reporting data that supports the executive's decision. Additionally, the company is seeking for reducing cost, improving performance, and provides the customers with maximum satisfaction.
- 4.2 The organizational structure constitutes of a work unit that is responsible for internal and external communication and update information accurately and completely available to the Investor Relationship and Public Relationship, and having the PR billboard and company's message billboard installed in visual place
- 4.3 The company has set policy and guidelines about not violating copyrights, intellectual property and the use of information technology and communications in writing as a guideline for controlling the efficiency of the company's information technology and data communications.
- 4.4 Submitting the meeting agenda and concerned documents 7 days prior to the meeting is the company's rule.
- 4.5 Top management is responsible for company information technology.

5. Follow Up System

- 5.1 Management meeting had been held at least once a month to review all projects' performance. Company used sub-meeting to consider and solved any problems as well as report the progress of all projects.
- 5.2 Performance and quality evaluation were done by quality management team and Internal Audit and System Development periodically as planned.
- 5.3 The company has established channels of complaints for suspicious incidents or actions are noticed concerning the abovementioned violations or failure to comply with professional ethics (details appearing under the topic of corporate governance on page 73)

Personal development policy

Company focuses on human resource development policy that includes planning, implementation, and evaluation as company believes that employee is the valuable resource for success in all aspects. Therefore, company allocates budget and set the plan for annual employee development programs.

In 2012, the company concentrated on reviewing the core values or basics of employee development in relation to desirable attitudes, feelings, thoughts and conduct leading to standardized forms of thinking and practice. Preparations were made from project to survey corporate culture or core values and prepare core competency and managerial competency models. The performance of the aforementioned project received good cooperation from executives, managers and employees at all levels, thus ensuring that the results can be developed into subsequent effective practices as intended.

Training and seminars in 2012 consisted of fifty-nine courses involving inside and outside training under 4 targets as follows;

1. Strategic trainings such as

- 1.1 Core Value and Competency Building Strategy: Training was carried out by arranging reports on core value and competency survey results, including the provision of training to educate and build understanding with the company's employees in addition to hosting practical competency assessment seminar courses for executives and managers.
- 1.2 Branding Strategy: Training was provided by hosting the seminar, Employee Corporate Branding, to build perception and awareness in branding participation.
- 1.3 Service System Development Strategy (Smart & Smile): Service excellence training courses were held with personality development for reception employees.

2. Professional working knowledge and skill training such as

Some examples include advanced consultant style sales technique courses for sales employees, construction planning courses, construction work legal courses, courses on electricity safety inspection for engineers and supervisors and courses on the Land Allocation Act of B.E. 2543 (2000 A.D.) and related laws for community management employees.

3. Competency training that promote above-standard performance such as

Personnel management courses for supervisors, beginning-level executive development courses, problem solving and decision-making courses.

4. Training for efficient internal management such as ISO 9001:2008 Internal Audit courses and training in the use of the Real Estate Management Program.

There are various themes of trainings to enhance potential and growth in career path such as meeting training that stimulate sharing of knowledge, skills, and experience through meeting, role playing as Quality System Committee, KPI Committee, Risk Management Committee, CSR Committee etc.

As being aware of sustainable development, the company provides the potential employees with scholarships at certificate, undergraduate and graduate level for real estate-related fields.

The company also provides the new employee with orientation and on-the-job training. In addition, the Company requires that all its new recruits take part in a Company familiarization program to enable them to be acquainted with the Company's philosophy, policies, processes, Company's good corporate governance policies, corporate social responsibility and ethical guidelines and encourages them to uphold these policies and guidelines going forward.



Helpful

We are always ready to offer community and social assistance and we are there for every situation occurring. In addition, the NC Group is pleased to promote a variety of original activities for the benefit of people in communities in order to assure that every one of our customers enjoys the greatest happiness.



Good Corporate Governance

CG & CSR Day

“The Company realizes the importance of management under the principles of good corporate governance and the company’s business ethics manual. Furthermore, the company has set aside the second of February of every year, which is the anniversary of the Company’s founding day, to be CG & CSR Day.”

On 4 February 2013, the company hosted the “NC Volunteers for Doing Good Deeds and Returning Joy to Communities”. For 2013, CG & CSR Day took place at Saharat Bamrung School, Bueng Kham Phroi, Lamlukka, Pathumthani. At this

tree planting activities and landscaping improvements. The company also granted scholarships in the “NC Scholarship Fund 2013” project to grant scholarship funds to eight students at Rajamangala University of Technology Thanyaburi for the completion of bachelor’s degree educations and continue the brand values of supportive assistance. The NC Group adheres to four core brand values in management, namely, understanding, caring, helpful and expert.



CG & CSR Day



event, the Chief Executive Officer spoke about management policies adhering to the principles of good corporate governance with consideration for stakeholders, whether as shareholders, employees, customers, trading partners, the environment, communities or society, in providing guidelines for the executive committee and employees to adopt and practice. The event featured a merit making ceremony for presenting robes to monks, building school walls, buying bookshelves and extracurricular books for libraries, painting activities for school buildings, walls, playgrounds, planting demonstration vegetable patches for the student lunch project,

The Company's Comprehensive Good Corporate Governance Policy

- Board structure, roles of the Board, responsibilities and independence of members of the Board of Directors
- Equal treatment of shareholders and stakeholders
- Transparent disclosure of Company information
- Control and manage risk
- Business ethics

In 2012, the meeting of the board of directors considered improving the Company's good corporate governance policies and ethics manual concerning several issues to raise standards in concurrence with the evaluation criteria set forth by the Stock Exchange of Thailand. The main contents of the Company's corporate governance operations in 2012 can be summarized as follows:

1. Shareholder's Rights

The Company understands the importance of shareholder's rights and has in place measures to protect such basic rights as per the legal requirement and encouraging shareholders to fully exercise their rights as stated clearly in the Company's corporate governance guidelines.

Annual General Shareholders' Meeting (AGM)

The 2012 Annual General Shareholders' Meeting was held on April 25, 2012 with 8 Board members attending the meeting (the Company has 8 Board members). The total number of shareholders attending the AGM by self or through proxy totaled 94 persons representing 922,560,625 common shares or a representation of 77.79% of the Company's total outstanding common shares. (Total issued and paid-up shares is 1,185,985,052 shares). Such representation constitutes a quorum as per the Company's guidelines. In this agenda, there were additional shareholders that attended the Meeting representing 15 person. A total of 109 shareholders attended the Company's Annual General Shareholders' Meeting representing a total of 922,662,647 outstanding common shares constituting 77.80% of total outstanding common shares.

The Company provided its shareholders with a letter of invitation via post mail to attend the AGM along with all documents related to the meeting for which shareholders should receive 14 days prior to the meeting date. The objective is to provide shareholders with sufficient information and time to review such information and to consider the issues prior to attending the meeting. Notice of the meeting was also placed in a daily newspaper for 3 consecutive days prior to the said meeting. In addition, all documents including the letter of invitation, the proxy forms and all applicable supplementary information both in Thai and English were placed on the Company's web site www.ncgroup.co.th 30 days prior to the meeting date.

In case where a shareholder is either not able to attend the AGM or prefers to vote by proxy, the shareholder can do so by appointing another person in their stead or appoint one of the three Company's Independent Directors to vote on their behalf.

Detailed procedures regarding the AGM was provided to all shareholders along with the letter of invitation to attend the meeting, which provides details regarding the agenda and the necessary documents that need to be presented to attend the meeting. Staff was on hand on the day of the AGM to assist shareholders and proxies register for which the Company provided 2 hours in advance of the meeting and staff were also on hand to provide assistance throughout the meeting.

The Company's financial auditor (Dharmniti Auditing Co, Ltd.) was also invited to attend the AGM to not only assist in answering questions but also listen to thoughts and comments for which shareholders may have. For transparency purposes in aggregating votes, an internal audit's external consultant was assigned to ensure integrity of vote count.

The Chairman presiding over the AGM notified shareholders about the voting process and the format in counting such votes. For the issue on voting for Board members, the Company allowed shareholders to vote by person. The Chairman discussed key issues that have been submitted for shareholders to consider and vote upon per the sequence and only submitted issues as stipulated in the agenda. Equal and sufficient opportunity was given to shareholders to ask questions. Shareholders are allowed to attend the AGM post commencement of the meeting and vote on issues for which approval is being sought. The additional votes brought in by the shareholder due to late arrival will form a quorum starting at the time for which participation at AGM commences unless the AGM sees otherwise. A comprehensive minute to the AGM was kept, recording not only the issues and discussions but also including the voting outcome on each issue. The comprehensive minute is sent to relevant persons within 14 days after the AGM along with disclosing such information on the Company's web site www.ncgroup.co.th. For fiscal 2012, the Company was recognized for the high standard achieved in preparing for and executing the AGM by receiving 90 - 99 points from the SEC in conjunction with Thai Investors Association which was in a very good level.

Chair of stakeholders will be responsible for appointment and compensation of auditors based on recommendation of company's Board of Director. Auditor must not be Board, employees, contractors, or persons who take any position in company. Independent auditors from Dharmniti Co., Ltd. are invited to attend the meeting to discuss and share ideas with shareholders for purpose of voting transparency.

Since the last annual shareholders meeting, company has given the minority shareholders an opportunity to propose additional agenda as well as to name a proper individual to be a member of company's director. NCH sent out letters to all minority shareholders to ask for any additional agenda they might have and the name of the individual to be elected to be a member of company board of directors via SET's channels of communication on December 19, 2012. All criteria and methodologies concerned were published in the company's web site and also through SET's system.

2. Equitable Treatment of All Shareholders

The Company's policy towards its shareholders is one of support, equitable and ethical treatment which abides by all guidelines and legal requirements. Details of activities facilitating shareholders in attending the AGM is disclosed as the first item in the Shareholder's Rights section.

The Company has in place policies against the Company's Board of Directors, senior management and staff using insider information for personal gains or benefits as per the section of "Internal Information Control" on page 58. Members of the Board are required to disclose any conflicts of interest that they may have for the Board of Directors to consider. A clear policy has also been set in regards to members of the Company's Board serving as members of the Board of other company's in the "Board Member's Qualifications" on page 53.

Conflicts of Interest

The Company holds in contempt for any use of the Company's information or position by members of the Board, senior management and/or staff for personal benefits. A policy has been issued to prohibit members of the Board, senior management and staff from undertaking activities that is deemed to have conflicts of interest with the Company. However, should it be impossible to avoid such transactions, the Board of Directors mandates that such transactions be undertaken in lieu of the guidelines stipulated by the SET and must be submitted for approval by the Board of Directors with the attendance of members of the Audit Committee. This is to ensure such transactions are taken on an arms length basis. Persons who are involved in such transaction may not be involved in the review or approval process. A summary of related party transactions has been disclosed in both the Company's annual report (56-2 report) and also that of the Company's annual information disclosure under the 56-1 report format.

In addition to prohibiting any member of the Board, senior management and staff from using information or position for personal benefits, the Company also prohibits its Board Members, senior management and staff from undertaking businesses that is construed to be in direct competition with the Company or related businesses. Establishment of business group structures which do not support related transactions with potential conflicts of interest.

3. Stakeholders' Rights

The Company puts emphasis on the rights of all its stakeholders whether internal or external. These stakeholders include all staff, management of the Company and that of its subsidiaries along with its external stakeholders including customers, counter parties, competitors, creditors and regulatory entities. This also encompasses responsibility towards social and environmental concerns. The emphasis of these rights has been stated clearly in the Company's good corporate governance policies and in the Company's handbook on ethics to serve as reference. In fairness to its stakeholders and related persons, the Company provides a channel for such persons to launch a complaint for unfair treatment or for any misconduct on the Company's part through the Company's web site www.ncgroup.co.th. In addition, individual can contact directly to company's board of directors by sending an email to bod@ncgroup.co.th or to the secretary office at ir@ncgroup.co.th. Company emphasizes the important of the rights and benefit of all stakeholders as follows:

Shareholders : The Company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the Company and ultimately increasing the shareholders' long-term value and wealth. This takes into consideration shareholder's rights and equality as disclosed in section 1 "Shareholders' Rights" and section 2 "Equitable Treatment of All Shareholders"

Employees : In considering its human capital to be at the forefront in ensuring the Company's future success, the Company's policies include equitable treatment of all staff, provide growth opportunities, comparable compensation, appointment process, re-assignment process and policies on ongoing personal development. Such staff policy is to enhance their effectiveness and efficiency while providing all with the skills necessary to become candidates for career enhancement opportunities as stipulated on page 62 in the section of "Personnel Development Policy".

Good health, safety and amiable work environment are key concerns for the Company. A committee on safety has been established to ensure safety and hygiene in the work place. Another committee on staff benefits was established to oversee the policies on staff benefits, breaking human's right protection, including yearly health check-ups, providing a place for exercise, providing staff insurance and setting pension fund policies.

In 2012, the meeting of the board of directors passed a resolution to change policies concerning employee remuneration and welfare with the following contents:

“The company places importance on employees. Therefore, the company has policies for providing remuneration and welfare to help and raise quality of life for employees and families together with building working morale and encouragement as follows:

- 1) The company set payment of fair remuneration as commensurate with duties, responsibilities and company performance.
- 2) The company has stipulated consistent consideration in reviewing employee remuneration and welfare for competitive capacity within the industry.”

Customers : The ISO 9001:2008 certification received reflects the efforts put forth by the Company in seeking to provide the best product, service and after sales service at an appropriate price while ensuring long-term customer satisfaction. Emphasis is placed on courteous treatment and efficient service for its customers and strictly abiding to service agreements as stipulated within each contract. A channel for customer complaints for its products and services has been put in place (CFR : Customer Feedback Records) while emphasizing customer privacy. At every transfer of title deed, a feedback form is provided to each customer to provide thoughts and comments about the Company’s products and services. The Company also provides its customers with an annual survey form reflecting residents’ level of satisfaction on the Company’s products and services for which the results will be used to improve such products and services to enhance overall customer satisfaction.

Suppliers : At the heart of the Company’s emphasis is the ethical and equitable treatment of all its business partners while ensuring that all parties receive appropriate returns for both parties. This includes avoiding situations leading to disputes on applicable fees and strictly abiding by the terms as stipulated in all of the contracts.

Creditors : The Company abides strictly by the terms and conditions as set forth in the contracts for borrowing money

Competitors : Fair and ethical competition is emphasized in running the Company’s operations. The Company prefers open competition and enables suppliers to charge for goods and services at competitive market prices, by promoting business operation under fair competition, intellectual property or trade copyright. The Company is not engaged in any illegal actions in acquiring of competitor’s information and avoids making reference to its competitors. In 2010, there were no legal infringements made against its competitors.

Independent Auditors : NCH has realized the importance of having independent auditors as the investors’ tool for investigating the operation of management team as well as having the correct and reliable financial report. One of the NCH policies is to fully support the operations of the independent auditors as well as providing the correct information needed by the auditors.

Community and Society : The Company believes in managing the environment, making social contributions and supporting events that benefit communities. Support and contributions are made by the Company and/or in conjunction with State entities to local communities for which the Company operates as stipulated under the section of “Social Contributions” on page 80. As a good corporate Samaritan, the Company abides by all applicable legal guidelines, including the conscious campaign of the efficient use of the resource. In 2012, the meeting of the board of directors passed a resolution to approve the assignment of the Management Department to consider guidelines for promoting environmental education and training for employees.

Beside, company had set the self treatment policy and policy of treating to immediate supervisor, colleagues, as well as company to protect the participation or concealment the activities that make conflict of interest, corruption for self-interest. The reason behind this approval was that company believed that employees are keys to business success. They need to be trained and developed continuously until they are the best at what they do. Furthermore, employees have to behave well and give their shares to build a proper company culture and sustainable growth

4. Information Disclosure and Transparency

The Board of Directors' directive is to ensure the disclosure of both financial and non-financial information that pertains to the Company's operations. Information integrity, completeness and transparency of disclosure through the various designated channels along with the abidance with all SEC and legal guidelines are a must. The composition, tasks and responsibilities along with remuneration for members of the Board and the members of various Committees have been disclosed in the "Management Structure" section page 46. Reports of the various Committees have also been included in the annual report on page 75 and details on remuneration for members of the Board is disclosed on page 56. A report on good corporate governance and adherence report has also been included.

In 2012, the meeting of the board of directors passed a resolution to set policies for company directors to make quarterly reports on the purchases-sales of shares/holdings in company securities to the meeting of the board of directors.

Quality of Financial Disclosure

The Company's Board of Directors has exercised due care in ensuring that the disclosed financial information are correct, transparent and complies with generally accepted accounting principles ensuring appropriateness to the Company's operations and applying such accounting standards on a consistent basis. To further provide a higher level of confidence, the Board has put in place a risk management function and also an effective internal audit function. The Audit Committee is charged with the responsibility of ensuring quality of financial disclosure and establishing a robust internal audit process. A Board of Directors' duties on financial disclosure report along with the Audit Committee's report has been included in the 2010 annual report.

Relationship with Investors

An Investor Relations Department has been established to serve as the Company's representative to communicate on the Company's behalf with shareholders, fund managers, equity analysts and the general public community through a number of channels either directly or indirectly. The Company utilizes channels via the SEC, the SET, media, e-mail, telephone, fax, IR Newsletter and posting information on the Company's web site www.ncgroup.co.th both in Thai and English. Interested persons can contact the Company via the Company's web site www.ncgroup.co.th or via the Investor Relations Department's E-Mail: "mailto:ir@ncgroup.co.th" ir@ncgroup.co.th, contact by phone: 02-993-5080-7 ext. 401, 403 or contact by fax: 02-993-5089.



5. Duties of the Board of Directors

Structure of the Board of Directors

Board of Directors must possess qualifications based on Public Company Act and related laws. Board must not show any characteristic that is not suitable to manage company with public stockholding as specified by Securities and Exchange Commission.

The Company's Board of Directors comprise of knowledgeable and capable individuals with business experiences whose responsibility is to consider and approve the Company's vision, strategies, policies, business and financial budget as well as supervise the management team to effectively and efficiently execute policies. This is in observance of all legal guidelines, purpose, Company's Articles of Association and resolutions approved by shareholders to increase the Company's overall value and the utmost stability for shareholders.

The number of Board members has been determined to suit the size of the Company's operations. As of December 31, 2012, there were a total of 8 Board members with 4 members holding management positions within the Company and another 3 who do not hold any management positions and are Independent Directors. Stakeholders can be rest assured that the representation on the Company's Board is sufficient to maintain counter balance and effectively represent shareholders' interest.

The Board Chairman is an Independent Director and is not the same person holding the Managing Director position. There is a clear cut difference in the operating roles and responsibilities of the Board of Directors and that of management.

Independent Directors refer to persons possessing the qualities and is independent as per the definition stipulated by the SET regarding qualifications and responsibilities as a member of the Audit Committee as disclose in the "Board Member's Qualifications" section on pages 48.

The definition of the term "Independent Director" as per the Company's guidelines is compliance of the SET's guidelines as shown in the information under the "Board Member's Qualifications" section on page 54.

The Company's policy and guidelines for its Board members sitting on other Company's Board of Directors has been disclosed in the annual report under the "Board Member's Qualifications" section on page 53. To date, the Company has not specified the number times a Board member can be re-elected to sit on the Company's Board. However, upon reaching the term for retirement, the Nomination Committee may consider the appropriateness in re-selecting the outgoing Board members by taking into consideration the individual Board member's performance and the value of contribution made to the Company in the previous term(s).

Sub-Committees

The Board of Directors appointed qualified members of the Board to 3 committees tasked to undertake various activities including the Audit Committee, the Nomination Committee and the Remuneration Committee. Details of the composition, tasks and responsibilities of each appointed committee have been disclosed in the "Management Structure" Section page 49. Company assigned sub-committee to responsible for reporting the operation result according to the audit charter to the Board of Directors and The Shareholder Meeting. Although the company has not established a Risk Management Committee and Corporate Governance Committee, the company has established work groups clearly responsible for the aforementioned issues.

Board Meetings

In 2012, the meeting of the board of directors passed a resolution to convene in more than six meetings of the board of directors each year, scheduling the 1/2013 meeting with special agendas for considering and reviewing the company's vision and mission in order to increase efficiency in policy management, strategic plans and objectives for executives and employees to work toward the same goals. All members of the Board are required to attend meetings except in cases of emergency. The Chairperson and the Managing Director are responsible for determining the appropriate agendas and its sequence while allowing other Board Members to submit other agendas for consideration. The agenda of each Board meeting is clear and the Company sends agendas and related documents to the Board seven days prior to the meeting date so that Board members have sufficient time to study the issues beforehand. Additional information on each agenda can be sought from the Company's Secretariat.

The Chairman emphasizes due care and careful judgment and provides sufficient time for the thorough discussion and consideration of matters. The Company Secretary is charged with issuing invitations and supporting Board members with all necessary documentation in preparation for Board meetings. The minutes to all Board meetings are prepared by the Company Secretary, which must be approved by the Board of Directors prior to safekeeping and for future reference by stakeholders.

In 2011, the Board of Directors met in ordinary Board meeting total 4 times and met once in an extraordinary Board meeting. Attendance record of Board members is disclosed in the annual report on page 55.

Charter of Board of Directors and sub committees

To ensure clear operating procedures of Board of Directors and sub committees, company develops charter for management and regularly adapt for improvement.

Board Self-Assessment

An annual self-assessment process has been implemented for both the Board of Directors and that of the Company's Audit Committee. The assessment evaluates the performance of the Board of Directors and the Audit Committee each as a group, which enables both entities to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

Policy of Managing Director in taking Board of Director role of other companies

To ensure effective management and time allocation, company sets policy to limit Managing Director in taking Board of Director role of less than 3 registered companies.

Remuneration for Board Members and Senior Management

The Company's Board of Directors appointed the Remuneration Committee whose responsibility is to consider and set remuneration for members of the Board and the Company's Managing Director. Clear and transparent guidelines must be established while ensuring that remuneration is competitive with that of the industry and sufficiently high to retain qualified members of the Board. Board members who take on additional responsibilities will receive additional compensation as appropriate per the approval received at the AGM. Management's remuneration follows the policies and guidelines as set forth by the Company's Board of Directors which is directly linked to the Company's financial performance along with that of individual performance. Remuneration for members of the Board and that of management for 2012 is disclosed on page 55 under the heading "Remuneration for Board Members and Senior Management".

Assessment of the Managing Director

The Company's Remuneration Committee is responsible for assessing the Managing Director's performance by taking into consideration of the Company's operating results and adherence to policies as per Board resolution while taking into consideration the overall economic outlook. The committee uses the above information to determine remuneration for the Managing Director and submits the outcome for Board approval.

Internal Control and Audit Process

Much emphasis is placed on the internal control process both at the management level and at the procedural level to ensure operating efficiency. Job functions and authority have been clearly documented while asset utilization is being optimized to provide the most benefit for the Company. There are clear cut responsibilities of the administrative, management and the audit functions to ensure an effective check and balance system. The Company's Board of Directors assesses the adequacy of the internal audit process to be used for future guidance on an annual basis.

There is an Internal Audit and System Development Department whose function is to perform planned audits and assess results. An Internal Audit Manual has been drafted to ensure the adherence to guidelines regarding the Company's core operations, key financial transactions, administrative functions, management information system and legal guidelines applicable to the Company. Special audits are undertaken within stipulated guidelines to ensure efficiency and compliance with all legal guidelines and the Company's policies. The Department operates independently and can audit any function and provide audit summary, comments and suggestions to the Audit Committee. Performance review of the Department is overseen by the Audit Committee.

In addition, the company signed the contract with ANS Business Consultants, internal audit consultant service provider. This was to ensure that all operation systems of the company would be done correctly and met the international standards. The audit results would be reported to Board of Directors and responsible departments to improve the overall performances.

Great emphasis is put on risk management by the Company's Board of Directors and risk management committee election is in place along with an assessment process with corrective plans and actions have been prepared. Risks that bear effect on the Company's operations are stipulated in the "Risk Factors" on pages 43. The Board of Directors reviews and assesses the risk management process on a quarterly basis.

Business Ethics

Members of the Board of Directors understand their responsibility and duty to utilize their capabilities and experiences to maximize the benefits of the Company while observing ethical standards and all applicable legal guidelines, the Company's own guidelines and resolutions reached at the shareholders' meeting. Duties must be carried out with honesty, integrity and maximizing the benefit of both the Company and its shareholders. The resolution reached at the Board meeting 1/2006 held on February 24, 2006 regarding ethical guidelines for Board members, senior management and staff were announced as reference for all to observe. Every staff member is urged to conduct their tasks with honesty, integrity and ethically and to extend such high standard of moral standard towards external parties including stakeholders, society and the environment. The Board also mandated a system to review and assess adherence on a consistent basis.

Board of Directors is responsible for Updating the company's Code of Ethics every two years. The revision was made to better incorporate international best practice. In addition to the handbook, training on an ongoing basis is being planned while all new recruits are introduced to the Company's ethical standards during their orientation.

General guidelines have been established for all as reference in undertaking their duties with honesty and integrity while such guideline also stipulates the penalties related to misdemeanor.

In the past year, No confliction against the Good Corporate Governance was reported.

Development for Members of the Board and Senior Management

The Company's policy is to support the development of skills for members of the Company's Board, senior management and the Company Secretary by requiring their attendance of seminars of related topics beneficial to the execution of tasks in their various capacities. These include both seminars and courses that have been developed internally and seminars/ courses offered by professional institutions such as that of the Thai Institute of Directors (IOD), Listed Companies Association and others. The purpose is for the attendees of such seminars and courses to internalize knowledge and experience which can be applied to improve the Company's overall performance. To build confidence in the board's ability to effectively monitor company performance with opportunities to regularly participate in training and improve knowledge together with facilitating training participation for the board of directors, the Human Resources Department and the company's secretary have been assigned the task of preparing a registry of training participation history for the board of directors and proposed proper training courses for the consideration of each director in order to support the participation of the board of directors in training courses or seminar activities to enhance work-related knowledge.

Details of development courses attended by Board members and senior management have been disclosed on page 12 under the "Management's Information" section along with the "Personnel Development Policy" section disclosed on page 62.

Company Secretariat

The Company Secretariat was established to support the various activities related to ensuring the effectiveness of the Board along with abidance of all legal guidelines and supporting the Company's efforts in building a culture of good corporate governance. Coordinating and ensuring a successful AGM forms an integral part of the Secretariat's function. In terms of Board meetings, the Secretariat must ensure that the actions taken by the Board are within the legal and Company guidelines and observing the Board's fiduciary duties. The Secretariat is also charged with safe-keeping the minutes to meetings and ensuring the execution of tasks as per the resolution of the AGM and that of the Board of Directors.

The job description and responsibility of secretary position has been put in the company's audit policy since 2008. This position is vital to the development of company audit system. Secretary office phone number is 02-993-5080-7 ext. 403, 02-531-5533, fax number is 02-993-5089 or Email address is ir@ncgroup.co.th.

Policies and guidelines about anti-corruption

1. Company understands the importance of corruption and sets policies to operate based on integrity without support for corruption.
2. Company provides guideline in promoting sustainable value of integrity to employees.
3. Company assigns internal audit and system development departments to monitor any action that relates to corruption, and prepare preventive actions and penalties.

Complaints

1. In case that employee suspects any action that is likely to violate the policies or ethics, he can reports to following responsible persons;
 - Supervisor
 - Human Resource Department
 - Board of Directors or secretary
2. Company assigns Human Resource Department to receive external complaints. In case that you suspect any action that is likely to violate ethics, please directly contact
 - Human Resource Department
N.C. Housing Plc.
1/765 Moo 17, Soi Amporn, Paholyothin Road
26th Kilometer, Kukot Sub-District, Lumlukka District, Patumthani Province, 12130
Tel 02 993 5080 - 7 ext. 230
Email : HRNC@NCGROUP.CO.TH

Therefore, in order to build a corporate culture of good corporate governance, the company has arranged training courses on good corporate governance and company ethics for new employees by requiring new employees to sign affirmations acknowledging compliance with corporate ethics, including the dissemination of news and information on operations and activities related to good governance through various channels to promote continued knowledge and understanding.

Expert

Because we are creative experts in home designs brimming over with happiness, we never stop learning and creating new ideas together with capacity building in various aspects of our work to gain international recognition, so our residents give us their faith and trust as they live their lives in communities overflowing with contentment.



Audit Committee's Good Corporate Governance Report

NCH's Board of Directors announced corporate governance policy on February 24, 2006. Updating the business policy annually in order to ensure that company's operations are complying with the principle of good corporate governance concepts and methodologies.

The essence of this policy was

- To create a structure and process of building the relationship between board of directors, management teams, and shareholders.
- To give direction to all operations of the company.
- To have right controlling system in order to examine and maximize the resources usages.
- To build competitive competency that would grow the company and increase long term shareholders' value.
- To build the company credibility in the view of shareholders, investors, and business partners.

The policy was divided into 5 sections.

- Section 1** Board of Directors
- Section 2** Shareholders' rights and equality
- Section 3** Disclosure of information and Transparency
- Section 4** Risk Management and Control
- Section 5** Ethics

Audit committee was appointed to be a subcommittee by Board of Directors in their meeting. Subcommittee was an independent mechanic in balancing the power of management. Internal audit department and system development department reported the efficiency of the existing control system to the audit committee. They also supported to make continuously self audit happened in all levels of the company. This would build an audit culture and control environment. Then employee participation followed. Participated employees would keep or improved this audit system. Good audit system impacted directly to human resource development and was important fundamental to company's efficiency and effectiveness improvement.



Mr. Piboon Limpraphat, Ph.D.
Chairman of the Audit Committee

Audit Committee's Report

To the Company's Shareholders :

N.C. Housing Public Company Limited's Audit Committee was appointed by the Company's Board of Directors on November 7, 2006 for a period of 3 years. The Board of Directors Meeting no.4/2012 held on August 9, 2012 approved the appointment of the Audit Committee and allowed them to start their works since November 7, 2012. The Audit Committee is made up of 3 Independent Directors possessing qualities as stipulated by the Stock Exchange of Thailand (SET) along with the guidelines relevant to the Audit Committee. Members of the Audit Committee include :

1. Mr. Piboon	Limpraphat, Ph.D.	Chairman
2. Mr. Kobsak	Pongponrat	Member
3. Mr. Vichit	Vichaisarn	Member

Activities were undertaken as per the given responsibilities by the Company's Board of Directors and as per the responsibilities stipulated in the Audit Committee's Charter, which parallels the guidelines as stipulated by the SET.

In 2012, the Audit Committee met total of 5 times which includes three persons who had series of meetings with audit committee group of NC N.C. Housing Public Company Limited with the attendance of senior management, the internal audit's external consultant, Head of Internal Audit and System Development and the Company's financial auditor as necessary. Key activities undertaken for the year include:

1. **Reviewed the Company's quarterly and full year financial statements for fiscal year 2012.** To provide a level of confidence that the Company and its consolidated financial statements have been prepared in accordance with generally accepted accounting principles with sufficient and complete disclosure of financial information. The review is also to ensure that the disclosure is with integrity and review transactions between the Company and its subsidiaries and that of related party transactions or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand or other laws which are liable to company policies.

2. **Reviewed and approved the annual internal audit plan** and ensured the adherence to the approved audit plan and make necessary adjustments to better risk control with the changing risk resulting from the change in operating environment. Made recommendations to improve effectiveness of the internal audit process while approval was given to further clarify the guidelines outlining the Department's responsibilities and duties.

3. **Reviewed and assessed** the effectiveness of the Company's internal control process and sufficiency of the company's internal audit system through the audit reports made by internal audit's external consultant and the Internal Audit Department's reports. The Committee oversaw the ongoing development of the internal control process and assessed the Company internal control process in accordance with the internal control sufficiency form used to minimize the risk of any mishaps. Ensured the compliance with both the Committee's resolutions and also that of the Board of Directors' resolutions.

4 Reviewed the policies and risk management procedures along with the progress of managing such risks as submitted by senior management on a quarterly basis to ensure confidence that the Company's risks have been minimized to an acceptable level.

5 Reviewed the effectiveness of the Company's good corporate governance by ensuring transparent information disclosure and follows the laws as stipulated by the guidelines of the Securities and Exchange Act. along with other guidelines specific to the industry. The Committee also made suggestions for the Company to establish 2 additional sub-committees - the Nomination Committee and the Remuneration Committee to oversee the selection of Directors and to ensure transparency in establish remuneration for Directors and that of the Managing Director.

6. Reviewed and performed a self-assessment in relation to the Audit Committee's Charter and in line with guidelines stipulated by the SET.

7. Reviewed the re-appointment Consider, select, and propose and remuneration of Dharmniti Auditing Company Limited as the Company's financial auditors to be submitted for Board review before submitting for shareholder approval at the Company's 2013 AGM.

8. To undertake other related activities as assigned by the Company's Board of Directors.

The Company's Audit Committee believes that the Company's internal audit process is sufficient, appropriate and provides a level of confidence in the integrity of the Company's financial statements in its totality and this report approved by Audit Committee meeting on 21 February, 2013



(Mr. Piboon Limpraphat, Ph.D.)
Chairman of the Audit Committee

Nomination Committee's Report

To Shareholders,

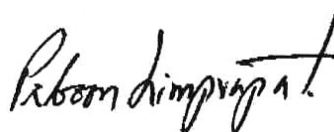
N.C. Housing Plc.'s Nomination Committee was appointed by the Company's Board of Directors on October 31, 2007 for the duration of 2 years. The Board of Directors Meeting 4/2011, August 15, 2011 appointment Nomination Committee in this term and Khun. Somnuek Tantaterdtham would replace Khun, Wichian Silapacharanan, start their works since October 12, 2011 — October 10, 2013. Members of the Remuneration Committee are composed of 2 non-management Independent Directors and 1 Director who holds a management position while the Committee's Chairperson is an Independent Director. Members of the Committee are :

1. Mr. Piboon	Limpraphat, Ph.D.	Chairman
2. Mr. Kobsak	Pongponrat	Member
3. Mr. Wichian	Silapacharanan	Member

In 2012, the Nomination Committee undertook activities in accordance with responsibilities bestowed upon the Committee by the Company's Board of Directors and according to the Nomination Committee's Charter. The Committee met one time in 2012 and all 3 members of the Committee were present. A report was provided to the Company's Board of Directors per the Committee's decisions and undertakings.

1. Recruited qualified persons and proposed to BOD for their approval to replace retired members of committee.
2. Considering Nomination Committee 2012 Report to BOD and Shareholder
3. Considering and reviewing audit charter of Nomination committee which comprises of elements and recruitment of remuneration committee member, qualifications, term of duty, authority and responsibility, and performance reporting.
4. Considering and appointment of Sub Committee (Nomination Committee and Remuneration Committee) to BOD for their approval to replace retired member of committee.

In 2012, the Nomination Committee executed its duties with due care, to the best of each member's ability, independently and transparently for the appropriate benefit of the Company, shareholders and stakeholders.



(Mr. Piboon Limpraphat, Ph.D.)
Chairman of Nomination Committee

Remuneration Committee's Report

To Shareholders,

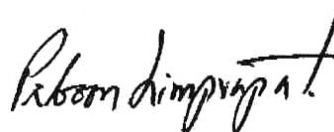
N.C. Housing Plc.'s Remuneration Committee was appointed by the Company's Board of Directors on November 12, 2007 for the duration of 2 years. The Board of Directors Meeting 4/2011, August 15, 2011 appointment of the Remuneration Committee and allowed them to start their works since November 12, 2011 - November 11, 2013. Members of the Remuneration Committee are composed of 2 non-management Independent Directors and 1 Director who holds a management position while the Committee's Chairperson is an Independent Director. Members of the Committee are :

- | | | |
|----------------|-------------------|----------|
| 1. Mr. Piboon | Limpraphat, Ph.D. | Chairman |
| 2. Mr. Vichit | Vichaisarn | Member |
| 3. Mr. Somchao | Tanterdtham | Member |

In 2012, the Remuneration Committee undertook activities in accordance with responsibilities bestowed upon the Committee by the Company's Board of Directors and according to the Remuneration Committee's Charter. The Committee met one time in 2012 and all 3 members of the Committee were present. A report was provided to the Company's Board of Directors per the Committee's decisions and undertakings.

1. Considered remuneration structure of company's Board of Director , Subcommittee company , Managing Director and Employees and proposed to shareholders for their approval. (Mr. Somchao Taterdtham, Managing Director, refrained from voting on this issue due to his executive position)
2. Considering and reviewing audit charter of remuneration committee which comprises of elements and recruitment of remuneration committee member, qualifications, term of duty, authority and responsibility, and performance reporting.

In 2012, the Remuneration Committee executed its duties with due care, to the best of each member's ability, independently and transparently for the appropriate benefit of the Company, shareholders and stakeholders.



(Mr. Piboon Limpraphat, Ph.D.)
Chairman of Remuneration Committee



Corporate Social Responsibilities

Educations and Learning Skills

Joint Support for the Competition, "Charity Golf Tournament for the Thai Special Olympics"

with the objective of earning income to donate support funds for the activities of the Thai Special Olympics board to promote the development of physical capacity and self-help ability of mentally disabled and retarded persons by using sports as a media.



"Second NC Scholarship Project, 2012 Academic Year"

grants a scholarship to university students in the faculties of architecture and engineering at Rajamangala University of Technology Thanyaburi with good conduct but decient funds. This scholarship is ongoing and lasts until the student has graduated from his/her course of study with a bachelor's degree. To date, eight students have received the scholarship and two students have graduated. The scholarship is aimed at promoting Thai youth to mature into personnel of the real-estate profession who are both smart and good.



Activity: "University Students Visit and Study Project Management"

Quality Living Management Co., Ltd., an affiliate of the NC Group, welcomed a delegation of professors and bachelor's degree students in real estate from the Faculty of Business Administration, Assumption University, and a delegation of professors and master's degree students from the faculty of Architecture, Chulalongkorn University, at the Baan Pha Piyarom, Lamlukka, Klong 6, a large community considered to be a Township Development model community working under the ISO 9001:2008 system.



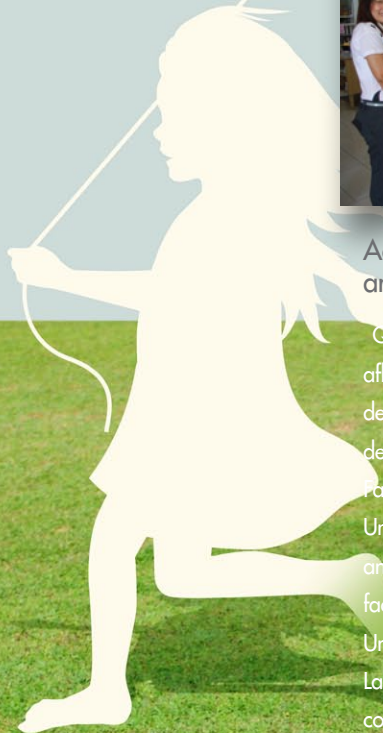
"Second Annual NC Volunteer Camp"

project grants support funds to the Rajamangala Volunteer Development Club in Honor of His Majesty, the King, at Rajamangala University of Technology Thanyaburi in performing activities at the Rajamangala Volunteer Rural Development Camp in 2012 by building the fortieth Rajamangala Chalerm Prakit Building for Baan Tha Chum School (Prachauthivitthayakhan) in Thung Saliang Sub-district, Thung Saliang District, Sukhothai Province. This project grants opportunities to thirty NC employee volunteers attending the volunteer camp to construct the building, practice working together, build unity and learn about the true needs of remote communities.



Practicing Skills with a Variety of Workshops

so project members can put their free time to good use, build warmth and affection among family members, learn new skills for empowering themselves, whether in skilled craftsmanship with the "decoupage" technique to make tissue boxes, hats, cloth bags, mobile phone cases, picture frames or with scrapbooks and cooking activities for making foods like decorating cupcakes and making Japanese pizza.



The Environment



The Project, "Strengthening Thais...Keeping Water Clear in Every Canal"

Somchao Tanthathoedtham, Chief Executive Ofcer, was honored to attend the awards ceremony granting certificates for the project, "Strengthening Thais...Keeping Water Clear in Every Canal" from Prime Minister Yingluck Shinawatra at Central World Plaza in an event hosted by the Ministry of Finance. NC was one of the rst forty companies to participate in the project.

The aforementioned activity enjoyed good support from the Ladsawai Municipality, the Bueng Kham Phroi Tambon Administration Organization, the Lamukka District, Pathumthani Province, the delegation of professors, staff and university students from the Rajamangala University Chalem Prakiat Volunteer Development Club, Rajamangala University Thanyaburi, the delegation of teachers, students and community members from the Wat Panjathayikawas School and the teams of workers from the Thaipat Institute for promoting and raising awareness about the care and maintenance of canals for the local vicinity, communities, homes, temples and schools in order to achieve good quality of life for communities.



Joint Activity, "Recycle Green Village – Baan Fah Rangsit Lamukka Klong 7 Project"

aimed at clean communities and pollution-free villages to create good environments for communities. The NC group considers this project one of its management policies for community management under the principles, "A Happy Living Community". The aforementioned activity received a warm welcome from residents and supporters from three main agencies: the Plastic Industry Club, the Federation of Thai Industries, the Thai Institute of Packaging and Recycling Management for Sustainable Environment, the Plastic Institute of Thailand and the Ministry of Industry.



The Nature Conservation Tourism Activity, "NC Family Rally 2002 – Let's Grow Green" Project,

was carried out so project members could have an opportunity to commune with nature and learn about the nearby environment with activities like visiting agricultural tourist sites, learning about different plant and tree species and planting trees together for the benefit of the community.

Society and Communities

Activities aimed at promoting Thai culture and traditions while building good relationships in families and communities at the Baan Fah Piyarom Project, Lamlukka, Klong 6, such as the following:



“Baan Fah Loy Kratong” Activities”

NC places importance on these activities and holds them annually. In 2012, the activities were honored by the attendance of Yongyuth Manbuppachart, Mayor of Lamlukka, who served as the chairman of the event with representatives from communities who joined together as judges in the Miss Noppamart Beauty Contest 2012.



Rallying Support for the “Baan Fah Chuanpan” Bicycle Club”

This club originated with the joining of local residents in the Baan Fah Piyarom Project, Lamlukka, Klong 6 and a bicycle lovers group, so they could come up with good activities to benefit society, promote nature conservation tourism and health care while supporting the Baan Fah Piyarom Project, Lamlukka, Klong 6, as a bicycle-loving city.



National Father's Day

Merit making activities were held with dry food offerings for monks and canna lily plants were given away because the canna lily is the official flower of National Father's Day, so the owners could be planted at home

National Mother's Day

Merit-making activities were held with dry food offerings for monks. Jasmine bushes, which are the official Mother's Day flower, were given away so the bushes could be offered to the mothers attending the event.

National Children's Day

Activities were held for kids to play games for prizes, enjoy tasty snacks and to give the youth a chance to display their abilities, such as dancing, martial arts, etc.



Related Party Transactions

Summary of related party transactions and transactions with persons with potential conflicts of interest for fiscal year 2012 as noted by the financial auditor in the notes to the financial statements are as follows:

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/ Appropriateness
1. NCH 2555 Holding Co., Ltd.	<ul style="list-style-type: none"> Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Director and major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in NCH 2555 Holding Co., Ltd. The Company and NCH 2555 Holding Co., Ltd. share 2 of the same directors Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham 	<p>The Company borrowed funds from NCH 2555 Holding Co., Ltd. at an interest rate of 5.75% per annum</p> <ul style="list-style-type: none"> - Balance, beginning of year - Outstanding borrowings during 2012 - Refund during 2012 - Ending balance at December 31, 2012 - Interest payable 	<p>0.00</p> <p>65.00</p> <p>65.00</p> <p>0.00</p> <p>0.00</p>	<p>The Company borrowed funds from NCH 2555 Holding Co., Ltd. to support its operating cash and increase liquidity.</p> <p>The interest rate paid is benchmarked to commercial bank's MLR.</p>
2. Mrs. Patcharin Tanthathoedtham	The kinfolk of (Mr. Somchao Tanthathoedtham Director, Member of the remuneration Committee, Chairman of the Executive Board, Chief Executive Officer and major shareholder of the Company holding 1.14% of shares as of December 29, 2012)	<p>The Company rented land from Mrs. Patcharin Tanthathoedtham in the amount of THB 55,000 per month.</p> <ul style="list-style-type: none"> - Total rental fee 	0.66	The Company rented 11 rais of land from Mrs. Patcharin Tanthathoedtham contracted for 3 year (Jan. 1, 2009 to Dec. 31, 2012) in the amount of THB 660,000 per annum for use as a sales office, mock-up models and parking lot for the Baan Pha Piyaom project because it is convenient for customers to visit.
3. S.C. Construction and Decoration Co., Ltd. (SC) / Supplier of Construction Material	<ul style="list-style-type: none"> Mr. Namchai Tanthathoedtham, the Ex - Chairman, Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Director and major shareholder, and Mrs. Nongluck Tanthathoedtham, major shareholder holds 94.98% in SC The Company and SC share 2 of the same directors Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham 	<p>Construction materials were purchased from S.C. Construction and Decoration Co., Ltd.</p> <ul style="list-style-type: none"> • Total purchases • Account Payable 	<p>0.11</p> <p>0.30</p>	<ul style="list-style-type: none"> • The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis. • Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited service if necessary.

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/ Appropriateness
4. Sathaporn Wattana Trading Co., Ltd. / Supplier of Construction Material	<ul style="list-style-type: none"> Mr. Namchai Tanthathoedtham, the Ex - Chairman, Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Mr. Wichian Silapacharanan, Mr. Rungsarn Nuntakawong, Director and major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in Sathaporn Wattana Trading Co., Ltd. The Company and Sathaporn Wattana Trading Co., Ltd. share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham 	<p>Construction materials were purchased from Sathaporn Wattana Trading Co., Ltd.</p> <ul style="list-style-type: none"> Total purchases 112.56 Account Payable 37.42 		<ul style="list-style-type: none"> The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis. Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited

Note : 1. Items 1 and 2 are standalone transactions and occur irregularly

2. Items 4 and 5 are transactions performed on a regular basis

* Mr. Namchai Tanthathoedtham passed away on October 2, 2007

Manager of legacy Mr. Namchai Tanthathoedtham

- Mr. Somchao Tanthathoedtham
- Mr. Prasit Tanthathoedtham
- Mr. Somnuek Tanthathoedtham
- Mr. Sujin Tanthathoedtham

Necessity/Appropriateness of Related Party Transaction and Report from the Audit Committee

The Audit Committee has reviewed the related party transactions for the accounting period ending December 31, 2012 and perceives that the transactions are of necessity and is within reason to provide the Company and shareholders with maximum benefit. The terms and conditions specified for the contracts are on the same basis as other individuals or businesses and such transactions were not for the transfer of benefits between the Company and its subsidiaries or individuals.

Approval Process for Related Party Transactions

With unanimous decision, the Company's Board of Directors' resolution relating to related party transactions or transactions with persons who may have conflicts of interest with the Company is for each issue to be approved by the Board of Directors with the attendance of the Audit Committee to ensure fairness, appropriateness and arms length pricing of these transactions putting the Company's interest in the forefront. Board members are prohibited from voting on issues deemed to be in conflict of interest. Loans to persons deemed to have conflicts of interest are also prohibited. Policies and guidelines as set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) are strictly observed by the Company.

Policies or Guidelines on Related Party Transactions

There are 5 types of related party transactions:

(1) Normal transactions of the Company

Policies towards transaction such as the purchasing of construction material, the sales of units in development projects and the purchase of land are for transactions to be done at arms length, which are comparable to market prices used as reference. The best price, terms and conditions must be sought for the Company and its subsidiaries and must be submitted for approval by the Audit Committee in regards to adherence to the Company's procedures and guidelines. Upon receiving clearance from the Audit Committee, the matter is then submitted to the Board of Directors for final approval.

(2) Supporting transactions for the Company's normal business

Supporting transactions of the Company's normal business include sub-contracting a related company to manage communities of developed projects or to construct pre-sales units.

(3) Short-term renting and rental of land

Land rental for temporary establishment of a sales office for the Baan Fah Piyarom project.

(4) Transactions related assets or services

The outsourcing of gardening care to the Company's subsidiary

(5) Financial support

Financial support comes in the form of borrowing funds from sister companies, borrowing funds from persons who may have conflicts of interest, and having commercial banks issuing letters of guarantee on the Company's subsidiary's behalf for government entities. Comments from the Audit Committee are sought for the appropriateness and of such transactions. Input from independent experts or the Company's financial auditor is sought for transactions for which the Audit Committee may have difficulty in assessing the appropriateness of such transactions. Such inputs from specialists are taken into consideration by the Board of Directors or shareholders upon making decisions.

To make the process of purchasing land for the Company's future projects transparent, the Board of Directors has made it a policy that land title to be purchased for future projects will be in the name of the Company. No persons related to the Company may hold title to the pieces of land to be purchased by the Company. However, should there be need to purchase such pieces of land from a related person, the process must be submitted for the Audit Committee, the Board of Directors and shareholders' approval while observing both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)'s established guidelines.

All future related party transactions that may occur must abide by the guidelines as established by both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Internal Audit Department will undertake checks through random sampling to ensure the integrity of such transactions. The findings of the Internal Audit Department should be made to the Audit Committee at the next meeting. The Company also discloses all related party transactions in the notes to the financial statements section of the financial disclosure reviewed by the Company's financial auditor. Such disclosure is to ensure compliance with generally accepting accounting practice and such information is also disclosed in the Company's annual 56-1 report.

Management Discussion and Analysis

Overall Summary of the Company's Operations

The Company's full scale property development business includes residential and condominium development, property project management and community management. Currently all of the Company's revenue is derived from its property development business.

The Company holds 99.99% stakes in each of its 2 subsidiaries - The first is N.C. Property Management Co., Ltd. provides comprehensive project management services including sales and marketing, construction, title transfer, undertaking rehabilitation projects and the co-management of assets with the land owner. The second is Quality Living Management Co., Ltd. provides community management services for various property projects and condominiums post title transfer.

As of December 31, 2012, the Company and its subsidiaries launched a total of 15 property development projects with 71.2% or 8,097.5 million baht backed by sales contracts.

- **Operations Analysis**

- 1 **Revenue**

Revenue earned by the Company for fiscal year 2012 totaled 1,573.8 million baht, reflecting a 23.2% decrease from the previous year's 2,049.0 million baht, as a result of because of 2011 recognized revenues from land sales THB 547.08 million but revenue from ownership transferring increased 3.72 percent from 2011.

Of the Company's revenue which is derived from property development, the largest proportion of 2012's revenue is derived from the sale of landed residential units. The proportion of revenue derived from sales, construction, service and other income for 2012 were 98.1%, 0.5%, 0.3% and 1.1%, respectively as compared to revenue derived from sale, service and other income were 99.3%, 0.2% and 0.5% in 2011.

Revenue Breakdown

Revenue	Operated	2012		2011		2010	
		THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue	NC	1,544	98.1	2,035	99.3	1,192	97.6
Construction Revenue	NCPM*	9	0.5	-	-	11	0.9
Service Revenue	QLM*	5	0.3	4	0.2	5	0.4
Other Revenue**	NC , NCPM*, QLM*	17	1.1	10	0.5	13	1.1
Total Revenue		1,574	100.0	2,049	100.0	1,221	100.0

Remark * The Company hold a 99.99% stake in NCPM and QLM

** Other Revenue : Rental fees, fees for altering contracts, interest receivables, gain from sales of assets and other non-core business transaction form a large part of the Company's other revenue.

NC : N.C. Housing Plc. / NCPM : N.C. Property Management Co., Ltd / QLM : Quality Living Management Co., Ltd.

Sales Revenue

2012 proportion of single detached houses, duplexes, townhouses and other were 69.4%, 23.9%, 2.7 and 4.0% as compared to the proportion of single detached houses, duplexes, townhouses and other for the previous year were 43.4%, 23.7%, 4.1 and 28.8% respectively, 2011 other revenue increased because of revenues from Land sales at Chonburi 547.0 THB mn.*

Sales Revenue by Type of Residential Units

Type	2012		2011		2010	
	THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue:						
Single Detached House	1,072	69.4	884	43.4	783	67.0
Duplexes	369	23.9	493	24.2	326	26.2
Townhouse	42	2.7	83	4.1	79	6.4
Commercial building	-	-	-	-	-	-
Other	61	4.0	575*	28.3	4	0.4
Total Sales Revenue	1,544	100.0	2,035	100.0	1,192	100.0

The proportion of the Company's revenue earned on sales of pre-built units, semi-pre-built units and pre-sales units for 2012 were 67.0% 15.2% and 17.8% respectively while compared to last year's 71.5%, 13.3% and 15.2%, respectively.

Sales Revenue by Customer's Payment Preference

Type	Down Payment installment	% of Sales Revenue		
		2012	2011	2010
1. Pre-built units	(0-2 pmts)	67.0	71.5	71.3
2. Semi-pre-built units	(3-6 pmts)	15.2	13.3	13.6
3. Pre-sales units	(> 7 pmts)	17.8	15.2	15.1
Total		100.0	100.0	100.0

A large proportion of the Company's sales revenue is derived from the sale of landed residential units at the Company's The Royal Green Park Kanjanapisek , Baan Pha Piyarom (P9), Baan Pha Green Park Pracha Uthit, Baan Pha Green Park Rangsit Klong 3 , Baan Pha Piyarom (P10) and Thanyathani Home on Green 2, projects constituting 73.9% of total sales revenue.

Revenue from Projects Sales

Project	2012		2011		2010	
	THB mn.	%	THB mn.	%	THB mn.	%
The Royal Green Park Kanjanapisek	318.8	20.7	200.6	9.9	11.0	0.9
Baan Pha Piyarom (P.9)	192.4	12.5	148.7	7.3	115.0	9.6
Baan Pha Green Park Pracha U thit	187.1	12.5	155.9	7.7	154.2	12.9
Baan Pha Green Park Rangsit Klong 3	157.3	10.2	164.5	8.1	114.9	9.6
Baan Pha Piyarom (P.10)	145.6	9.4	302.7	14.9	192.6	16.2
Thanyathani Home on Green 2	132.5	8.6	229.5	11.3	205.4	17.2
NC Royal Pinklao	98.6	6.4	-	-	-	-
Baan Pha Greenery	98.1	6.4	-	-	-	-
Baan Pha Piyarom Nesto	97.3	6.3	-	-	-	-
The Green Park Jomtien By NC Group	61.0	3.9	161.9	8.0	65.9	5.5
Baan Pha Green Park Rangsit Klong 7	51.1	3.3	64.6	3.2	52.8	4.4
Land Klong 6	4.3	0.3	-	-	-	-
Baan Pha Green Park Royal Pinklao	-	-	-	-	15.8	1.3
Baan Pha Green Park Royal Budhamonthon Sai 1	-	-	51.5	2.5	185.9	15.6
Baan Pha Rim Hard	-	-	-	-	8.5	0.7
Baan Pha Rim Hard 2 (Land)	-	-	547.1	26.9	-	-
Thanyathani Home on Green	-	-	9.0	0.4	65.1	5.5
The Focus Condominium	-	-	-	-	5.0	0.4
Total	1,544.1	100.0	2,035.0	100.0	1,192.1	100.0

Construction income

In 2012, the company earned 8.6 million Baht income generated from construction product under the operation of the NC Property Management Co.,Ltd., a subsidiary.

Service Income

Service income derived from the operation of the Quality Living Management Co.,Ltd, a subsidiary, which provides the services of community management for housing and condominium project after residing. In 2012, the company earned 4.5 million Baht service income.

Other Incomes

In 2012 the company earned 16.5 million Baht other incomes.

2. Cost and Gross Prot

The Company's cost to sales ratio was decreased to 65.53 percent in year 2012 from 73.97 percent in year 2011 because of the ability to cost management and reverse an impairment loss of property development.

3. Expenses

Sales and Administrative Expenses

In 2012, the Company incurred expenses amounting to THB 210.2 million in sales, a decrease of THB 18.4 million, or 8.1% from 2011, because the Company paid sales commissions, specific business taxes from the sales of vacant land in 2011 while administrative expenses amounted to THB 151.1 million, a reduction of THB 2.5 million, or 1.6%, due to expenses incurred by landscaping and public utility repairs following the flooding in 2011.

Financial Costs

The Company reduced financial costs by THB 8.0 million, or 41.3%.

Juristic Person Income Taxes

The Company had reduced juristic person income taxes by THB 111.0 million, or 75.3% from 2011, due to profit from the sale of vacant land in 2011. And in 2012, the income tax rate was reduced from 30% to 23%.

4. Net Profit

In 2012, the Company made a net profit of THB 100.1 million. When compared with the 2011 net profit of THB 192.6 million, the Company net profit reduced by THB 92.5 million, or 48.0%, with net profit rates of 6.4% and 9.4% in 2012 and 2011, respectively. Because profit from land sale in 2011. If compared to the profit before juristic person income tax (not including profit from the sale of vacant land), the profit will be found to have increased by approximately THB 154 million due to sales capacity and increased transfers of proprietary rights.

5. Shareholder Wealth

Earning per share (EPS) for 2012 was at 0.08 baht and return on equity (ROE) at 4.48% as compared to the previous year's EPS at 0.16 baht and ROE at 8.68%. in 2011

- Financial Status

1. Assets

As of December 31, 2012 the Company's total assets stood 3,687.9 million baht, which was a 377.2 million baht or a 11.4% increase from 2011. Current assets increased 385.8 million baht or 12.3%. Because of land held for development increased 410.1 million baht, cash and inventory increased 93.4 million baht and property development costs decreased 101.4 million baht

Composition of Assets

1.1 Inventory

Inventory in the form of property for sale was stated at cost or the net value that the Company is likely to receive whichever is lower. Asset stated at cost reflects the cost of land acquisition plus cost in land development, construction cost and other directly related cost including interest expense. As of December 31, 2012 as compared to the same period in 2011 inventory was at 410.7 million baht versus 317.3 million baht or constitutes 11.1% and 9.6% of total assets respectively

Because new projects were launched, namely, Baan Fah Green Park Royal Pin Klao and Baan Fah Greenery, in which the greater part of remaining inventory comprises high-value model homes and single homes, the inventory rate per total assets increased from 2011.

The company had inventory release management policy to reduce the interest cost and improve the operating liquidity in core projects such as Baan Pha Piyarom (P 10) , Baan Pha Green Park Rangsit Klong 7 and The Royal Green Park Kanjanapisek

1.2 Land Held for Development and Property Development Cost.

As of December 31, 2012 the Company's total property development cost and land held for development 3,005.8 million baht (33.2% and 48.3% of total assets) increased 308.7 million baht or 11.4% from 2011.

During the past year, the Company purchased land to be used in the development of new projects in the future, namely, the land at Klong 6 in Pathumthani, the land in Udonthani and the land in Bangramad (Talingchan) for a total value of THB 449.3 million. Proprietary rights were transferred in 2012 and the proprietary rights for the land in Sampran, Nakhon Pathom valued at THB 271 million are scheduled for transfer within 2013.

The lands are pending for development and transfer to land development capital due to the launch of new projects ; Baan Pha Piyaom Nesto Project, Natureza Condominium Pattaya North worth THB 66.3 million.

The Company has considered the devaluation of the project from 2011 with consideration for the project valuation data provided by an independent appraiser. In 2012, the Company has recorded the return transfer transaction for the cost value of land development amounting to THB 29.5 million because the project earned profit from home sales during the year and the sales price valued by the independent appraiser was higher than the cost of the entire project. Furthermore, value was transferred for the reduced cost of land development amounting to THB 7.0 million. The homes completed during the year became the value for reduced product value.

1.3 Property, Building and Equipment Net

Land and property for office use along with club house owned by the Company in residential projects forms the largest proportion of the Company's property, building and equipment. As of December 31, 2012, the Company's property, building and equipment Net stood at 166.6 million baht declined from 178.3 million baht posted a year earlier constitutes 4.5% of total assets for 2011 and 5.4% of total assets for the year earlier. The decline in asset value was mostly the result of depreciation.

2. Asset Quality

2.1 Asset

Upon review of the Company's asset value, should there be any event or change in condition which puts integrity of asset value into question, the Company will immediately expense the loss on the asset value.

The Company has considered the devaluation of the land for the projects from 2011 with consideration for the project valuation data provided by an independent appraiser. During 2012, the Company recorded the return transfer transaction for the cost value of land development amounting to THB 29.5 million because the projects earned profit from home sales during the year and the sales price valued by the independent appraiser was higher than the cost of the projects.

2.2 Accounts Receivables

Income from housing estate sales with land and income from the sales of condominiums is perceived as income when there are transfers of risks and returns which were already significant in the ownership of buyers as of 31 December 2012. The Company has trading debtors before deducting allowances for doubtful debts amounting to THB 8.6 million combined with debtors from the real estate, construction and community management businesses of THB 0.3 million, THB 8.1 million and THB 0.1 million, respectively. At the same time, as of 31 December 2011, the Company had debtors before deducting allowances for doubtful debts amounting to THB 0.6 baht with an increase from construction debtors amounting to THB 8.1 million.

(For further information about analysis of trade account receivable as to outstanding debt age, see Section 9 of the notes to the financial statement)

An 0.3 million baht in outstanding accounts receivables is not considered to be a significant sum and bears little impact on the Company's financial performance. The Company will issue contact letters to follow-up on accounts that have been delinquent for over 2 months. The responsible department will work with the delinquent account owner(s) to resolve all outstanding debt. A loss reserve has also been set aside based on the Company's historical loss rate.

The construction business trading debtors amounting to THB 8.1 million occurred as a result of the performance of the Company's subsidiary, namely, N.C. Property Management Co., Ltd. which has been considered as a collectable debt in compliance with set trading conditions.

2.3 Liquidity

The Company's cash is derived mainly from the revenue on sale of landed residential units and asset backed credit line from financial institutions. As of December 31, 2012, the Company's cash and cash equivalents totaled 45.1 million baht, which is a 33.4 million baht decrease from the previous year. Details on cash movement are as follows:

As of 31 December 2012, the Company had net cash spent in business operation amounting to THB 312.1 million, a decrease of THB 632.4 million or 197.4% from 2011, because the Company purchased land pending additional development and earned less income from sales than in the previous year during 2012 (2011 had income from the sales of vacant land).

The net cash used in investment activities amounted to THB 11.9 million, a decrease of THB 2.3 million, or 23.9%, from 2011 from the sales of machinery, equipment and office supplies at the sales office of and the clubhouse for NC Royal Pin Klao.

Net cash was earned from financing activities in the amount of THB 290.7 million due to reduced financial institution loan repayments by THB 150.0 million and reduced directors' loan repayments by THB 128.1 million.

The liquidity rate decreased from 5.75 times in 2011 to 4.94 times in 2012 due to increased current liabilities by THB 167.0 million, or 30.8%, from long-term loan transactions from financial institutions due for payment within one year increased by THB 173.6 million.

3. Sources of Funds

Appropriate Capital Structure

3.1 Liabilities

As of December 31, 2012, the company has total liabilities of THB 1,452.4 billion, increased from the amount as of December 31, 2011 by THB 360.9 million, or an increase of 33.0%. Because loans were taken out during the year for use as working capital for operations with expanded investments in new projects and from the purchase of additional land to handle future market expansion.

which the current liabilities increased by THB 167.0 million, or an increase of 30.8% Because long-term loans from financial institutions due for payment within one year increased by THB 173.6 million with increased overdrafts and short-term loans by THB 50.0 million. Current liabilities increased by THB 193.1 million, or 35.2% Current liabilities increased by THB 193.1 million, or 35.2%, due to an increase in long-term loans from financial institutions by THB 194.6 million.

Debt/Equity ratio increased by 0.49 times in 2011 to 0.65 times in 2012

3.2 Shareholder's Equity

As of December 31, 2012, the Company's shareholder's equity totaled 2,235.6 million baht which is a 0.8% increase from last year's 2,218.5 million baht

3.3 Legal reserves

In 2012 the company allotted 5.1 million Baht legal reserves, resulting that as of December 2012, the legal reserves shown in the company's financial statement accounted for 48.85 million Baht (4.07% of registered capital)

3.4 Commitment and Contingent Liabilities

- The Company has entered into lease for the commercial buildings, sale office building, land and other services. As at December 31, 2012, the Company is obligated to pay the rent and service as follows: Payable within: 1 year 4.80 Million Baht and payable within 2 to 3 years 4.41 Million Baht.
- As at December 31, 2012, the Company had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, 1323.32 Million Baht (Separate Financial Statements 131.92 Million Baht).
- As at December 31, 2012, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.22 million.
- As at December 31, 2012, the Company has contingent liabilities arising from lawsuits as follows:

A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 7.5% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.22 million calculated up to December 31, 2012). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2nd defendant co-borrower.

As at December 31, 2012, the case has ended and the Court has ordered the principal loan and the guarantor to co-payment at the total amount of Baht 0.60 million with the interest rate 7.5 percent per year of the capital amount of Baht 0.50 million. If the holder fails to pay, the Court will order to seize the land and building to the auction for plaintiff. The management has estimated the damage that expected to be demanded for such case until December 31, 2012 in the amount of Baht 0.18 million, which is recorded under caption of other current liabilities. The management has expected that the damage will not more than the amount expected.

3.5 Remuneration for the Company's Financial Auditor

- Audit fee : The remuneration for the Company's financial auditor for their auditing work for the accounting period totaled 980,000 baht.
- Non-audit fee : The Company and its subsidiaries compensated the Company's financial auditor for services including transportation fees and over time pay for the accounting period totaling 215,265 baht.

Board of Directors' Duties on Financial Disclosure

To The Shareholders

As a publicly listed company on the Stock Exchange of Thailand (SET), the Company's Board of Directors understands the importance of ensuring integrity in information disclosure and ensuring complete, transparent, sufficient disclosure of the Company's financial statements. Such disclosure observes generally accepted accounting principles with discretion observed on the suitability, appropriateness and circumspect of accounting principles, which is applied on a consistent basis. Such robust accounting guidelines also serve to protect against fraud or abnormal transactions where due consideration was given in determining the appropriateness and comprehensiveness of guidelines to best reflect the Company's true financial performance.

The Company's Board of Directors appointed the Audit Committee with members including Independent Directors with qualifications as stipulated by the SET and was charged with the responsibility to oversee that the financial and operating information provided by the Company maintains integrity and is sufficient and to report its findings and suggestions to the Company's Board of Directors. The Committee is also responsible for the transparent, correct and complete disclosure of information regarding related party transactions and transactions that may have conflicts of interest. Ensuring a comprehensive risk management system, a robust internal audit process and a comprehensive and appropriate corporate governance policy along with having an effective assessment process on abiding with all applicable legal guidelines and that of the SET are all part of the Audit Committee's responsibility. A report by the Audit Committee has been provided in the Company's 2012 annual report.

The Company's Board of Directors believes the Company's overall internal audit process to be sufficient and should provide a level of comfort that the Company's financial statements and the consolidated financial statements for the period ending December 31, 2012 for which the Company's Audit Committee, Company's management and the Company's financial auditors have reviewed and audited to be correct, complete, appropriate and employs generally accepted accounting principles and abides by all applicable laws and related guidelines.



(Mr. Sudham Chatwalwong)
Chairman

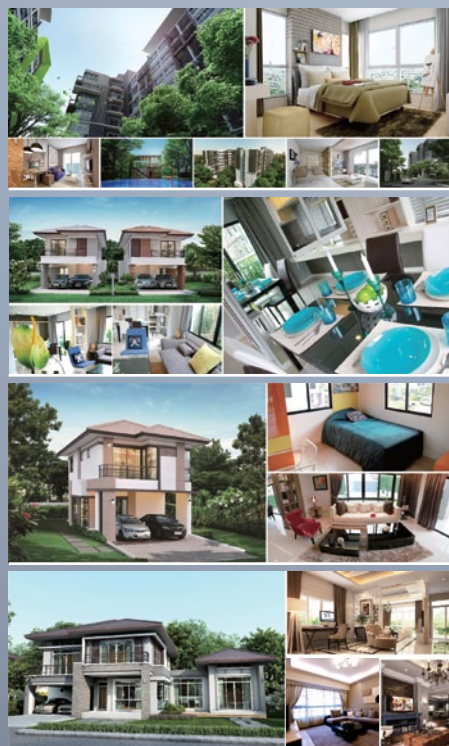


(Mr. Somchao Tanterdtham)
Managing Director



Report And Consolidated
Financial Statements
And Separate Financial Statements
For The Years Ended December
31, 2012 and 2011

N.C. HOUSING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES



REPORT OF THE AUDITOR

To The Shareholders and Board of Directors of
N.C. Housing Public Company Limited

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

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Auditors Responsibility

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

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

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

Opinion

In my opinion, the consolidated financial statements of N.C. Housing Public Company Limited and its subsidiaries and the separate financial statements of N.C. Housing Public Company Limited referred to above present fairly, in all material respects, the financial position as at December 31, 2012, and the results of operations and the changes in shareholders' equity and the cash flows for the year then ended in accordance with the Financial Reporting Standards.



(Miss Wannisa Ngambuathong)

Certified Public Accountant Registration No. 6838

THE STATEMENTS OF FINANCIAL POSITION

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

ASSETS

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
	Note				
CURRENT ASSETS					
Cash and cash equivalents	7	45,115,272.12	78,532,921.27	38,363,227.19	67,805,059.06
Short-term investments	8	655,918.89	18,734,276.53	655,918.89	641,489.98
Trade accounts receivable	9	8,325,815.23	264,165.00	-	-
Inventories	10, 21	410,743,169.89	317,319,296.91	403,032,408.81	316,676,251.91
Property development costs	11.1, 21	1,224,874,457.27	1,326,263,850.38	1,226,457,729.59	1,327,131,092.07
Land held for development	11.3, 21	1,780,965,449.48	1,370,818,977.52	1,780,608,838.48	1,370,462,366.52
Deposit from purchase land	11.3	27,099,900.00	-	27,099,900.00	-
Other current assets	12	12,499,512.18	12,545,042.00	8,553,379.94	8,476,476.28
Total current assets		3,510,279,495.06	3,124,478,529.61	3,484,771,402.90	3,091,192,735.82
NON-CURRENT ASSETS					
Deposit pledged as collateral	13	1,111,366.71	1,087,389.30	889,340.40	869,913.35
Investment in associated company	14	-	39,456.27	-	400,000.00
Investment in subsidiaries	14	-	-	11,864,497.95	11,864,497.95
Property, plant and equipment	15	166,591,380.36	178,337,537.40	164,182,805.47	177,594,868.95
Intangible assets	16	4,607,663.89	3,883,513.19	4,607,663.89	3,883,513.19
Withholding income tax		838,628.09	251,987.59	-	-
Other non-current assets		4,546,584.11	2,675,868.68	4,546,584.11	2,675,868.68
Total non-current assets		177,695,623.16	186,275,752.43	186,090,891.82	197,288,662.12
TOTAL ASSETS		3,687,975,118.22	3,310,754,282.04	3,670,862,294.72	3,288,481,397.94

Notes to financial statements form an integral part of these statement.

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Note					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from the financial institutions	17	215,033,694.88	165,032,510.93	215,033,694.88	165,032,510.93
Trade notes payable		46,738,547.54	33,142,810.82	45,483,896.49	33,142,810.82
Trade accounts payable and other payable	18	78,195,432.47	69,545,673.71	75,939,535.87	66,431,101.21
Accrued expenses		55,199,308.53	28,835,020.73	53,930,231.60	28,486,479.05
Payable to related parties	6	37,715,385.22	24,421,320.44	45,699,142.05	29,272,818.87
Current portion of liabilities under					
the finance lease agreement	20	462,866.19	880,572.69	462,866.19	880,572.69
Current portion of long-term loan from the					
finance institutions	21	173,645,517.81	-	173,645,517.81	-
Corporate income tax payable		14,846,609.19	106,254,884.78	14,846,609.19	105,469,825.69
Unrealized income	19	22,368,521.00	52,184,335.00	22,368,521.00	52,184,335.00
Retention from contractors		64,985,330.17	59,281,309.44	63,860,475.07	57,735,857.39
Other current liabilities		850,803.09	3,438,704.22	850,803.09	2,367,241.88
Total current liabilities		710,042,016.09	543,017,142.76	712,121,293.24	541,003,553.53
NON-CURRENT LIABILITIES					
Liabilities under the finance lease					
agreement	20	39,371.13	502,238.30	39,371.13	502,238.30
Long-term loans from the financial					
institutions	21	597,723,067.07	403,067,647.96	597,723,067.07	403,067,647.96
Employee benefit obligations	22	23,916,152.00	20,907,539.00	23,578,978.00	20,677,463.00
Provision for compensation for housing estate					
juristic persons		16,201,424.78	8,942,274.79	16,201,424.78	8,942,274.79
Liabilities from purchasing the real estate					
project	23	104,449,450.00	115,771,450.00	104,449,450.00	115,771,450.00
Total non-current liabilities		742,329,464.98	549,191,150.05	741,992,290.98	548,961,074.05
TOTAL LIABILITIES		1,452,371,481.07	1,092,208,292.81	1,454,113,584.22	1,089,964,627.58

Notes to financial statements form an integral part of these statement.

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
1,200,000,000 ordinary shares					
of Baht 1.00 each		1,200,000,000.00	1,200,000,000.00	1,200,000,000.00	1,200,000,000.00
Issued and paid-up share capital					
1,185,985,052 ordinary shares capital					
of Baht 1.00 each		1,185,985,052.00	1,185,985,052.00	1,185,985,052.00	1,185,985,052.00
Paid-in capital Premium on share capital		577,530,000.00	577,530,000.00	577,530,000.00	577,530,000.00
Retained earnings					
Appropriated - legal reserve	25	48,850,000.00	43,750,000.00	48,850,000.00	43,750,000.00
Unappropriated		423,238,585.15	411,280,937.23	404,383,658.50	391,251,718.36
Total equity attributable to company's shareholders		2,235,603,637.15	2,218,545,989.23	2,216,748,710.50	2,198,516,770.36
Non-controlling interests		-	-	-	-
Other components of equity		-	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,235,603,637.15	2,218,545,989.23	2,216,748,710.50	2,198,516,770.36
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,687,975,118.22	3,310,754,282.04	3,670,862,294.72	3,288,481,397.94

Notes to financial statements form an integral part of these statement.

THE STATEMENTS OF COMPREHENSIVE INCOME

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
REVENUES					
Sales		1,544,157,799.00	2,035,924,515.23	1,544,157,799.00	2,024,729,459.23
Cost of construction		8,578,447.66	-	-	-
Service income		4,549,098.16	3,573,598.16	-	-
Other income	6	16,532,502.44	9,575,081.74	16,182,515.66	9,318,645.57
Total Revenues		1,573,817,847.26	2,049,073,195.13	1,560,340,314.66	2,034,048,104.80
EXPENSES					
Cost of sales	6	1,011,827,301.67	1,268,318,675.17	1,012,092,976.45	1,264,795,014.22
Construction income		8,581,549.27	-	-	-
Cost of service		3,205,546.87	3,495,520.71	-	-
Selling expenses		210,163,067.70	228,580,823.80	210,163,067.70	228,580,823.80
Administrative expenses	6	151,136,918.86	153,654,766.05	148,078,169.43	152,105,332.54
Management benefit expenses	6	41,115,563.58	35,154,039.68	40,943,113.58	34,996,524.68
Finance costs	6, 31	11,419,066.24	19,438,954.60	11,490,246.80	19,480,150.83
Total Expenses		1,437,449,014.19	1,708,642,780.01	1,422,767,573.96	1,699,957,846.07
Share of profit (loss) from investment					
in an associated company		151,030.86	(360,543.73)	-	-
Income before corporate income tax		136,519,863.93	340,069,871.39	137,572,740.70	334,090,258.73
Corporate income tax	32	36,443,962.37	147,468,720.44	36,322,546.92	144,914,627.76
Profit for the year		100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97

Notes to financial statements form an integral part of these statement.

THE STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Profit attributable to					
Shareholders' equity of the parent company		100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
Non-controlling interests		-	-	-	-
		100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
Total comprehensive income attributable to					
Shareholders' equity of the parent company		100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
Non-controlling interests		-	-	-	-
		100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY	28				
Profit for the year (Baht per share)		0.084	0.162	0.085	0.160

Notes to financial statements form an integral part of these statements.

THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	In Baht						
		Consolidated Financial Statements (Restated)						
		Shareholders' equity of the parent company				Other components of equity	Total	Non-Controlling interests
		Share capital issued and paid-up	Premium on share capital	Retained earnings				
				Appropriated legal reserve	Unappropriated			
Beginning balance 2011		1,185,985,052.00	577,530,000.00	31,750,000.00	266,259,037.84	-	2,061,524,089.84	-
Appropriated - legal reserve	25	-	-	12,000,000.00	(12,000,000.00)	-	-	-
Dividend paid	26	-	-	-	(35,579,251.56)	-	(35,579,251.56)	-
Total comprehensive income for the year 2011		-	-	-	192,601,150.95	-	192,601,150.95	-
Ending balance 2011		1,185,985,052.00	577,530,000.00	43,750,000.00	411,280,937.23	-	2,218,545,989.23	-
Appropriated - legal reserve	25	-	-	5,100,000.00	(5,100,000.00)	-	-	-
Dividend paid	26	-	-	-	(83,018,253.64)	-	(83,018,253.64)	-
Total comprehensive income for the year 2012		-	-	-	100,075,901.56	-	100,075,901.56	-
Ending balance 2012		1,185,985,052.00	577,530,000.00	48,850,000.00	423,238,585.15	-	2,235,603,637.15	-

Notes to financial statements form an integral part of these statement.

	Note	In Baht					
		Separate Financial Statements (Restated)					
		Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity	Total
				Appropriated legal reserve	Unappropriated		
Beginning balance 2011		1,185,985,052.00	577,530,000.00	31,750,000.00	249,655,338.95	-	2,044,920,390.95
Appropriated - legal reserve	25	-	-	12,000,000.00	(12,000,000.00)	-	-
Dividend paid	26	-	-	-	(35,579,251.56)	-	(35,579,251.56)
Total comprehensive income for the year 2011		-	-	-	189,175,630.97	-	189,175,630.97
Ending balance 2011		1,185,985,052.00	577,530,000.00	43,750,000.00	391,251,718.36	-	2,198,516,770.36
Appropriated - legal reserve	25	-	-	5,100,000.00	(5,100,000.00)	-	-
Dividend paid	26	-	-	-	(83,018,253.64)	-	(83,018,253.64)
Total comprehensive income for the year 2012		-	-	101,250,193.78	-	-	101,250,193.78
Ending balance 2012		1,185,985,052.0	577,530,000.00	48,850,000.00	404,383,658.50	-	2,216,748,710.50

Notes to financial statements form an integral part of these statement.

THE STATEMENTS OF CASH FLOWS

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year	100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
Add (less) Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities :				
Depreciation and amortization	14,453,506.27	12,840,967.73	14,173,253.03	12,740,401.93
Reversal allowance for doubtful accounts and bad debts	(5,000.00)	59,641.22	(5,000.00)	33,158.00
Unrealized gain from trading securities	(11,757.12)	(121,231.34)	(11,757.12)	(28,444.79)
Allowance for declining in value of inventories and property development costs	3,833,971.90	41,155,682.34	3,833,971.90	41,155,682.34
Allowance for declining in value of inventories and property development costs (reversal)	(29,503,971.90)	-	(29,503,971.90)	-
Gain from sales of short-term investments	(176,202.40)	-	-	-
Allowance for declining value of investment	30,487.13	-	240,000.00	-
Gain from sale of fixed assets	(679,972.00)	(1,628,514.42)	(679,972.00)	(1,628,514.42)
Loss from taking land to public	9,345,423.42	-	9,345,423.42	-
Loss from written-off assets	70,739.19	10,380.00	-	10,380.00
Gain from written-off trade accounts payable and retentions	(5,239,310.13)	(1,606,038.75)	(5,013,400.43)	(1,606,038.75)
Gain from written-off accrued expenses	(856,193.91)	(346,508.68)	(856,193.91)	(332,417.33)
Provision for compensation for housing estate juristic persons	7,979,309.99	8,942,274.79	7,979,309.99	8,942,274.79
Provision for repairing of customer's house	(590,792.56)	1,330,822.00	(590,792.56)	1,330,822.00
Employee benefit expenses	3,301,413.00	2,972,927.00	3,194,315.00	2,898,523.00
Share of loss from investment in an associated company	(151,030.86)	360,543.73	-	-
Interest income	(108,142.86)	(113,606.46)	(77,153.88)	(80,214.86)
Interest expenses	9,423,773.05	17,014,771.60	9,498,238.80	17,062,192.83
Corporate income tax	36,443,962.37	147,468,720.44	36,322,546.92	144,914,627.76
Income from operating activities before changes in operating assets and liabilities	147,636,114.14	420,941,982.15	149,099,011.04	414,588,063.47

Notes to financial statements form an integral part of these statements.

THE STATEMENTS OF CASH FLOWS (CONT.)

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Decrease (increase) in operating assets				
Cash receivable from sales of short-term investments	18,268,988.95	-	-	-
Cash paid for purchase of short-term investments	-	(18,498,517.00)	-	(498,517.00)
Trade accounts receivable	(8,056,650.23)	672,611.53	5,000.00	81,675.00
Inventories	(104,445,414.42)	8,517,272.73	(97,377,698.34)	9,160,317.73
Property development costs	236,358,962.70	69,451,045.16	235,642,932.07	68,621,340.03
Land held for development	(476,684,031.63)	(132,196,634.89)	(476,684,031.63)	(135,748,897.02)
Deposit from purchase land	(27,099,900.00)	-	(27,099,900.00)	-
Other current assets	45,529.82	(1,879,077.74)	(76,903.66)	(195,600.23)
Other non-current assets	(1,870,715.43)	(1,172,542.48)	(1,870,715.43)	(1,172,542.48)
Increase (decrease) in operating liabilities				
Trade notes payable	13,595,736.72	(19,285,279.83)	12,341,085.67	(19,022,287.18)
Trade accounts payable and other payable	11,761,523.80	25,128,970.01	12,620,199.70	22,323,112.24
Accrued expenses	24,698,426.90	6,121,377.18	23,777,891.65	6,231,665.94
Payable to related parties	13,294,064.78	(2,605,065.75)	16,426,323.18	(1,905,309.92)
Unrealized income	(29,815,814.00)	(10,218,789.00)	(29,815,814.00)	(10,218,789.00)
Retention from contractors	7,831,565.82	16,292,469.33	8,026,253.07	16,330,714.66
Other current liabilities	(1,997,108.57)	1,002,936.61	(925,646.23)	146,815.45
Employee benefit obligations	(292,800.00)	-	(292,800.00)	-
Provision for compensation for housing estate juristic persons	(720,160.00)	-	(720,160.00)	-
Liabilities from purchasing the real estate project	(6,222,000.00)	(6,040,000.00)	(6,222,000.00)	(6,040,000.00)
Cash receivable from the operations	(183,713,680.65)	356,232,758.01	(183,146,972.91)	362,681,761.69
Cash received from interest income	108,142.86	113,606.46	77,153.88	80,214.86
Withholding taxes refunded from Revenue department	61,585.67	7,028,276.91	-	7,028,276.91
Corporate income tax paid	(128,571,203.32)	(43,055,703.16)	(126,945,763.42)	(40,564,632.00)
Net cash provided by (used in) operating activities	(312,115,155.44)	320,318,938.22	(310,015,582.45)	329,225,621.46

Notes to financial statements form an integral part of these statements.

THE STATEMENTS OF CASH FLOWS (CONT.)

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in short-term investments	(26,649.20)	(12,280.94)	(22,098.84)	(9,346.15)
Cash received from short-term loan to related parties	-	-	1,000,000.00	-
Cash paid for short-term loan to related parties	-	-	(1,000,000.00)	-
Proceeds from sales of fixed assets	680,000.00	3,710,000.00	680,000.00	3,710,000.00
Cash paid for purchase of fixed assets	(11,372,848.40)	(12,697,067.51)	(9,426,688.72)	(12,030,649.01)
Cash paid for purchase of intangible assets	(1,404,102.95)	(254,478.10)	(1,404,102.95)	(254,478.10)
Cash received from investment in associated company	160,000.00	-	160,000.00	-
Cash paid for investment in associated company	-	(400,000.00)	-	(400,000.00)
Net cash provided by (used in) investing activities	(11,963,600.55)	(9,653,826.55)	(10,012,890.51)	(8,984,473.26)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for liabilities under finance lease agreement	(880,573.67)	(1,271,955.82)	(880,573.67)	(1,271,955.82)
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	50,001,183.95	97,120,910.83	50,001,183.95	97,120,910.83
Cash received from short-term loan from related parties	81,100,000.00	-	81,100,000.00	-
Cash paid for short-term loan from related parties	(81,100,000.00)	-	(81,100,000.00)	(14,550,000.00)
Cash paid for loan from the directors	-	(128,115,000.00)	-	(128,115,000.00)
Cash received from long-term loans	1,010,548,871.47	473,417,830.45	1,010,548,871.47	473,417,830.45
Cash paid for long-term loans	(642,247,934.55)	(623,485,074.78)	(642,247,934.55)	(623,485,074.78)
Interest paid	(43,742,186.72)	(44,753,494.27)	(43,816,652.47)	(44,819,252.49)
Dividend paid	(83,018,253.64)	(35,579,251.56)	(83,018,253.64)	(35,579,251.56)
Net cash provided by (used in) financing activities	290,661,106.84	(262,666,035.15)	290,586,641.09	(277,281,793.37)
Net increase (decrease) in cash and cash equivalents	(33,417,649.15)	47,999,076.52	(29,441,831.87)	42,959,354.83
Cash and cash equivalents, beginning of year	78,532,921.27	30,533,844.75	67,805,059.06	24,845,704.23
Cash and cash equivalents, end of year	45,115,272.12	78,532,921.27	38,363,227.19	67,805,059.06

Notes to financial statements form an integral part of these statements.

THE STATEMENTS OF CASH FLOWS (CONT.)

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :-				
Cash on hand	712,000.00	622,400.00	662,000.00	612,000.00
Cash at bank	44,403,272.12	77,910,521.27	37,701,227.19	67,193,059.06
Total	45,115,272.12	78,532,921.27	38,363,227.19	67,805,059.06

2) In year 2012 and 2011, the Company had transferred land held for development as part of property development costs in value of Baht 66.54 million and Baht 210.32 Million

Notes to financial statements form an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
DECEMBER 31, 2012 AND 2011

1. GENERAL INFORMATION

(a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and converted to be The Public Company Limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17, Soi Amporn Paholyotin Rd. K.M. 26, Tambol Kukod, Aumpur Lumlookka, Patumtanee, 12130, Thailand.

(b) Nature of the Company's business

The Company and subsidiaries operates its principal business as a real estate developer for trade in various areas such as house for sell including the land development, providing construction services, condominium for sell, providing rental space in club house, etc.

2. Basis of consolidated financial statements and operations

2.1 The accompanying consolidated financial statements include the accounts of N.C. Housing Public Company Limited and the following subsidiaries and associated company are owned directly and indirectly by the Company :-

	Percentage of Holding by direct and indirect		Nature of Business
	2012	2011	
<u>Subsidiaries</u>			
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service
<u>Associated company</u>			
Ensure Home Co., Ltd.*** (Since March 31, 2011, associated company)	12.00	20.00	Real estate brokers
TPKS Real Estate Co., Ltd.*** (Associated company held by Ensure Home Co., Ltd.)	12.00	20.00	Real estate
***In October 2012, the Company is ceased operation. (See note 14)			

2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated statements of financial position		Percentage of total revenues included in consolidated statements of comprehensive income for the year	
	2012	2011	2012	2011
<u>Subsidiaries</u>				
N.C. Property Management Co., Ltd.	1.07	0.93	0.34	0.46
Quality Living Management Co., Ltd.	0.11	0.13	0.51	0.19

2.3 The acquisition of subsidiaries are recorded by Purchase Method.

2.4 Significant inter company transactions between the Company and subsidiaries have been eliminated.

2.5 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.

3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, 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 such financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

4. New accounting standards issued during the period and not yet effective

On March 15, 2012, the Federation of Accounting Professions (FAP) has issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal year beginning on or after January 1, 2013.

The management of the Company is evaluating the impact on the financial statements when this financial reporting standard is initially applied.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Recognition of revenues and expenses

Revenue from sales of land, land and houses and sale of condominiums are recognized as income when the significant risk and rewards of ownership have been transferred to the buyer.

The installment payment collected before transferring the significant risks and rewards of ownership to the buyer is recorded as unrealized income.

Cost of sales are based on the estimated cost of real estate project. However, cost of sales will be adjusted to be close to the actual cost in the event that the factors of the actual cost are significantly changed.

In determining the cost of land, land and houses and cost of condominiums, the total development costs are attributed to units sold on the basis of the salable area.

A subsidiary recognizes the revenue from construction on the percentage of completion method. Payment received more than the percentage of work completion is recorded as advance received and the part of undue is recorded as accrued income.

A subsidiary recognizes property manager services income when service are completed according to the duration of the contract.

The Company and subsidiaries are recognized other revenues and expenses on the accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and deposits at financial institutions which are promissory notes with original maturity of 3 months or less and excluded deposits which are pledged as collateral.

5.3 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the historical collection experience coupled with a review of the current status of existing receivables.

5.4 Inventories

Inventories are real estate for sale which are stated at the lower of cost or net realizable value. Cost is included land, land developing, construction, borrowing costs and direct expense.

Construction materials are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

5.5 Property development and land held for development

Property development is stated at cost. Cost is included land, land developing, construction, borrowing costs and direct expense.

Land held for development, the Company intends to hold for future benefit. Cost consists of land cost and related expenses for land acquisition including borrowing costs which incurred during the development of projects period.

Property development and land held for development are stated at the lower of cost or net realizable value.

The Company records the loss on decline in value (if any) of property development in the statement of comprehensive income.

5.6 Borrowing costs

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

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

5.7 Investments

Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

Investments in associates company

Associate company is all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognized at cost and are accounted for using the equity method.

Investments in associate company is stated at cost net from allowance on impairment (if any) in the separate financial statements.

Investments in debt securities and marketable equity securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

Goodwill

Goodwill represents the excess of the cost of investment over the fair value of investment, which the Company shares in the net identifiable assets of the subsidiary or associate at the date of acquisition. Goodwill on acquisition of a subsidiary is presented as a separate line in the consolidated financial statement. Goodwill on acquisition of an associate is included in investments in associates and is tested for impairment as part of the overall balance.

The goodwill recognized is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment of goodwill is determined by calculating the realizable value based on the value-in-use calculation. Such calculation requires the use of estimates made by management. The allowance for impairment loss on goodwill is not reversed.

As for the cost of acquiring an investment that is lower than the fair value of the share of net assets of the subsidiary, the difference is negative goodwill and will be recognized immediately in the statement of comprehensive income.

5.8 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the Company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Buildings	20 years
Building improvement	20 years
Machineries and equipment	5 years
Sample house and sale office buildings	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

5.9 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software licenses	5 - 10 years
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5.10 Trade payables and other payables

Trade and other payables (including balances with related parties) are stated at cost.

5.11 Impairment of assets

At each the statements of financial position date, the Company and its subsidiaries will assess the impairment of property, plant, and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an assets is less than the carrying amount. The recoverable amount of an assets is the higher of the fair value less costs to sell and its value in use.

In determining value in use, the Company and its subsidiaries estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, a conservative valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in the statement of comprehensive income. Impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization.

5.12 Related parties

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

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

5.13 Provisions for estimated liabilities

A Provision for estimated liabilities is recognized in the statements of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a part event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.14 Finance lease

Leases of assets that substantially transfers to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations by the effective rate.

5.15 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the statements of financial position include cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade accounts receivable, trade accounts payable include notes receivable and notes payable, other loan, accrued expenses and retention. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.16 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in profit or loss.

The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19.

5.17 Earnings per share

Earnings per share of the Company and its subsidiaries and only the Company is basis earnings per share which is calculated by dividing the net earnings for the period by the weighted average number of ordinary shares held by outside parties in issue and paid-up during the period.

5.18 Corporate income tax

The Company records corporate income tax, if any, based on the amount currently payable under the Revenue Code. For the corporate income tax calculation method and policies had been disclosed in note to financial statement no.32.

5.19 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates would affect to the amount relating to incomes, expenses, assets, liabilities and disclosures of data relating to contingent assets and liabilities. The actual results may differ from amounts already estimated. Significant judgments and estimates are as follows:

5.19.1 House building contracts

The subsidiary hiring of building house within housing project as an income by reference to the stage of completion of the construction contract activity, base on determining of the project's engineer, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to surveys of works and estimates performed by the project's engineer. The management is required to make judgment and estimates based on past experience and information obtained from the project's engineer.

5.19.2 Estimated cost for house construction project

The Company and its subsidiaries estimate costs of house construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the construction service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

5.19.3 Estimated expenses for house construction projects

In determining estimated expenses for house construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction projects.

5.19.4 Impairment of inventories, property development and land held for development

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

5.19.5 Compensation for housing estate juristic persons

The Company estimated the compensation for housing estate juristic persons using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation.

5.19.6 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.

5.19.7 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.

5.19.8 Allowance for impairment of investments

The Company will set the allowance for impairment of investments when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

5.19.9 Property plant and equipment/Depreciation

In determining depreciation of land building and equipment, the management is required to make estimates of the useful life and residual value and to review estimate useful life and residual value when there are any changes incurred to it.

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

5.19.10 Intangible assets

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

5.19.11 The lawsuits

The Company has contingent liabilities from lawsuits. The management has judgments to assessed the case and ensured the such estimates liabilities record on financial statement suitable.

6. TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

The Company has certain transactions with its related parties and companies. A portion of the Company's assets, liabilities, revenues, cost and expenses arose from the transactions with the related parties and companies which are related through common shareholdings and/or directors. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying financial statements on the basis determined by the related parties and companies.

The significant transactions between the Company and its related parties and companies for the years ended December 31, 2012 and 2011 are summarized as follows :-

Detail of relation between the Company and its related parties and companies are summarized as follow :

Company's name	Country of incorporation	Type of relation
N.C. Property Management Co., Ltd.	Thailand	Subsidiary
Quality Living Management Co., Ltd	Thailand	Subsidiary
S.C. Construction And Decoration Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Trading Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Homemart (1999) Co., Ltd.	Thailand	Co-shareholder and director
Sap Namchai Pattana Co., Ltd.	Thailand	Co-shareholder and director
Namchai Land Development Co., Ltd.	Thailand	Co-shareholder and director
Namchai Property Development Co., Ltd.	Thailand	Co-shareholder and director
NCH 2555 Holding Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Transport Partnership	Thailand	Co-shareholder and director
Manager of legacy Mr. Namchai Tanthathoedtham	Thailand	Director
Mr. Somchao Tanthathoedtham	Thailand	Director
Mrs. Patcharin Tanthathoedtham	Thailand	Shareholder's relative
Ensure Home Co., Ltd.	Thailand	Co-shareholder and director at 12%
TPKS Real Estate Co., Ltd.	Thailand	Co-shareholder and director at 12%

	Pricing basis	In Baht			
		Consolidated		Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2012	2011	2012	2011
Transaction during the year					
Subsidiaries					
Interest income					
N.C. Property Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	5,917.81	-
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	60,000.00	60,000.00
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	16,822.44	16,822.44
Construction cost					
N.C. Property Management Co., Ltd.	At cost plus 10%	-	-	29,217,756.94	12,596,261.61
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 30,000 per project	-	-	1,101,000.00	2,466,000.00
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	3,660.00	2,070.00
Interest expenses					
Quality Living Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	36,575.33	-
N.C. Property Management Co., Ltd.	In year 2012, a the rate of 3.00% p.a.	-	-	43,808.23	47,421.23
	In year 2011, at the rate of 0.50% p.a.				
Related parties					
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	112,557,423.77	100,888,213.98	95,344,650.34	95,224,880.90
S.C. Construction And Decoration Co., Ltd.	Market price	106,122.20	155,082.59	106,122.20	155,082.59
Transportation Fee					
Sathaporn Wattana Transport Partnership	Market price	-	20,362.50	-	20,362.50
Land rental expense					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	660,000.00	660,000.00	660,000.00	660,000.00
Interest expenses					
NCH 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	678,184.92	-	678,184.92	-
Manager of legacy Mr. Namchai Tanthathoedtham	At the rate of 5.75% p.a.	-	4,712,983.57	-	4,712,983.57
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	-	330,042.12	-	330,042.12

The significant outstanding balance as at December 31, 2012 and 2011 are as follow:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Short-term loan to related parties				
Balance, beginning of year	-	-	-	-
Addition during the year	-	-	1,000,000.00	-
Deduction during the year	-	-	(1,000,000.00)	-
Balance, ending of year	-	-	-	-
Payable to related parties				
- Quality Living Management Co., Ltd.	-	-	101,650.00	-
- N.C. Property Management Co., Ltd.	-	-	13,086,416.73	7,407,318.62
- S.C. Construction And Decoration Co., Ltd.	295,489.09	226,050.77	295,489.09	226,050.77
- Sathaporn Wattana Trading Co., Ltd.	37,416,396.13	24,171,407.17	32,212,086.23	21,615,586.98
- Sathaporn Wattana Transport Partnership	3,500.00	23,862.50	3,500.00	23,862.50
	37,715,385.22	24,421,320.44	45,699,142.05	29,272,818.87
Short-term loan from related parties				
- Quality Living Management Co., Ltd.				
Balance, beginning of year	-	-	-	-
Addition during the year	-	-	2,500,000.00	-
Deduction during the year	-	-	(2,500,000.00)	-
Balance, ending of year	-	-	-	-
- N.C. Property Management Co., Ltd.				
Balance, beginning of year	-	-	-	14,550,000.00
Addition during the year	-	-	13,600,000.00	-
Deduction during the year	-	-	(13,600,000.00)	(14,550,000.00)
Balance, ending of year	-	-	-	-
- NCH 2555 Holding Co., Ltd.				
Balance, beginning of year	-	-	-	-
Addition during the year	65,000,000.00	-	65,000,000.00	-
Deduction during the year	(65,000,000.00)	-	(65,000,000.00)	-
Balance, ending of year	-	-	-	-
Manager of legacy				
- Mr.Namchai Tanthathodtham				
Balance, beginning of year	-	116,400,000.00	-	116,400,000.00
Addition during the year	-	-	-	-
Deduction during the year	-	(116,400,000.00)	-	(116,400,000.00)
Balance, ending of year	-	-	-	-
- Mr.Somchao Tanthathodtham				
Balance, beginning of year	-	11,715,000.00	-	11,715,000.00
Addition during the year	-	-	-	-
Deduction during the year	-	(11,715,000.00)	-	(11,715,000.00)
Balance, ending of year	-	-	-	-
	-	-	-	-

The issued short-term loans to the related companies are the promissory notes, which carried interest rate at 3.00% per annum and will be paid on the date due specified in the promissory notes.

The issued short-term loans from the related companies are the promissory notes, which carried interest rate at 3.00% per annum in year 2012 and interest rate at 0.50% per annum in year 2011 and will be paid on the date due specified in the promissory notes.

Loan from the directors incurred mainly intended to utilize for the Company's working capital and loan repaid.

Loan from the directors are promissory notes, which carried interest rates at 5.75% per annum in year 2011 and will be paid on the date due specified in the promissory notes.

COLLATERAL WITH RELATED COMPANIES

As at December 31, 2012, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management, such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised the managing director, deputy managing directors and senior managers.

Management benefit expenses for the years ended December 31, 2012 and 2011.

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Management				
Management benefit expenses				
Short-term employee benefits	39,958,533.58	34,059,773.68	39,809,853.58	33,918,653.68
Post-employment benefits	1,157,030.00	1,094,266.00	1,133,260.00	1,077,871.00
Total	41,115,563.58	35,154,039.68	40,943,113.58	34,996,524.68

7. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Cash in hand	712,000.00	622,400.00	662,000.00	612,400.00
Cash at bank - current accounts	24,227,718.93	9,661,460.00	21,103,918.17	9,544,204.88
Cash at bank - savings accounts	20,175,553.19	68,249,061.27	16,597,309.02	57,648,454.18
Total	45,115,272.12	78,532,921.27	38,363,227.19	67,805,059.06

Bank accounts are carried interest at the floating rate, which are set by the bank.

8. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	Consolidated Financial Statement (In Baht)			
	2012		2011	
	At cost	Fair value	At cost	Fair value
Fixed deposit	117,199.98	117,199.98	114,528.19	114,528.19
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	538,718.91	18,498,517.00	18,619,748.34
Total	615,716.98	655,918.89	18,613,045.19	18,734,276.53

	Separate Financial Statement (In Baht)			
	2012		2011	
	At cost	Fair value	At cost	Fair value
Fixed deposit	117,199.98	117,199.98	114,528.19	114,528.19
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	538,718.91	498,517.00	526,961.79
Total	615,716.98	655,918.89	613,045.19	641,489.98

9. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Real Estate				
Receivable from installment	325,560.00	330,560.00	325,560.00	330,560.00
Contractor				
Receivable contractor	8,181,900.23	-	-	-
Property manager services				
Management receivable	143,915.00	264,165.00	-	-
Total	8,651,375.23	594,725.00	325,560.00	330,560.00
<u>Less</u> Allowance for doubtful accounts	(325,560.00)	(330,560.00)	(325,560.00)	(330,560.00)
Trade accounts receivable-net	8,325,815.23	264,165.00	-	-

Trade accounts receivable were classied by aging as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Not yet due	8,325,815.23	264,165.00	-	-
Over 0 month to 3 months	-	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	-	-	-	-
Over 12 months	325,560.00	330,560.00	325,560.00	330,560.00
Total	8,651,375.23	594,725.00	325,560.00	330,560.00

Changes in the allowance for doubtful accounts during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Beginning balance	330,560.00	297,402.00	330,560.00	297,402.00
Increase	-	33,158.00	-	33,158.00
Decrease	(5,000.00)	-	(5,000.00)	-
Ending balance	325,560.00	330,560.00	325,560.00	330,560.00

During the year 2012, the allowance for doubtful accounts decrease due to the return from customers of Baht 5,000.

10. INVENTORIES

Inventories consist of

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Cost of houses for sales	418,518,091.15	321,140,392.81	418,518,091.15	321,140,392.81
Work in construction	7,710,761.08	643,045.00	-	-
Total	426,228,852.23	321,783,437.81	418,518,091.15	321,140,392.81
Less allowance for declining value of inventories	(15,485,682.34)	(4,464,140.90)	(15,485,682.34)	(4,464,140.90)
Inventories - net	410,743,169.89	317,319,296.91	403,032,408.81	316,676,251.91

Changes in the allowance for declining value of inventories during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Beginning balance	4,464,140.90	-	4,464,140.90	-
Increase / Transfer in	11,021,541.44	4,464,140.90	11,021,541.44	4,464,140.90
Decrease	-	-	-	-
Ending balance	15,485,682.34	4,464,140.90	15,485,682.34	4,464,140.90

The Company has commitment under the signed purchase and sale contract as follow:-

	Consolidated Financial Statements / Separate Financial Statements			
	2012		2011	
	Unit	In Million Baht	Unit	In Million Baht
House for sales	90	418.52	83	321.14
The selling contracted house	(14)	(46.53)	(21)	(48.46)
House for sale - net	76	371.99	62	272.68

As at December 31, 2012 and 2011, inventories of the Company in the total amount of Baht 418.52 million and Baht 321.14 million, respectively, are mortgaged as collateral for some long-term loans with local financial institutions, as discussed in Note 21.

11. PROPERTY DEVELOPMENT COSTS AND LAND HELD FOR DEVELOPMENT

11.1 Actual property development costs consist of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Lands and land development costs	2,297,185,117.15	2,355,922,850.73	2,297,185,117.15	2,355,922,850.73
Utilities	627,543,233.46	549,219,577.18	627,543,233.46	549,219,577.18
Construction in progress	3,862,084,258.40	3,424,691,441.91	3,863,667,530.72	3,425,558,683.60
Interest capitalization	308,550,120.51	290,694,987.17	308,550,120.51	290,694,987.17
Total	7,095,362,729.52	6,620,528,856.99	7,096,946,001.84	6,621,396,098.68
<u>Less</u> transfer to inventory	(418,518,091.15)	(321,140,392.81)	(418,518,091.15)	(321,140,392.81)
transfer to cost of sale	(5,451,970,181.10)	(4,936,433,072.36)	(5,451,970,181.10)	(4,936,433,072.36)
Property development costs	1,224,874,457.27	1,362,955,391.82	1,226,457,729.59	1,363,822,633.51
<u>Less</u> allowance for declining value of property development costs	-	(36,691,541.44)	-	(36,691,541.44)
Property development costs - net	1,224,874,457.27	1,326,263,850.38	1,226,457,729.59	1,327,131,092.07

Changes in the allowance for declining value of property development costs during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Beginning balance	(36,691,541.44)	-	(36,691,541.44)	-
Increase	-	(40,485,682.34)	-	(40,485,682.34)
Decrease (reversal)	29,503,971.90	-	29,503,971.90	-
Transfer out	7,187,569.54	3,794,140.90	7,187,569.54	3,794,140.90
Ending balance	-	(36,691,541.44)	-	(36,691,541.44)

In 2012, the Company has recorded the reversal of allowance for cost of land development at the amount of Baht 29.50 million. Due to during the year, the project gains the profit from house sales and the estimated sale price by an independent appraiser in 2012 makes the price of the whole project higher than the cost of the entire project.

In year 2012 and 2011, all of the allowance for transfer out value amount Baht 7.18 million and Baht 3.79 million, respectively, of property development costs decreased due had transferred to inventories.

As at December 31, 2012 and 2011, the Company has lands and construction in the projects totalling of Baht 2,049.86 million and Baht 1,542.98 million, respectively, are mortgaged as collateral against credit facilities for some long-term loans with local financial institutions, as discussed in Note 21.

For the years ended December 31, 2012 and 2011, the Company recorded the related interest expense amounting to approximately Baht 36.84 million and Baht 28.37 million, respectively, as part of property development costs. The capitalization rate for calculate interest is 6.12% and 7.16%, respectively.

11.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated Financial Statements / Separate Financial Statements	
	2012	2011
Number of projects on hand, beginning of year	16	15
Number of closing projects	2	1
Number of newly open projects	1	2
Number of projects on hand, ending of year	15	16
Contracted sales value (In million Baht)	8,097.52	7,163.78
As percentage of total current projects value	71.18	61.62

As at December 31, 2012 and 2011, the Company has the obligation and the commitment to complete the public utility development project for projects on hand in the amount of Baht 73.61 million and Baht 144.68 million, respectively.

11.3 LAND HELD FOR DEVELOPMENT

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Beginning balance	1,370,818,977.52	1,408,598,944.54	1,370,462,366.52	1,404,690,071.41
Increase	476,684,031.63	339,549,501.65	476,684,031.63	339,549,501.65
Total	1,847,503,009.15	1,748,148,446.19	1,847,146,398.15	1,744,239,573.06
<u>Less</u> transfer to property				
development costs	(66,537,559.67)	(210,326,601.91)	(66,537,559.67)	(210,326,601.91)
decrease for sell	-	(167,002,866.76)	-	(163,450,604.63)
Land held for development	1,780,965,449.48	1,370,818,977.52	1,780,608,838.48	1,370,462,366.52

As at November 12, 2012, the Company had bought lands under the agreement to buy and sell land with person in the amounting of Baht 271 million, which will be transferred the ownership on May 13, 2013 and August 13, 2013, the Company had paid the advance payment for buying land totalling Baht 27.10 million as stated in the statements of financial position under the deposit from purchase land.

As at December 31, 2012, the Company has mortgaged the land held for development as collateral against the credit facilities for long-term loans with a local commercial bank in Thailand and as at December 31, 2011, the Company and subsidiary have mortgaged land held for development as collateral against credit facilities for long-term loans with local financial institutions, as discussed in Note 21.

12. OTHER CURRENT ASSETS

Other current assets consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Prepaid expense	4,472,931.41	2,642,261.34	4,442,087.61	2,618,532.94
Receivables - the Revenue Department	918,706.89	840,134.59	802,444.18	731,335.16
Advance expense	3,651,116.40	3,139,781.39	-	-
Account receivable from lawsuit	180,000.00	180,000.00	180,000.00	180,000.00
Short-term loans to employee	1,805,388.35	4,421,660.00	1,674,292.86	4,053,190.00
Other current assets	1,784,523.13	1,634,358.68	1,767,709.29	1,206,572.18
Total	12,812,666.18	12,858,196.00	8,866,533.94	8,789,630.28
<u>Less</u> Allowance for doubtful accounts	(313,154.00)	(313,154.00)	(313,154.00)	(313,154.00)
Net	12,499,512.18	12,545,042.00	8,553,379.94	8,476,476.28

Changes in the allowance for doubtful accounts during the years are as follows:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Beginning balance	313,154.00	313,154.00	313,154.00	313,154.00
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	313,154.00	313,154.00	313,154.00	313,154.00

13. DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2012 and 2011, the Company had fixed deposit amounting to Baht 889,340.40 and Baht 869,913.35, respectively, which are pledged as collateral for customer's loan and gasoline.

As at December 31, 2012 and 2011, the subsidiary had fixed deposit amounting to Baht 222,026.31 and Baht 217,475.95 respectively, which are pledged as collateral for bank over drafts limit.

Bank deposits are carried interest at the floating rate of the bank.

14. INVESTMENTS IN ASSOCIATED COMPANY AND SUBSIDIARIES

	Paid up shares (In Baht)		Ownership (%)		Amount (In Baht)		Dividend (In Baht)	
	2012	2011	2012	2011	2012	2011	2012	2011
EQUITY METHOD								
<u>Associated company</u>								
Ensure Home Co., Ltd.	2,000,000.00	2,000,000.00	12	20	30,487.13	39,456.27	-	-
<u>Less</u> Allowance for declining value of investment					(30,487.13)	-		
Investments in associated Company-net					-	39,456.27		
<u>Subsidiaries</u>								
N.C. Property Management Co., Ltd.	10,000,000.00	10,000,000.00	100	100	27,962,494.87	28,370,896.08	-	-
Quality Living Management Co., Ltd.	1,000,000.00	1,000,000.00	100	100	2,756,929.73	3,883,364.47	-	-
					30,719,424.60	32,254,260.55	-	-
<u>Less</u> Allowance for declining value of investment					-	-		
Investments in subsidiaries- net					30,719,424.60	32,254,260.55		
AT COST								
<u>Associated company</u>								
Ensure Home Co., Ltd.	2,000,000.00	2,000,000.00	12	20	240,000.00	400,000.00	-	-
<u>Less</u> Allowance for declining value of investment					(240,000.00)	-		
Investments in associated company - net					-	400,000.00		
<u>Subsidiaries</u>								
N.C. Property Management Co., Ltd.	10,000,000.00	10,000,000.00	100	100	11,864,497.95	11,864,497.95	-	-
Quality Living Management Co., Ltd.	1,000,000.00	1,000,000.00	100	100	-	-	-	-
					11,864,497.95	11,864,497.95	-	-
<u>Less</u> Allowance for declining value of investment					-	-		
Investments in subsidiaries- net					11,864,497.95	11,864,497.95		

On October 2012, Ensure Home Company Limited, a Company's associate and TPKS Real Estate Company Limited, associated company held by Ensure Home Company Limited, has been closed down and was registered liquidation with the Ministry of Commerce on December 26, 2012, which is now in the process of liquidation. In year 2012, The Company received investment of Baht 160,000. The Company's management expect form the liquidation that will not be repaid the investment from this associate. Therefore, they set the allowance for impairment loss on the investment at the total amount of Baht 240,000.

15. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the years ended December 31, 2012 and 2011 are summarized as follows.

	Consolidated Financial Statement (In Baht)				
	Balance as at December 31, 2011	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2012
At cost					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	82,259,898.06	-	(9,345,423.42)	-	72,914,474.64
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	6,289,238.59	385,000.00	-	-	6,674,238.59
Machinery and equipment	4,194,048.96	1,992,917.31	-	-	6,186,966.27
Office equipment	26,323,676.83	3,097,146.53	(4,650,652.15)	-	24,770,171.21
Furniture and fixtures	16,049,582.98	3,535,914.56	(370,327.00)	-	19,215,170.54
Vehicles	17,747,066.75	2,361,870.00	(1,840,500.00)	2,512,159.00	20,780,595.75
Vehicle - under finance lease agreement	4,297,000.00	-	-	(2,512,159.00)	1,784,841.00
Total	336,111,074.43	11,372,848.40	(16,206,902.57)	-	331,277,020.26
Less Accumulated depreciation					
Building - office	(8,754,506.11)	(510,165.11)	-	-	(9,264,671.22)
- clubhouse	(57,175,016.94)	(6,078,620.15)	-	-	(63,253,637.09)
Sample house and sale office building	(42,479,737.79)	(906,663.74)	-	-	(43,386,401.53)
Building improvement	(3,275,123.76)	(314,461.90)	-	-	(3,589,585.66)
Machinery and equipment	(1,977,662.77)	(596,601.45)	-	-	(2,574,264.22)
Office equipment	(19,666,320.45)	(1,896,629.88)	4,650,627.15	-	(16,912,323.18)
Furniture and fixtures	(11,543,850.71)	(1,570,108.27)	370,326.00	-	(12,743,632.98)
Vehicles	(11,826,381.95)	(1,167,901.72)	1,840,498.00	(1,148,891.77)	(12,302,677.44)
Vehicle - under finance lease agreement	(1,074,936.55)	(732,401.80)	-	1,148,891.77	(658,446.58)
Total	(157,773,537.03)	(13,773,554.02)	6,861,451.15	-	(164,685,639.90)
Property, plant and equipment - net	178,337,537.40				166,591,380.36

	Consolidated Financial Statement (In Baht)				
	Balance as at December 31, 2010	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2011
At cost					
Land - office	1,947,858.35	-	(1,287,858.35)	-	660,000.00
- clubhouse	82,259,898.06	-	-	-	82,259,898.06
Building - office	11,236,190.47	-	(1,032,888.47)	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,523,622.24	400,000.00	-	-	43,923,622.24
Building improvement	6,289,238.59	-	-	-	6,289,238.59
Machinery and equipment	2,104,418.98	2,089,629.98	-	-	4,194,048.96
Office equipment	23,738,492.07	3,532,167.47	(946,982.71)	-	26,323,676.83
Furniture and fixtures	13,414,972.98	2,650,469.06	(15,859.06)	-	16,049,582.98
Vehicles	13,826,695.75	4,024,801.00	(1,003,430.00)	899,000.00	17,747,066.75
Vehicle - under finance lease agreement	5,196,000.00	-	-	(899,000.00)	4,297,000.00
Total	327,701,025.51	12,697,067.51	(4,287,018.59)	-	336,111,074.43
Less Accumulated depreciation					
Building - office	(8,473,840.32)	(519,928.03)	239,262.24	-	(8,754,506.11)
- clubhouse	(51,107,348.71)	(6,067,668.23)	-	-	(57,175,016.94)
Sample house and sale office building	(40,939,761.36)	(1,539,976.43)	-	-	(42,479,737.79)
Building improvement	(2,960,661.86)	(314,461.90)	-	-	(3,275,123.76)
Machinery and equipment	(1,785,205.87)	(192,456.90)	-	-	(1,977,662.77)
Office equipment	(19,214,106.15)	(1,390,195.30)	937,981.00	-	(19,666,320.45)
Furniture and fixtures	(10,450,650.91)	(1,107,680.57)	14,480.77	-	(11,543,850.71)
Vehicles	(11,921,876.21)	(518,923.65)	1,003,429.00	(389,011.09)	(11,826,381.95)
Vehicle - under finance lease agreement	(731,545.84)	(732,401.80)	-	389,011.09	(1,074,936.55)
Total	(147,584,997.23)	(12,383,692.81)	2,195,153.01	-	(157,773,537.03)
Property, plant and equipment - net	180,116,028.28				178,337,537.40

	Separate Financial Statement (In Baht)				
	Balance as at December 31, 2011	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2012
At cost					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	82,259,898.06	-	(9,345,423.42)	-	72,914,474.64
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	6,289,238.59	385,000.00	-	-	6,674,238.59
Machinery and equipment	3,048,386.49	325,035.11	-	-	3,373,421.60
Office equipment	24,125,828.34	3,088,869.05	(4,650,652.15)	-	22,564,045.24
Furniture and fixtures	15,899,082.98	3,535,914.56	(370,327.00)	-	19,064,670.54
Vehicles	16,524,767.83	2,091,870.00	(1,840,500.00)	2,512,159.00	19,288,296.83
Vehicle - under finance lease agreement	4,297,000.00	-	-	(2,512,159.00)	1,784,841.00
Total	331,394,764.55	9,426,688.72	(16,206,902.57)	-	324,614,550.70
Less Accumulated depreciation					
Building - office	(8,754,506.11)	(510,165.11)	-	-	(9,264,671.22)
- clubhouse	(57,175,016.94)	(6,078,620.15)	-	-	(63,253,637.09)
Sample house and sale office building	(42,479,737.79)	(906,663.74)	-	-	(43,386,401.53)
Building improvement	(3,275,123.76)	(314,461.90)	-	-	(3,589,585.66)
Machinery and equipment	(1,259,480.80)	(424,966.30)	-	-	(1,684,447.10)
Office equipment	(17,771,691.62)	(1,810,379.93)	4,650,627.15	-	(14,931,444.40)
Furniture and fixtures	(11,389,522.17)	(1,570,108.27)	370,326.00	-	(12,589,304.44)
Vehicles	(10,619,879.86)	(1,145,533.58)	1,840,498.00	(1,148,891.77)	(11,073,807.21)
Vehicle - under finance lease agreement	(1,074,936.55)	(732,401.80)	-	1,148,891.77	(658,446.58)
Total	(153,799,895.60)	(13,493,300.78)	6,861,451.15	-	(160,431,745.23)
Property, plant and equipment - net	177,594,868.95				164,182,805.47

	Separate Financial Statement (In Baht)				
	Balance as at December 31, 2010	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2011
At cost					
Land - office	1,947,858.35	-	(1,287,858.35)	-	660,000.00
- clubhouse	82,259,898.06	-	-	-	82,259,898.06
Building - office	11,236,190.47	-	(1,032,888.47)	-	10,203,302.00
- clubhouse	124,163,638.02	-	-	-	124,163,638.02
Sample house and sale office building	43,523,622.24	400,000.00	-	-	43,923,622.24
Building improvement	6,289,238.59	-	-	-	6,289,238.59
Machinery and equipment	1,417,196.01	1,631,190.48	-	-	3,048,386.49
Office equipment	21,735,622.58	3,337,188.47	(946,982.71)	-	24,125,828.34
Furniture and fixtures	13,264,472.98	2,650,469.06	(15,859.06)	-	15,899,082.98
Vehicles	12,617,396.83	4,011,801.00	(1,003,430.00)	899,000.00	16,524,767.83
Vehicle - under finance lease agreement	5,196,000.00	-	-	(899,000.00)	4,297,000.00
Total	323,651,134.13	12,030,649.01	(4,287,018.59)	-	331,394,764.55
Less Accumulated depreciation					
Building - office	(8,473,840.32)	(519,928.03)	239,262.24	-	(8,754,506.11)
- clubhouse	(51,107,348.71)	(6,067,668.23)	-	-	(57,175,016.94)
Sample house and sale office building	(40,939,761.36)	(1,539,976.43)	-	-	(42,479,737.79)
Building improvement	(2,960,661.86)	(314,461.90)	-	-	(3,275,123.76)
Machinery and equipment	(1,098,014.90)	(161,465.90)	-	-	(1,259,480.80)
Office equipment	(17,386,885.28)	(1,322,787.34)	937,981.00	-	(17,771,691.62)
Furniture and fixtures	(10,296,322.37)	(1,107,680.57)	14,480.77	-	(11,389,522.17)
Vehicles	(10,717,540.96)	(516,756.81)	1,003,429.00	(389,011.09)	(10,619,879.86)
Vehicle - under finance lease agreement	(731,545.84)	(732,401.80)	-	389,011.09	(1,074,936.55)
Total	(143,711,921.60)	(12,283,127.01)	2,195,153.01	-	(153,799,895.60)
Property, plant and equipment - net	179,939,212.53				177,594,868.95

As at December 31, 2012 and 2011, land, building and sale office's building including land and some of the clubhouse building in the total amount of Baht 111.39 million (net book value amount of Baht 67.11 million and Baht 71.63 million, respectively) are mortgaged as collateral against the overdrafts and loans from two commercial banks in the total amount of Baht 35 million.

The fixed assets had been fully depreciated but still in use, as follows:

Transaction assets	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Building - clubhouse (tennis court)	2,858,014.06	2,858,014.06	2,858,014.06	2,858,014.06
Sample house and sale office building	39,487,448.88	38,810,480.35	39,487,448.88	38,810,480.35
Machinery and equipment	1,064,695.20	1,639,388.93	1,064,695.20	984,471.44
Office equipment	11,800,252.43	17,950,109.61	11,800,252.43	16,379,255.06
Furniture and fixtures	9,463,055.21	9,864,862.01	9,463,055.21	9,714,362.01
Vehicles	7,718,606.90	10,764,510.49	7,718,606.90	9,557,406.90
Total	72,392,072.68	81,887,365.45	72,392,072.68	78,303,989.82

16. INTANGIBLE ASSETS

Movements of the intangible assets account for the years ended December 31, 2012 and 2011 are summarized as follows.

	(In Baht)			
	Consolidated Financial Statement/ Separate Financial Statement			
	Balance as at December 31, 2011	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2012
At cost				
Software licenses	4,205,290.50	2,229,102.95	-	6,434,393.45
Work in progress - system development	825,000.00	-	(825,000.00)	-
Total	5,030,290.50	2,229,102.95	(825,000.00)	6,434,393.45
<u>Less</u> Accumulated amortization	(1,146,777.31)	(679,952.25)	-	(1,826,729.56)
Intangible assets - net	3,883,513.19			4,607,663.89

	(In Baht)			
	Consolidated Financial Statement/ Separate Financial Statement			
	Balance as at December 31, 2010	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2011
At cost				
Software licenses	3,950,812.40	254,478.10	-	4,205,290.50
Work in progress - system development	825,000.00	-	-	825,000.00
Total	4,775,812.40	254,478.10	-	5,030,290.50
<u>Less</u> Accumulated amortization	(689,502.39)	(457,274.92)	-	(1,146,777.31)
Intangible assets - net	4,086,310.01			3,883,513.19

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consist of :-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Bank overdrafts from the financial institutions	45,406,194.88	5,835,010.93	45,406,194.88	5,835,010.93
Short-term loans from the financial institutions	169,627,500.00	159,197,500.00	169,627,500.00	159,197,500.00
Total	215,033,694.88	165,032,510.93	215,033,694.88	165,032,510.93

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	2012	2011			
<u>Bank Overdraft</u>					
The parent company					
- Siam Commercial Bank	25.00	25.00	MOR per annum	At called	- By the mortgage of the Company's land and construction on there. - By some directors.
- CIMB Thai	10.00	10.00	MOR per annum	At called	- By the mortgage of the Company's land and construction on there.
- UOB	20.00	20.00	6 months fix deposit plus 1.15% per annum	At called	- By some directors and the mortgage of the director's negotiable certificate of deposit.
Total Credit line	55.00	55.00			
<u>Short-term loans</u>					
The parent company					
- Bank of Ayudhya	35.00	35.00	MLR less 0.25% per annum	January 18, 2013	- By the mortgage of the director's land and construction on there.
- Siam Commercial Bank	134.63	124.20	MLR less 0.50% per annum	February 8, March 14 and May 9, 2013	- By the mortgage of the project's land and construction on there and construction in the future.
	169.63	159.20			
Total Credit line	224.63	214.20			

Under the terms of the agreements, the Company shall strictly comply with the conditions of agreements.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio is not over than 1.5:1, (4) not to pay dividend except the lender assess the payment not affect to ability of repayment loan, (5) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

18. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLE

This account consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Trade accounts	72,017,656.56	63,454,160.01	70,604,547.33	60,339,587.51
Other payable	1,906,952.74	3,490,558.08	1,906,952.74	3,490,558.08
Withholding tax	2,925,199.55	2,471,917.62	2,681,550.09	2,471,917.62
Other	1,345,623.62	129,038.00	746,485.71	129,038.00
Total	78,195,432.47	69,545,673.71	75,939,535.87	66,431,101.21

19. UNREALIZED INCOME

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Installment dues	7,562,101,184.56	6,774,810,181.89	7,562,101,184.56	6,774,810,181.89
Less recognized income	(7,539,732,663.56)	(6,722,625,846.89)	(7,539,732,663.56)	(6,722,625,846.89)
Unrealized income, which pending transfer of buy and sell land contract and receiving money over the amount of installment contract.	22,368,521.00	52,184,335.00	22,368,521.00	52,184,335.00

20. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under nance lease agreements consisted of :

	Consolidated Financial Statements / Separate Financial Statements (In Baht)					
	2012			2011		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	462,866.19	11,085.81	473,952.00	880,572.69	36,553.31	917,126.00
Current portion due after one year not over three years	39,371.13	124.88	39,496.01	502,238.30	11,210.69	513,448.99
Total	502,237.32	11,210.69	513,448.01	1,382,810.99	47,764.00	1,430,574.99

As at December 31, 2012 and 2011, the Company has four hire-purchase agreements with the local leasing company to purchase vehicles in the amount of Baht 4,179,348 (Included VAT) with a term of repayment of 36 months at Baht 20,535 – 39,496 per month (Included VAT).

Under the term of lease agreement referred to above, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under finance lease agreement is guaranteed by the director of the Company.

Liabilities under finance lease agreement for the portion due within one year are presented under “current liabilities” in the statement of financial position.

21. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Long-term loans from local banks				
The first bank	349,142,264.31	206,932,855.00	349,142,264.31	206,932,855.00
The second bank	-	52,695,561.70	-	52,695,561.70
The third bank	304,356,942.57	14,439,231.26	304,356,942.57	14,439,231.26
The fourth bank	117,869,378.00	129,000,000.00	117,869,378.00	129,000,000.00
Total	771,368,584.88	403,067,647.96	771,368,584.88	403,067,647.96
Less Current portion due within one year	(173,645,517.81)	-	(173,645,517.81)	-
Long - term loans from the financial institutions - net	597,723,067.07	403,067,647.96	597,723,067.07	403,067,647.96

Movements in the long-term loans account during the year ended December 31, 2012 are summarized below.

	In Baht	
	Consolidated Financial statements	Separate Financial statements
Balance as at 1 January 2012	403,067,647.96	403,067,647.96
Less: Repayment during the year	(642,247,934.55)	(642,247,934.55)
Add: Additional borrowings during the year	1,010,548,871.47	1,010,548,871.47
Balance as at 31 December 2012	771,368,584.88	771,368,584.88

	Credit line (Million Baht)		Interest rate	Guarantee
	2012	2011		
Long-term loans				
Parent company				
The first bank				
- The first credit line	578.57	704.24	MLR, MLR less 0.50-1.00% per annum	- By the mortgage of some the project's land and construction on there.
- The second credit line	139.47	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future
- The third bank	29.70	-	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
The second bank				
- The first credit line	236.99	236.99	MLR less 1.25% per annum	- By the mortgage of some the project's land and construction on there and related company.
- The second credit line	-	113.70	MLR less 1.00% per annum	- By the mortgage of some the project's land and contraction on there and land of related party.

	Credit line (Million Baht)		Interest rate	Guarantee
	2012	2011		
<u>The third bank</u>				
- The first credit line	122.55	182.05	aMLR plus 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
- The second credit line	180.46	-	MLR	- By the mortgage of the project's land and construction on there and construction in the future.
- The third credit line	456.12	-	MLR	- By the mortgage of the project's land and construction on there and construction in the future.
<u>The fourth bank</u>	306.00	306.00	MLR less 0.50% per annum	- By the mortgage of the project's land and construction on there and construction in the future.
	2,049.86	1,542.98		

The first bank

The first credit line

The Company has to repay the loan when received payment from its customers which normally based on the dates of transferring a real estate title deed to the customers. The loan have to be fully settled within specify periods. However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statement of financial position.

The second credit line

The Company had to repay the full loan amount within December 14, 2013, and in year 2012 the Company classified such loan under long - term loans from financial institutions which was due within 1 year in full amount.

The third credit line

The Company had to repay the full loan amount within 5 years 6 months from the fist drawdown loan agreement (October 30, 2012), However, the Company did not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statements of financial position for this loan.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain debt-to-equity ratio is not over than 1.5:1, the first and the second credit lines and maintain leverage ratio at 1.2:1 on the third credit line, (5) not to pay dividend except the lender asses the payment not affect to ability of repayment loan, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

The second bank

The first credit line

The Company had to repay the full loan amount within three years from the date of the land mortgage (on December 29, 2004). On January 4, 2008, the Company submitted a request for repayment extension of the loan to December 29, 2010, later, the Company submitted a request for repayment extension of the loan to December 29, 2013. In 2010, the Company requests the bank for decrease credit line from amount of Baht 777,000,000 to Baht 236,990,000

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as sending progress report on sales, transfers and construction to the lender each month and managing the Company to increase housing sales by at least 50 units per year (starting from year 2008).

For the year 2008, the Company has housing sale in project of 32 units, which is lower than the condition of loan agreement as above. So, the management has negotiated with bank for removal of the sale condition, which the Company has to sale in project of 50 units. The bank has agreed to the request, but the Company has to repay principal from Baht 10,725 per Sq. wah to Baht 14,000 Sq. wah due to the revised credit line notice dated on January 26, 2009.

The second credit line

The Company has to repay this loan upon receipt of payment from the customer on the ownership transfer date of the real estate sold to customer. The Company has to repay the loan in full within 2 years 6 months from the contract signing date (August 26, 2011), which is due by February 26, 2014. However, the Company did not estimate the amount of loan that is expected to be repaid within one year to be classified as current liabilities in the statement of financial position for this loan.

In addition, the Company must comply with the conditions specified in the loan agreement, including to grant asset insurance benefits provided as collateral to the lender, etc.

The third bank

The first credit line

The Company has to repay the loan when received the payment from its customers, which normally based on the date of transferring a real estate title deed to the customers. The loan have to be full settled within six years since the signing date of the loan agreement (on August 5, 2010), which due within August 5, 2016. However, the Company does not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statement of financial position for this loan.

In addition, the Company has to comply with the term and conditions as specified in the loan agreement, such as to grant beneficiary of the asset protection insurance to the lender, etc.

The second credit line

The Company has to repay the full loan amount within 60 months from the contract signing date (December 14, 2012). However, the lenders may consider to relax or further extend the settlement period as defined above not over three months. The lenders agree to free the mortgage redemption on the guarantee securities to the Company upon making payment under the conditions of the lenders. The Company has classified such liabilities as long-term loans from financial institution with the portion due within one year.

The third credit line

The Company has to repay the full loan amount within 72 months from the contract signing date (December 3, 2012) and the lenders agree to free the mortgage redemption on the guarantee securities to the Company upon making payment under the conditions of the lenders. The Company has classified such liabilities as long-term loans from financial institution with the portion due within one year.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement on the significant issues, such as structure insurance on the existing and future guarantee securities. The insurance limit amount is not less than Baht 60 million on the second credit line and to maintain the debt-to-equity ratio not over 1:0:1 in each quarter and the insurance limit amount is not less than Baht 37 million on the third credit line. In case the structures on the guarantee securities have lower value than the insurance limit amount specified above, it should determine the insurance limit amount to equal the maximum insurance amount that the insurance company can insure or to the maximum insurance amount as appropriate to the lender's discretion.

The fourth bank

The Company has to repay the loan when the payment is received from its customers, which is normally based on the date of transferring a real estate title deed to the customers. The loan has to be fully settled within thirty-six months since the first drawdown date (on December 1, 2011), which is due within December 1, 2014. However, the Company does not estimate the amount of loans, which is expected to be repaid within one year to be classified as current liabilities in the statement of financial position for this loan.

In addition, the Company has to comply with the term and conditions as specified in the loan agreement, such as to grant beneficiary of the asset protection insurance to the lender, etc.

22. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the years ended December 31, 2012 and 2011 shown as follow :-

The statements of financial position

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Defined benefit obligations, beginning of the years	20,907,539.00	17,934,612.00	20,677,463.00	17,778,940.00
Current service costs and interest	3,301,413.00	2,972,927.00	3,194,315.00	2,898,523.00
Employee benefit obligations paid during the year	(292,800.00)	-	(292,800.00)	-
Defined benefit obligations, ending of the years	23,916,152.00	20,907,539.00	23,578,978.00	20,677,463.00

Expense recognized in the statements of comprehensive income

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Current service costs	2,465,111.00	2,255,545.00	2,367,216.00	2,187,366.00
Interest on obligation	836,302.00	717,382.00	827,099.00	711,157.00
Total	3,301,413.00	2,972,927.00	3,194,315.00	2,898,523.00
Current service costs				
Cost of service	67,340.00	46,397.00	-	-
Selling expenses	711,326.00	656,643.00	711,326.00	656,643.00
Administrative expenses	529,415.00	458,236.00	522,630.00	452,851.00
Management benefit expenses	1,157,030.00	1,094,269.00	1,133,260.00	1,077,872.00
Finance costs	836,302.00	717,382.00	827,099.00	711,157.00
Total	3,301,413.00	2,972,927.00	3,194,315.00	2,898,523.00

The main assumptions in the estimates the financial assumptions for the Group of Company based on actuarial principles.

For the years ended December 31, 2012 and 2011.

	In Baht	
	Consolidated Financial statements	Separate Financial statements
Discount rate	4.00	4.00
Salary increase rate	5.67	5.67
Employee turnover rate	0 - 39	0 - 22
Mortality rate (based on the table of death B.E. 2551)	100.00	100.00
Disability rate	5 of the mortality rate	5 of the mortality rate

23. LIABILITIES FROM PURCHASING THE REAL ESTATE PROJECT

The Company had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated December 16, 2004. The contract to buy and to sell land requires the Company has to pay for the land, including the debt burden owing to the existing customers of the project.

Movements in the liabilities from purchasing the real estate project account during the years ended December 31, 2012 and 2011 are summarized below.

	In Baht	
	Consolidated Financial statements 2012	Separate Financial statements 2011
Beginning balance	115,771,450.00	68,361,450.00
Increase	-	47,410,000.00
Total	115,771,450.00	115,771,450.00
Less decrease during the year	(11,322,000.00)	-
Liabilities from purchasing the real estate project	104,449,450.00	115,771,450.00

24. FINANCIAL INSTRUMENTS

24.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 5.

24.2 Financial risk management for financial instruments

The Company and its subsidiaries manage their financial risk that may arise in the financial assets and financial liabilities in normal course of business by using generally internal management and control system and the Company and its subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiaries comprise cash and cash equivalents, bank overdrafts and short-term loans from the financial institutions, trade account receivable and payable, include notes receivable and notes payable, loans, liabilities under the finance lease agreement and accrued expenses.

24.3 Interest Rate Risk

The Company and its subsidiaries have the significant interest rate risks in relation to deposit at the financial institutions, bank overdrafts and short-term loans from the financial institutions, long-term loans from the financial institutions, loan from the director and short-term loan from the related parties and companies. Interest rate risk arises from the interest rate changes, which cause damage to the Company and its subsidiaries in the current period and in the future

As at December 2012 and 2011, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	In Baht			
	Consolidated Financial Statement			
	As at December 31, 2012			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	45,115,272.12	-	-	45,115,272.12
Short-term investments	-	117,199.98	538,718.91	655,918.89
Trade accounts receivable	-	-	8,325,815.23	8,325,815.23
Deposit pledged as collateral	-	1,111,366.71	-	1,111,366.71
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans				
from the financial institutions	215,033,694.88	-	-	215,033,694.88
Trade notes payable	-	-	46,738,547.54	46,738,547.54
Trade accounts payable and other payable	-	-	78,195,432.47	78,195,432.47
Liabilities under the finance lease agreement	-	502,237.32	-	502,237.32
Long-term loans from financial institutions	771,368,584.88	-	-	771,368,584.88

	In Baht			
	Consolidated Financial Statement			
	As at December 31, 2011			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	78,532,921.27	-	-	78,532,921.27
Short-term investments	-	114,528.19	18,619,748.34	18,734,276.53
Trade accounts receivable	-	-	264,165.00	264,165.00
Deposit pledged as collateral	-	1,087,389.30	-	1,087,389.30
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from the financial institutions	165,032,510.93	-	-	165,032,510.93
Trade notes payable	-	-	33,142,810.82	33,142,810.82
Trade accounts payable and other payable	-	-	69,545,673.31	69,545,673.31
Liabilities under the finance lease agreement	-	1,382,810.99	-	1,382,810.99
Long-term loans from financial institutions	403,067,647.96	-	-	403,067,647.96

	In Baht			
	Separate Financial Statement			
	As at December 31, 2012			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	38,363,227.19	-	-	38,363,227.19
Short-term investments	-	117,199.98	538,718.91	655,918.89
Deposit pledged as collateral	-	889,340.40	-	889,340.40
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from the finance institutions	215,033,694.88	-	-	215,033,694.88
Trade notes payable	-	-	45,483,896.49	45,483,896.49
Trade accounts payable and other payable	-	-	75,939,535.87	75,939,535.87
Liabilities under the finance lease agreement	-	502,237.32	-	502,237.32
Long-term loans from financial institutions	771,368,584.88	-	-	771,368,584.88

	In Baht			
	Separate Financial Statement			
	As at December 31, 2011			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	67,805,059.06	-	-	67,805,059.06
Short-term investments	-	114,528.19	526,961.79	641,489.98
Deposit pledged as collateral	-	869,913.35	-	869,913.35
<u>Financial liabilities</u>				
Bank overdrafts and short-term loans from the financial institutions	165,032,510.93	-	-	165,032,510.93
Trade notes payable	-	-	33,142,810.82	33,142,810.82
Trade accounts payable and other payable	-	-	66,431,101.21	66,431,101.21
Liabilities under the finance lease agreement	-	1,382,810.99	-	1,382,810.99
Long-term loans from financial institutions	403,067,647.96	-	-	403,067,647.96

24.4 Foreign currency risk

As at December 31, 2012 and 2011, the Company has no exchange rate risk since it has no trade accounts receivable and accounts payable in foreign currency outstanding on the statement of financial position. The Company did not enter into forward contracts for hedging against exchange rate risk.

24.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

24.6 Fair Value

The fair value of the most of significant financial assets and financial liabilities does not differ from their carrying value, except for the fair value of long-term debts which cannot be properly calculated. Accordingly, no disclosure is made.

25. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E.2535, the Company must appropriate the reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

A subsidiary had appropriated its legal reserve as reserve fund until the reserve reaches 10% of the authorized share capital.

According to the resolution on the Board of Directors Meeting No. 2/2013 held on February 22, 2013, the Company had appropriated its legal reserve in the amount of Baht 5.10 million of annual net income in 2012.

According to the resolution on the Board of Directors Meeting No. 1/2012 held on February 22, 2012, the Company had appropriated its legal reserve in the amount of Baht 12 million of annual net income in 2011, and approval at the Annual General Meeting of the shareholders on April 25, 2012.

26. DIVIDEND

At the Board of Directors Meeting of year 2012 held on April 25, 2012, the shareholders approved a dividend payment for profit for the year of 2011 to all shareholders at Baht 0.07 per share amounting to Baht 83.02 million. The Company paid the dividend on May 18, 2012.

At the Board of Directors Meeting of year 2011 held on April 21, 2011, the Board of Directors approved a dividend payment for profit for the year of 2010 to all shareholders at Baht 0.03 per share amounting to Baht 35.58 million. The Company paid the dividend on May 20, 2011.

27. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2012, the Group's debt-to-equity ratio was 0.65 : 1 (as at December 31, 2011 : 0.49: 1) and the Company's was 0.66 : 1 (as at December 31, 2011 : 0.50 : 1).

28. EARNINGS PER SHARE

Basic earning per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares held by outside parties, which issued and paid-up during the years.

		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Profit for the year	(Baht)	100,075,901.56	192,601,150.95	101,250,193.78	189,175,630.97
Weighted average number of					
ordinary shares	(Shares)	1,185,985,052	1,185,985,052	1,185,985,052	1,185,985,052
Basic earning per share	(Baht per share)	0.084	0.162	0.085	0.160

29. PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company and its subsidiaries's contribution for the years ended December 31, 2012 and 2011 amounted to Baht 2,673,954.40 and Baht 2,524,200.05, respectively.

The Company's contributions for the years ended December 31, 2012 and 2011 amounted to Baht 2,536,896.60 and Baht 2,403,501.05, respectively.

30. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Changes in inventories (increase) decrease	(93,423,872.98)	5,393,131.83	(86,356,156.90)	6,036,176.83
Changes in property development costs				
(increase) decrease	101,389,393.11	(138,064,045.20)	100,673,362.48	(138,893,750.33)
Changes in land held for development				
(increase) decrease	(410,146,471.96)	37,779,967.02	(410,146,471.96)	34,227,704.89
Interest capitalization	36,840,468.48	28,368,311.69	36,840,468.48	28,368,311.69
Utilities and construction in progress	936,512,672.29	827,066,498.83	921,845,112.35	827,281,760.14
Purchase of lands	449,236,662.00	507,774,811.00	449,236,662.00	507,774,811.00
Employee benefit expenses	110,791,625.32	102,403,131.27	109,159,285.21	96,458,481.77
Depreciation and amortization expenses	13,773,554.02	12,840,967.73	13,493,300.78	12,740,401.93
Loss from the flooding event	-	22,483,319.63	-	22,483,319.63

Loss from the flooding event

The Company was affected by the flooding event during the months of October to November 2011, because the water had flooded the areas of some projects and the transportation routes around the office. From the flood, the products like housing estate and construction in progress were damaged and affected by the costs incurred before and during the flood, including the cost of restoration of the projects that had been affected and repaired customer's house expenses. Therefore, the Company has already recorded an initial loss from the such flooding event at Baht 22,483,319.63, which is presented under administrative expenses in the statement of comprehensive income, the such amount included the provision of repairing customer's house, which the Company sale houses less than 2 months before flooding event, total 29 houses, in the amount of Baht 1,330,822.00, which is presented under other current liabilities in the statement of financial position. In 2012, the house restoration expense of the customers paid by the actual amount was Baht 740,029.44 and the rest Baht 590,792.56 has been reversed in the full amount.

31. FINANCE COSTS

Finance costs consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Interest paid and payable to				
Financial institutions	45,580,138.80	40,340,057.60	45,580,138.80	40,340,057.60
Subsidiaries	-	-	80,383.56	47,421.23
Related parties	678,184.92	5,043,025.69	678,184.92	5,043,025.69
Employee benefit obligations	836,302.00	717,382.00	827,099.00	711,157.00
Fee for obtaining loans				
from financial institutions	1,164,909.00	1,706,801.00	1,164,909.00	1,706,801.00
Total	48,259,534.72	47,807,266.29	48,330,715.28	47,848,462.52
<u>Less</u> capitalized as part of property development costs	(36,840,468.48)	(28,368,311.69)	(36,840,468.48)	(28,368,311.69)
Net	11,419,066.24	19,438,954.60	11,490,246.80	19,480,150.83

32. CORPORATE INCOME TAX AND ITS CALCULATION

The Company records corporate income tax expense, if any, based on the amount currently payable under the Revenue Code at the corporate income tax rates (year 2012 : 23%, year 2011 : 30%) of net profit before corporate income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

According to the Royal Decree 530 (B.E. 2554) dated December 14, 2011 issued under the Revenue Code, regarding the reduction of income tax rates, corporate income tax for the year 2012 is calculated by multiplying from tax profits by the rate of 23% of net profits, and for the year 2013, onwards by the rate of 20% of net profits.

The Company computed corporate income tax based on the revenue and expense recognition principle in accordance with the Revenue Code and Instruction of the Revenue Department No. Por 61/2539 regarding the calculation of net profit and net income for real estate business, which differs from the accounting principles selected to apply in certain cases, such as recognition of revenue and cost of sales, capturing of interest expense and depreciation of assets under utilities system development for common facilities, etc, as follow :

Accounting Policy	Revenue Department Principle	Accounting Principle
Recognition of revenue from sales and cost of sales	Projects launched before 2007 - Recognizing revenue based on the installment due - Recognizing revenue based on percentage of completion method	Recognizing revenue when the significant risk and rewards of ownership have been transferred to the buyer.
Interest expenses	Capturing interest to cost of project until the project completing for sale only	Capturing interest to cost of project based on each unit of construction (house) until completing of such unit or ceases to capture interest when finishing of building of each unit (house).
Depreciation - public utilities of the project	To be depreciated as period cost, based on straight line, 5 years	Recognizing based on the salable area method.

	Separate Financial Statements (In Baht)	
	2012	2011
Income before corporate income tax per book	137,572,740.70	334,090,258.73
Difference in income and expenses between A/C and tax		
Add (Less) Revenue on tax base	3,823,914.50	16,967,650.00
The different of cost of sale between tax and per book re : Por.61/2539	(3,832,408.99)	71,274,145.41
Add back expenses	21,971,200.37	61,804,039.57
Deducting exempted income on tax base	(1,611,329.54)	(1,087,334.52)
Income before corporate income tax per tax	157,924,117.04	483,048,759.19
<u>Less</u> : Corporate income tax	(36,322,546.92)	(144,914,627.76)
(For the year 2012, tax computation at the rate of 23%)		
For the year 2011, tax computation at the rate of 30%)		
Net income per tax	121,601,570.12	338,134,131.43

33. FINANCIAL INFORMATION BY SEGMENT

Details of financial information by segment of Company and its subsidiaries

	For the year ended December 31, 2012 (In Baht)					
	Real Estate	Contractor	Property manager services	Total	Elimination DR. CR.	Consolidated
Revenues						
Sales	1,544,157,799.00	-	-	1,544,157,799.00	-	1,544,157,799.00
Construction income	-	37,796,204.60	-	37,796,204.60	(29,217,756.94)	8,578,447.66
Service income	-	-	5,650,098.16	5,650,098.16	(1,101,000.00)	4,549,098.16
Other income	16,182,515.66	466,749.03	50,021.56	16,699,286.25	(166,783.81)	16,532,502.44
Total revenues	1,560,340,314.66	38,262,953.63	5,700,119.72	1,604,303,388.01		1,573,817,847.26
Expenses						
Cost of sales	1,012,092,976.45	-	-	1,012,092,976.45	-	1,011,827,301.67
Cost of construction	-	36,817,600.80	-	36,817,600.80	-	8,581,549.27
Cost of service	-	-	3,205,546.87	3,205,546.87	-	3,205,546.87
Selling expenses	210,163,067.70	-	-	210,163,067.70	-	210,163,067.70
Administrative expenses	148,078,169.43	1,010,216.15	3,439,528.59	152,527,914.17	-	151,136,918.86
Management benefit expenses	40,943,113.58	-	172,450.00	41,115,563.58	-	41,115,563.58
Finance costs	11,490,246.80	6,091.81	9,029.00	11,505,367.61	-	11,419,066.24
Total expenses	1,422,767,573.96	37,833,908.76	6,826,554.46	1,467,428,037.18		1,437,449,014.19
Share of profit from investment in an associated company	-	-	-	151,030.86	-	151,030.86
Income before corporate income tax	137,572,740.70	429,044.87	(1,126,434.74)	137,026,381.69		136,519,863.93
Corporate income tax	36,322,546.92	121,415.45	-	36,443,962.37	-	36,443,962.37
Profit for the year	101,250,193.78	307,629.42	(1,126,434.74)	100,582,419.32		100,075,901.56
Other comprehensive income	-	-	-	-		-
Total comprehensive income for the year	101,250,193.78	307,629.42	(1,126,434.74)	100,582,419.32		100,075,901.56
As at December 31, 2012						
Property, plant and equipment - net	164,182,805.47	2,198,845.66	209,729.23	166,591,380.36		166,591,380.36

	For the year ended December 31, 2011 (In Baht)						
	Real Estate	Contractor	Property manager services	Total	Elimination		Consolidated
					DR.	CR.	
Revenues							
Sales	2,024,729,459.23	-	-	2,024,729,459.23	-	11,195,056.00	2,035,924,515.23
Construction income	-	12,596,261.61	-	12,596,261.61	(12,596,261.61)	-	-
Service income	-	-	6,039,598.16	6,039,598.16	(2,466,000.00)	-	3,573,598.16
Other income	9,318,645.57	9,393,839.61	224,708.15	18,937,193.33	(9,362,111.59)	-	9,575,081.74
Total revenues	2,034,048,104.80	21,990,101.22	6,264,306.31	2,062,302,512.33			2,049,073,195.13
Expenses							
Cost of sales	1,264,795,014.22	-	-	1,264,795,014.22	3,523,660.95	-	1,268,318,675.17
Cost of construction	-	11,737,955.30	-	11,737,955.30	-	(11,737,955.30)	-
Cost of service	-	-	3,495,520.71	3,495,520.71	-	-	3,495,520.71
Selling expenses	228,580,823.80	-	-	228,580,823.80	-	-	228,580,823.80
Administrative expenses	152,105,332.54	1,757,669.49	2,336,656.46	156,199,658.49	-	(2,544,892.44)	153,654,766.05
Management benefit expenses	34,996,524.68	-	157,515.00	35,154,039.68	-	-	35,154,039.68
Finance costs	19,480,150.83	92.00	6,133.00	19,486,375.83	-	(47,421.23)	19,438,954.60
Total expenses	1,699,957,846.07	13,495,716.79	5,995,825.17	1,719,449,388.03			1,708,642,780.01
Share of loss from investment in an associated company	-	-	-	(360,543.73)			(360,543.73)
Income before corporate income tax	334,090,258.73	8,494,384.43	268,481.14	342,492,580.57			340,069,871.39
Corporate income tax	144,914,627.76	2,521,373.94	32,718.74	147,468,720.44			147,468,720.44
Profit for the year	189,175,630.97	5,973,010.49	235,762.40	195,023,860.13			192,601,150.95
Other comprehensive income	-	-	-	-			-
Total comprehensive income for the year	189,175,630.97	5,973,010.49	235,762.40	195,023,860.13			192,601,150.95
As at December 31, 2011							
Property, plant and equipment - net	177,594,868.95	459,094.28	283,574.17	178,337,537.40			178,337,537.40

34. COMMITMENT AND CONTINGENT LIABILITIES

34.1 The Company has entered into lease for the commercial buildings, sale office building, land and other services.

As at December 31, 2012, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	4.80
2 to 3 years	4.41

34.2 As at December 31, 2012, the Company and its subsidiaries had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, are as follows:

	In Baht	
	Consolidated Financial Statements	Separate Financial Statements
- Guarantee for electricity, water and others	9.47	9.07
- Guarantee fund for maintenance to public utilities	122.85	122.85

34.3 As at December 31, 2012, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.22 million (see note 13).

34.4 As at December 31, 2012, the Company has contingent liabilities arising from lawsuits as follows:

A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 7.5% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.22 million calculated up to December 31, 2012). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2nd defendant co-borrower.

As at December 31, 2012, the case has ended and the Court has ordered the principal loan and the guarantor to co-payment at the total amount of Baht 0.60 million with the interest rate 7.5 percent per year of the capital amount of Baht 0.50 million. If the holder fails to pay, the Court will order to seize the land and building to the auction for plaintiff. The management has estimated the damage that expected to be demanded for such case until December 31, 2012 in the amount of Baht 0.18 million, which is recorded under caption of other current liabilities. The management has expected that the damage will not more than the amount expected.

35. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2011 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) for the year or shareholders' equity.

36. EVENTS AFTER THE REPORTING PERIOD

36.1 As at January 23, 2013, the Company had bought lands under the agreement to buy and sell land with person in the amounting of Baht 229 million, which will be transferred the ownership on May 23, 2013, the Company had paid the advance payment for buying land totalling Baht 5 million.

36.2 At the Board of Directors Meeting No. 2/2013 held on February 22, 2013, the Board of Directors approved a dividend payment for net income year of 2012 to all shareholders at Baht 0.035 per share amounting to Baht 41.78 million. The Company will pay the dividend on May 20, 2013.

37. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements are authorized to issue by Company's directors on February 22, 2013.

General Information

Company Name	:	N.C.Housing Public Company Limited (NCH)
Business Type	:	Property Development
Head Office Location	:	1/765 Moo 17, Soi Amporn, Phaholyothin Rd.Km.26, Tambol Kookhot, Umpher Lumlookka, Pathumthani 12130
Registration No.	:	0107546000385 (Old No. 40854600039)
Home Page	:	www.ncgroup.co.th
Telephone No.	:	66 (0) 2993-5080-7
Fax No.	:	66 (0) 2993-5089
Authorized Share Capital	:	THB 1,200,000,000
Paid-Up Share Capital	:	THB 1,185,985,052
Registrar	:	The Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 66 (0) 2229-2800, 66 (0) 2229-2888 Fax. 66 (0) 2359-1259
Auditor	:	Miss Wannisa Ngambuathong Auditor license 6838 or Mr. Pichai Dachanapirom Auditor license 2421 DHARMNITI AUDITING COMPANY LIMITED 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66 (0) 2587-8080 Fax. 66 (0) 2586-0301
Consultants to Internal Audit	:	ANS Business Consultants Company Limited 100/72, 22nd Floor, 100/2 Vongvanij B Building, Rama 9 Rd, Huaykwang, Bangkok 10310 Tel. 66 (0) 2645-0109 Fax. 66 (0) 2645-0101

Subsidiaries Company Name : N.C.Property Management Company Limited (NCPM)

Business Type : Full service for Project Management

Head Office Location : 1/765 Moo 17, Soi Amporn, Phaholyothin Rd.Km.26,
Tambol Kookhot, Umpher Lumlooka, Pathumthani 12130

Registration No : 0105541019582 (Old No. (4) 337/2541)

Telephone No. : 66 (0) 2993-5080-7

Fax No. : 66 (0) 2993-5089

Authorized Share Capital : THB 10,000,000

Paid-Up Share Capital : THB 10,000,000

Auditor : Miss Nitinee Kittikunapong Auditor license 8843
DHARMNITI AUDITING COMPANY LIMITED
267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800
Tel. 66 (0) 2587-8080
Fax No. 66 (0) 2586-0301

Subsidiaries Company Name : Quality Living Management Co., Ltd. (QLM)

Business Type : Full Service for Community Management for Housing Projects,
Condominiums and Club House

Head Office Location : 1/765 Moo 17, Soi Amporn, Phaholyothin Rd.Km.26,
Tambol Kookhot, Umpher Lumlooka, Pathumthani 12130

Registration No. : 0105541071517 (Old No. (4) 1189/2541)

Telephone No. : 66 (0) 2993-5080-7

Fax No. : 66 (0) 2993-5089

Authorized Share Capital : THB 1,000,000

Paid-Up Share Capital : THB 1,000,000

Auditor : Miss Nitinee Kittikunapong Auditor license 8843
DHARMNITI AUDITING COMPANY LIMITED
267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800
Tel. 66 (0) 2587-8080
Fax. 66 (0) 2586-0301



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