





REALIZING OUR POTENTIAL







EMPOWER THE URBAN INSTINCT

Today's city lifestyle is all about independence and self-sufficiency. Being in the right environment can greatly improve quality of life and allow an individual the freedom to be more and do more. Having recognized this fact, Ananda Development aims to bypass Bangkok's chronic traffic congestion problem by providing the city's residents with a well-designed living solution that empowers the urban instinct.

Given the on-the-go lifestyle of today, this problem directly affects those who want to get the most out of their lives.

A firm advocate of the **LIVE/WORK/PLAY** philosophy, Ananda strongly champions the notion that time is a valuable thing and should most definitely be spent on living, working and playing rather than getting stuck in the traffic, counting down to a green light.

With this vision in mind, Ananda created IDEO, the project that aims to “empower the urban instinct” of people by providing them with the ultimate Urban Living Solutions in the form of mass transit condominiums. Set in the city’s prime locations within 300 meters of a mass transit station, IDEO condominiums make commuting between home and work a breeze, allowing people to fully enjoy the freedom of their lifestyle and

MAXIMIZE THEIR POTENTIAL

IDEO condominiums are designed to accommodate and respond to people’s mode of living by offering highly adjustable and customized living solutions.

URBAN LIVING SOLUTIONS





ANANDA TODAY

With more mass transit routes covering Bangkok and its five neighboring areas being planned for at least the next 20 years, the possibilities for investment are endless.

In addition to the company's series of plans and targets to ensure its position as a leader in the mass transit condominium market, Ananda is more determined than ever to continue improving the quality of life of Bangkok residents. Ananda is about offering

**SOLUTIONS TO IMPROVE
TODAY'S URBAN LIVING.**



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GENERAL INFORMATION

Name of Company : Ananda Development Public Company Limited

Type of Business : Business of real estate development and providing management services for real estate projects

Location of Head Office : No. 99/1 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (k.m.10.5), Bangpleeyai Sub-district, Bangplee District, Samutprakarn Province 10540
: 11th Floor, Lake Ratchada Building, 139/39-42 Ratchadapisake Road, Kwaeng Khlongtoei, Khet Khlongtoei, Bangkok 10110.

Registration Number of the Company : 0107554000119
: (662) 317-1155
: (662) 317-1100
: www.ananda.co.th and www.ideocondo.com

CHAIRMAN'S STATEMENT

2012 finally saw a return to normality for Thailand, with no natural disasters or political crises and the Thai economy responded by accelerating its growth rate to 6.4% for the year.

Absent any new crisis in 2013 the year looks set to continue the strong and robust growth of the Thai economy. In particular the increase in capital spending as a percentage of GDP due to the government's investment in much needed infrastructure is likely to make the next several years a period of more rapid economic growth for the country.

2012 was a momentous year for Ananda as it succeeded in a 5.6 billion Baht capital raise from its IPO. The company now has the capital structure to realize the potential opportunities generated by the build out of the Bangkok Mass Transit System and 2013 will see the company execute on a business plan that can achieve rapid growth without taking undue risks.

In 2012 the company also continued to fulfill its obligations to the wider community. The company participated in several Habitat for Humanity builds and the CEO, Khun Chanond was recently honored by being named a member of the Advisory Board of Habitat for Humanity Thailand. The company also supported the Thai Red Cross and the Kung Kabaen Royal Development Study Center. The company will continue to fulfill all its responsibilities, both to stakeholders and to the wider community.

On behalf of Ananda Development Public Company Limited I would like to convey my appreciation to the shareholders, customers, financial institutions, members of the press and business partners for their support in helping bring Ananda to this point where we are now fully capable of realizing our true potential. I would also like to thank the Board of Directors, executives and staff for the total dedication they have displayed in bringing Ananda to leadership in the mass transit condominium market at this historic moment in time.



Dr. Narongchai Akrasanee
Chairman, Ananda Development Public Company Limited



MESSAGE FROM THE CEO



The investment by the government in building a comprehensive mass transit system in Bangkok is a profound change in the environment for property developers. Only once in its history does a nation build the mass transit system in its capital city. The system is popular, profitable and busy. All the indications are that the build out will continue with hundreds more stations added over the next decade.

As the system expands further it is our belief that Bangkok will be redeveloped around the mass transit network over the coming decades as it was once redeveloped around roads. Each new station built by the government acts as a demand generator as people want to live near stations. Ananda is committed to continuing to provide the best Urban Living Solutions by building the most modern and well designed condominiums near these stations, while still making them affordable through the intelligent use of technology. This once in a nation's history opportunity is happening now and Ananda is the market leader in mass transit living.

The successful IPO, the largest primary share capital raise in Thailand in 2012 shows that this opportunity is well understood by investors in Thailand and the fact that 55% of the shares were subscribed to by foreign institutions

shows how well it is understood abroad. It has provided the company with a solid foundation to realize the full potential of the opportunity before us.

The company is committed to improving its Urban Living Solutions through continuing innovation in design and production. In particular we are responding to the labor shortage that is affecting all developers by implementing new production techniques that help us significantly in reducing the need for labor and better managing the labor force we do have.

In 2012 the company had its greatest success with the launch of its most innovative solutions to date for urban living with its Mobi condominiums. The company will continue to innovate and launch further projects in 2013. The launch of our new Elio brand providing even more affordable solutions to mass transit living is a particular highlight for us as it broadens our potential customer base while staying true to our brand values.

2013 will see the company execute on the business plan promised to investors at the IPO by growing rapidly, yet with care not to take risks with the balance sheet. Already since the IPO the company has

successfully acquired sufficient land bank to fulfill its 2014 earnings target, with all land acquired at prices that allow us to make the units affordable for consumers and still maintain our target margins. Further land bank acquisitions through the year are expected as we acquire sites for projects to fulfill our 2015 targets as well.

I would like to thank all those without whom this would not have been possible, our customers, staff, suppliers and financial institutions. Its their support, skill, dedication, professionalism and creativity that brought us to where we are and will take us to where we need to go.

With their continuing support 2013 will truly see Ananda Development "full steam ahead" in realising its potential



Chanond Ruangkritya
CEO, Ananda Development Public
Company Limited



BOARD OF DIRECTORS

01. **MISS PATCHRAVALAI RUANGKRITYA**
Director

02. **MR. TANYALAK NUNTHANAVORASIRI**
Director

03. **MR. WIBOON RASMEEPAISARN**
Independent director

04. **MR. NOPPORN THEPSITHAR**
Independent director





05. **MR. CHANOND RUANGKRITYA**
Director

06. **DR. NARONGCHAI AKRASANEE**
Chairman of the Board of Directors

07. **MR. POOLSAK TANSITTHIPUN**
Independent director

08. **MR. NATHAVIPHA RUANGKRITYA**
Director





AUDIT COMMITTEE

01. **MR. WIBOON RASMEEPAISARN**
Member/Independent Director
02. **MR. NOPPORN THEPSITHAR**
Chairman/Independent Director
03. **MR. POOLSAK TANSITTHIPUN**
Member/Independent Director



EXECUTIVE COMMITTEE

01. **MRS. MUNTANA AUE-KITKARJORN**
Member

02. **MISS PATCHARAVALAI RUANGKRITYA**
Member

03. **MR. TANYALAK NUNTHANAVORASIRI**
Member

04. **MR. CHANOND RUANGKRITYA**
Chairman

05. **MISS NATTHAVIPHA RUANGKRITYA**
Member

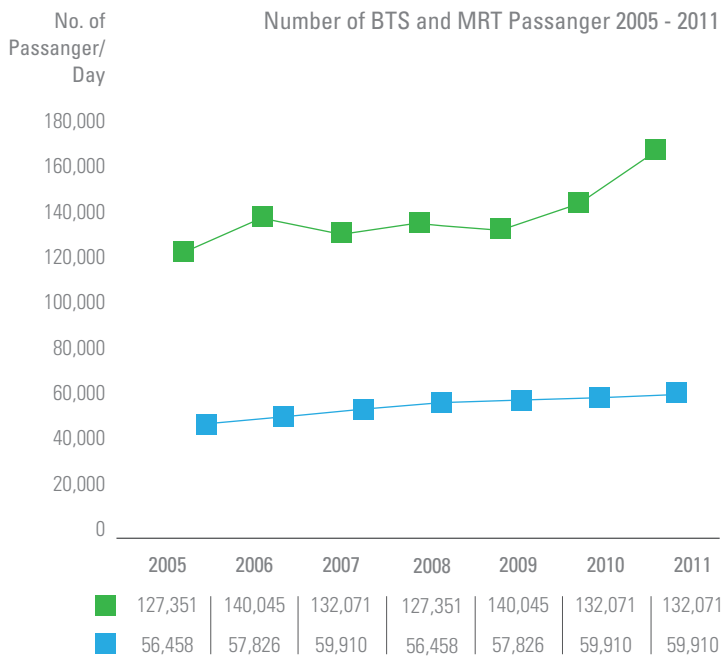
06. **MR. SERMSAK KHWANPUANG**
Member

BUSINESS OVERVIEW

“We have no way of knowing when our time will run out. To spend it stuck in traffic is such a waste. Everybody has their own personal potential, and I personally think that more time should be used to cultivate and maximize that potential.”

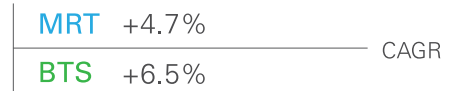
says Chanond Ruangkritya,
founder and Chief Executive Officer
of Ananda Development Public Company Limited
in his interview with IDEO Magazine.

Bangkok ranks among the world's most congested cities. There are roughly 8 million vehicles driving on the roads of the Thai capital. What's more, over 2,000 vehicles are added to Bangkok's roads each and every day. With only 8% of the city made up of roads compared to 22% in London and 24% in New York, any kind of road based traffic solution is only going to have a minor effect and with a million new cars coming onto the roads this year, the prospect of this improving is minimal. The high vehicle density means more time is wasted on the road. The average Bangkokian spends 44 days per year in traffic.



Source : Bangkok Mass Transit System Public Company Limited (BTS)
Bangkok Metro Public Company Limited (MRT)

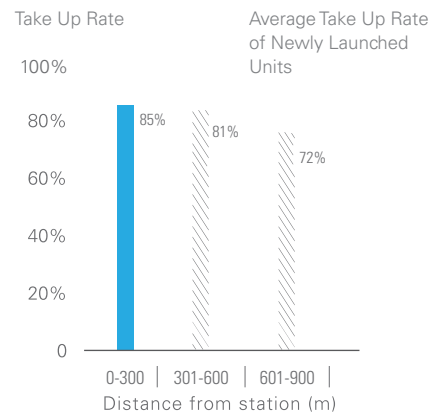
Unless one is willing to give up the conveniences of an urban life the only way to avoid getting trapped in the gridlock and reduce traffic induced stress is to take advantage of the new mass transit systems. This conclusion is increasingly being reached by Bangkokians. The number of people travelling by either BTS or MRT has continuously increased over the last 7 years, at the rates of 6.5% and 4.7% per annum respectively.



We have seen an increase in mass transit users over the last 7 years.

In the same way, the demand for a condominium located in close proximity to a mass transit station has also grown significantly over the past few years. In fact, condominiums are the fastest growing sector of the property market, with 24% growth, compared to 12% and 3% of the market for Townhouses and Single Houses respectively and accounted for more than half of the property market in Bangkok by 2010.

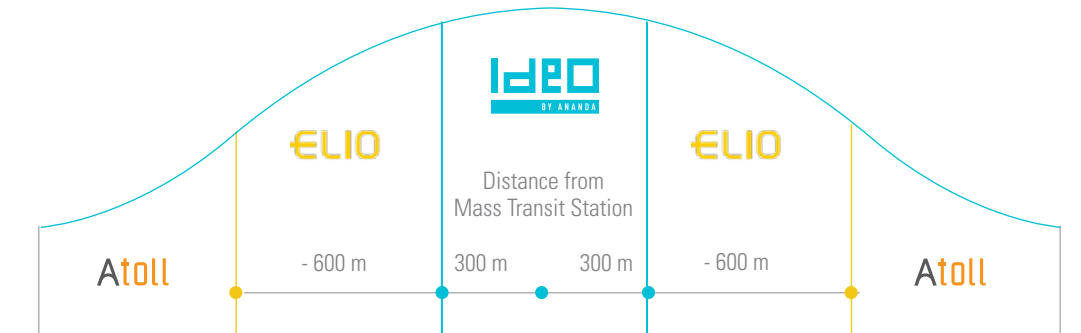
Condominiums located near mass transit stations have the highest take up rate of any type of property in the city.



Source: CBRE Research and Consulting

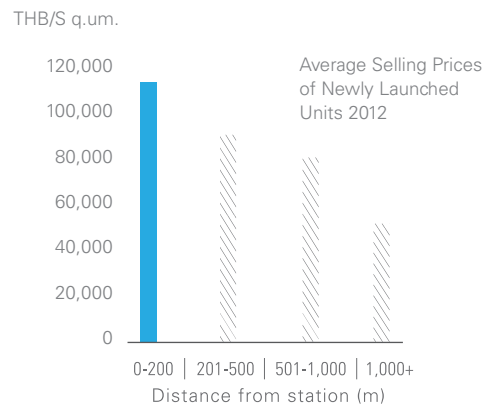
PRODUCT STRATEGY

To fully realize the potential of this historic opportunity Ananda has a product strategy utilizing a range of brands and product types.



IDEO brand within 300m of a mass transit station. ELIO brand 300-600m. Landed housing within 600m in low density suburbs

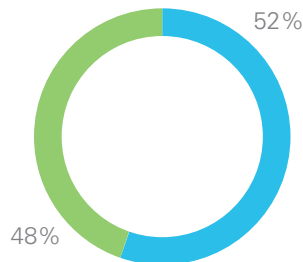
With an average distance of its condominiums of 36 meters to the BTS/MRT stations, IDEO ranks first for best location. With 9.6 billion Baht in launches in 2012 within 300 meters of a mass transit station, Ananda remained the market leader in mass transit condominium living.



Source: Research Department Ananda Public Company Limited

IDEO Market Share on Existing Line within 0 - 300

- Other Developers
- IDEO Mkt. share



ANANDA HAS DEVELOPED AN IN-DEPTH UNDERSTANDING OF THE GEN-C PHENOMENON. THIS YOUNG AND WELL EDUCATED DEMOGRAPHIC ARE THE NATURAL EARLY ADOPTERS TO THE NEW MASS TRANSIT LIFESTYLE.



LIVE



WORK



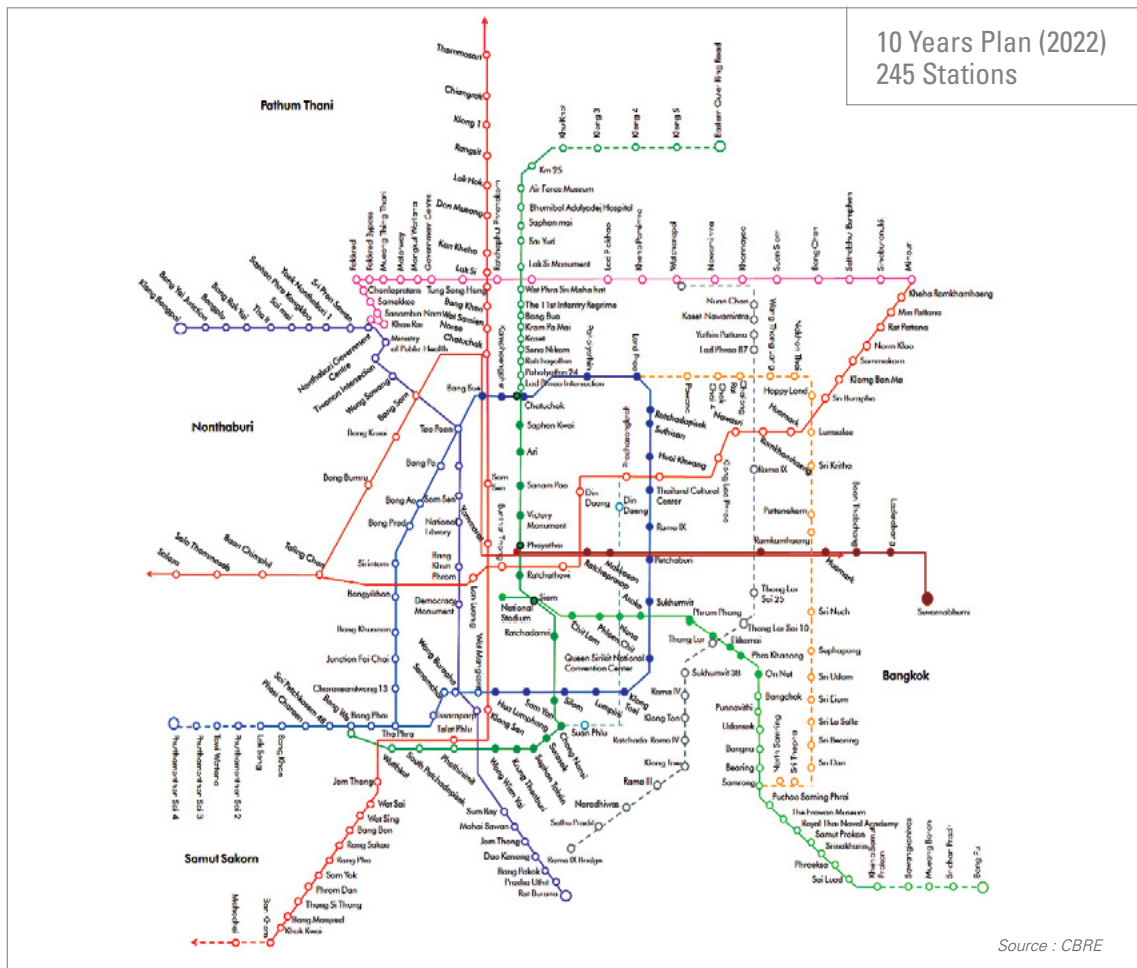
PLAY

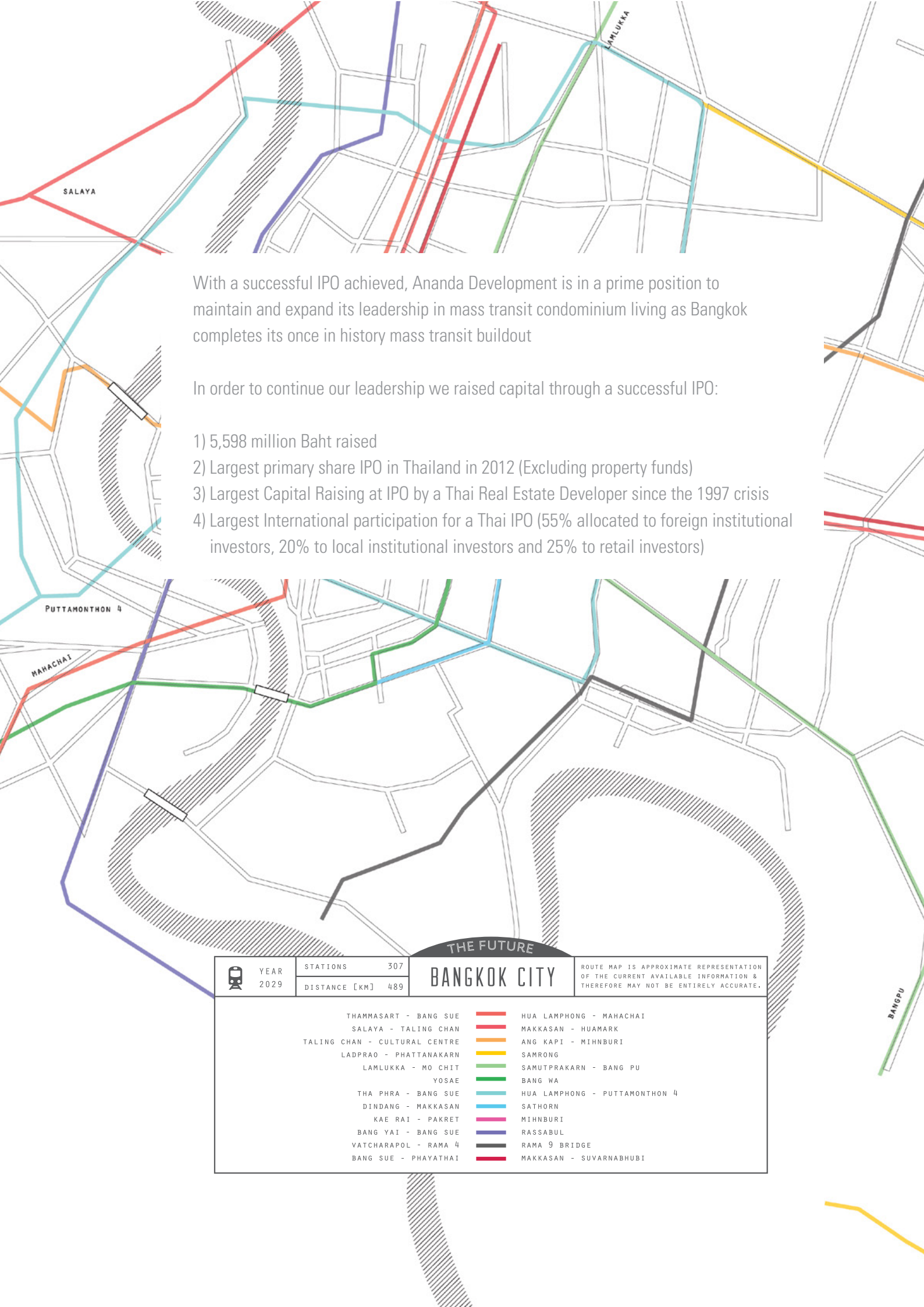
GEN-C

Pages	Likes	Talking about this	Engagement
ANANDA	87,329	8,990	10%
SIRI	73,680	2,050	3%
PS	51,703	2,650	5%
LH	38,080	992	3%
QH	21,490	486	2%
AP	32,749	2,246	7%
LPN	6,992	24	0%
SPALI	1,764	18	1%

This ability to understand Gen C is reflected in their connection back to us through social media.

Only once in Thailand's history will it build out the mass transit network in its capital, and its happening now, and Ananda is the leader in mass transit living





With a successful IPO achieved, Ananda Development is in a prime position to maintain and expand its leadership in mass transit condominium living as Bangkok completes its once in history mass transit buildout

In order to continue our leadership we raised capital through a successful IPO:

- 1) 5,598 million Baht raised
- 2) Largest primary share IPO in Thailand in 2012 (Excluding property funds)
- 3) Largest Capital Raising at IPO by a Thai Real Estate Developer since the 1997 crisis
- 4) Largest International participation for a Thai IPO (55% allocated to foreign institutional investors, 20% to local institutional investors and 25% to retail investors)

THE FUTURE

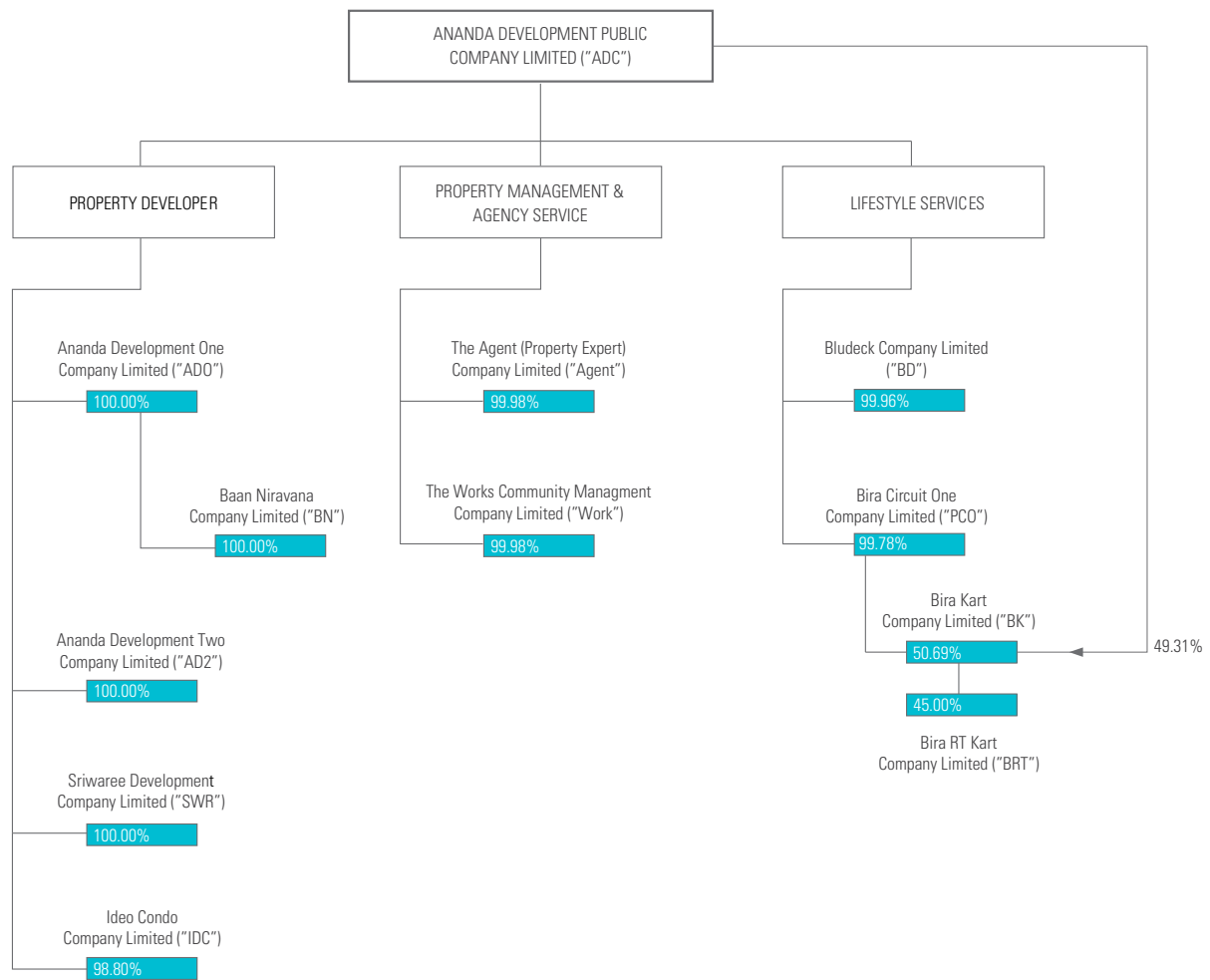
	YEAR	STATIONS	307	BANGKOK CITY	ROUTE MAP IS APPROXIMATE REPRESENTATION OF THE CURRENT AVAILABLE INFORMATION & THEREFORE MAY NOT BE ENTIRELY ACCURATE.																										
	2029	DISTANCE [KM]	489																												
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NATURE OF BUSINESS

Business Overview

Shareholding Structure of the Company's Group

The shareholding structure of the Company's Group as of December 31, 2012, is as follows:



The details of the subsidiaries and affiliates in which ANAN holds shares are as follows:

Company	Date of Incorporation	Type of Business	Address	Shareholding Proportion in 2012	Paid-up Capital in 2012 (Million Baht)
Ananda Development One Company Limited	September 8, 2005	Real Estate Project Development : landed housing projects located around Suvarnabhumi Airport area	99/1 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	100.00	67.18
Ananda Development Two Company Limited	February 28, 2007	Real Estate Project Development : condominium projects located near railway mass transit stations in Bangkok and its peripheral areas	99/1 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	100.00	300.00
Baan Niravana Company Limited	September 22, 2006	Real Estate Project Development : landed housing projects located around Suvarnabhumi Airport area	3rd Floor, 318/10-22 Soi Sukhumvit 22, Sukhumvit Road, Klongtoey Sub- District, Klongtoey District, Bangkok 10110	100.00 ¹	700.00
Bira Circuit One Company Limited	February 18, 2003	To lease Bira Circuit race tracks located near Pattaya City, Chonburi Province	99/4 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	99.78	45.00
Bira Kart Company Limited	August 16, 2005	To lease Go-Kart race tracks	99/4 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	100.00 ²	36.50
Bira RT Kart Company Limited	December 1, 2008	To sell Go-Kart parts	99/4 Moo 14 Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	45.00 ³	2.00

Company	Date of Incorporation	Type of Business	Address	Shareholding Proportion in 2012	Paid-up Capital in 2012 (Million Baht)
Sriwaree Development Company Limited	December 27, 2010	To hold title of land to be developed	9/1 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub-District, Bangplee District, Samutprakarn Province 10540	100.00	89.20
The Agent (Property Expert) Company Limited	January 22, 2004	To act as an agent in the sale/ purchase of condominium units and procurement of lessees for condominium units	99/4 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	99.98	1.20
The Works Community Management Company Limited	August 31, 2007	To provide management services for condominiums and landed housings	99/4 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	99.98	1.00
Bludeck Company Limited	February 26, 2003	To operate a sports club and restaurants	189 Moo 12 Rachedeva Sub- District, Bangplee District, Samutprakarn Province 10540	99.96	233.00
Ideo Condo Limited	August 31, 2007	Currently dormant	99/4 Moo 14 Soi Wind Mill Village, Bangna-Trad Road (Kilometer 10.5), Bangpleeyai Sub- District, Bangplee District, Samutprakarn Province 10540	99.80	0.10

Remarks 1 Held through its shareholding in ADO

2 Held directly and indirectly through its shareholding in BCO

3 Held by BK, with the remaining 55% of the shares being held by persons with no conflict of interest with the Company

Nature of Business Operations

The Company's main business is the development of condominium projects located near railway mass transit stations in Bangkok and its peripheral areas. Apart from its condominium development business, the Company also develops landed housing and is engaged in the management of real estate development projects.

The condominium projects developed by the Company under the name "Ideo" are located near railway mass transit stations. The units within these projects are priced at an average of approximately Baht 2 million to Baht 4 million each. The target group of customers for the Company's condominium projects is the "Gen C" group. This target group consists of customers aged 21 to 35 years who have just started their careers and are looking for condominium units before marriage. In addition, the Company also targets the "Baby Gen C" group, which consists of customers looking for condominium units for their children who are studying in tertiary institutions. The Company expects these two groups of customers, when considering the purchase of condominium units, to generally prefer condominium projects which are located near or adjacent to railway mass transit stations.

The real estate development projects developed by ADO and BN, a subsidiary of ADO, are landed housing projects, priced at approximately Baht 1 million to Baht 5 million. These projects are located around the Suvarnabhumi Airport area, each bearing a resort style name under the brand "Ananda". The target group of customers consists of residents living near or working at Suvarnabhumi Airport or its neighboring areas.

From 2005, the Company has operated other businesses through its subsidiaries, such as the race tracks of Bira International Circuit and the go-kart race tracks operated by BCO and BK.

The Company also operates a sports club named Bludeck through BD. This sports club is a hybrid sports-social club providing services only for its members. At this sports club, facilities include fitness areas, a swimming pool, tennis courts, a basketball court, a futsal court and badminton courts, as well as an Italian restaurant named Bacco.

At the end of 2010, the Company commenced the operation of two new businesses in order to complement its main real estate development business, through its subsidiaries, The Agent and The Works. The Agent acts as the agent in the sale or purchase of condominium units and procurement of lessees for condominium unit owners. The Agent will serve the Company's customers when these customers decide to purchase, sell or lease their condominium units in the secondary market. The Works provides management services for condominiums and landed housing projects. The Works allows the Company to maintain high standards in the provision of condominium management services to its customers upon completion of the Company's projects.

The Company also develops condominiums under its "Elio" brand. These are situated within 600 m of a railway mass transit station. The units within these projects are priced at approximately Baht 1 million to Baht 3 million. The target group of customers for Elio brand is the same Gen C as for the main Ideo brand, but at a lower cost. The buildings are typically 8 storeys and thus can be constructed more quickly than the high rise Ideos.

REVENUE STRUCTURE

The Company's main source of revenue is derived from real estate development and The Company also derives revenue from other businesses, including management of real estate development projects, from contracted construction, commissions, service fees, revenue from the sale of food and beverages, interest receivable and excess of its subsidiaries' interest in the fair value over cost and other revenues, as illustrated in the following table.

Unit: Million Baht

	Financial Years Ended December 31							
	2009		2010		2011		2012	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Revenue from real estate business	33.5	6.22	1,755.9	75.02	5,483.3	996.43	4,960.2	96.53
Revenue from contracted management of real estate development projects	388.8	72.13	313.2	13.38	62.5	1.10	20.4	0.40
Revenue from other businesses								
– Revenue from contracted construction	7.7	1.43	0.0	0.00	0.0	0.00	0.0	0.00
– Commissions	60.8	11.28	79.9	3.41	0.0	0.00	0.0	0.00
– Service fees	26.0	4.82	41.3	1.76	83.6	1.47	94.0	1.83
Other revenue ¹	22.2	4.12	150.4 ²	6.43	56.6	1.00	63.7	1.24
Total	539.0	100.00	2,340.7	100.00	5,686.0	100.00	5,138.3	100.00

Remarks 1 Other revenue includes revenue from selling food and beverages, interest receivable and excess of the Company's subsidiaries' interest in the fair value over the cost which is greater than costs and other revenue.

2 The excess of the Company's subsidiaries' interest in the fair value over the cost is a one-time revenue of Baht 101.1 million.

Goals and Business Strategies

The Company aims to be the leader in real estate development around mass transit stations. The Company intends to develop the majority of its condominium projects near railway mass transit stations in Bangkok and its peripheral areas, which includes stations of the Bangkok Mass Transit System ("BTS") (Skytrain), Mass Rapid Transit ("MRT") (Underground) and Airport Rail Link Service ("APL") (Airport Link) as well as around stations which are currently being developed in line with the expansion of these railway mass transit lines. The Company's projects are generally targeted at middle income households and seek to provide "Urban Living Solutions" to their residents, with particular emphasis on each project's layout, location, construction quality and value. Through these efforts, the Company aims to make the "Ideo" brand synonymous with reliable and high quality products and services.

BUSINESS OPERATION OF EACH LINE OF PRODUCTS

1. Real Estate Development Business

The Company operates the business of real estate development through ANAN and its subsidiaries. Currently, ANAN and AD2 develop condominium projects which are located near railway mass transit stations in Bangkok and its peripheral areas while ANAN and BD develops landed housing projects which are located near Suvarnabhumi Airport and Bangna -Trad Road.

Since 2007, the Company has developed 12 condominium projects under AD2 as a joint investment with ASPF II, a company incorporated in Germany and whose shares are held by a property fund managed by Pramerica. In November 2010, the Company acquired all the shares in AD2 from ASPF II to become the only major shareholder and control the business of AD2. The Company made the acquisition with the intention to develop the remaining condominium projects on its own, in order to significantly increase the future revenue of the Company. The purchase price of AD2 was mutually agreed upon between the Company and ASPF II, and KTB provided full funding to the Company for the acquisition.

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1.1 Condominium Projects located near Railway Mass Transit Stations in Bangkok and its peripheral Areas

Nature of Products

In developing condominium projects, the Company created the concept of “Urban Living Solutions” to address the problems faced by Bangkok residents, such as traffic congestion, high cost of living and high cost of transportation. In addition, the Government has developed a railway mass transit system in Bangkok and its peripheral areas, with some routes completed and several others under construction. According to information in the Annual Report of BTS Group Holdings Public Company Limited, the operator of BTS Skytrains, people in Bangkok and its peripheral areas tend to use the railway mass transit system every day. The average number of passengers has increased from 217,133 passengers per day in 2002 to 464,475 passengers per day in 2011. However, most people do not live near stations and have to commute a distance from railway mass transit stations to their homes. To address this problem, the Company’s strategy is to develop condominium projects adjacent to or near railway mass transit stations, including BTS, MRT and APL stations. This strategy aims to offer an alternative to customers who wish to live in the city and commute largely by the railway mass transit system, without needing to commute a distance from the stations to their homes. This will benefit customers through a reduction of travel time and cost of transportation. The Company believes that each of its projects has the potential to increase in value in the future, due to their unique locations.

The Company launched the sale of its first condominium project, the Ideo Ladprao 17 project, in 2007. To date, the Company has developed and launched a total of 17 projects. Details of each project are as follows:



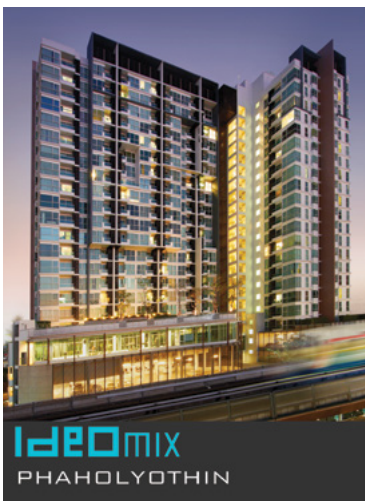
1. Ideo Ladprao 17 Project

Nature of Project : two 8 storey residential
condominium buildings
Location : Next to MRT Ladprao station
Number of Units : 339 units



2. Ideo Ladprao 5 Project

Nature of Project : one 24-storey residential
condominium building
Location : 500 meters from
MRT Phaholyothin station
Number of Units : 418 units



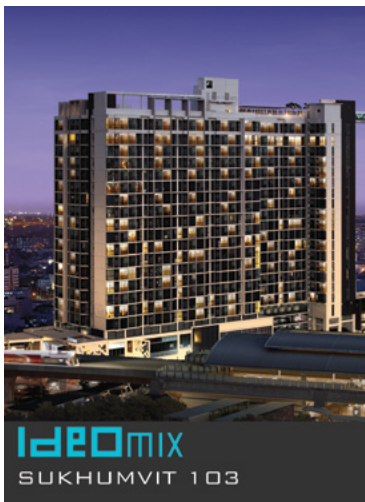
3. Ideo Mix Phaholyothin Project

Nature of Project : one 23-storey residential
condominium building
Location : Next to BTS Saphan Khwai station
Number of Units : 449 units



4. Ideo Sathorn-Taksin Project

Nature of Project : one 27-storey residential
condominium building
Location : Next to BTS Charoen Nakorn station
Number of Units : 349 units



5. Ideo Mix Sukhumvit 103 Project

Nature of Project : two 21-storey residential
condominium buildings
Location : Next to BTS Udomsuk station
Number of Units : 1,172 units

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6. Ideo Q Phayathai Project

Nature of Project : one 38 - storey residential
condominium building
Location : 30 meters from BTS Ratchathewi station
Number of Units : 476 units



7. Ideo Ratchada-Huaykwang Project

Nature of Project	: one 19-storey residential condominium building
Location	: Next to MRT Huay Kwang station
Number of Units	: 398 units



8. Ideo BluCove Sathorn Project

Nature of Project	: two 15-storey and 18-storey residential condominium buildings
Location	: 40 meters from BTS Wongwianyai station
Number of Units	: 266 units



9. Ideo BluCove Sukhumvit Project

Nature of Project	: two 15-storey and 18-storey residential condominium buildings
Location	: 30 meters from BTS Udomsuk station
Number of Units	: 421 units



10. Ideo Verve Sukhumvit Project

Nature of Project : one 30-storey residential
condominium building
Location : Next to BTS On-nut station
Number of Units : 490 units



11. Ideo Verve Ratchaprarop Project

Nature of Project : one 34-storey residential
condominium building
Location : 10 meters from APL Ratchaprarop station
Number of Units : 447 units



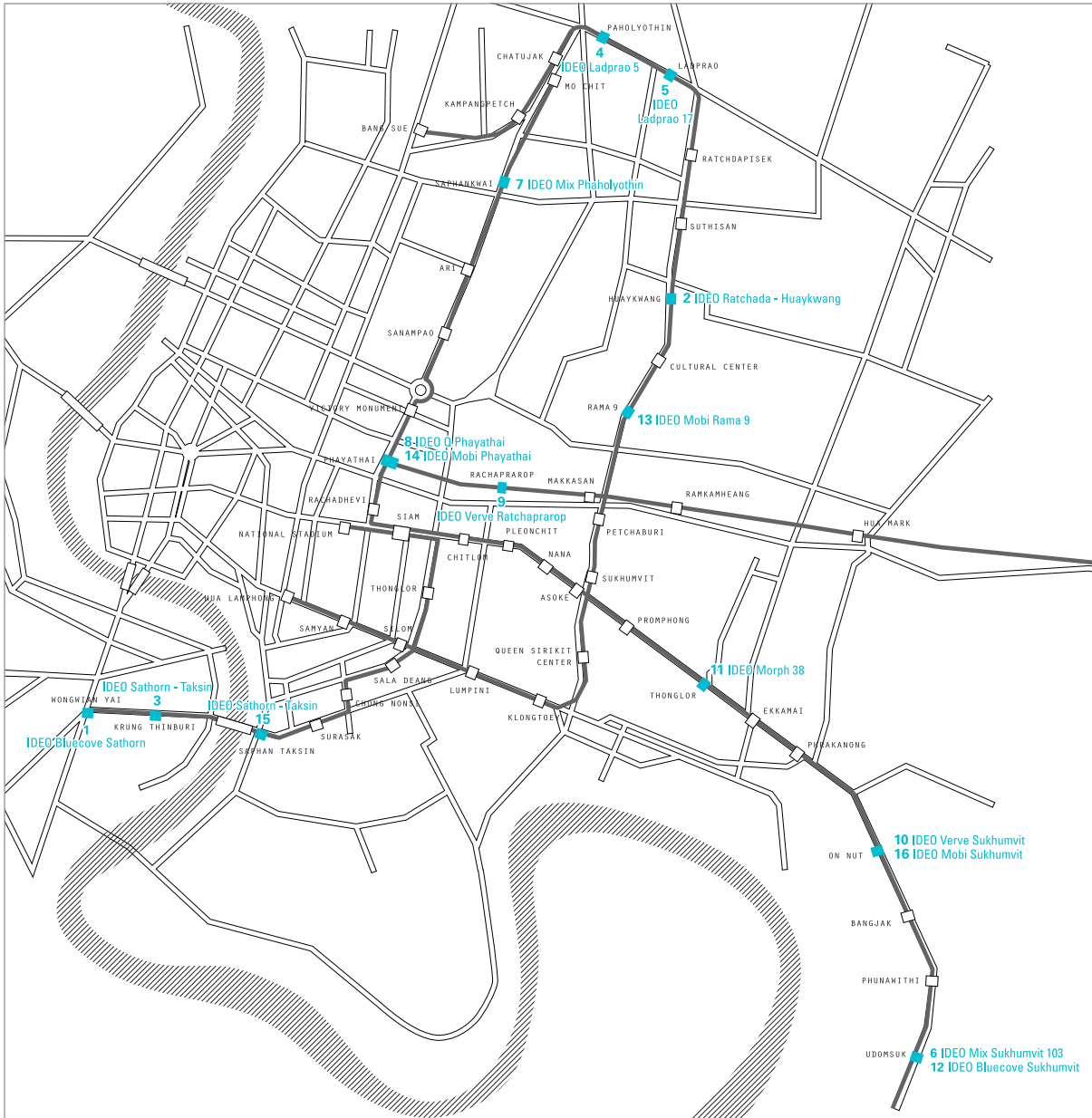
12. Skyle Morph 38 Project

Nature of Project : one 20-storey residential
condominium building
Location : 300 meters from BTS Thonglor station
Number of Units : 162 units

Ashton Morph 38 Project

Nature of Project : one 32-storey residential
condominium building
Location : 300 meters from BTS Thonglor station
Number of Units : 179 units

Each of the Company's condominium projects is located near railway mass transit stations. The location of each project is displayed below:



In February 2012, the Company launched four condominium projects, namely, "Ideo Mobi Sathorn," "Ideo Mobi Phayathai," "Ideo Mobi Sukhumvit" and "Ideo Mobi Rama 9"; details of which are as follows:



1. Ideo Mobi Sathorn Project

Nature of Project : one 32-storey residential condominium building
Location : Next to BTS Krung Thonburi station
Number of Units : 529 units



2. Ideo Mobi Phayathai Project

Nature of Project : one 19-storey residential condominium building
Location : Next to MRT Huay Kwang station
Number of Units : 398 units



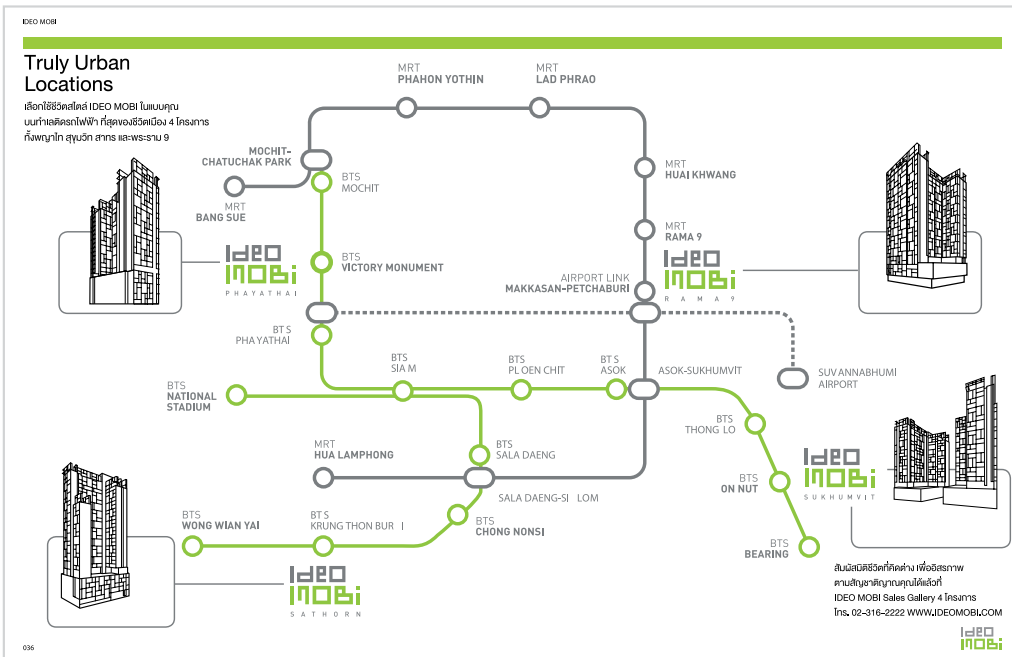
3. Ideo Mobi Sukhumvit Project

Nature of Project : one 23-storey and one 25 - storey residential condominium building
Location : 32 meters from BTS On-nut stat
Number of Units : 935 units



4. Ideo Mobi Rama 9 Project

- Nature of Project : one 28-storey residential condominium building
- Location : 80 meters from MRT Rama 9 station
- Number of Units : 703 units



The location of each Ideo Mobi project is displayed below:

Ideo Mobi Projects

- **Ideo Mobi Phayathai**
190 Meters from Phayathai BTS Station
- **Ideo Mobi Sathorn**
Next to Krung Thonburi BTS Station
- **Ideo Mobi Sukhumvit**
32 Meters from On-nut BTS Station
- **Ideo Mobi Rama 9**
80 Meters from Rama 9 MRT Station

Branding

1.1 Business Strategies

The Company has the following business strategies:

The Company has analyzed the characteristics of its target customers in developing its products and brands, "Ideo". The Company tailors its marketing efforts to suit the specific characteristics of its target customers, the "Gen C" group.





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Ideo emphasises procuring project sites less than 300 meters from a mass transit station

The company has developed an additional brand, "Elio" which is located 300–600 meters from the nearest mass transit station.

The target market is still Gen C with demand for lower cost condominiums close to mass transit stations.



Category		Brand	Price Range/BHT (Per Square Meter)
Luxury Ashton Morph 38: Excellent location. Luxury accommodation		Ideo Morph 38	140,000 - 160,000 BHT
High-end Ideo Q: Good location in commercial district		Ideo Q: Phayathai	120,000 - 130,000 BHT
Up-scale Ideo Verve : Innovative design		Ideo Verve Sukumvit Ideo Verve Rachaprarop	100,000 - 120,000 BHT
Ideo Mobi: Efficient usage of space with innovative incorporated furniture		Ideo Mobi Phayathai Ideo Mobi Rama 9 Ideo Mobi Sukhumvit Ideo Mobi Sathorn	
Mid-range Ideo: For hip youngsters with modern design and efficient usage of space		Ideo Verve Sukumvit Ideo Verve Rachaprarop	80,000 - 100,000 BHT
Ideo Mix: With integrated retail		Ideo Mobi Phayathai Ideo Mobi Rama 9 Ideo Mobi Sukhumvit Ideo Mobi Sathorn	
Ideo BluCove: With natural environment		Ideo Ladprao 71 Ideo Ladprao 5 Ideo Sathorn-Taksin Ideo Rachada-Huaykwang	
Low-range Elio Sukumvit 64: For hip youngsters. Modern design with efficient usage of space			60,000-80,000 BHT

1.2 Housing and Land Development Project

Nature of Products

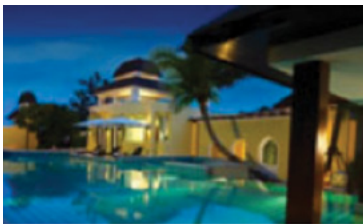
The real estate development projects operated by ADO and BN are landed housing projects located in the vicinity of Suvarnabhumi Airport. These projects were conceptualized in the “Ananda SeaSense” style and are named after locations of popular beach resorts, including Hawaii and Bali. In addition, the design and layout of the project and the houses were intended to reflect the atmosphere of each location. The names of these projects are all suffixed with “by Ananda” so that the general public would be aware that they were developed by an entity linked to the Company. In this regard, the Company entered into an agreement authorizing ADO to use the name “Ananda”.

As of December 31, 2012, ADO has launched 6 projects and the Java Bay project is currently under construction and is expected to be launched for sale within 2013.

Following the IPO the portfolio has been rebranded and relaunched under the brand “Atoll”.



Details of each project are as follows:



1. Lanta Resort Life Projects

Nature of Project	: detached houses/semi-detached houses
Location	: East Outer Ring Road, Bangplee District, Samutprakarn Province
Total Site Area	: 34-3-1 rai



2. Maldives Palm Project

Nature of Project	: detached houses/semi-detached houses
Location	: East Outer Ring Road, Bangplee District, Samutprakarn Province
Total Site Area	: 80-1-34 rai





3. Similan Reef Project

Nature of Project : detached houses
 Location : Klong Song Ton Noon Sub-District,
 Ladkrabang Bangkok
 Total Site Area : 53-0-4 rai



4. Waikiki Shore Project

Nature of Project : detached houses
 Location : Klong Song Ton Noon Sub-District,
 Ladkrabang Bangkok
 Total Site Area : 38-1-45 rai



5. Maldives Beach Project

Nature of Project : detached houses/semi-detached
 houses/townhouses
 Location : Narm Daeng Road, Bangplee District,
 Samutprakarn Province
 Total Site Area : 116-1-5 rai

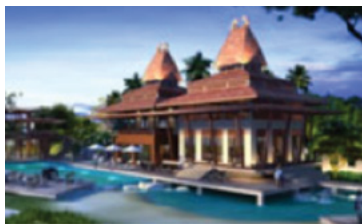


6. Bali Beach Project

Nature of Project : detached houses/semi-detached houses/townhouses

Location : Lad Krabang Road, Klong Luang Pang Sub-District, Muang District, Chachoengsao Province

Total Site Area : 215-0-32 rai



7. Java Bay Project

Nature of Project : detached houses

Location : King Kaew Road, Bangplee District, Samutprakarn Province

Total Site Area : 57-0-11 rai

Nature of Products

The landed housing projects operated by ANAN and BD are projects bearing the name "Ananda" and "Sirinda". These projects are located in the vicinity of golf courses which are located near Suvarnabhumi Airport and Bangna-Trad Road. As at December 31, 2012, the Company has developed 3 projects. Sales of these projects have been launched. Details of each project are as follows:



1. Ananda Sport Life

Nature of Project : detached houses/land development/house construction

Location : 10 km of Bangna-Trad Road

Total Site Area : 61-0 - 78.7 rai



2. Sirinda Prana

Nature of Project : land development/house construction

Location : 10 km of Bangna-Trad Road

Total Site Area : 8-0-36 rai



3. Sirinda Pranali

Nature of Project	: detached houses/land development/house construction
Location	: 10 km of Bangna-Trad Road
Total Site Area	: 7-0-39.6 rai

1.3 Fitness Centers and Restaurants

The Company operates a sport club named Bludeck, which is managed by BD. This sport club can be categorized as a hybrid sports-social club, which provides services only to its members. Currently, this sport club has 1,665 members and charges Baht 18,000 per annum in membership fees. There are fitness facilities, swimming pools, tennis courts, basketball courts, futsal fields and badminton courts, as well as an Italian restaurant named Bacco.

1.4 Race Tracks

The Company operates the Bira International Circuit and a go-kart race track, which is managed by BCO and BK. These 2 race tracks are located in Chonburi province, approximately 20 kilometers away from Pattaya City.

1. Racing Circuit – Bira International Circuit

Bira International Circuit is the first and the only race car circuit accredited by Federation Internationale de L'Automobile ("FIA") in Thailand. The area of this circuit is approximately 164 rai and accommodates various types of car races.

In addition, Bira International Circuit can accommodate launches or vehicle trials, public relations events, car dealer seminars and customer functions. The services provided are popular among automobile companies.

2. Go-Kart Race Track

Apart from the race car circuit, the Company also operates the business of a go-kart race track which is located in the same area and accredited by Commission Internationale de Karting ("CIK").

3. Bira RT Kart Company Limited

BRT's main business is the sale of motor vehicle parts and components, which supports the race car business.

CSR: CORPORATE SOCIAL RESPONSIBILITY 2012

Ananda Development Public Company Limited is strongly committed to promoting the welfare of both internal and external communities and the environment.

We encourage our employees, executives, customers and business partners to actively take part in our CSR projects, which are separated into three main parts: quality of life and social development, environmental conservation, and sports, religions and culture.

In 2012, the company has extended a helping hand to those who suffered from the flood by sending in voluntary staff and executives into the ravaged areas. We have joined hands with Habitat for Humanity Thailand Foundation in rehabilitating the housing of the victims in Ayutthaya Province. Our volunteers have helped reconstruct the school buildings which have been ruined by the flood and restored the libraries which are an important source of knowledge for the children. Ananda has supported the construction of a multi-purpose building and flood-relief center for the victims in Bangban District in Ayutthaya in preparation for possible emergencies.



February 13, 2012: Mr. Chanond Ruangkritya, President and CEO of Ananda Development Public Company Limited, was granted the Longest Support Award from Habitat for Humanity Thailand. The award was presented to Mr. Chanond by Mr. Piriya Wisedchinda and Mr. Chamnarn Wangtal, Administrative Office and CEO of Habitat for Humanity Thailand as well as Mr. Richard Hathaway, Asia Pacific Vice-President for Habitat for Humanity. The award was given to Ananda Development to honor and recognize the company's continuous support in residential development for the community. Ananda Development has also been a long supporter of Habitat for Humanity, further helping the foundation improve the living conditions of Thai people.



17 July 2012: Mr. Chanond Ruangkritya, CEO of Ananda Development Public Company Limited has signed the MOU with Mr. Chamnan Wangtan, CEO and volunteer of Habitat for Humanity Thailand Foundation on collaboration in the "We Love Bangtan" Project.

Outcome of CSR activities in 2012

The company has carried out CSR activities, involving all stakeholders, from communities, society, customers, employees, through to employees' families. We have emphasized participation in both internal and external activities as well as creating a volunteer spirit in each activity. The activities Ananda has accomplished in the past year include :



1. Quality of Life and Social Development

Ananda Development Public Company Limited sees the importance of improving the quality of life and social development of all stakeholders. In the past year, Ananda has run several CSR activities, such as the New Home For Community Project to aid and improve the conditions of the underprivileged. Paint A Smile Project, and the Dream Library Project at Wat Krasaeng School in Ayutthaya Province to restore the rural schools stricken by the major flood in 2011. We Love Bangban Project to construct the flood-relief center for the victims in Bangban District, Ayutthaya Province. Blood Drive at the Thai Red Cross Society's National Blood Center, Friends Help Friends Project to gather and pass on the aid from Ananda's companions to the employees' family etc.



2. Environmental Conservation

We take careful measures to avoid creating any long term environmental damage. Ananda has a substantial CSR program concerning environmental conservation. We are an active participant of the coastal restoration activity at Kung Krabaen Bay Royal Development Study Center organized annually in Chantaburi Province to create awareness on coastal resource conservation among youngsters and the community, "Returning Turtles to Nature" activity to celebrate the Royal Birthday, "Green Friday" activity to create awareness on natural resources conservation among employees.

3. Sports, Religions, and Culture

Besides sports, physical development, and the promotion of religious activities, Ananda also gives precedence to the preservation of the Thai cultural inheritance. The activities include off-season alms offerings at Wat Nong Ped Ga in Utaithani Province, hosting a donation drive at Wat Suan Kaew, supporting the Sports Association for the Disabled of Thailand by donating walking aids and wheelchairs, hosting Friendly Futsal Competition between Ananda and its business partners, organizing festive activities on Songkran and so forth.

Since the founding of the business and throughout its growth we have never put less than full effort into creating awareness and giving back to the society through various activities. We will continue to contribute to improve the social well-being in parallel with our business to create sustainability for our society.

INTERNAL CONTROLS

The Company's Board of Directors and Executives had a direct responsibility in establishing and maintaining Internal Controls as well as regularly reviewing their efficiency to maximize benefits for all shareholders based on stakeholders' fairness. Internal Controls cover the Company's finance and operations to ensure that they comply with the laws and related regulations.

To ensure that the Company securely reached its short- and long-term goals, the Board of Directors and Executives focused on adequate Internal Controls, and ensured that they stayed relevant with the business' competitive nature and changing environment. Steps were also taken to ensure that the Company's properties and important information were safe from being misused or exploited. At the Board's Meeting No. 3/2013 on February 28, 2012, attended by all members of the Audit Committee and independent directors, the Board evaluated the adequacy of the Company's Internal Controls previously established by the Executives and reviewed by members of the Audit Committee. There was a total of 5 main areas which were reviewed, which are summarized below:

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1. Organizational Control Environment Measures

The Company's Organizational Control Environment Measures made it possible for the Executives to operate efficiently with clear and concise objectives that could be monitored and evaluated regularly. As a result, the Company performed its businesses based transparency and fairness for the sake of its customers and all parties involved.

2. Risk Management

In 2012, to ensure continuity of the Company's Risk Management, the Company appointed the Risk Management Subcommittee and Office of Risk Management to create awareness of risks and improve risk management. The Company hired Sharpener Accounting & Tax Co., Ltd. to hold workshops within the organization to further build security and sustainability by involving Executives of all levels. The Risk Management Subcommittee in conjunction with the Executives determined and prioritized risks as well as implemented risk management planning, designating ownership and key personnel accordingly.

3. Management Control Activities

The Company assigned clear duties, responsibilities and authority to approve budget for each level of Management in writing. The Management functioned based on transparency and fairness. In case of a transaction with a major shareholder, the Board of Directors, Executives or any parties related to that person, the Company strictly acted according to the ethics guide and rules involving connected transactions. The Company indicated that its employees must follow the Company's rules and regulations as well as related laws, business ethics and good governance as outlined by the Stock Exchange of Thailand and Securities and Exchange Commission Thailand.

The Audit Committee reviewed connected transactions with management and auditors based on transparency of the market's anticipated benefits and conflicts of interest of those involved before submitting them to the Board of Directors for approval.

4. Information and Communication Measures

The Company provided adequate information for the Board to consider when the next meeting shall be.

5. Monitoring

The Company outlined clear business objectives in writing and implemented a systematic follow-up method as well as corrective measures should the outcomes differ from the aforementioned objectives.

The Board agreed that the Company had adequate Internal Controls and properties exploit prevention for management was in place. As for any transactions with a major shareholder, the Board of Directors, Executives or any parties related to that person, further details and Internal Controls evaluation are hereby attached.

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Public accountants

The Board reviewed the hiring of external auditors based on their independence, ability to deliver work in a timely manner as well as in-depth knowledge of the Company's businesses. After proposing the chosen candidate to the Board at a shareholders' meeting, the Audit Committee appointed Ernst & Young Corporate Services Co., Ltd. as external auditors for financial year 2012. According to observations made by these public accountants, no issues were found regarding the Company's Internal Controls.

Internal Audit

The Company set up an independent Office of Internal Audit who reports directly to the Audit Committee on any activities to ensure that their objectives and the overall organization's goals were reached. Past investigations revealed no issues or concerns regarding the Company's Internal Controls.

RISK FACTORS

1. The Company operates in a highly competitive business

At present, the competition among real estate developers, whether with large, medium or small scale developments, listed or non-listed real estate development companies, is still relatively high, especially in Bangkok and its peripheral areas. Development of condominium projects near to railway mass transit stations, both completed and under construction, and of landed housing projects near to Suvarnabhumi Airport are mainly carried out by large-scale developers who are listed on the SET and have advantages in relation to financial status, financial costs and have various alternatives to raise funds as compared to the Company.

The Company believes that after funds are raised through the IPO and its listing on the SET, the Company will be on par with competitors who are listed on the SET in respect of minimizing financial costs and fund-raising alternatives.

The Company believes that the condominium and landed housing projects which it owns or manages respond to the needs of customers in respect of location, price and design, and that this is recognized by its customers. Along with the experience of the Company's key management who has been working in the area of real estate development for more than 10 years, the Company believes that it can compete with other operators in the same business.

2. The procurement of land for future development projects

The Company does not have a policy to acquire empty land except for the purposes of development of condominium projects in the near term, development of each project being expected to require approximately 2 to 3 years. The Company, when considering each location to address its target customers, will first conduct a feasibility study. As a result, the Company currently does not hold empty land which is not ready for development. This strategy may generate risks to the Company as it may not be able to procure land near railway mass transit stations to be developed for condominium projects due to significant interest in the same plots of land and correspondingly, high prices thereon. As a result, the Company may have to acquire land at a higher price or acquire the land which is further away from railway mass transit stations. This may impact the Company's return of investment or future performance. The Company has the ability to buy land at a reasonable price and is able to successfully develop landed housing projects and condominiums like it always has been as well as the ability to procure more land upon which to develop additional future projects after having raised sufficient funds from the IPO.

3. Costs of construction tend to increase

The Company faces risks in relation to increasing costs of construction. The price of the average mass index of construction materials each year, from 2007 to 2011, was Baht 108.8, Baht 127.4, Baht 110.8, Baht 113.2 and Baht 120.4 respectively and the price of the average mass index of construction materials during January to September 2012 was Baht 124.8, which can be calculated in terms of Compound Annual Growth Rate (“CAGR”) from 2007 to September 2012 at the rate of 2.9% (Source: Ministry of Commerce). The increase of construction costs is a risk that may affect all developers. In addition, a recently implemented government policy which has increased minimum daily wages to Baht 300 may also affect labor costs and future construction costs.

The Company regularly monitors and evaluates the price of construction materials in order to determine suitable fees to be paid to contractors for each project. After the fees have been agreed with the contractors, the Company will execute an agreement to engage such contractor and specify this fixed fee accordingly. In addition, the Company aims to engage reliable contractors who can efficiently control construction costs so that such costs will not exceed the Company’s estimates. With regard to the increase of minimum wages, the Company estimates that the increased daily wages will increase total construction costs by approximately 5%. If construction costs materially increase, the Company may consider increasing the sale price of its projects in order to maintain its profit margin.

4. The progress of the development of the railway mass transit system is inconsistent with the schedule laid out by the government

As the Company’s strategy is to develop condominium projects near to railway mass transit stations, the Company’s growth is mainly dependent on the government’s policy in developing the railway mass transit system. According to CB Richard Ellis (Thailand) Co., Ltd. (“CBRE”), the government previously announced plans to expand the existing mass transit network to 100 stations by 2016 and 245 stations by 2022. If the government changes its policy or the schedule of construction, such circumstances may affect the growth of the Company’s business.

Although the railway mass transit system is prioritized by the government as it is substantially beneficial to the residents of Bangkok and its peripheral areas, development is costly and is subject to several operational procedures. As such, it is possible that development may not be completed as scheduled by the government. This is an external factor over which the Company has no control.

The Company is continually monitoring the operation of the railway mass transit system project and adapting its real estate development plans in accordance with the progress of the railway mass transit system project.

5. Financial Risks

Risks relating to the increase in interest rates

The risks relating to the increase of interest rates arise in two ways:

- Risks relating to the increase of interest rates may cause inflation and may influence customers' decisions to acquire residential property:

If loan interest rates increase, inflation may occur, thereby reducing the monetary value or the purchasing power of the Thai Baht. For customers who rely on housing loans, loan interest rates and repayment conditions are significant factors which may influence their decision to acquire residential property. If interest rates increase, credit facilities granted by financial institutions may decrease in proportion to the borrowers' income and the borrower may not be capable of acquiring residential property at the sale price. Moreover, an increase in interest rates may result in higher monthly repayment obligations. This in turn may delay customers' decisions to acquire residential property or result in customers becoming unable to acquire residential property at the sale price.

Although the increase in interest rates is a factor beyond the Company's control, the Company has developed a good understanding on the needs of its target group of customers based on its continuous study and experience in dealing with them. Unlike other developers, the Company offers sale promotion schemes which emphasize financial offers in response to the needs of its target group of customers and are consistent with their relative purchasing power.

- Risks relating to the increase in interest rates which may affect the Company's financial costs

In connection with the acquisition of AD2 and the Company's plan to acquire ADO, the Company has obtained loans from financial institutions with floating interest rates. As a result, if interest rates increase, the Company's financial costs in relation to the interest on its loans will correspondingly increase. A portion of such interest expenses is recorded as financial costs in the statements of comprehensive income, while other interest expenses are recorded as real estate development costs.

REPORT OF THE AUDIT COMMITTEE

Attention Shareholders

The Audit Committee for Ananda Development Public Company Limited has been appointed by the Company's board of directors to ensure that the Company performs its responsibilities by adhering to laws and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission Thailand. The Committee is comprised of three fully qualified independent directors as follows:

- 1) Mr. Nopporn Thepsithar Chairman of the Audit Committee
- 2) Mr. Poolsak Tansitthipun Member of the Audit Committee
- 3) Mr. Wibool Rasmeepaisarn Member of the Audit Committee

The Director of the Company's office of Internal Audit acts as the Secretary to the Audit Committee.

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The Audit Committee has performed its duties as described in a committee charter which is in compliance with the regulations of the Stock Exchange Market of Thailand. In 2012, the Audit Committee organized a total of 8 meetings, and performed the following responsibilities:

Overseeing financial reporting

The Audit Committee, together with an external auditor, management and internal auditing function, reviewed the Company's financial budget on a trimesterly basis as well as its

annual financial statement and consolidated financial statement derived from its subsidiaries. All parties carefully took into consideration the key matters and shared among themselves valuable opinions and suggestions to ensure that the Company's budgeting process will consistently adhere to the Accounting Standards with utmost accuracy and adequate, timely disclosure in compliance to laws and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission Thailand.

Monitoring connected transactions which may result in conflicts of interest

The Audit Committee reviewed the Company and its subsidiaries' connected transactions which may result in conflicts of interests to ensure that all transactions were appropriately carried out according to the regulations of the Stock Exchange of Thailand and with the benefits of all stakeholders in mind.

Overseeing the internal auditing function

The Audit Committee reviewed the independency of the Company's internal auditing function, its scope of involvement, annual planning, audit reporting and follow-ups on important issues. The Audit Committee shared their opinions and suggestions on how to further improve the internal auditing function's efficiency based on its budget, personnel, training and human resource development as well as Office of Internal Audit's annual assessment.

Performing an internal audit

The Company set up an independent Office of Internal Audit who reports directly to the Audit Committee on any activities to ensure that their objectives and the overall organization's goals were reached. Past investigations revealed no arising issues.

Monitoring the internal control process

The Audit Committee reviewed the adequacy of the Company's internal control process based on reports by the Office of Internal Audit and external auditors to ensure the effectiveness and efficiency of internal control.

Oversight of laws and regulations

The Audit Committee reviewed the Company's operations according to regulations of the Stock Exchange of Thailand and Securities and Exchange Commission Thailand as well as laws related to the Company's businesses.

Overseeing hiring of and compensating the external auditors

The Audit Committee reviewed the hiring of external auditors and their compensation based on the quality of work, their status, limitations and regulations of the Stock Exchange of Thailand or any related organizations. A discreet meeting was held with external auditors without executive board members being present to ensure their independence and neutral status. The Audit Committee also appointed Ernst & Young Co., Ltd. as external auditors for financial year 2012, then proposed an appropriate compensation to the Company's Board of Directors. Since the Audit Committee unanimously agreed that Ernst & Young Co., Ltd. possessed a deep understanding of the Company's businesses and performed its job independently and professionally without delays, the general meeting of shareholders 2012 decided to appoint Ernst & Young Co., Ltd. as external auditors for another year. The list of external auditors are as follows:

- 1) Mr. Sophon Permsiriwallop Certified Public Accountant lisencc number 3182 and/or
- 2) Mr. Chayaphol Supasetthanon Certified Public Accountant lisencc number 3972 and/or
- 3) Mrs. Sumalee Reewarabandit Certified Public Accountant lisencc number 3970

As for the year ending December 31, 2012, auditor Chayaphol Supasetthanon, who certified the Company's financial statements and presented them to the Audit Committee, reviewed their accuracy and adequate disclosure along with the Company's executive board members. The Audit Committee agreed with the auditor that the Company's financial statements comply with the Accounting Standards.



Mr. Nopporn Thepsithar
Chairman of the Audit Committee

CONNECTED TRANSACTIONS

1.1 The Company and its subsidiaries have transaction with the persons with potential conflicts of interest, as follows:

(1) Connected transactions with the Company

Persons who may have Conflicts of Interest	Nature of Transaction	Accounting Year Ended December 31, 2011 (Baht)	Accounting Year Ended December 31, 2012 (Baht)	Comment of The Audit Committee
1. Mr. Chanond Ruangkritiya is a director and major shareholder of the Company.	- Mr. Chanond guaranteed the loans granted by financial institutions to the Company and its subsidiaries for no consideration.	6,091,649,487	-	Because such transaction was deemed as financial support granted to the Company and its subsidiaries and was made for the Company's benefit, it was therefore a justifiable transaction. There was no such transaction in 2012
2. Green Valley Properties Company Limited Mr. Chanond, Miss Natthavipha Ruangkritiya, Miss Patcharavalai Ruangkritiya and Miss Mollika Ruangkritiya are members of a group of the Company's major shareholders and hold an aggregate of 22.84% of the shares of this company. This company is currently facing a bankruptcy lawsuit.	- The account receivable for the advance payment was caused by the Company's disbursement for the repair of homeowners' houses in the projects operated by Green Valley Properties Company Limited.	2,146,195.07	2,146,195.07	This transaction was completed in 2004. The Audit Committee emphasized that the Company should not make any more of such transactions. The Company has demanded the repayment of the actual amount paid by the Company. The Company also set up a reserve with the full amount. The Company has filed an application for repayment with the Official Receiver. There is no changes in the situation in 2012. There was no such transaction in 2012
3. Mitsu Natdanai Company Limited Miss Natthavipha Ruangkritiya and Miss Mollika Ruangkritiya are members of a group of the Company's major shareholders and hold an aggregate of 28% of the shares of this company.	- The Company paid the fees to this company for coordination with tax authorities	1,800,000	-	This transaction was completed in 2010. The Committee considered and recommended that such service agreements should not be renewed. There was no such transaction in 2012
4. PYI Consulting Company Limited Mr. Pornthep Srisa-arn holds 50% of the total	- Other current assets - Management cost - Other creditors The foregoing transactions	12,000,000 3,000,000 2,675,000	- - -	This transaction was completed in 2010. When compared with the nature of service and fees of the other two service providers who

Persons who may have Conflicts of Interest	Nature of Transaction	Accounting Year Ended December 31, 2011 (Baht)	Accounting Year Ended December 31, 2012 (Baht)	Comment of The Audit Committee
shares of this company and was a director, without signatory authority, of the Company.	were a result of the provision of consultancy services on strategy, business operations and fund-raising by PYI Consulting Company Limited			had previously provided this service to the Company, as well as the fees of other providers of similar services, the Committee was of the view that the fees and conditions of service provision was good. However, the comparison of fees was made after the service had been provided. The Audit Committee emphasized that the Company should present such transactions to the Audit Committee for further consideration in respect of future connected transactions.
				There was no such transaction in 2012

(2) Connected Transactions with Bludeck, a subsidiary of the Company

Persons who may have Conflicts of Interest	Nature of Transaction	Accounting Year Ended December 31, 2011 (Baht)	Accounting Year Ended December 31, 2012 (Baht)	Comment of The Audit Committee
1. Pimanda Development Company Limited This company is controlled by Mr. Chanond Ruangkritiya, a major shareholder of the Company, as follows: - Mr. Chanond Ruangkritiya, a director And major shareholder, owns 100% of the shares of this company - This company has directors who are also directors of the Company, namely Mr. Chanond Ruangkritiya, Mr. Tanyalak Nunthanavorasiri and Miss Patcharavalai Ruangkritya and Mr. Chanond and Miss Patcharavalai Ruangkritya, are authorized signatory directors.	The foregoing transaction was due to the loan obtained by Blue Deck Ltd. from Pimanda Development Company Limited, at an interest rate of 6.25% per annum.	27,133.56	-	The loan transaction from Pimanda Development Company Limited was completed in 2007. Bludeck Ltd., a subsidiary of the Company, borrowed money from Pimanda Development Company Limited, while ANANDA Development also borrowed money from Pimanda Development Company Limited. Both companies paid interest at the same rate of 6.25%. The loan was required by the Company at that time as its working capital was insufficient. In 2007, the Company obtained loans from financial institutions at an interest rate which was higher than 6.25%. The Audit Committee emphasized that there should not be any further connected loan transactions.
				There was no such transaction in 2012

(3) Connected Transactions with Bira Circuit One, a subsidiary of the Company

Persons who may have Conflicts of Interest	Nature of Transaction	Accounting Year Ended December 31, 2011 (Baht)	Accounting Year Ended December 31, 2012 (Baht)	Comment of The Audit Committee
1. Bira Circuit Company Limited Mr. Chanond Ruangkritiya is an authorized director of Bira Circuit Company Limited (Mr. Chanond resigned as a director of Bira Circuit Company Limited in May 2012)	– Track rental – Accrued expenses	2,391,629.63 1,783,259.26	797,209.84 -	This transaction was completed in 2007. The Company set the rent pursuant to the business plan which was developed for its consideration in 2007. However, as such a transaction involved long-term obligations which bound the Company for a significant time, the Audit Committee emphasized to the Management to closely monitor and to review the lease agreement periodically. In June 2012, the Company amended the agreement to provide for an alternative on the termination of the agreement before the expiry date if the Company's operations deviate from the business plan. In addition, the Audit Committee also emphasized to the Management to be careful in relation to similar transactions and to present its business plan and the evaluation of the appropriation of the rent from the third party in the future and that the business plan again go through the consideration process on the investment according to the investment policy. In 2012, the transaction of 797,209.84 baht was made for the track rental between January - April 2012. A note that Bira Circuit One Company Limited has not been considered as a party with potential conflicts of interest since 2012.

(4) Connected Transactions with Bira Kart, a subsidiary of the Company

Persons who may have Conflicts of Interest	Nature of Transaction	Accounting Year Ended December 31, 2011 (Baht)	Accounting Year Ended December 31, 2012 (Baht)	Comment of The Audit Committee
1. Bira Circuit Company Limited Mr. Chanond Ruangkritiya was an authorized director of Bira Circuit Company Limited	– Track rental – Accrued expenses	1,262,460.52 970,598.44	420,820.16	This transaction was completed in 2005. The Company set the rent pursuant to the business plan which was developed for its consideration in year 2005. However, as such a transaction involved long-term obligations which bound the Company

Persons who may have Conflicts of Interest	Nature of Transaction	Accounting Year Ended December 31, 2011 (Baht)	Accounting Year Ended December 31, 2012 (Baht)	Comment of The Audit Committee
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Mr. Chanond resigned from being a director of Bira Circuit Company Limited in May 2012

for a significant time, the Audit Committee emphasized to the Management to closely monitor and to review the lease agreement periodically. In June 2012, the Company amended the agreement to provide for an alternative on the termination of such agreement before the expiry date if the Company's operations deviate from the business plan. In addition, the Audit Committee also emphasized to the Management to be careful in relation to similar transactions and to present its business plan and the evaluation of the appropriation of the rent from the third party in the future and that the business plan again go through the consideration process on the investment according to the investment policy. In 2012, the transaction of 420,820.16 baht was made for the track rental between January - April 2012. A note that Bira Kart Company Limited has not been considered as a party with potential conflicts of interest since 2012.

1.2 Measures or Procedures for Approving Connected Transactions

In the event of any connected transaction of the Company with a person who may have a conflict of interest or has an interest in such matter, the Audit Committee will provide an opinion on the necessity of the Company to enter into the transaction, provided that the terms and conditions of such connected transaction be consistent with the market practice and the consideration for such transaction shall be appraisable and comparable with market prices. In the event that there is no comparable price, the price for such connected transaction shall be deemed to be reasonable and in the best interest of the Company and the Company's shareholders. In the event that the Audit Committee does not have the appropriate expertise to evaluate the connected transaction, the Company will engage an independent expert to provide an opinion on the connected transaction to be considered by the Board of Directors, the Audit Committee or at a shareholders' meeting, as the case may be. The person who may have a conflict of interest or has an interest in such matter shall not be entitled to vote in respect of the meeting agenda for such connected transaction. The details of the connected transaction will be disclosed in the notes to the financial statements to be reviewed or audited by the Company's auditor, in the Company's annual reports and annual registration statement.

1.3 Policy relating to Future Connected Transactions

For any future connected transaction, the Company shall comply with the Securities and Exchange Act, regulations, notifications, orders or rules of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as Thailand's generally accepted accounting standards in respect of information disclosure on related persons or businesses as prescribed by the Certified Public Accountant Association of Thailand and the Company's Regulations.

Should the Company enter into a connected transaction, the Company will arrange for the Audit Committee to provide an opinion as to the appropriateness of such transaction. In the event that the Audit Committee has no skill and expertise in relation to such connected transaction, the Company will seek an opinion from an expert (such as an appraiser) who is independent. Such opinion of the Audit Committee or the independent expert will be used to support a decision of the Board of Directors or shareholders, as the case may be, so as to provide assurance that the transaction will not result in a misappropriation of benefits between the Company and its shareholders. The Company will take into account the best interests of all shareholders when considering whether to enter into such transaction.

The Company and its subsidiaries agree not to enter into any connected transaction with their directors, executives or related persons of the Company or its subsidiaries, unless such transaction was concluded on normal commercial terms in the same manner as any reasonable man would have based on similar circumstances and without influential commercial bargaining power of an individual in the capacity of a director, executive or related person.

Every quarter, the Audit Committee will review the list of the Company's businesses with the connected transactions and related persons.

CAPITAL STRUCTURE

The Company's Securities

As at December 31 2012, the Company had a registered capital of Baht 333,300,000 consisting of 3,333,000,000 ordinary shares with a par value of Baht 0.10 per share, and a paid-up capital of Baht 333,300,000 consisting of 3,333,000,000 ordinary shares with a par value of Baht 0.10 per share.

Shareholders of the Company

The names and shareholding proportion of the ten major shareholders of AnandaDevelopment Public Company Limited (as at December 28, 2012) are as follows:

No.	Name	No. of shares	Percentage
1	Mr. Chanond Ruangkritya	1,770,998,400	53.14
2	Morgan Stanley & International PLC	266,330,400	7.99
3	Credit Suisse Securities (Europe) Limited	146,300,000	4.39
4	Nortrust Nominees LTD.	100,963,100	3.03
5	Miss Natthavipha Ruangkritya	100,000,000	3.00
6	Miss Patcharavalai Ruangkritya	100,000,000	3.00
7	Miss Mollika Ruangkritya	50,200,000	1.51
8	Goldman Sachs & Co	40,700,000	1.22
9	Nortrust Nominees Limited-NT0 SEC Lending Thailand	40,280,700	1.21
10	Barclays Capital Securities Limited A/C SBL/PB	34,645,400	1.04

Dividend Payment Policy

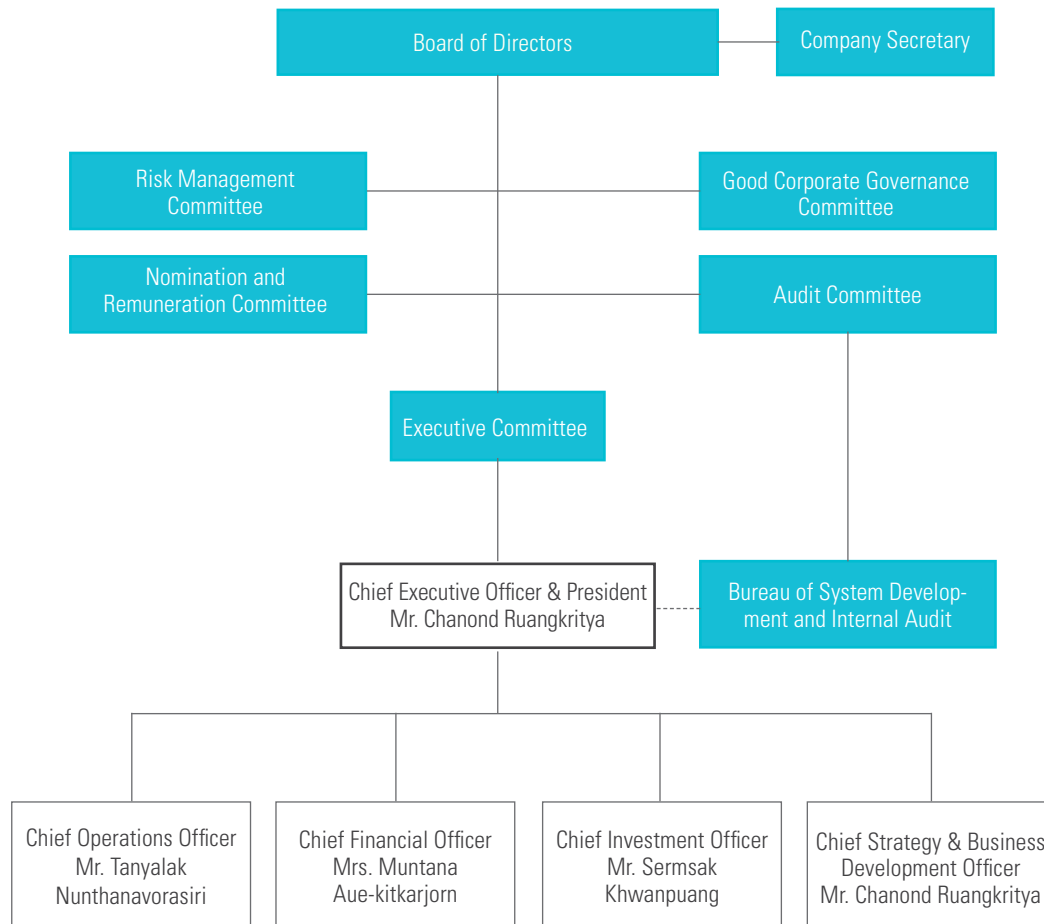
The Company's board of directors (the "Board") may consider making an annual dividend payment provided that such dividend payment must be approved at a shareholders' meeting. This does not include interim dividend payments, which the Board, from time to time, has a right to approve if it views that the Company has sufficient profits to be allocated to its shareholders. In this regard, the Board must report such payments to shareholders for acknowledgement at the next shareholders' meeting.

The Company will make dividend payments at a rate of not less than 40% of net profits after deduction of all taxes and legal reserves. The Board will consider paying dividends after taking into account shareholders' interests. These considerations include reservation of funds for future investment, repayment of loans or for the Company's working capital.

AD2, a subsidiary of the Company, will pay dividends at a rate of approximately 100% of net profits after deduction of all taxes and legal reserves, provided that at each dividend payment, AD2 will consider its ability to pay dividends under the law after taking into account its cash flow position and its retained earnings.

In respect of dividend payment policies of the remaining subsidiaries, no rates of dividend payment after deduction of all taxes and legal reserves have been fixed. However, the board of the subsidiaries and/or the shareholders of the subsidiaries will consider paying dividends after taking into account the nature of business and whether there are investment plans to expand the business of such subsidiaries.

MANAGEMENT



Management Structure of the Company

The management structure of ANAN consists of 6 committees, namely the Board, the Audit Committee, the Good Corporate Governance Committee, the Executive Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

1. Board of Directors of the Company

As at December 31, 2012, the Board consisted of 8 directors as follows :

Name	Position
1. Dr. Narongchai Akrasanee*	Chairman/Independent Director
2. Mr. Nopporn Thepsithar	Vice-Chairman/Chairman of Audit Committee/Independent Director
3. Mr. Chanond Ruangkritya	Director/Chief Executive Officer and President
4. Mr. Tanyalak Nunthanavorasiri	Director/Chief Operations Officer
5. Miss Natthavipha Ruangkritya	Director/Vice President of Procurement
6. Miss Patcharavalai Ruangkritya	Director/Assistant Business Development Executive
7. Mr. Poolsak Tansitthipun	Member of Audit Committee/Independent Director
8. Mr. Wiboon Rasmeepaisarn	Member of Audit Committee/Independent Director

Remarks * Appointed as chairman at the Board of Directors Meeting No. 7/2012 on October 5, 2012, to replace Mr. Pongsathorn Siriyodhin, who resigned as a director on September 20, 2012.

Miss Montira Kiatsunthorn is the Secretary of the Board.

Authorized Directors who can Sign on Behalf of the Company

2 of 4 directors, namely Mr. Chanond, Miss Natthavipha Ruangkritya, Mr. Tanyalak Nunthanavorasiri and Miss Patcharavalai Ruangkritya are authorized to jointly sign on behalf of the Company together with the affixation of the Company's seal.

Term of Directorship

At each annual general meeting of shareholders, one-third of all the present directors or, if their number is not a multiple of 3, the number of directors nearest to one-third of the total board composition shall retire from office. The directors retiring from office in the first and second years after the Company's registration shall be selected by means of drawing lots. In subsequent years, the director who has held office for the longest shall retire. A retiring director is eligible for re-election.

Scope of Power, Duties and Responsibility of the Board:

The scope of power and duties of the Board are as follows:

1. to perform their duties in accordance with the law, the Company's objectives, Articles of Association and resolutions of Board meetings and shareholders' meetings with responsibility, care and honesty;
2. to determine details and approve the vision, business strategies, business direction, business policy, target, guidelines, operational plan and annual budget of the Company and its subsidiaries as prepared by the Executive Committee and the Management;
3. to oversee the management and performance of the Executive Committee, Chief Executive Officer, the Management or any other person assigned to perform such duties, so as to conform with any policies set out by the Board;
4. to continuously monitor the Company's performance to be in line with the action plan and budget of the Company;
5. to ensure that the Company and its subsidiaries adopt an appropriate and efficient accounting system and to ensure that it has internal control and internal audit systems;
6. to prepare statements of financial position and statements of comprehensive income on the date which coincides with the end of the Company's accounting period, and to execute such financial statements prior to submitting them at the annual general meeting of shareholders for further approval;
7. to consider and approve the selection and nomination of an auditor and to determine his remuneration as proposed by the Audit Committee, prior to presenting it at the annual general meeting of shareholders for further approval;
8. to make available a written corporate governance policy and to efficiently adopt such policy in order to ensure that the Company is equally responsible to each group of stakeholders;
9. to consider the appointment of a person who has the qualifications and does not have prohibited character as prescribed under the Public Limited Company Act B.E. 2535 (1992) (as amended) and the Securities Act, as well as any relevant notifications, rules and/or regulations, to be a director in the event there is a vacancy on the Board due to any reason other than retirement by rotation, and to consider and approve the appointment of directors in replacement of directors retiring by rotation, and to determine the remuneration of directors as proposed by the Nomination and Remuneration Committee, before further submitting to a shareholders' meeting for approval;
10. to consider the appointment of subcommittees, e.g. the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, the Risk Management Committee or any other subcommittees, and to prescribe the power and responsibilities of such subcommittees in order to enhance the performance of the Board;
11. to prescribe and change the directors authorized to sign on behalf of and to bind the Company;
12. to consider the appointment of executives in accordance with the definition prescribed by the SEC or the Capital Market Supervisory Board and to appoint the Company's Secretary, and to consider the remuneration of the executives as proposed by the Nomination and Remuneration Committee;
13. to seek professional advice from third-party organizations if it is necessary to make a proper decision; and

14. to encourage the Company's directors and executives to participate in seminar courses conducted by the Thai Institute of Directors, in relation to duties and responsibilities of such directors and executives.

However, the Board, or its grantee, shall not approve transactions in which the Board or its grantee, or any person who may have any conflict of interest (as defined in the notification of the SEC or the Capital Market Supervisory Board) or may benefit in any manner which may give rise to a conflict with the Company or its subsidiaries, except where the approval of such transaction is consistent with the policy and criteria approved at a meeting of shareholders or Board meeting.

2. Audit Committee of the Company

As at December 31, 2012, the Audit Committee consists of the following 3 members¹ :

Name	Position
1. Mr. Nopporn Thepsithar	Chairman/Independent Director
2. Mr. Poolsak Tansitthipun	Member/Independent Director
3. Mr. Wiboon Rasmeepaisarn ²	Member/Independent Director

Remarks 1 At least one-third of the Board must be made up of independent directors and the Company must appoint at least 3 independent directors.
2 Mr. Rasmeepaisarn has sufficient knowledge and experience for auditing the reliability of the Company's financial statements.

Mr. Chatchawan Oupani is the secretary of the Audit Committee.

Membership Term

The term of directorship for the chairman and members of the Audit Committee is 3 years from the date of appointment. Any retiring member of the Audit Committee may be re-elected. In the case of a vacancy of director's office in the Audit Committee due to any reason other than retirement on rotation, the Board shall elect a candidate sufficiently qualified to be appointed as a member to ensure that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating director was entitled to remain in office.

Scope of power, duties and responsibility of the Audit Committee

The scope of power and duties of the Audit Committee are as follows :

1. to review and ensure that the Company provides a sufficient and accurate report of its financial statements;
2. to review and ensure that the Company has appropriate and efficient internal controls and internal audit systems, to consider the independence of the Internal Audit Bureau, and to approve the appointment, transfer and termination of employment of the Chief of Internal Audit Bureau or any other unit responsible for internal audit;

3. to review and ensure that the Company complies with securities and exchange laws, regulations of the SET and the laws relating to the Company's business ;
4. to consider, recruit and nominate an independent third-party to be the Company's auditor and to determine the auditor 's fee, as well as to hold at least 1 meeting per year with the auditor without participation of the management;
5. to consider and ensure that the Company's connected transactions or transactions that may result in conflicts of interest are in compliance with the law and the rules of the SET, and to ensure that such transactions are reasonable and in the best interest of the Company;
6. to prepare the Audit Committee's report which will be disclosed in the Company's annual report. The report must be signed by the chairman of the Audit Committee and shall contain at least the following details:
 - (a) opinion on the accuracy, completeness and reliability of the Company's financial report;
 - (b) opinion on the sufficiency of the Company's audit control system;
 - (c) opinion on compliance with securities and exchange laws, regulations of the SET and the laws relating to the Company's business;
 - (d) opinion on suitability of the auditor;
 - (e) opinion on transactions which may result in conflicts of interest;
 - (f) number of meetings held by the Audit Committee and the attendance records of each member of the Audit Committee;
 - (g) comments or overall remarks obtained by the Audit Committee from the performance under the Charter; and
 - (h) other matters of which the shareholders and general investors should be informed, to the extent of their duties and responsibilities, as assigned by the Board;
7. to perform any other activities as designated by the Board with the Audit Committee's approval;
8. if the Audit Committee, in the course of their duties, finds or is suspicious of 1 of the following transactions or actions which has significantly affected the Company's financial standing and operating results has occurred, the Audit Committee shall report that transaction or action to the Board such that any rectification will be made within the time that the Audit Committee deems appropriate:
 - (a) a transaction resulting in a conflict of interest;
 - (b) fraud or any major irregularity or defect in the Company's internal control system; or
 - (c) a violation of securities and exchange laws, regulations of the SET and the laws relating to the Company's business.

If the Board or Management fails to rectify the problem within the time as specified above, any 1 member of the Audit Committee may report to the SEC or the SET that a transaction or action as specified above has occurred; and

9. to revise and propose any amendments to the scope, duties and responsibilities of the Audit Committee to reflect the current situation.

3. Good Corporate Governance Committee of the Company

As at December 31, 2012, the Good Corporate Governance Committee consists of the following 3 members:

Name	Position
1. Dr. Narongchai Akrasanee *	Chairman
2. Mr. Nopporn Thepsithar	Member
3. Mr. Chanond Ruangkritya	Member

Remarks * He was appointed as the chairman of the Good Corporate Governance Committee by the Board of Directors Meeting No. 7/2012 on October 5, 2012.

Mr. Chatchawan Oupani is the secretary of the Good Corporate Governance Committee.

Membership Term

The term of directorship for the chairman and members of the Good Corporate Governance Committee is 2 years from the date of appointment. Any retiring member of the Good Corporate Governance Committee may be re-elected.

Scope of Power and Duties of the Good Corporate Governance Committee

The scope of power and duties of the Good Corporate Governance Committee are as follows:

1. to oversee and ensure that the organization performs and complies with principles of good corporate governance;
2. to consider and approve the action plans for enhancing good corporate governance practice in order to maintain and develop good corporate governance and to promote good corporate governance as the organization's culture by regularly communicating with and educating the directors, executives and employees of the Company;
3. to monitor the performance and activities in respect of corporate social responsibility and environmental responsibility;
4. to revise and update the Company's good corporate governance principles, the Articles of Association, the rules of the Board and the Committees, business ethics and the Employees' Code of Conduct to be suitable for the Company's business and to be in line with the practices of the SET, the SEC and the Capital Market Supervisory Board;
5. to set up guidelines for the report of compliance with good corporate governance principles in the Company's annual report; and
6. to consider and approve the public relations aspect of the Company's good corporate governance activities and the Company's policy of disclosure of information to the public, including the improvement in the dissemination of information on the Company's corporate governance on the Company's website in the future.

4. Executive Committee of the Company

As at December 31, 2012, the Executive Committee consists of the following 6 members:

Name	Position
1. Mr. Chanond Ruangkritya	Chairman
2. Mr. Tanyalak Nunthanavorasiri	Member
3. Miss Natthavipha Ruangkritya	Member
4. Miss Patcharavalai Ruangkritya	Member
5. Mr. Sermsak Khwanpuang	Member
6. Mrs. Muntana Aue-kitkarjorn	Member

Mrs. Uaanuj Liangsupree is the secretary of the Executive Committee.

Scope of Power and Duties of the Executive Committee

The scope of power and duties of the Executive Committee are as follows:

1. the Executive Committee is responsible for managing the Company's business in accordance with the objectives of the Company's business operations, provided that management of the Company's business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval;
2. prepare the vision, business strategies and direction, business policies, targets, guidelines, operational plans and the annual budget of the Company and its subsidiaries, and to present the same to the Board for approval;
3. to efficiently oversee and monitor the Company's operations in accordance with the Company's management policies and guidelines as approved by the Board;
4. consider and approve specific matters or any action to be taken in the ordinary course of the Company's business within the amount or annual budget as approved by the Board and as authorized, provided that in taking such action, the Executive Committee shall not incur any liabilities or encumbrances exceeding Baht 100 million with a term of obligation of over 1 year (liabilities or encumbrances includes project finance facilities granted by financial institutions to the Company);
5. report the result of operations for the following matters within the following period of time to the Board:
 - (a) quarterly report of the Company's performance to be submitted within the timeframe prescribed by the SET;
 - (b) report of the auditor in respect of the Company's financial statements, including annual and quarterly financial statements, to be submitted within the timeframe prescribed by the SET; and
 - (c) other reports deemed to be appropriate by the Executive Committee;
6. to consider and approve any action to be taken at each meeting of the Executive Committee, where a quorum shall be constituted when not less than half of all the members of the Executive Committee are present at such meeting;

7. at each meeting of the Executive Committee, each member of the Executive Committee has 1 vote. In the event that there is a tied vote, the chairman of the Executive Committee has a casting vote;
8. any resolution approved by the Executive Committee shall be passed by a simple majority of all the members in attendance;
9. meetings of the Executive Committee shall be held as deemed necessary and appropriate. Apart from regular meetings, any member of the Executive Committee may call for a special meeting, provided that advance notice of such meeting shall be delivered to the other members to allow reasonable time for the members to consider the meeting agendas;
10. the Executive Committee may establish working groups and/or appoint any person to review the matters proposed to the Executive Committee, or to take any action which will benefit the performance of duties of the Executive Committee, or to take any action on behalf of the Executive Committee, to the extent of the power granted to the Executive Committee; and
11. to authorize and/or sub-authorize a third party to take specific action on its behalf. Such authorization or sub-authorization shall be subject to the powers specified in the Power of Attorney given and/or in accordance with regulations, rules or orders prescribed by the Board. The authorization or sub-authorization of powers, duties and responsibilities of the Executive Committee shall not allow the Executive Committee or its authorized person to approve any transactions in which the Executive Committee or its authorized person may have any conflict of interest (as defined in the notification of the Capital Market Supervisory Board or the SEC) or who may benefit in any manner which may give rise to conflicts of interest with the Company or its subsidiaries

5. Nomination and Remuneration Committee of the Company

As at December 31, 2012, the Nomination and Remuneration Committee consists of the following 3 members:

Name	Position
1. Dr. Narongchai Akrasanee ¹	Chairman
2. Mr. Nopporn Thepsithar ²	Member
3. Mr. Wiboon Rasmeepaisarn	Member

Remarks 1 Appointed as chairman at the Board of Directors Meeting No. 7/2012 on October 5, 2012 to replace Mr. Pongsathorn Siriyodhin.
2 Appointed as member at the Board of Directors Meeting No. 1/2012 on February 28, 2012.

Mr. Garan Suwatanariroj is the secretary of the Nomination and Remuneration Committee.

Membership Term

The term of directorship for the chairman and members of the Nomination and Remuneration Committee is 2 years from the date of appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected

Scope of Power and Duties of the Nomination and Remuneration Committee

The scope of power and duties of the Nomination and Remuneration Committee are as follows:

1. to consider the policies and criteria in nominating persons whose qualifications are appropriate for holding office as directors and key executives, and to select and propose the names of persons having appropriate qualification during a Board meeting and/or a shareholders' meeting for appointment as the Company's directors and key executives;
2. to review the policies and criteria in respect of the remuneration and benefits of the Company's directors and key executives; and
3. to advise the Board in respect of remuneration of directors and key executives prior to submitting a proposal during a Board meeting and/or a shareholders' meeting for further approval. The Board will approve the remuneration and benefits for the key executives while shareholders will approve the remuneration and benefits for the Company's directors.

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6. Risk Management Committee of the Company

As at December 31, 2012, the Risk Management Committee consists of the following 5 members:

Name	Position
1. Mr. Nopporn Thepsithar	Chairman
2. Mr. Poolsak Tansitthipun	Member
3. Mr. Tanyalak Nunthanavorasiri	Member
4. Mr. Sermsak Khwanpuang	Member
5. Miss Natthavipha Ruangkritya	Member

Mrs. Umaporn Kittipoomwong is the secretary of the Risk Management Committee.

Membership Term

The term of directorship for the chairman and members of the Risk Management Committee is 2 years from the date of appointment. Any retiring member of the Risk Management Committee may be re - elected.

Scope of Power and Duties of the Risk Management Committee

The scope of power and duties of the Risk Management Committee are as follows:

1. to consider the policies and risk management framework before proposing them to the Board for approval;
2. to monitor the development of a risk management framework;
3. to monitor risk indication and assessment procedures;

4. to assess risk management plans, before proposing them to the Board for approval;
5. to report to the Board in respect of risks and risk management; and
6. to communicate with the Audit Committee in respect of major risks.

7. Company's Executives

As at December 31, 2012, the Executives consist of the following 4 members:

Name	Position
1. Mr. Chanond Ruangkritya	Chief Executive Officer and President Chief Business Development Officer
2. Mr. Tanyalak Nunthanavorasiri	Chief Operations Officer
3. Mr. Sermsak Khwanpuang	Chief Investment Officer
4. Mrs. Muntana Aue-Kitkarjorn	Chief Financial Officer

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Scope of Power and Duties of Chief Executive Officer and President

The scope of power and duties of Chief Executive Officer and President are as follows:

1. the Chief Executive Officer is responsible for the overall and/or day-to-day operations of the Company's business in accordance with the Company's objectives, provided that the management of the Company's business shall be subject to the policies, rules or orders prescribed by the Board and/or the Executive Committee;
2. to propose the vision, business strategies and direction, business policies, targets, guidelines, operational plans and the annual budget of the Company and subsidiaries to the Executive Committee so that the same will be further presented to the Board, and to consider the aforesaid matters with the Executive Committee and/or the Board;
3. to consider and approve specific matters or any action to be taken in the ordinary course of the Company's business within the amount or annual budget as approved by the Board and to extent of the authorization granted, provided that, in taking such action, the Chief Executive Officer shall not incur any liabilities or encumbrances in an amount exceeding Baht 50 million with a term of obligation over 1 year (liabilities and encumbrances include project finance facilities granted by financial institutions to the Company);
4. to put forward major matters to the Executive Committee, the Board or the shareholders' meeting for approval or for any other action to be taken as may be appropriate;
5. to conduct any other affairs that may be assigned by the Board, the Executive Committee and/or at a shareholders' meeting;

6. to negotiate and review agreements or documents in relation to the ordinary business operations of the Company, advise and propose such matters to the Board and/or the Executive Committee and/or persons in charge of such matters for consideration, review and resolution.

However, the Chief Executive Officer and President shall not approve transactions in which the Chief Executive Officer and President, or any person may have a conflict of interest (as defined in the notification of the Capital Market Supervisory Board or the SEC) or benefit in any manner resulting in a conflict of interest with the Company or its subsidiaries.

8. Company's Secretary

The Board of Directors Meeting No. 11/2012 on November 23, 2012 resolved to approve the appointment of Miss Montira Kiatsunthorn to be the Company's Secretary in compliance with the requirements of the Securities Act.

The main duties of the Company's Secretary are to prepare and maintain the register of directors, notices of the Board meeting, minutes of the Board meeting, annual reports of the Company, notices to the shareholders' meeting and minutes of the shareholders' meeting, to keep the reports on conflicts of interest prepared by the directors or executives, to take any other action as required under the notifications of the Capital Market Supervisory Board and to deliver copies of reports on conflicts of interest under Section 89/14 prepared by the directors to the chairman of the Board and the chairman of the Audit Committee within 7 business days from the date on which the Company receives such reports.

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Scope of Power and Duties of the Company's Secretary

The scope of power and duties of the Company's Secretary are as follows:

1. to prepare and maintain the following documents:
 - (a) register of directors;
 - (b) notices to the Board meeting, minutes of the Board meeting and annual reports of the Company; and
 - (c) notices to the shareholders' meeting and minutes of the shareholders' meeting;
2. to maintain the reports on conflicts of interest prepared by directors or executives; and
3. to take any other action as required under the notifications of the Capital Market Supervisory Board.

Nomination of Directors and Executives

In selecting and appointing a person to be a director or an executive of the Company, the Nomination and Remuneration Committee shall be responsible for recruiting, selecting and nominating persons with appropriate qualifications to be presented to the Board and/or at a shareholders' meeting (as the case may be), provided that the person who is appointed as a director or executive of the Company shall have the qualifications prescribed under Section 68 of the Public Limited Company Act B.E. 2535 (1992) (as amended) and as does not have character prohibited under the notification of the SEC No. ThorChor. 24/2551 re: Prerequisites of Directors and Executives of Securities Issuer Companies (as amended). In addition, the Company will also consider a candidate's knowledge, ability and work experience.

The composition and appointment of the Board, the Audit Committee, the Good Corporate Governance Committee, the Executive Committee, the Nomination and Remuneration Committee and the Risk Management Committee can be summarized as follows:

Composition and Appointment of the Board

The Board shall consist of not less than 5 directors. Not less than half of the total number of directors shall be domiciled in Thailand. The directors may or may not be shareholders of the Company.

In appointing directors to the Board, the Nomination and Remuneration Committee is responsible for recruiting and selecting persons with the requisite knowledge, ability and experience related to business as well as majority shareholders of the Company who have business experience which will benefit the Company. However, the appointment of new directors shall be approved at a meeting of the Board and/or a shareholders' meeting (as the case may be). According to the Company's Articles of Association, the election of directors at a shareholders' meeting shall be in accordance with the following rules and procedures:

- (1) a shareholder shall have 1 vote per share;
- (2) each shareholder shall use all his or her votes to elect 1 or several persons as a director or directors. However, he or she may not divide his or her votes among multiple candidates; and
- (3) the persons who receive the most votes in ranking order will be elected as directors up to the number of directors the Company shall have or elect at that meeting. In the event that the persons being elected in subsequent order have equal votes but their election will exceed the number of directors required to be elected in that meeting, the chairman of the meeting shall have a casting vote.

At each annual general meeting of shareholders, one-third of all the present directors, or, if their number is not a multiple of 3, then the number of directors nearest to one-third shall retire from office. The directors retiring from office in the first and second years after registration of the Company shall be selected by means of drawing lots. In subsequent years, the director who has held office the longest shall retire. A retiring director is eligible for re-election.

Composition and Appointment of the Audit Committee

The Audit Committee shall consist of at least 3 independent directors. The term of membership is 3 years. The Company only nominates members of the Audit Committee/independent directors whose qualifications are in accordance with the notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued dated December 15, 2008 (as amended), as follows:

1. holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, including shares held by related persons of such independent director;
2. neither being nor having been directors participating in the management, employee, staff or advisor receiving a regular salary from the Company, or controlling person of the Company, parent company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons of the Company, unless the foregoing status has ended not less than 2 years prior to the date of filing an application with the Office of the SEC. However, such prohibited characteristic shall not include the case where an independent director used to be a government official or an advisor of a government unit which is a major shareholder or controlling person of the Company;
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including the spouse of child, executive, major shareholder, controlling person, or persons to be nominated as executive or controlling person of the Company or its subsidiaries;

4. neither having or used to have a business relationship with the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, in the manner which may interfere with his independent judgment, and neither being nor used to be indirect significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, unless the foregoing relationship has ended not less than 2 years prior to the date of filing an application with the Office of the SEC.

Such business relationships include commercial transactions made in the ordinary course of business, renting or leasing property, transactions in relation to assets or services, granting or receipt of financial support by receiving or giving loans, guarantees, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount equivalent to 3% or more of the Company's net tangible assets or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according, mutatis mutandis, the method for calculation of value of connected transactions under the notification of the Capital Market Supervisory Board governing rules on connected transactions. Moreover, in considering such indebtedness, it shall include the indebtedness incurred during the period of 1 year prior to the date on which the business relationship with the same person commences;

5. neither being nor having been the auditor of the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, and not being a significant shareholder, controlling person or partner of an audit firm carrying out the audit of the Company, the parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, unless the foregoing relationship has ended not less than 2 years prior to the date of filing an application with the Office of the SEC;
6. neither being nor having been a professional service provider, including legal advisor or financial advisor receiving fees exceeding Baht 2 million per annum from the Company, the parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, and not being a significant shareholder, controlling person or partner of such professional service provider, unless the foregoing relationship has ended not less than 2 years prior to the date of filing an application with the Office of the SEC;
7. not being a director appointed to be a representative of directors of the Company, major shareholder or shareholder who is a related person of the major shareholder;
8. not undertaking any business of similar nature to and which competes with the Company or its subsidiaries, or not being a significant partner in a partnership or being a director participating in management, employee, staff, advisor receiving a regular salary from or holding shares in a proportion exceeding 1% of the total number of shares with voting rights of another company operating a business of similar nature to and which competes with the Company or its subsidiaries;
9. not having any other characteristics which may prevent him or her from expressing an independent opinion on the Company's operations;
10. not being a director assigned by the Board to make decisions on business operations of the Company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons of the Company; and
11. not being a director of the Company's subsidiaries or a subsidiary in the same level which are listed.

In addition, at least 1 independent director of the Audit Committee must have sufficient knowledge and experience in accounting or finance to audit the reliability of the financial statements. The Company also considers other qualifications of the members of the Audit Committee, including among other things, business experience, specific expertise relating to business, and ethics.

The criteria and procedure of appointing members of the Audit Committee is similar to the criteria and procedure to appoint the Company's director. Any member of the Audit Committee retiring on rotation may be re-elected. In the case of a vacancy of member 's office in the Audit Committee by any reason other than a retirement on rotation, the Board shall elect a candidate who is well-qualified to be a member of the Audit Committee to ensure that the number of members of the Audit Committee is consistent with the requirement prescribed by the Board. The person so appointed shall remain in office for the same period of time as the vacating director was entitled to remain in office.

Composition and Appointment of the Good Corporate Governance Committee

The members of the Good Corporate Governance Committee are selected and appointed from candidates who have knowledge and experience in the area of good corporate governance. At least one third of all the members of the Good Corporate Governance Committee shall be independent directors.

The Good Corporate Governance Committee shall report directly to the Board. The term for the members of the Good Corporate Governance Committee is 2 years from the date of appointment. Any retiring member of the Good Corporate Governance Committee may be re-elected.

Composition and Appointment of the Executive Committee

The Board appoints the Executive Committee by selecting directors or key executives of the Company who are capable of managing the Company's regular business operations, set up policies, business plans, budgets, management structure and oversee and monitor the Company's operational results as per the policy set forth by the Board.

Composition and Appointment of the Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are selected and are ultimately appointed by the Board. At least one third of all the members of the Nomination and Remuneration Committee shall be independent directors.

The Nomination and Remuneration Committee shall report directly to the Board. The term for the members of the Nomination and Remuneration Committee is 2 years from the date of appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected.

Composition and Appointment of the Risk Management Committee

The members of the Risk Management Committee are selected and are ultimately appointed by the Board. At least 2 members of the Risk Management Committee shall be independent directors. The chairman should also be an independent director.

The Risk Management Committee reports directly to the Board. The term for the members of the Risk Management Committee is 2 years from the date of appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected.

Remuneration of the Board and Executives

Monetary Remuneration

Remuneration of the Board

The Company

Director Remuneration for the year 2012

Name of Director	Position	Attendance	Remuneration	Bonus
Mr. Pongsathorn Siriyodhin/1	Ex-Chairman	5/6	1,375,000	-
Dr. Narongchai Akrasanee	Chairman of the Board	5/7	475,000	-
Mr. Nopporn Thepsithar	Chairman of the Audit Committee/ Independent Director	9/13	525,000	-
Mr. Pornthep Srisa-arn/2	Director	5/6	25,000	-
Mr. Chanond Ruangkritya/3	Director	13/13	360,000	-
Miss Natthavipha Ruangkritya/3	Director	13/13	360,000	-
Mr. Tanyalak Nunthanavorasiri/4	Director	13/13	360,000	-
Miss Patcharavalai Ruangkritya/3	Director	13/13	360,000	-
Mr. Poolsak Tansitthipun	Member of Audit Committee/ Inde- pendent Director	11/13	415,000	-
Mr. Wiboon Rasmeepaisarn	Member of Audit Committee/ Inde- pendent Director	13/13	425,000	-
Total			4,680,000	-

- Remarks
- 1 Mr. Pongsathorn Siriyodhin received monthly remuneration of Baht 150,000 per month. He was appointed as chairman of the Company on October 5, 2011 and resigned on September 20, 2012.
 - 2 Mr. Pornthep Srisa-arn was appointed as a director of the Company on October 7, 2010 but refused to accept the meeting allowance and bonus for the year 2011. However, Mr. Pornthep Srisa-arn is a major shareholder in PYI Consulting Company Limited and in year 2011, PYI Consulting Company Limited received payment as an advisor amounting to Baht 10.5 million. The Company will pay a meeting allowance of Baht 40,000 per month to Mr. Pornthep Srisa-arn after the Company has been listed on the SET. Mr. Pornthep Srisa-arn had resigned on October 15, 2012.
 - 3 Mr. Chanond, Miss Natthavipha Ruangkritya and Miss Patcharavalai Ruangkritya received a monthly remuneration of Baht 40,000 per month from January 2008 to April 2011 and a monthly remuneration of Baht 30,000 per month from May 2011.
 - 4 Mr. Tanyalak Nunthanavorasiri received a monthly remuneration of Baht 20,000 per month from January 2008 to April 2011 and a monthly remuneration of Baht 30,000 per month from May 2011.

The remuneration for the Audit Committee was paid in from of salary which was 40,000 Bath per month for Chairman and 30,000 Bath per month for other members.

Remuneration for member of Audit Committee for the year 2012

Name of Director	Salary (Bath/Year)
Mr. Nopporn Thepsithar	480,000
Mr. Poolsak Tansitthipun	360,000
Mr. Wiboon Rasmeepaisarn	360,000

Remuneration of the Executives

The Company

The table below represents the details of remuneration of the executives of the Company for the year ended December 31, 2012.

Remuneration of the Executive for the year 2012

Type of Remuneration	No. of Executives	Amount (Baht)
Salary	4	19,439,800
Bonus	4	1,762,150
Operating Expense	4	-

Other Remuneration

None

Provident Funds

The Company has appointed Krung Thai Asset Management Public Company Limited as the fund manager of the Company's provident funds.

Good Corporate Governance

The Board has prioritized the compliance with principles of good corporate governance by highlighting the roles, duties and responsibility of the Board and the management in order to promote good corporate governance practices, increase the competitive potential of the business and create creditability for shareholders, investors and all stakeholders by managing the Company's business operations efficiently and transparently. The Company has therefore set up a good corporate governance policy which includes 5 major principles of good corporate governance as follows :

(1) Rights of Shareholders

The Company has prioritized the rights of shareholders by disseminating correct, complete, sufficient and timely information with respect to major changes that may affect the Company. In doing so, shareholders are able to make informed decisions. The Board has therefore set up the following policy:

- (1.1) the Company shall deliver the notice to convene a shareholders' meeting together with sufficient supporting information 14 days prior to the date of the shareholders' meeting, specifying the objectives, reasons and opinions of the Directors with respect to each meeting agenda so as to provide every shareholder the opportunity to assess the information in advance. In the event that any shareholder cannot attend the meeting, the Company will provide the opportunity to such shareholder to appoint independent directors or any third party as his/her proxy to attend the meeting on his/her behalf by using the proxy form enclosed with the notice to the meeting;
- (1.2) the Company has a policy to facilitate attendance of the shareholders by choosing an accessible venue for the shareholders' meeting. Additionally, an appropriate time and day will be considered, with adequate time being allocated for the meeting. A map of the meeting venue will also be enclosed in the notice to the meeting;
- (1.3) prior to the commencement of the shareholders' meeting, the Company will announce the voting and commenting/questioning procedures for each item on the agenda. During the meeting, each shareholder will be provided equal opportunity to comment or raise questions in the meeting. The chairman of the Board will allocate time appropriately to each shareholder. The directors and relevant executives will attend the shareholders' meeting in order to answer the questions raised therein;
- (1.4) the Company disseminates additional information and news in relation to the shareholders' meeting to the shareholders through the Company's website. Information, news and details, such as the notice to the shareholders' meeting, will be posted on the Company's website in advance so that shareholders may download the meeting agenda at their convenience and have sufficient time to study information relating to the meeting. Hard copies of information relating to the shareholders' meeting is nonetheless delivered to shareholders;
- (1.5) the Company will ensure that minutes of the shareholders' meeting are completely and correctly recorded and include questions and major comments therein. The Company also retains a video recording of the meeting. The Company will then publish minutes of the shareholders' meeting on the Company's website for shareholders review, and deliver the minutes to the SET within 14 days from the date of the meeting; and
- (1.6) to facilitate the payment of dividends to shareholders, dividend payments are transferred directly to the shareholders' bank accounts so that shareholders will receive the dividends on time and do not suffer the risk of loss, defective or late delivery of checks.

(2) Equitable Treatment of Shareholders

To ensure that shareholders are treated equitably, the Board has set up the following policy:

- (2.1) to facilitate procedures for minority shareholders to nominate candidates for directorship or propose additional agenda prior to a shareholders' meeting;
- (2.2) to set up clear requirements for considering additional agenda proposed by minority shareholders and procedures for minority shareholders to nominate candidates for directorships;

(2.3) in a shareholders' meeting, the matters will be considered and voted on based on the agenda that was previously determined without changing any important information or adding unannounced meeting agendas during the meeting;

(2.4) in order to assist shareholders who are unable to attend the meeting in person, such shareholders may appoint any person or an independent director as his/her proxy to attend the meeting and vote on his/her behalf. The names of the independent directors who can be authorized as proxies will be listed in the notice to the shareholders' meeting;

(2.5) to treat all the shareholders equally, regardless of whether they are majority, minority, Thai or foreign shareholders;

(2.6) to promote the use of ballot cards for each meeting agenda in order to ensure transparency and accountability in the event of a subsequent dispute. During the election of directors, the shareholders may vote to elect each director individually; and

(2.7) to provide written guidelines to keep and protect the use of insider information and disseminate such guidelines to everyone in the Company for compliance, as well as require each director and executive, who has a duty to report his/her securities possession under the law, to submit such report to the Board.

(3) Roles of Stakeholders

The Company recognizes the rights of each group of stakeholders: internal stakeholders, which include shareholders and employees, external stakeholders, which include customers, business partners, creditors, competitors, the public sector and other organizations, as well as relevant neighboring communities which have supported the Company in its bid to enhance its competitive potential and profitability. The following policy shall be deemed as a long-term value-adding goal of the Company:

(3.1) Treatment of and responsibility to shareholders

The Company realizes that the shareholders are the owners of the business and that the Company has a duty to create value for the shareholders in the long-term. The Company therefore requires its employees to perform their duties based on the following guidelines:

3.1.1 to perform their fiduciary duties and make decisions carefully for the equal benefit of each shareholder and the shareholders as a whole;

3.1.2 to oversee that the operations are in order so as to ensure that the Company has good financial standing and operating results and to present the Company's reports on its overall situation, operating results, financial and accounting standing and other reports regularly and accurately;

3.1.3 to report to the shareholders on the future trends of the Company, both positive and negative based on projections, with the relevant supporting information and reasoning;

3.1.4 not to seek any benefit for itself or other persons by using the Company's information which has not been publicly disclosed and not to take any action in a manner which may give rise to conflicts of interest; and

3.1.5 the Company shall treat each shareholder equally at a shareholders' meeting

(3.2) Compliance with laws, regulations and rules issued by the Government In operating its business, the Company has prioritized compliance with laws, regulations, rules issued by the government authorities. In particular, the Company will avoid any action which may result in the relevant government authorities or officials taking action against the Company and it will focus on building good relationships with them in an appropriate and permitted manner, such as having discussions in public places as well as greetings on special occasions and festivals. The Company's practice on this matter is as follows:

3.2.1 to be as accurate as possible when contacting government officials or authorities; and

3.2.2 to be aware of the fact that the laws, regulations or rules of each government authority may contain different conditions, processes or procedures with which the Company shall acknowledge and strictly comply with.

(3.3) Treatment of and responsibility to Employees

The Company is aware that its employees are the most valuable asset of the Company and are crucial to achieve the Company's goals. The Company has therefore set up the following policy of fair treatment with respect to opportunities, remuneration, appointment, transfer and capacity enhancement:

3.3.1 to treat each employee with respect for their honor, dignity and right of privacy;

3.3.2 to keep the working environment safe for employees' lives and property;

3.3.3 the appointment, transfer, reward and punishment of any employee shall be done based on good faith and the knowledge, capacity and suitability of such employees;

3.3.4 to prioritize knowledge and capacity enhancements of employees by offering them continuous improvement programs which include training, seminars and workshops;

3.3.5 to provide fair remuneration to employees based on market conditions, business competition, nature of business, operating results and the Company's financial standing;

3.3.6 to avoid any unfair action that may affect the employment stability of employees; and

3.3.7 to provide each employee with opportunities to give suggestions or raise complaints with respect to their work and to devise viable solutions thereafter so as to benefit each party and establish good relationships in the work place.

(3.4) Treatment of and Responsibility to Customers

The Company focuses on the development of real estate and intends to create, present and manage its products and services to its customers at a high standard. Accordingly, the following policies have been put in place:

3.4.1 to supply and develop products and services which respond to customers' needs;

3.4.2 to deliver products and services of a high quality and under fair conditions;

3.4.3 to provide correct and sufficient information in respect of products and services such that customers will be able to make informed decisions, and not to exaggerate in advertisements or communications with customers in such a way that customers may be misled in relation to the quality, quantity or conditions of products and services provided;

3.4.4 to establish a procedure allowing customers to register complaints, such that the Company can resolve problems for customers in a timely manner and use such information to improve or develop its products and services in the future; and

3.4.5 to maintain customer confidentiality and not disclose or misuse such information.

(3.5) Treatment of and responsibility to the Company's Business Partners and Contractual Parties

The Company treats its business partners and contracting parties equally, especially those which the Company deems to be instrumental to the success of the Company's business, such that all parties may mutually benefit, under the following practice:

3.5.1 the Company intends to supply its products and services efficiently under the following principles:

- to compete based on equal information obtained;
- to put in place guidelines in relation to assessment and selection of business partners and contractual parties;
- to prepare contracts that are fair to both parties;
- to set up a management and monitoring system to ensure compliance with the conditions of the contracts and to prevent any irregularity at each step of the supply chain; and
- to make payment to business partners and contractual parties on time and on the basis of the agreed conditions of payment;

3.5.2 the Company is focused on developing and maintaining sustainable relationships with its business partners and contracting parties by having clear objectives on the quality of products and services rendered, based on both monetary value and mutual trust;

3.5.3 to prohibit executives and employees from directly or indirectly receiving any personal benefit from the Company's business partners and contracting counterparts; and

3.5.4 not to use the information obtained from any procurement process for personal benefit or to benefit other persons.

(3.6) Treatment of and Responsibility to Creditors

The Company operates its business under the following principles as part of its assurance to creditors:

3.6.1 to strictly comply with the conditions stipulated under contracts or as agreed; and

3.6.2 the Company will inform its creditors in advance to jointly consider a solution in the event it is unable to comply with the agreed conditions.

(3.7) Treatment of and Responsibility to Competitors

The Company operates its business with the goal of achieving long term sustainability, and to become a leading company in the real estate industry based on fair and equal competition by adhering to the following practice:

3.7.1 to compete with other real estate development companies within the framework of healthy competition;

3.7.2 not to seek the confidential information of its competitors by fraudulent or inappropriate methods in order to benefit the Company's business operations;

3.73 not damage the reputation of its competitors; and

3.74 not to take any action which infringes the intellectual property rights of the Company's competitors or other persons.

(3.8) Responsibility to Society

The Company is aware of its place in society and is keen to promote sustainable growth in relation to society and the environment. The Company, in accordance with its corporate social responsibility policy, has continuously undertaken the following, in line with its business operations:

3.81 to operate its business with the goal of protecting the environment and to strictly comply with applicable environmental laws and rules;

3.82 To have a clear corporate social responsibility policy to be complied with by everyone within the Company;

3.83 to encourage the Company's employees to be conscious of and responsible to the environment and society;

3.84 to respect traditions, customs and cultures of each area in which the Company has business operations;

3.85 to participate in activities, either organized by itself or in cooperation with the public, private and community sectors to help improve society, the quality of life in the community and the environment in areas where the Company's business operations are located;

3.86 to cooperate with the communities and the activities they partake in areas where the Company's business operations are located, where appropriate; and

3.87 to respond efficiently and in a timely manner to any incident which is caused by the Company's business operations and which affects the community and environment by fully cooperating with the relevant authorities and agencies.

Any stakeholder may make inquiries, raise complaints or provide information on any violation of law, inaccuracy in the financial reports, defective internal control system or violation of business ethics of the Company to any independent director or member of the Audit Committee. The complaints and information received will be kept confidential. The member of the Audit Committee will then direct an investigation into such matter, seek a solution thereto (if possible) and deliver a report to the Board.

(4) Disclosure of Information and Transparency

(4.1) The Board ensures that it discloses financial information and other information in relation to the business and operating results of the Company in a correct, complete, regular, timely fashion, reflecting the Company's actual financial and operating standing and business outlook.

(4.2) The Board oversees the strict compliance with laws, rules and regulations in relation to transparency, disclosure and dissemination of information, both in the Thai and English language on the Company's website, through mass media and the channels of the SET for the information of shareholders and other relevant persons. The Board will also revise and amend the dissemination of information in line with the requirements prescribed by the SET and the Office of the SEC.

(4.3) The Company assigns investor relations officers to contact investors and shareholders. The Company regularly holds meetings to analyze the Company's performance and disseminate information such as financial and general information to shareholders, securities analysts, credit rating companies and relevant authorities through various channels such as reports submitted to the SET and the Office of the SEC as well as the Company's website. In addition, the Company also regularly discloses information both in the Thai and English language on the Company's website for its shareholders' information. The information on the Company's website is regularly updated and contains the Company's vision, mission statement, financial statements, public relations news, annual reports and information on the shareholding structure of the Company, its executives and majority shareholders.

(4.4) The Company focuses on the generation of financial reports which accurately and correctly represent the financial and operating standing of the Company, based on accounting information in accordance with general acceptable accounting principles.

(4.5) The Company will disclose information with regard to each director and their respective roles and duties, the various committees and information such as the number of meetings held, the attendance records of each director in the past year and the remuneration of directors and key executives in the Company's annual report (Form 56-2) and annual registration statement (Form 56-1).

(5) Responsibility of the Board

The Board is responsible to shareholders in respect of the conduct of the Company's business operations as well as compliance with the law, the Company's Articles of Association and resolutions of shareholders' meetings.

(5.1) Responsibility of the Board – Structure and Committees

(5.1.1) Board

(1) Composition of Board

The Board consists of individuals with appropriate knowledge, ability and experience in operating a business. The Board is responsible for prescribing the policies, vision, strategy, targets, mission statement, business plans and budgets of the Company. The Board also oversees the management to ensure that their duties are performed efficiently and effectively in accordance with the Company's policies, objectives, Articles of Association, legal framework, resolutions of the Board and shareholders' meeting with responsibility, honesty, care and are subject to principles of good practice to achieve maximum economic value and stability to the Company's business and the shareholders.

Pursuant to the Articles of Association, the Board shall consist of at least 9 directors, one-third or more of whom shall be independent. The independent directors shall possess the full qualifications as prescribed in the notifications of the Capital Market Supervisory Board and the SET. At least half (1/2) of the total number of directors shall be domiciled in Thailand.

Each director can independently perform his/her duties and exercise his/her discretion in making a decision. Each director is free to raise questions, comment on or object to any perceived conflict which may have a detrimental effect on the shareholders or stakeholders.

(2) Term of directorship

At each annual general meeting of shareholders, one-third of all the present directors or, if their number is not a multiple of 3, then the number of directors nearest to one-third of the total board composition, shall retire from office. The directors retiring from office in the first and second years after registration of the Company shall be selected by means of drawing lots. In subsequent years, the director who has held office the longest shall retire. A retiring director is eligible for re-election.

Apart from retiring on rotation, the directorship may be terminated by:

1. death;
2. resignation;
3. lack of qualification or being disqualified under the law;
4. a shareholders' meeting resolved to terminate a particular director's directorship. A voting majority of not less than three quarters of shareholders with voting rights present, corresponding to not less than half of the shares held by the shareholders with voting rights present, must be obtained; or
5. termination under order of a court in Thailand.

(3) Qualification of Independent Directors

The following sets out the qualifications of independent directors as prescribed by the Board in accordance with the relevant notifications of the Capital Market Supervisory Board:

1. holding shares not exceeding 1.0% of the total number of shares with voting rights of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, including shares held by related persons of such independent director;
2. neither being nor having been directors participating in the management, employees, staff or advisor receiving a regular salary from the Company, or controlling person of the Company, parent company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons of the Company, unless the foregoing status has ended not less than 2 years prior to the date of filing an application with the Office of the SEC. However, such prohibited characteristic shall not include the case where an independent director used to be a government official or an advisor of a government unit which is a major shareholder or controlling person of the Company;
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including the spouse of child, executive, major shareholder, controlling person, or persons to be nominated as executive or controlling person of the Company or its subsidiaries;
4. neither having or used to have a business relationship with the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, in the manner which may interfere with his independent judgment, and neither being nor used to be indirect significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, unless the foregoing relationship has ended not less than 2 years.

Such business relationships include commercial transactions made in the ordinary course of business, renting or leasing property, transactions in relation to assets or services, granting or receipt of financial support by receiving or giving loans, guarantees, providing assets as

collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount equivalent to 3% or more of the Company's net tangible assets or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according, mutatis mutandis, the method for calculation of value of connected transactions under the notification of the Capital Market Supervisory Board governing rules on connected transactions. Moreover, in considering such indebtedness, it shall include the indebtedness incurred during the period of 1 year prior to the date on which the business relationship with the same person commences;

5. neither being nor having been the auditor of the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, and not being a significant shareholder, controlling person or partner of an audit firm carrying out the audit of the Company, the parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, unless the foregoing relationship has ended not less than 2 years prior to the date of filing an application with the Office of the SEC;
6. neither being nor having been a professional service provider, including legal advisor or financial advisor receiving fees exceeding Baht 2 million per annum from the Company, the parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, and not being a significant shareholder, controlling person or partner of such professional service provider, unless the foregoing relationship has ended not less than 2 years prior to the date of filing an application with the Office of the SEC;
7. not being a director appointed to be a representative of directors of the Company, major shareholder or shareholder who is a related person of the major shareholder;
8. not undertaking any business of similar nature to and which competes with the Company or its subsidiaries, or not being a significant partner in a partnership or being a director participating in management, employee, staff, advisor receiving a regular salary from or holding shares in a proportion exceeding 1% of the total number of shares with voting rights of another company operating a business of similar nature to and which competes with the Company or its subsidiaries; and
9. not having any other characteristics which may prevent him or her from expressing an independent opinion on the Company's operations.

(4) Chairman of the Board

The chairman of the Board must have requisite knowledge, ability, experience and appropriate qualifications before he is appointed. The chairman of the Board is responsible for leading the Board and chairs meetings of the Board and shareholders. The chairman of the Board shall be liable to the Board in managing the Company in accordance with the guidelines and policies of the Board.

(5) Nomination of Directors

In nominating directors, the Company seeks out persons who have adequate knowledge, ability, experience, good working records, leadership qualities, farsightedness, morality, ethics and attitude. Such persons must dedicate adequate time to oversee the Company's business operations and have appropriate qualifications suitable to the Company's business strategy. The nomination process shall be both transparent and credible to the shareholders.

(6) Company's Secretary

The Company's Secretary is appointed by the Board and possesses the duties and responsibility as specified in the scope of power, duties and responsibility of the Company's Secretary.

5.12 Committees

The Board appoints certain directors to form committees for the performance of specific duties. The term of membership within the committees shall be the same as that of the Board.

The Board has a policy of appointing 5 committees, namely, the Audit Committee, the Executive Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Good Corporate Governance Committee.

(1) Audit Committee: consists of 3 or more independent directors, who are given powers and responsibilities within the scope of power, duties and responsibilities of the Audit Committee.

Qualification of the members of the Audit Committee:

1. appointed by the Board or during a shareholders' meeting;
2. each member of the Audit Committee shall be an independent director of the Company;
3. cannot be a director assigned by the Board to make any decision on the business operation of the Company, the parent company, subsidiaries, associates, majority shareholders or controlling persons of the Company;
4. cannot be a director of the parent company, subsidiary company or a subsidiary company which is listed;
5. have duties as specified in the notification of the SET governing qualification and scope of performance of the Audit Committee;
6. have sufficient knowledge and experience to perform duties as a member of the Audit Committee, provided that at least 1 member of the Audit Committee shall have sufficient knowledge and experience for auditing the reliability of financial statements;
7. the Board appoints the chairman of the Audit Committee or the appointed members of the Audit Committee elect 1 member among them to be the chairman of the Audit Committee; and
8. the director of Internal Audit Bureau of the Company shall act as the secretary of the Audit Committee.

(2) Executive Committee: consists of 6 members, who are given powers and responsibilities within the scope of power, duties and responsibilities of the Executive Committee.

(3) Risk Management Committee: consists of 5 members of whom at least 2 shall be independent directors, who are given powers and responsibilities within the scope of power, duties and responsibilities of the Risk Management Committee.

(4) Nomination and Remuneration Committee: consists of 4 members of whom at least 1 shall be an independent director, who are given powers and responsibilities within the scope of power, duties and responsibilities the Nomination and Remuneration Committee.

(5) Good Corporate Governance Committee: consists of 3 members of whom at least 1 shall be an independent director, who are given powers and responsibilities within the scope of power, duties and responsibilities of the Good Corporate Governance Committee.

(5.2) Responsibility of the Board – Roles, Duties and Responsibility

In overseeing the Company's business operations, apart from ensuring that business operations are in accordance with the law, the Company's objectives, Articles of Association, as well as the resolutions of the shareholders' meeting, the Board prescribes its own roles, duties and responsibilities.

(5.3) Responsibility of the Board – meeting of the Board

The Company's requirements for a meeting of the Board are as follows:

- (1) The Board shall hold a meeting at least once every 3 months and hold additional special meetings as and when necessary. The notice of the meeting shall be given to the directors at least 7 days prior to the date of such meeting, and at least half of the total number of directors shall attend such meeting to constitute a quorum.
- (2) The agenda for the meeting shall be clearly specified. The chairman of the Board and the Chief Executive Officer should jointly consider and select the matters to be form the meeting agenda. The Company's Secretary shall ensure that the directors obtain the relevant documents prior to the meeting to allow sufficient time to study and consider the matters.
- (3) The Board shall receive all necessary information in a timely fashion prior to each meeting. The directors may directly and independently contact the Company's Secretary to obtain additional information as necessary. The Company's Secretary has a duty to comply with all applicable laws and regulations in this regard.
- (4) The chairman of the Board shall allocate sufficient time for the Management to present documents or information for discussion. Each director is encouraged to express his/her opinion prior to the conclusion of the meeting.
- (5) The Board should provide opportunities to non-executive directors to hold their own meetings, without participation by the management, as may be appropriate in order to discuss issues pertaining to the man agement. The results of such meetings should be presented to the Chief Executive Officer.
- (6) The Board encourages the Chief Executive Officer and President to invite key executives to attend Board meetings. This will allow the key executives to provide intimate details of the Company's business operations to the Board and establish close relationships with them. In addition, succession plans may be discussed.
- (7) As the meeting progresses, directors who have or may have conflicts of interest in respect of any item on the agenda shall abstain from voting and must leave the meeting when the item is being deliberated.

- (8) Records of each meeting must be made in writing and kept. The minutes shall be certified by the Board and be made available for examination by the Board and related persons subsequently.

(5.4) Responsibility of the Board – Self-Assessment

After the Company has been listed on the SET, the Board shall assess their own performance for the previous year on an annual basis in order to improve their work efficiency in the future.

(5.5) Responsibility of the Board – Remuneration of Directors

The Board prescribed that the Nomination and Remuneration Committee shall consider and propose the criteria to determine the remuneration of directors, with such determination of remuneration to be approved at a shareholders' meeting. The criteria for determining the remuneration of directors is as follows:

- (1) the Company's operating results and size of business in comparison with the remuneration of directors of other companies listed on the SET having similar type and size of business;
- (2) experience, roles, duties and scope of responsibility of each director;
- (3) benefit to be obtained by the Company based on the contribution of that director; and
- (4) the remuneration must be able to attract individuals who possess requisite qualifications to join the Company as a director or an executive, depending on the Company's situation and requirements.

(5.6) Responsibility of the Board – Development Scheme for Directors and Executives

The Board has a policy to promote, train and educate directors, members of the Audit Committee and executives in relation to good corporate governance. In the event there is a change of directors or if new directors are appointed, the management will provide the new directors with documents and information which will introduce them to the nature of the Company's business and the Company's business operation strategy and ultimately aid them in carrying out their duties.

Each of the Company's directors has been trained by the Thai Institute of Directors: some directors have passed the Director Accreditation Program ("DAP") while others have passed the Director Certification Program ("DCP") from the said institution.

Currently, the Company has no development and succession plan. Following the Company's listing on the SET, the Company will consider the implementation of such plan if the need arises.

(5.7) Responsibility of the Board – Internal Control

The Board shall ensure that the Company has an internal control system covering finance and operations which is in line with the relevant laws, rules and regulations, and ensure that there are effective checks and balances mechanisms to protect and maintain the Company's assets. The Company has implemented chains of command for approvals in this regard, and it is the responsibility of executives and employees to ensure that such checks and balances are adhered to. The Company shall also reduce its operating regulations into writing and establish an independent Internal Audit Bureau to assess the performance of each operating unit against the regulations. The assessment of efficiency and sufficiency of the internal control of each operating unit shall also be conducted.

(5.8) Responsibility of the Board – Internal Information

The Board recognizes the importance of good corporate governance. In order to ensure transparency and prevent the misuse of the Company's internal, non-public information for personal benefit, the Company has set out an internal information policy restricting the use of the Company's information.

(5.9) Responsibility of the Board – Annual Report

The Board is responsible for the Company's financial statements as well as financial information which appear in the annual report. The financial statements are prepared in accordance with generally accepted accounting principles of Thailand. The Company has applied suitable accounting policies on a consistent basis and has exercised careful judgment to ensure sufficient disclosure of important information in the notes to the financial statements. The Board has also appointed the Audit Committee to be responsible in ensuring the quality of the Company's financial reports and to provide any opinions it may have to the Board.

Supervision of Usage of Internal Information

The Company has the following policy prohibiting directors and executives from using internal, non-public information for personal benefit and for securities trading:

1. The Company has informed its directors, executives and persons holding managerial positions, including their equivalents or higher in the accounting and finance departments of their obligation to prepare and submit reports disclosing the possession of securities in respect of themselves, their spouse and minor children, to the Office of the SEC pursuant to Section 59 of the Securities Act. They have also been informed of the corresponding penalties set out in Section 275 of the Securities Act.
2. The Company requires its directors, executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments to prepare and submit reports disclosing the possession of securities in respect of themselves, their spouse and child to the Company's Secretary prior to their submission of the same to the SEC. The report shall be prepared and submitted within 30 days of the date of appointment of the director or executive. Any change in possession of securities is to be reported within 3 working days from the date of the purchase, sale, transfer or receipt of transfer of securities.
3. The Company requires its directors, executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments and relevant operators who have access to internal information which may materially affect the share price of the Company, to avoid trading of the Company's securities for a specified period before the disclosure of financial statements or the status or financial condition of the Company, or until the Company has disclosed such information to the public. The Company will provide notification in writing to its directors, executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, at least 30 days prior to the disclosure of such information to the public, not to trade in the Company's securities until at least 24 hours after such disclosure. The Company also requires such material information not to be disclosed to any third party.

Should it be determined that the above rules were breached for personal benefit, the disciplinary sanctions imposed by the Company may vary from a written reprimand, wage reduction, suspension of work without pay or termination of employment. The severity of the sanction imposed shall be determined based on whether the breach was intended and the severity of the misconduct.

PRESIDENT, DIRECTORS AND EXECUTIVE MANAGEMENT BACKGROUND

Details of Directors, Executives, and Controlling Persons of the Company and its subsidiaries
Details of Directors and Controlling Persons of the Company and its subsidiaries

1. Dr. Narongchai Akrasanee

appointed on October 5, 2012

Age 67 Years

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Education

- Doctor of Economics, Johns Hopkins University, U.S.A.
- Master of Economics, Johns Hopkins University, U.S.A.
- Bachelor of Economics, University of Western Australia, Australia
- Director Accreditation Program 5/2003, Thai Institute of Directors

Work Experiences

2012 - present

- Chairman of the Board of Directors, Independent Director, Chairman of Corporate Governance Committee, and Chairman of Nomination and Compensation Committee Ananda Development Public Company Limited

2012 - present

- Independent Director and Chairman of Audit Committee Malee Sampran Public Company Limited

2011- present

- Qualified Director. Monetary Policy Committee, Bank of Thailand

2010 - present

- Chairman of the Board (Thailand) Pacific Economic Cooperation Council

2009 - present

- Director Office of the National Economic and Social Development Board

2007 - present

- Director FPRI Advisory Co., Ltd.

2007 - present

- Director Toscana Valley Country Club Co., Ltd.

2006 - present

- Member of Council Khon Kaen University

- 2006 - present**
 - Vice-Chairman of the Board of Directors
Thai - German Products Public Company Limited
- 2005 - present**
 - Chairman of the Board of Directors
General Outsourcing Co., Ltd.
- 2004 - present**
 - Chairman of the Board of Operating Directors and Vice-Chairman of the Council
Mekong Institute
- 2004 - present**
 - Chairman of the Board of Directors
MFC Securities Public Company Limited
- 2003 - present**
 - Chairman of the Board of Directors and Independent Director
Brooker Group Public Company Limited
- 2002 - present**
 - Member of Honorary Advisory Board
Fiscal Policy Research Institute Foundation
- 1997 - present**
 - Chairman of the Board of Directors
Seranee Holdings Co., Ltd.
- 1984 - present**
 - Member of the Board of Directors and Director of Council
Thailand Development Research Institute Foundation

Proportion of Shareholding in the Company (%)

None

Family Relationship between Directors and Executives

None

2. Mr. Noppom Thepsithar

Age 59 Years

Education

- Bachelor of Engineering in Electrical Engineering, Chulalongkorn University
- Audit Committee Program Class 14/2006, Thai Institute of Directors
- Director Certification Program Class 62/2005, Thai Institute of Directors
- Director Accreditation Program Class 43/2005, Thai Institute of Directors
- Finance for Non-Finance Director Program Class 21/2005, Thai Institute of Directors

Work Experiences

- 2012 - present**
- Vice-Chairman of the Board of Directors, Independent Directors, Chairman of Audit Committee, Member of Corporate Governance Committee, Chairman of Risk Management Committee, and Member of Nomination and Compensation Committee
Ananda Development Public Company Limited
- 2005 - present**
- Independent Director and Chairman of Audit Committee
Union Petrochemical Public Company Limited
- 2004 - 2011**
- Senior Vice President –Logistics & Exports
Siam City Cement Public Company Limited

Proportion of Shareholding in the Company (%)

None

Family Relationship between Directors and Executives

None

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3. Mr. Poolsak Tansitthipun

Age 54 Years

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Laws, Ramkamheang University
- Director Accreditation Program Class 50/2006, Thai Institute of Directors
- Audit Committee Program Class 31/2010, Thai Institute of Directors
- Director Certification Program Class 144/2011, Thai Institute of Directors

Work Experiences

- 2012 - present**
- Independent Director, Member of Audit Committee and Member of Risk Management Committee
Ananda Development Public Company Limited
- 2010 - present**
- Independent Director, Member of Audit Committee
Perfect Engineering Service Public Company Limited
- 2005 - present**
- Independent Director, Member of Audit Committee
Union Petrochemical Public Company Limited
- 1996 - present**
- Director
Sappakit Dhurakarn Co., Ltd.
- 1989 - present**
- Director
B. Brothers Co., Ltd.

Proportion of Shareholding in the Company (%) None

Family Relationship between Directors and Executives None

4. Mr. Wiboon Rasmeepaisarn

Age 53 Years

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Chulalongkorn University
- Director Accreditation Program Class 28/2004, Thai Institute of Directors
- Director Certification Program Class 147/2011, Thai Institute of Directors
- Role of the Compensation Committee Program Class 13/2011, Thai Institute of Directors
- Advance Audit Committee Program Class 12/2012, Thai Institute of Directors

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Work Experiences

2010 - present

- Independent Director, Member of Audit Committee, and Member of Nomination and Compensation Committee
Ananda Development Public Company Limited

2011 - present

- Director
Thai Herb Recipe Co., Ltd.

2009 - present

- Director
Eltek Power (Thailand) Co., Ltd.

2008 - present

- Director and Chief Executive Officer
Simon International Asia Marketing Co., Ltd.

2003 - present

- Director
NFC Fertilizer Public Company Limited

1992 - present

- Director and Chief Executive Officer
Warach Paisarn Co., Ltd.

- 2003 - 2007**
- Director of Accounting and Finance
NFC Fertilizer Public Company Limited

Proportion of Shareholding in the Company (%) None

Family Relationship between Directors and Executives None

5. Mr. Chanond Ruangkritya

Authorized Director

Age 39 Years

- Education**
- Master of International Accounting and Finance, London School of Economics, U.K.
 - Bachelor of Economics, University of California at Berkeley, U.S.A.
 - Director Accreditation Program (DAP) Class 23/2004, Thai Institute of Directors

Work Experiences

- 2000 - present**
- Director, Member of Corporate Governance Committee, Chairman of Executive Committee, President, and Chief Executive Officer
Ananda Development Public Company Limited

- 2011 - present**
- Director
Ideo Condo Co., Ltd.

- 2010 - present**
- Director
The Agent (Property Expert) Co., Ltd.
 - Director
The Work Community Management Co., Ltd.
 - Director
Sriwaree Development Co., Ltd.

- 2008 - present**
- Director
Baan Niravana Co., Ltd.
 - Director
Bira RT Kart Co., Ltd.
 - Director
December Sun Co., Ltd.

- 2007 - present**
- Director
Ananda Development Two Co., Ltd.

- 2006 - present**
 - Director
Bira Circuit One Co., Ltd.

- 2005 - present**
 - Director
Ananda Development One Co., Ltd.

 - Director
Bira Kart Co., Ltd.

 - Director
Bludeck Co., Ltd.

- 2003 - present**
 - Director
Maduro Co., Ltd.

- 2002 - present**
 - Director
Kloset Design Co., Ltd.

- 2001 - present**
 - Director
Pimanda Development Co., Ltd.

- 2000 - 2012**
 - Director
Bira Circuit Co., Ltd.

- 2002 - 2011**
 - Director
Windmill Architect Co., Ltd.

- 2002 - 2011**
 - Director
Chiangmai Green Valley Country Club Co., Ltd

- 2002 - 2011**
 - Director
Chiangmai Green Valley Co., Ltd.

- 2005 - 2009**
 - Director
The Agent (Property Expert) Co., Ltd

- Proportion of Shareholding in the Company (%)**
 - 1,770,998,400 shares,
equal to 53.14 %

- Family Relationship between Directors and Executives**
 - Miss Natthavipha Ruangkritya's younger brother
 - Miss Patcharavalai Ruangkritya's elder brother

6. Mr. Tanyalak Nunthanavorasiri

Age 49 Years

Education

- Master of Business Administration in Management, Ramkamheang University
- Bachelor of Finance, Bangkok University
- Director Accreditation Program (DAP) Class 85/2010, Thai Institute of Directors

Work Experiences

2000 - present

- Director, Chief Operation Officer, Member of Executive Committee and Member of Risk Management Committee Ananda Development Public Company Limited

2011 – present

- Director Sriwaree Development Co., Ltd.

- Director Ideo Condo Co., Ltd.

2010 - present

- Director Ananda Development Two Co., Ltd.
- Director The Agent (Property Expert) Co., Ltd.
- Director The Work Community Management Co., Ltd.

2006 - present

- Director Bira Circuit One Co., Ltd.

2005 - present

- Director Bludeck Co., Ltd.
- Director Bira Kart Co., Ltd.

2004 - present

- Director Maduro Co., Ltd.

2001 - present

- Director Pimanda Development Co., Ltd.

Proportion of Shareholding in the Company (%)

- 800 shares, equal to 0%

Family Relationship between Directors and Executives

None

7. Miss Natthavipha Ruangkritya

Authorized Director

Age 40 Years

Education

- Master of Business Administration in Management, Webster University, U.K.
- Bachelor of International Business Administration, Richmond College, U.K.
- Director Accreditation Program (DAP) Class 85/2010, Thai Institute of Directors

Work Experiences

2000 – present

- Director, Vice President of Procurement, Member of Executive Committee, and Member of Risk Management Committee Ananda Development Public Company Limited

2011 - present

- Director
Sriwaree Development Co., Ltd.
- Director
Ideo Condo Co., Ltd.

2010 - present

- Director
Ananda Development Two Co., Ltd.
- Director
The Agent (Property Expert) Co., Ltd.
- Director
The Work Community Management Co., Ltd.

2004 - present

- Director
Maduro Co., Ltd.

2002 - present

- Director
Kloset Design Co., Ltd.

2002 - 2011

- Director
Chiangmai Green Valley Country Club Co., Ltd.
- Director
Chiangmai Green Valley Co., Ltd.

Proportion of Shareholding in the Company (%)

- 100,000,000 shares, equal to 3 %

Family Relationship between Directors and Executives

- Miss Patcharavalai Ruangkritya's elder sister
- Mr. Chanond Ruangkritya's elder sister

8. Miss Patcharavalai Ruangkritya

Authorized Director

Age 32 Years

Education

- Bachelor of Hospitality Administration, Boston University, U.S.A.
- Director Accreditation Program (DAP) Class 85/2010, Thai Institute of Directors

Work Experiences

2012 - present

- Assistant Business Development Executive and Member of Executive Committee
Ananda Development Public Company Limited

2007 - 2012

- Director of Design and Product Development and Member of Executive Committee
Ananda Development Public Company Limited

2011 - present

- Director
Ananda Development Two Co., Ltd.
- Director
Sriwaree Development Co., Ltd.
- Director
Ideo Condo Co., Ltd.

2010 - present

- Director
The Agent (Property Expert) Co., Ltd.
- Director
The Work Community Management Co., Ltd.

2007 - present

- Director
Bludeck Co., Ltd.
- Director
Pimanda Development Co., Ltd.
- Director
Bira Kart Co., Ltd.
- Director
Bira Circuit One Co., Ltd.
- Director
Maduro Co., Ltd.

2003 - present

- Director
More Creation Co., Ltd.

2007 - 2011 • Director
Chiangmai Green Valley Country Club Co., Ltd.

2007 - 2011 • Director
Chiangmai Green Valley Co., Ltd.

2007 - 2011 • Director
The Agent (Property Expert) Co., Ltd.

Proportion of Shareholding in the Company (%) • 100,000,000 shares, equal to 3 %

Family Relationship between Directors and Executives • Miss Natthavipha Ruangkritya's younger sister
• Mr. Chanond Ruangkritya's younger sister

9. Mr. Sermsak Khwanpuang

Age 53 Years

Education • Master of Economics, National Institute of Development Administration (NIDA)
• Bachelor of Economics, Chiangmai University
• Director Certification Program Class 18/2002, Thai Institute of Directors

2011 - present • Chief Investment Officer and Member of Executive Committee
Ananda Development Public Company Limited

2002 - present • Director
Thanasathapana Co., Ltd.

• Director
BVP Business Consulting Co., Ltd

2007 - 2010 • Chief Financial Officer
Ananda Development Co., Ltd.

2006 - 2007 • Chief Financial Officer
Major Cineplex Group Public Company Limited

Proportion of Shareholding in the Company (%) None

Family Relationship between Directors and Executives None

10. Mrs. Muntana Aue-Kitkarjorn

Age 46 Years

Education	<ul style="list-style-type: none">• Master of Accounting, Thammasat University• Certificate of auditor, Thammasat University• Bachelor of Accounting, Thammasat University• Director Accreditation Program (DAP) Class 93/2011, Thai Institute of Directors
2011 - present	<ul style="list-style-type: none">• Chief Financial Officer and Member of Executive Committee Ananda Development Public Company Limited
2002 - present	<ul style="list-style-type: none">• Director Tycoon Tractor Co., Ltd.
2006 - 2010	<ul style="list-style-type: none">• Accounting Group Director Minor Global Solution Co., Ltd.
Proportion of Shareholding in the Company (%)	None
Family Relationship between Directors and Executives	None

Details of Directors and Executives of the Company, Subsidiaries, Associated Company and Affiliates

Name	Subsidiaries										Associated Company										Affiliates									
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Mr. Narongchai Akrasanee	X																													
Mr. Nopporn Thepsithar	A																													
Mr. Chanond Ruangkritya	/	/	X	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/				
Miss Natthavipha Ruangkritya	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/				
Mr. Tanyalak Nunthanavorasiri	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/				
Miss Patcharavai Ruangkritya	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/				
Mr. Poolsak Tansitthipun	A																													
Mr. Wiboon Rasmeepaisam	A																													
Mrs. Uanuj Liangsupree	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/				
Mr. Semsak Khwanpuang	//	//	//																											
Mrs. Muntana Aue-Kitkarjorn	//	//	//																											
Mr. Jirasak Poomngan																														
Mr. Prachin Iamlumnao																														
Mr. Anothai Iamlumnao																														
Mr. Surasak Sirichanya																														
Mr. Theparj Kawinanan																														
Mr. Chawan Sintukiew																														

Remarks:

X = Chairman of the Board of Directors

/ = Director

A = Audit Committee

// = Executive

Subsidiaries

1. Ananda Development Two Co., Ltd.
2. Ananda Development One Co., Ltd.
3. Baan Niravana Co., Ltd.
4. The Agent (Property Expert) Co., Ltd.
5. The Work Community Management Co., Ltd.
6. Bludeck Co., Ltd.
7. Sriswaree Development Co., Ltd.
8. Bira Circuit One Co., Ltd.
9. Bira Kart Co., Ltd.
10. Ideo Condo Co., Ltd.

Associated Company

1. Bira RT Kart Co., Ltd.
- Affiliates**
1. Malee Sampran Pcl.
 2. FPRI Advisory Co., Ltd.
 3. Toscana Valley Country Club Co., Ltd.
 4. Thai-German Products Pcl.
 5. General Outsourcing Co., Ltd.
 6. MFC Securities Pcl.
 7. Brooker Group Pcl.
 8. Seranee Holdings Co., Ltd.

9. Union Petrochemical Pcl.
10. Siam City Cement Pcl.
11. Perfect Engineering Service Pcl.
12. Sappakit Dhurakarn Co., Ltd.
13. B Brothers Co., Ltd.
14. Thai Herb Recipe Co., Ltd.
15. Elitek Power (Thailand) Co., Ltd.
16. Simon International Asia Marketing Co., Ltd.
17. NFC Fertilizer Pcl.
18. Warach Pairsam Co., Ltd.
19. December Sun Co., Ltd.
20. Maduro Co., Ltd.
21. Kioset Design Co., Ltd.
22. Pimanda Development Co., Ltd.
23. More Creation Co., Ltd.
24. Thanasathapana Co., Ltd.
25. BVP Business Consulting Co., Ltd.
26. Tycoon Tractor Co., Ltd.
27. Bacco Restaurant (2009) Ltd.

Details of Directors and Executives of the Company, Subsidiaries, Associated Company and Affiliates (Con't)

Name	Subsidiaries										Associated Company	Affiliates												
	Company	1	2	3	4	5	6	7	8	9		10	17	18	19	20	21	22	23	24	25	26	27	
Mr. Narongchai Akrasanee	X																							
Mr. Nopporn Thepsithar	A																							
Mr. Chanond Ruangkritya	/, //	X, //	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Miss Natthavipha Ruangkritya	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Tanyalak Nunthanavorasiri	/, //	/, //	//	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Miss Patcharavalai Ruangkritya	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Poolsak Tansitthipun	A																							
Mr. Wiboon Rasmeepaisarn	A																							
Mr. Wiboon Rasmeepaisarn	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mrs. Uanuj Liangsupree	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
Mr. Semsak Khwanpuang	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
Mrs. Muntana Aue-Kitkarjorn	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
Mr. Jirasak Poomngan																								
Mr. Prachin Iamlumnao																								
Mr. Anothai Iamlumnao																								
Mr. Surasak Sirichanya																								
Mr. Theparj Kawinanan																								
Mr. Chawan Sintukiew																								

Remarks:

X = Chairman of the Board of Directors

/ = Director

A = Audit Committee

// = Executive

Subsidiaries

- Ananda Development Two Co., Ltd.
- Ananda Development One Co., Ltd.
- Baan Niravana Co., Ltd.
- The Agent (Property Expert) Co., Ltd.
- The Work Community Management Co., Ltd.
- Bludeck Co., Ltd.
- Sriwaree Development Co., Ltd.
- Bira Circuit One Co., Ltd.
- Bira Kart Co., Ltd.
- Ideo Condo Co., Ltd.

Associated Company

- Bira RT Kart Co., Ltd.

Affiliates

- Malee Sampran Pcl.
- FPRI Advisory Co., Ltd.
- Toscana Valley Country Club Co., Ltd.
- Thai-German Products Pcl.
- General Outsourcing Co., Ltd.
- MFC Securities Pcl.
- Brooker Group Pcl.
- Seranee Holdings Co., Ltd.

- Union Petrochemical Pcl.

- Siam City Cement Pcl.

- Perfect Engineering Service Pcl.

- Sappakti Dhurakarn Co., Ltd.

- B.Brothers Co., Ltd.

- Thai Herb Recipe Co., Ltd.

- Eltak Power (Thailand) Co., Ltd.

- Simon International Asia Marketing Co., Ltd.

- NFC Fertilizer Pcl.

- Warach Paisarn Co., Ltd.

- December Sun Co., Ltd.

- Maduro Co., Ltd.

- Kloset Design Co., Ltd.

- Pimanda Development Co., Ltd.

- More Creation Co., Ltd.

- Thanasathapana Co., Ltd.

- BYP Business Consulting Co., Ltd.

- Tycoon Tractor Co., Ltd.

- Bacco Restaurant (2009) Ltd.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Statements of Ananda Development Public Company Limited

1) Independent Auditors who audited or reviewed the Company's financial statements

Financial Statements	Company	Auditor
Audited financial statements for the fiscal year ended 2010	Ananda Development Co., Ltd. and its subsidiaries	Mr. Chayapol Supasetthanont, a certified public accountant, registration no. 3972, from Ernst & Young Office Limited
Audited financial statements for the fiscal year ended 2011	Ananda Development Public Company Limited and its subsidiaries	Mr. Chayapol Supasetthanont, a certified public accountant, registration no. 3972, from Ernst & Young Office Limited
Audited financial statements for the fiscal year ended 2012	Ananda Development Public Company Limited and its subsidiaries	Mr. Chayapol Supasetthanont, a certified public accountant, registration no. 3972, from Ernst & Young Office Limited

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2) Independent Auditors who audited or reviewed the Company's financial statements

The reports of the certified public accountant on the audit of the financial statements of Ananda Development Public Company Limited for the years 2010, 2011 and 2012, is summarized as follows:

Financial Statements	Auditor's Report
Audited financial statement as at and for the fiscal year ended 2010	In my opinion, based on my audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Ananda Development Company Limited and its subsidiaries and of Ananda Development Company Limited as at 31 December 2010 and 2009 and the results of their operations, and cash flows of the years then ended in accordance with generally accepted accounting principles.
Audited financial statement as at and for the fiscal year ended 2011	In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ananda Development Public Company Limited and its subsidiaries and of Ananda Development Public Company Limited as at 31 December 2011 and 2010 and the results of their operations, and cash flows for the years and then ended in accordance with generally accepted accounting principles. Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 and Note 5 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.
Audited financial statement as at and for the fiscal year ended 2012	In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ananda Development Public Company Limited and its subsidiaries and of Ananda Development Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Summary tables of the financial conditions and results of operations presented in the consolidated financial statements of the Company as at December 31, 2010, 2011, and 2012

Consolidated Financial Statements (Million Baht)	Dec 31, 2010		Dec 31, 2011		Dec 31, 2012	
Statements of Financial Position	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	306.56	3.22	62.18	0.69	2,058.53	22.03
Current investment	3.13	0.03	-	-	100.00	1.07
Trade and other receivables	213.67	2.24	95.12	1.06	21.12	0.23
Real estate development costs	7,291.35	76.47	6,958.46	77.72	6,014.88	64.37
Other current assets	390.43	4.09	297.78	3.33	336.40	3.60
Total current assets	8,205.14	86.05	7,413.54	82.81	8,530.93	91.30
Non-current assets						
Restricted financial institution deposits/ withdraw conditions	2.99	0.03	410.91	4.59	87.34	0.93
Investments in associates - net	9.10	0.10	10.26	0.11	0.08	0.00
Investment properties	-	-	-	-	108.64	1.16
Property, buildings and equipment - net	258.77	2.71	443.48	4.95	420.89	4.50
Intangible assets - net	770.82	8.08	525.02	5.86	154.80	1.66
Other non-current assets	287.67	3.02	149.65	1.67	40.70	0.44
Total non-current assets	1,329.35	13.95	1,539.32	17.19	812.65	8.70
Total assets	9,534.49	100.00	8,952.86	100.00	9,343.59	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Short-term loans from financial institutions	4,551.49	47.74	17.96	0.20	-	-
Trade and other payables	431.99	4.53	456.72	5.10	348.74	3.73
Advances received from customers	1,321.31	13.86	666.78	7.45	792.51	8.48
Current portion of long-term loans	1,193.99	12.52	4,009.10	44.78	42.75	0.46
Other current liabilities	1,219.31	12.79	1,646.84	18.39	830.97	8.89
Total Current Liabilities	8,718.09	91.44	6,797.39	75.92	2,014.97	21.57
Non-current Liabilities						
Long-term loans - net of current portion	2.34	0.02	2,065.11	23.07	2,106.49	22.54
Other non-current liabilities	558.75	5.86	202.34	2.26	302.48	3.24
Total Non-current Liabilities	561.09	5.88	2,267.46	25.33	2,408.97	25.78
Total Liabilities	9,279.18	97.32	9,064.85	101.25	4,423.94	47.35
Shareholder's Equity Share Capital						
Issued and fully paid	187.50	1.97	200.00	2.23	333.30	3.57
Excess of par value account	-	-	-	-	5,210.30	55.76
Retained earnings (deficit)	0.76	0.01	(344.54)	(3.61)	(632.00)	(6.63)
Other components of Shareholders' Equity	67.05	0.70	32.55	0.36	8.04	0.09
Total Shareholders' Equity (capital deficit)	255.31	2.68	(111.99)	(1.25)	4,919.64	52.65
Total Liabilities and Shareholders' Equity	9,534.49	100.00	8,952.86	100.00	9,343.59	100.00

Consolidated Financial Statements (Million Baht)	Dec 31, 2010		Dec 31, 2011		Dec 31, 2012	
Comprehensive Income	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from sale of real estate	1,755.88	75.02	5,483.31	96.43	4,960.21	96.53
Revenue from sale and service	457.02	20.65	177.51	3.14	142.61	2.79
Total Revenues	2,212.90	100.00	5,660.82	100.00	5,102.82	100.00
Expenses						
Cost of real estate sold*	(1,542.18)	(69.59)	(4,333.81)	(76.56)	(3,355.82)	(65.76)
Cost of sale and services	(262.20)	(11.85)	(118.32)	(2.09)	(92.77)	(1.82)
Total Expenses	(1,804.38)	(81.54)	(4,452.12)	(78.65)	(3,448.58)	(67.58)
Gross Profit Margin*	408.52	18.46	1,208.70	21.35	1,654.24	32.42
Selling expenses	(135.71)	(6.13)	(427.82)	(7.56)	(745.39)	(14.61)
Administrative expenses	(272.62)	(12.32)	(370.71)	(6.55)	(545.55)	(10.69)
Other expenses*	(6.03)	(0.27)	(232.22)	(4.10)	(349.74)	(6.85)
Other revenues **	127.79	5.77	25.19	0.45	35.45	0.69
Share of profit (loss) from investments in associates	41.88	1.89	1.17	0.02	8.35	0.16
Profit (loss) before finance cost and corporate income tax	163.83	7.40	204.31	3.61	57.35	1.12
Finance cost associated with the acquisition	(88.35)	(3.77)	(571.92)	(10.06)	(287.52)	(5.60)
Other finance cost	(10.46)	(0.45)	(9.49)	(0.17)	(19.77)	(0.38)
Profit (loss) before corporate income tax	65.02	2.78	(377.10)	(6.63)	(249.95)	(4.86)
Corporate income tax*	63.86	2.73	59.80	1.05	(37.51)	(0.73)
Profit (loss) for the year/period	128.88	5.51	(317.30)	(5.58)	(287.45)	(5.59)
Cash Flow Statement (Million Baht)						
	Dec 31, 2010		Dec 31, 2011		Dec 31, 2012	
Net cash flows from operating activities	1,310.94		545.84		1,729.66	
Net cash flows from (used in) investing activities	(4,604.98)		(462.98)		36.51	
Net cash flows from (used in) financing activities	3,527.08		(327.24)		230.18	
Net increase (decrease) in cash and cash equivalents	233.04		(244.38)		1,996.35	

* The cost of real estate sold, other expenses, and corporate income tax included amortization of valuation surplus of the fair value of assets from an acquisition in 2010

** Other revenues in 2010 were derived from excess of interest in the net fair value of subsidiary that over purchase (negative goodwill), representing the cost of Baht 101.06 million.

Financial Ratios	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012
Liquidity Ratios			
Current Ratio (times)	0.94	1.09	4.23
Quick Ratio (times)	0.06	0.02	1.08
Cash Flow Liquidity Ratio (times)	0.27	0.07	0.39
Account Receivable Turnover (times)	9.71	35.60	82.09
Average Collection Period (days)	37.06	10.11	4.39
Inventory Turnover (times) ¹	0.42	0.61	0.52
Inventory Days	846.59	590.04	695.31
Account Payable Turnover (times)	14.56	20.21	19.40
Account Payable (days)	24.72	17.82	18.55
Cash Cycle (days)	858.93	582.33	681.14
Profitability Ratios			
Gross Profit Margin (%)	18.46	21.35	32.42
Operating Profit Margin (%)	5.51	3.59	0.96
Other Profit Ratios (%)	-	-	-
Cash Flow to Income Ratio (%)	1,074.99	268.71	3,529.83
Net Profit Margin (%)	5.51	(5.58)	(5.59)
Return on Equity (%)	60.02	N.A. ³	(11.96)
Efficiency Ratios			
Return on Total Assets (%)	2.39	(3.43)	(3.14)
Return on Fixed Assets (%)	64.47	(14.43)	36.29
Total Assets Turnover (times)	43.32	61.51	56.17
Financial Policy Ratios			
Debt to Equity Ratio (times)	36.34	N.A. ³	20.9
Interest Coverage Ratio (times)	21.30	2.54	6.06
Debt Service Coverage Ratio (times)	0.96	0.19	0.27
Dividend Payout Ratio (%)	38.80 ⁴	N.A. ²	0

1 Inventories of the Company are "Real Estate Development Cost."

2 Calculation cannot be made because the net profit shows negative value.

3 Calculation cannot be made because the shareholders' equity shows negative value.

4 Calculation is based on the payment of dividends of Baht 50.00 million out of the net profit of Baht 128.88 million in 2010 (as presented in the consolidated financial statements). Next dividend payment will be paid in accordance with the Company's dividend payment policy.

1. Results of Operations

Revenue from the Sale of Real Estate

Revenue from the sale of real estate in 2010, 2011 and 2012 amounted to Baht 1,755.88 million, Baht 5,483.31 million and Baht 4,960.21 million respectively, which represented an increase of 212.29% and a decrease of 9.54%.

In 2010, revenue from the sale of condominium units of 8 AD2 projects, namely, "Ideo Ladprao 17", Ideo Ladprao 5, "Ideo Mix Phaholyothin", "Ideo Sathorn-Taksin", "Ideo Mix Sukhumvit 103", "Ideo Q Phayathai", "Ideo Ratchada-Huaykwang" and "Ideo BluCove Sathorn" was consolidated under sale of real estate in the Company's consolidated financial statements following the acquisition of AD2 in November 2010. Consequently, revenue from the sale of real estate increased significantly in 2010.

In 2011, the Company continued to recognize revenue from the transfer of ownership of units of condominium projects which were completed in the previous year. In addition, the Company commenced the recognition of revenues from the transfer of ownership of condominium units in "Ideo Verve Sukhumvit". Over the course of the year, the Company transferred ownership of 1,455 condominium units, the majority of which were from the "Ideo Verve Sukhumvit" and "Ideo Q Phayathai" projects. These projects represented 33.13% and 33.11% of the total revenue derived from the sale of real estate in 2011, respectively. Revenue from the sale of real estate in 2010 and 2011 amounted to 75.02% and 96.43% of the total revenue of the Company,

In 2012, revenue from the sale of real estate amounted to Baht 4,960.21 million or 96.53% of the total revenue of the Company. Revenue from the sale of real estate during this period was mainly derived from the transfer of ownership of 1,259 units in AD2's condominium projects. The majority of revenue recognized during this period was attributed to the "Ideo Verve Ratchaparop" and "Ideo BluCove Sukhumvit" projects, of which transfer of ownership commenced in the second quarter of the year. The revenue recognized from the transfer of ownership in these 2 projects amounted to 58.35% of the total revenue from sale of real estate during this period. In addition, the transfer of ownership in the "Ideo Morph 38" project commenced in the third quarter of the year.

Revenue from the sale of real estate decreased as compared to 2011, which amounted to Baht 5,483.31 million. This decrease was partly due to the transfer of ownership of units in the three abovementioned projects in which commenced in late April and July 2012. In comparison, there were several condominium projects for which transfer of ownership took place from the beginning of 2011. In addition, ownership of a significant number of units in the "Ideo Q Phayathai" and "Ideo Verve Sukhumvit" projects were transferred and at a high price.

On December 31, 2012, the Company completed the transfer of ownership of 100% of condominium units to customers in the "Ideo Ladprao 17", "Ideo Ladprao 5", "Ideo Mix Phaholyothin", "Ideo Q Phayathai", "Ideo Ratchada-Huaykwang" and "Ideo BluCove Sathorn" projects, and of 99% in the "Ideo Verve Sukhumvit" project. Revenue from the sale of real estate classified by project is outlined below:

Revenue from Sale and Services

	Dec 31, 2010		Dec 31, 2011		Dec 31, 2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from project management services	313.15	68.52	62.51	35.21	20.40	14.30
Revenue from commission	79.94	17.49	-	-	-	-
Revenue from services	41.28	9.03	83.58	47.09	94.01	65.92
Revenue from the sale of food and beverages	22.64	4.95	31.42	17.70	28.21	19.78
Total Revenue from Sale and Services	457.02	100.00	177.51	100.00	142.61	100.00

In 2010, the majority of revenue from sale and services were derived from project management of AD2 and ADO and revenue from commission derived from the sale of AD2's condominium projects. After the Company invested in AD2 in November 2010 and ADO in December 2012, respectively, the Company recorded no commission income in its financial statements.

Service Income refers to revenue earned from the provision of services from other subsidiaries of the Company. This includes revenue derived from the provision of juristic persons management services by Works, real estate agency services by Agent, the operation of a fitness center by Blue Deck Company Limited, the operation of a car racing circuit and go-kart race track business by Bira Circuit One Company Limited and Bira Kart Company Limited, etc. In 2010, 2011 and 2012, the Company's service income was Baht 41.28 million, Baht 83.58 million, and Baht 94.10 million respectively, which increased by 102.47% and 12.47% and represented 1.76%, 1.47% and 1.83% of the Company's total revenues, respectively. In 2011 and 2012, revenue from service income increased due to an expansion of the Company's real estate business, which led to a corresponding increase in the provision of juristic persons management services and real estate agency services. Additionally, revenue derived from the sale of membership in a fitness center operated by Blue Deck Company Limited increased.

Revenue from the Sale of Food and Beverages is derived from Bacco, a restaurant operated by BD, of which services were provided to customers of BD's fitness center since 2010. Revenue from the sale of food and beverages in 2010, 2011 and 2012 was Baht 22.64 million, Baht 31.42 million and Baht 28.21 million, representing 0.97%, 0.55% and 0.55% of the Company's total revenue, respectively. The increase in such revenue in 2011 was due to an increased volume of customers. In 2012, revenue from the sale of food and beverages represented a reduction in sales volumes in January 2012 due to severe flooding in Bangkok during the second half of 2011. Nevertheless, revenue from the sale of food and beverages gradually increased to comparable levels seen in the same period of the previous year.

Cost of Real Estate Sold

As a result of the acquisition of AD2, the difference between the fair value and the book value of the acquisition will be amortized and reflected in the statement of comprehensive income under cost of real estate sales. As such, cost of real estate sold for the condominium units that contain excess fair value will increase because the excess of the fair value will be added to the construction costs, resulting in a decrease of profit in the consolidated statements of comprehensive income.

Cost of real estate sold comprises items such as land costs, land development costs, design fees, public utility expenses, construction costs, costs of borrowing, costs of project management services, and amortization expense on the excess of the fair value.

In 2010 and 2011, cost of real estate sold in relation to landed housing projects was Baht 5.36 million and Baht 19.79 million, representing cost ratios of 96.93% and 96.54%, respectively. Cost of real estate sold in relation to condominium projects was Baht 1,536.82 million and Baht 4,314.02 million representing cost ratios of 87.80% and 78.97%, respectively. The cost ratio of condominium projects in 2011 increased substantially from 2010 primarily as a result of the transfer of ownership of units in the "Ideo Verve Sukhumvit" project commencing in 2011, which represented 33% of the Company's total revenue from sales. Among all AD2 condominium projects of which ownership of units was transferred in 2010, the "Ideo Verve Sukhumvit" project had the lowest cost ratio as the impact from amortization expense on the excess of the fair value was substantially lower than the other projects which were transferred in 2010.

In 2012, cost of real estate sold was Baht 3,355.82 million, representing a cost ratio of Baht 10.24 million of total revenue from the sale of landed housing projects and in relation to condominium projects was Baht 3,345.58 million, representing a cost ratio of 35.97% and 67.84% respectively. The cost ratio for condominium projects in this period increased substantially as compared to the same period in 2010 and 2011 due to revenue derived from the transfer of ownership of units in three newly completed projects, namely, "Ideo Verve Ratchaprarop", "Ideo BluCove Sukhumvit" and "Ideo Morph 38". These projects had a substantially lower impact on amortization expense on the excess of the fair value than the projects that were transferred in 2010 and 2011.

Cost of real estate sold for AD2's condominium projects, which were presented in the Company's consolidated financial statements for 2010, 2011 and 2012 comprised actual costs and the amortization expense on the excess of the fair value. Amortization expense on the excess of the fair value is merely an accounting transaction presented in the statements of comprehensive income (non-cash item) and has no effect on the Company's cash flow.

As of December 31, 2012, amortization expense on the excess of the fair value from the item "Cost of real estate development," which will be amortized as the cost of real estate sold, was Baht (11.52) million.

The cost-to-income ratio of each landed housing project fluctuates because the income derived from the sale of each landed housing project varies. The Company currently has no plans to continue development of the landed housing projects. In addition, costs in relation to the sale of remaining show houses in some of these landed housing projects have exceeded revenue from sales as they were sold at a discounted price.

The cost-to-income ratio of condominium projects in 2010 reflects the effects from the amortization expense on the excess of the fair value as a result of the acquisition in 2010 only from November 16, 2010 (the acquisition date) to December 31, 2010. Costs of sales in 2011 and 2012 continued to be affected by the amortization expense on the excess of the fair value, but at a lower rate. The other projects for which transfer of ownership has commenced in 2012 was "Ideo Verve Ratchaprarop," "Ideo BluCove Sukhumvit" and "Ideo Morph 38". These projects are affected by the amortization expense on the excess of the fair value at a slightly lower rate. On this basis, the Company's gross profit margin for 2012 has increased in comparison to 2011.

Cost of Sale and Services

	Dec 31, 2010		Dec 31, 2011		Dec 31, 2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of project management services	220.24	84.00	49.93	42.20	14.48	15.61
Cost of services	29.52	11.26	53.69	45.38	66.36	71.53
Cost of sale of food and beverages	12.43	4.74	14.69	12.42	11.93	12.85
Total Cost of Sale and Services	262.20	100.00	118.32	100.00	92.77	100.00

In 2010, the majority of revenue from sale and services were derived from project management of AD2 and ADO and revenue from commission derived from the sale of AD2's condominium projects. After the Company invested in AD2 in November 2010 and ADO in December 2012, respectively, the Company recorded no project management services income in its financial state

The cost of services in 2012 has increased to Baht 12.67 million compared to 2011 due to the increased costs concerning personnel which is considered as a direct wage of The Agent (Property Expert) Co., Ltd., Blue Deck Co., Ltd. and Bira Circuit One and Bira Kart Co., Ltd.

Selling and Administrative Expenses

	Dec 31, 2010		Dec 31, 2011		Dec 31, 2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	135.71	6.13	427.82	7.56	745.39	14.61
Administrative expenses	272.62	12.32	370.71	6.55	545.55	10.69
Total selling and administrative expenses	408.34	18.45	798.53	14.11	1,290.94	25.30

Selling Expenses mainly consist of commission expenses, marketing expenses, sales promotion expenses, ownership transfer fees, specific business tax and other expenses.

In 2011, selling expenses steadily increased, which was consistent with the continued sale of AD2's condominium projects and the corresponding increase in revenue from the sale of real estate. The main selling expenses of the Company were sales promotion expenses, ownership transfer fees and specific business tax incurred from the transfer of ownership of condominium units in AD2's projects to customers.

In 2012, selling expenses have increased due to sales promotion expenses and marketing expenses from the grand opening of 4 Ideo Mobi projects in February 2012, which amounted to more than Baht 100 million and from the grand opening of the "Ideo Verve Ratchaprarop", "Ideo BluCove Sukhumvit" and "Ideo Mix Sukhumvit 103" projects in this period, which amounted to over Baht 200 million. The ratio of selling expenses to income from real estate sale in this period increased significantly, as the selling expense was instantly recognized upon the grand opening and, in contrast, revenue will only be recognized upon the commencement of the transfer of ownership. This practice is normal for the launch of new condominium projects, or during periods where the Company would undertake aggressive marketing to stimulate sales growth when transfer of ownership commences.

Administrative Expenses comprise employee salaries, public utility expenses, miscellaneous expenses, depreciation, and other expenses.

In 2011, administrative expenses increased mainly due to an increase in employees' salaries as more employees were recruited to support the expansion of the Company's business and development of projects. In particular, new employees were recruited to join the office staff team, the engineering team and the quality control team. Consultant fees comprise fees incurred in relation to services provided by legal advisors, financial advisors, auditors and other consultants, which were increased in line with the expansion of the Company's business operations. Other examples include expenses in relation to repair and maintenance of common areas in the Company's condominium and landed housing projects and rent-related expenses. In 2011, an increase in other expenses was mainly due to recognition of losses from the impairment of investments in associated companies and interests arising from the payment of corporate income tax in installments.

In 2012, administrative expenses increased due to depreciation, which increased by approximately Baht 68.32 million due to the amortization of show units of Ideo Mobi projects launched at the beginning of 2012, as well as employee salaries, which increased by approximately Baht 42.43 million from the same period in the previous year as more employees were recruited to support the expansion of the Company's business and development of projects. Finally, administrative expenses in relation to credit card fees were incurred in relation to moneys deposited by customers for the acquisition of units in the 4 Ideo Mobi projects.

Other Expenses

In 2011, the Company recorded expenses derived from amortization expense on the excess of the fair value of agreements to buy and to sell condominium signed with customers as other expenses, which was a result of estimated fair value following the acquisition in of AD2 in 2010. In 2010 and 2011, the amortization expense amounted to Baht 6.03 million and Baht 232.22 million, respectively. In 2011, the amortization expense experienced an increase due to the fact that the "Ideo Verve Sukhumvit" project was less affected by the amortization expense on the excess of the fair value as compared to the projects for which ownership was transferred in 2010. In 2012, the amortization expense amounted to Baht 349.74 million. As at December 31, 2012, amortization expense on the excess of the fair value of agreements to buy and to sell condominium signed with customers amounted to Baht 122.69 million. The majority of said amortization expense will be deducted according to the ownership transfer of three remaining projects, namely "Ideo BluCove Sukhumvit," "Ideo Verve Ratchaprarop" and "Ideo Morph 38" in 2013.

Corporate Income Tax

Corporate income tax comprises (1) income tax calculated on taxable profits; and 2) amortization of the income tax liability on acquisition of an entity.

The item "Income tax liability on acquisition of an entity" in the Company's statements of financial position was determined based on the application of the rate of 30% of the difference between the fair value of the costs of real estate development and intangible assets (agreements to buy and to sell condominium unit signed with customers) and its book value on the acquisition date. This item will be amortized (added-back) upon the transfer of ownership of condominium units to customers. As at December 31, 2012, total amortization expense under the item "Income tax liability on acquisition of an entity" which had not been added back was Baht 27.55 million.

Gross Profit and Gross Profit Margin

The Company's gross profit in 2010, 2011 and 2012 was Baht 408.51 million and Baht 1,208.70 million and Baht 1,654.24 million, respectively, representing a gross profit margin of 18.46%, 21.35% and 32.42%, respectively. Such gross profit calculations included the effects of amortization which arose from the purchase price allocation process in relation to the acquisition in 2010. In 2011, the Company's gross profit margin increased from 2010 as the gross profit margin of the "Ideo Verve Sukhumvit" project, revenue of which was recognized in 2011, was higher than all other projects of which ownership was transferred in 2010. This was primarily because the "Ideo Verve Sukhumvit" project was less affected by the amortization expense on the excess of the fair value as compared to the projects for which ownership was transferred in 2010. In 2012, the Company's gross profit margin increased over the same period in 2011 as the gross profit margin for "Ideo Verve Ratchaprarop", "Ideo BluCove Sukhumvit" and "Ideo Morph 38" projects was higher than the gross profit margin for all projects for which ownership was transferred in 2011 – similar to the "Ideo Verve Sukhumvit" project, these 3 projects were less affected by the amortization expense on the excess of the fair value.

2. Financial Position

Assets

In 2010, 2011 and 2012, the Company's total assets were Baht 9,534.49 million, Baht 8,952.86 million and Baht 9,343.59 million respectively, representing an increase of 4.36% and a decrease of 6.10% respectively. In 2012, the Company's total assets have increased from cash and its equivalent value. Details of the Company's key assets are as follows:

Trade and Other Receivables

The Company's policy is to recognize revenue from the sale of real estate upon transfer of ownership of condominium units to customers. Advances, deposits and contractual payments are not recognized as revenue, but are recorded as advance payment from customers. Accordingly, there are no trade receivable on revenue from the sale of real estate. Existing trade receivable refer to the pending collection of project management fees, the majority of which are connected transactions.

In 2010, 2011 and 2012, the Company's trade and other receivables were Baht 213.67 million, Baht 95.12 million and Baht 21.12 million respectively, or 2.24%, 1.06% and 0.23% of the Company's total assets, respectively. The major component is the trade receivable with related parties in relation to project management services provided to ADO and AD2. In 2010 and 2011, the Company's trade and other receivables with related parties were Baht 200.52 million and Baht 73.84 million, respectively.

Real Estate Development Costs

Real estate development costs which are incurred before transfer of ownership is completed are reflected in the Company's statements of financial position under "real estate development costs" and are recognized in the statements of comprehensive income when the transfer of ownership is completed.

In 2010, 2011 and 2012, the net real estate development costs was Baht 7,291.35 million, Baht 6,958.46 million and Baht 6,014.88 million, representing 76.47%, 77.72% and 64.37% of the Company's total assets, respectively. In 2011, real estate development costs decreased from the end of 2010 due to an increase in the transfer of ownership of condominium units in existing projects, which resulted in this item being amortized as cost of sales. In 2012, there was a decrease from 2011 as the transfer of ownership commenced for several new condominium projects, partially transform to "investment properties".

Investment Properties

From 2010 to 2011, the Company did not reflect an "investment properties" entry. As at June 30, 2012, the Company renamed "real estate development cost", which referred to the area leased out to retail shops in AD2's condominium projects, to "investment properties". As at December 31, 2012, the value of investment properties was Baht 108.84 million, which represented real estate development cost in its entirety.

Property, Buildings and Equipment

In 2010, 2011 and 2012, the Company's net property, buildings and equipment was Baht 258.77 million, Baht 443.48 million and Baht 420.89 million, respectively, representing an increase of 71.39% and a decrease of 5.05% respectively. In 2011, the main increase in assets was from the transfer of the "land held for development" to "land for use". As at December 31, 2012, net property, buildings and equipment experienced a decrease due to depreciation.

Intangible Assets

In 2010, 2011 and 2012, the Company's intangible assets were Baht 770.82 million, Baht 525.02 million and Baht 154.80 million, respectively, representing a decrease of 31.89% and 70.52%. Intangible assets comprised computer software and assets under installation. However, in 2010, the Company included the fair

value of agreements to buy and sell condominium units made with customers as a result of the acquisition of AD2, which resulted in a substantial increase in the value of the Company's intangible assets. Agreements to buy and sell condominium units signed with customers will be amortized as expenses upon the transfer of ownership of condominium units to customers. In 2012, the said item decreased as it was amortized as expenses for the transfer of ownership of condominium units to customers. Intangible assets are detailed below :

Liabilities

In 2010, 2011 and 2012, the Company's total liabilities was Baht 9,279.18 million, Baht 9,064.85 million and Baht 4,429.94 million representing a decrease of 2.31% and 51.20%, respectively. In 2011, the Company's total liabilities decreased slightly as a result of the receipt of advances received from customers in relation to the transfer of ownership of condominium units. As at December 31, 2012, the Company's total liabilities are detailed as follows:

Short-Term Loans from Financial Institutions

In 2010 and 2011, short-term loans from financial institutions was Baht 4,551.49 million and Baht 17.96 million, representing 47.74% and 0.20% of the Company's total liabilities and shareholders' equity, respectively. In 2010, the Company obtained short-term loans from financial institutions to further invest in Ananda Development to Company Limited amounted to the credit facility of Baht 4,800.00 million at an interest rate of MLR + 2% per annum. Pursuant to the terms of the loan facility, the loan would become due for repayment on the earlier of the date that the increase in paid-up capital from an IPO has been registered or March 31, 2013. The loan repayment was guaranteed by the mortgage of land and construction in progress of AD2's condominium projects, a pledge of shares of the Company and its subsidiaries, and a cross-guarantee by directors and subsidiaries.

Trade Payables

In 2010 and 2011, the Company's trade payables derived from unrelated parties, in particular, payments to construction contractors. In 2010 and 2011, the Company had trade payables from unrelated parties of Baht 233.14 million and Baht 207.50 million, representing 2.45%, and 2.32% of the Company's total liabilities and shareholders' equity, respectively. In 2011, trade payables decreased slightly from 2010. As of December 31, 2012, trade payables from unrelated parties amounted to Baht 147.96 million, representing 1.58% of the Company's total liabilities and shareholders' equity.

Advances Received from Customers

Money received from customers before the date of transfer of ownership of their respective condominium units such as advances, deposits and contractual payments will be recorded as advances received from customers, and will be amortized as revenue upon the actual transfer of ownership. In this regard, advances, deposits and contractual payments account for approximately 10% to 25% of the selling price, depending on the policy of each project. As at December 31, 2010 and 2011, the Company had advances received from

customers of Baht 1,321.31 million and Baht 666.78 million, representing 13.86% and 7.45% of the Company's total liabilities and shareholders' equity, respectively. The significant increase in the percentage of advances received from customers in 2010 was due to the change in reflecting such revenue from "revenue from project management services" to "revenue from sale of real estate" as a result of the acquisition of AD2.

As at December 31, 2012, the Company had advances received from customers of Baht 792.51 million, representing 8.48% of the Company's total liabilities and shareholders' equity. The significant increase in the percentage of advances received from customers in 2012 was due to moneys deposited by customers for the sold units in the 4 Ideo Mobi. The advances received from customers were for Mobi and AD2's projects, representing Baht 773.82 million.

Long-Term Loan

Long-term loans as at December 31, 2010, 2011 and 2012 were Baht 1,196.33 million and Baht 6,074.21 million and Baht 2149.23 million or 12.55%, 67.85% and 23% of the Company's total liabilities and shareholders' equity, respectively. In 2011, there was an overall increase in long-term loans due to the conversion of certain short-term loans to long-term loans for the acquisition of AD2, as explained above in the section on Short-Term Loans from Financial Institutions. Additionally, the Company further obtained a long-term loan for the purposes of financing the development of new real estate projects. However, as at December 31, 2012, this long-term loan decreased from the due repayment of the principal.

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Shareholders' Equity

Shareholders' equity in 2010 was Baht 255.31 million, representing 2.68% of the Company's total liabilities and shareholders' equity. Shareholders' equity as at December 31, 2011 amounted to negative Baht 111.99 million.

In 2010, the Company reduced its registered and paid-up capital from Baht 250.00 million (2.5 million ordinary shares with a par value of Baht 100 each) to Baht 187.50 million, by reducing the par value of each ordinary share to Baht 75.

However, shareholders' equity in 2010 increased because the Company had a profit from its business operations. This in turn resulted in a decrease in deficits. The Company also had a surplus of Baht 64.81 million from the appraisal of the fair value of the assets transferred as a result of the acquisition of AD2.

In 2011, the Company changed the par value and the number of its ordinary shares from 2.5 million shares with a par value of Baht 75 each to 1,875 million shares with a par value of Baht 0.1 each, and increased its capital to Baht 366.6 million, or the equivalent of 3,666.3 million shares. The Company requested that existing shareholders pay up shares amounting to 125,000,000 shares with a par value of Baht 0.1 each (a total of Baht 12.5 million). As a result of the foregoing, the Company currently has a paid up capital of Baht 200 million. Shareholders' equity as at December 31, 2011 was negative Baht 111.99 million due to an increase in the Company's deficits resulting from a net loss sustained during the year.

As at December 31, 2012, shareholders' equity was Baht 4,919.64 million, representing 52.65% of the Company's liabilities and the total shareholders' equity. This corresponds with an increase of shareholders from the end of 2012 due to an increased sale of ordinary shares which also resulted in further net loss compared to the same period in 2011.

Cash Flow Statements

Cash Flow from Operating Activities

In 2010, the Company had net cash of Baht 1,310.94 million from operating activities as a result of the acquisition of AD2 in November 2010. Of AD2's 8 completed condominium projects then, ownership of a significant number of units was transferred to customers and was recognized as revenue over the course of the year.

In 2011, the Company had net cash of Baht 545.84 million from operations. The Company earned a steady income from the continued transfer of ownership of units in AD2's condominium projects.

In 2012, the Company had net cash of Baht 1,729.66 million from operations, most of which was due to the transfer of ownership of condominium units of 3 newly completed projects. Cash flow from operating activities significantly differed from net profit because amortization expenses on the excess of the fair value under extraordinary items arising from the acquisition of AD2 had no effect on the Company's cash flow.

Cash Flow from Investing Activities

Net cash used in the Company's investing activities in 2010 and 2011 was Baht 4,604.98 million and Baht 462.98 million, respectively. In 2010 the Company incurred extraordinary expenses as a result of its acquisition of AD2. In addition, the Company paid for its investments in cash, and also had long-term subordinated loans and accrued interest receivable. The Company also acquired more real estate properties as investments in the land held for development. In 2011, net cash used for the Company's investing activities was Baht 462.98 million, most of which was a result of the Company's increased deposits in financial institutions, which increased guarantee obligations. In 2012, the Company's net cash used for the Company's investing activities was Baht 36.51 million, most of which was a result of the Company's decreased deposits in financial institutions, which correspondingly decreased guarantee obligations.

Cash Flow from Financing Activities

In 2010, the Company had net cash of Baht 3,527.08 million provided by financing activities. This was primarily due to a short-term loan of Baht 4,800 million that the Company obtained from a financial institution for the acquisition of AD2, and a long-term loan repayment of Baht 1,149 million.

In 2011, the Company had net cash of Baht 327.24 million used in financing activities for long-term loan repayment. In 2012, the Company had net cash of Baht 230.18 million used in relation to financing activities. The Company has continued to repay loans using revenues recognized together with the respective transfer of ownership of units of completed condominium projects. The Company has borrowed substantial amount of loans to support the Company's growth, which requires a material amount of working capital to expand its real estate development business. However, many projects have been recognized as income to generate adequate cash flow for loan repayment.

Capital Structure

The Company's debt-to-equity ratio as at December 31, 2010 was 36.34 times. As at December 31, 2011, the Company had a decrease in total liabilities but, at the same time, the Company had an increase in deficits, which led to negative shareholders' equity. Consequently, the debt-to-equity ratio of the Company could not be determined in 2011. As at December 31, 2012, The Company's debt-to-equity ratio was 0.90 times.

Auditor's Remuneration

For the accounting period ended December 31, 2012 the total remuneration of the auditor, Ernst & Young Office Limited, was Baht 1,600,000 Baht.

Factors Which May Impact the Company's Operations and Future Finance

Accounting Policy

In 2011, the Company began to implement Standard Accounting Issue 19 which stipulates that the Company must recognize employee's benefits as expenses and record liabilities concerning employee's benefits after their retirement. Following this implementation, the Company adjusted its accounting policy accordingly by decreasing shareholders' equity for 2011 to Baht 14.1 million and recording it as a long-term employee's benefit scheme which amounted to the Company's non-current liabilities.

Government Policy

The government previously announced plans to invest in basic infrastructure including an expansion of public transport such as BTS Skytrain and MRTA to alleviate the severity of traffic congestion. The Company expected to gain advantages from such government policies since the Company's core business is developing condominium projects along the mass transit networks. Another factor is the petrol's price which remains high enough for consumers to invest in a condominium in order to save expenses derived from commuting. Furthermore, the government's a tax cut scheme for first-time home buyers which offers a maximum 10% tax deduction on houses costing up to 5 million baht will boost the sale since the Company's condominiums fall in that price range.

In addition, a recently implemented government policy which has increased minimum daily wages to Baht 300 may also affect labor costs and future construction costs. However, the Company has evaluated that the said change will impact no more than 5% of all construction costs. The change of laws and regulations on zoning and city planning laws may also affect the costs and expenses of the Company's landed housing and condominium projects. All of the Company's current projects are not affected by such changes.

Economic Fluctuation

Global economic fluctuation may have effects on Thailand and its consumers' confidence. The consumers' buying power may decrease or delay. The sale period of the Company's projects may need to be extended, which in turn may impact the Company's results of operations and financial condition.

Independent Auditor's Report

To the Shareholders of Ananda Development Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

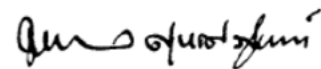
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the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

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

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

Opinion

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



Chayapol Suppasertanon
Certified Public Accountant (Thailand) No. 3972
Ernst & Young Office Limited
Bangkok: 28 February 2013

Statement of financial position

Ananda Development Public Company Limited and its subsidiaries

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	2,058,526,884	62,179,851	1,697,763,205	8,658,241
Current investments	8	100,000,000	-	100,000,000	-
Trade and other receivables	6, 9	21,122,950	95,117,011	327,598,653	473,630,585
Project management in progress	10	-	164,263,357	184,469,414	204,435,819
Inventories	11	1,029,780	1,226,122	58,415	-
Real estate development costs	12	6,014,880,205	6,958,457,073	3,779,959,559	2,625,562,063
Land development costs	13	1,529,245	1,529,245	1,529,245	1,529,245
Advance payments for constructions		138,589,651	55,379,935	126,599,712	-
Short-term loans to and interest receivable from related parties	6	-	-	30,994,684	21,864,547
Other current assets		195,252,700	75,380,825	155,714,136	42,554,820
Total current assets		8,530,931,415	7,413,533,419	6,404,687,023	3,378,235,320
Non-current assets					
Restricted financial institution deposits/withdrawal conditions	14	87,340,619	410,909,834	332,510	10,030
Investments in associates	15	75,598	10,264,736	-	7,756,925
Investments in subsidiaries	16	-	-	3,540,922,013	2,813,790,088
Subordinated long-term loans to and interest receivable from related parties	6	-	114,557,790	104,439,573	1,226,616,894
Investment properties	17	108,842,686	-	-	-
Property, buildings and equipment	18	420,892,817	443,478,643	130,509,735	150,069,298
Intangible assets	19	154,797,471	525,024,355	25,292,963	27,456,172
Other non-current assets		40,704,703	35,092,441	25,235,466	20,288,323
Total non-current assets		812,653,894	1,539,327,799	3,826,732,260	4,245,987,730
Total assets		9,343,585,309	8,952,861,218	10,231,419,283	7,624,223,050

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

Statement of financial position (continued)**As at 31 December 2012**

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	-	17,957,375	-	17,957,375
Trade and other payables	6, 21	348,740,900	456,719,598	216,979,467	257,662,391
Current portion of share purchase payable	16	500,000,000	-	500,000,000	-
Unbilled payables		403,820	4,930,335	6,595,134	14,779,054
Advances received from project management services	6, 10	-	680,724,052	697,040,615	791,406,567
Advances received from customers		792,508,718	666,780,178	572,237,439	-
Subordinated short-term loans from and interest payable to related party	6	-	-	-	32,847,986
Promissory notes	22		443,842,500	-	443,842,500
Provision for loss on project management	10	-	7,413,216	6,678,676	7,413,216
Current portion of liabilities under finance lease agreements	23	1,433,000	1,576,877	1,433,000	1,546,848
Current portion of long-term loans	24	42,754,782	4,009,104,386	-	3,563,088,696
Income tax payable		82,848,977	334,126,783	-	-
Deposits received		6,552,720	6,522,000	5,920,000	5,900,000
Retention payables		114,573,367	115,759,903	17,954,017	2,554,228
Other current liabilities		125,156,507	51,943,500	70,342,140	34,709,189
Total current liabilities		2,014,972,791	6,797,400,703	2,095,180,488	5,173,708,050
Non-current liabilities					
Share purchase payable - net of current portion	16	250,000,000	-	250,000,000	-
Liabilities under finance lease agreements net of current portion	23	1,315,395	2,748,395	1,315,395	2,748,395
Long-term loans - net of current portion	24	2,106,487,764	2,065,108,337	2,014,033,513	2,065,108,337
Provision for long-term employee benefits	25	22,167,016	18,506,605	20,115,016	17,154,827
Income tax liability on acquisition of an entity	26	29,001,041	181,089,220	-	-
Total non-current liabilities total assets		2,408,971,216	2,267,452,557	2,285,463,924	2,085,011,559
Total liabilities		4,423,944,007	9,064,853,260	4,380,644,412	7,258,719,609

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

Statement of financial position (continued)**As at 31 December 2012**

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital	27				
Registered					
3,333,000,000 ordinary shares of Baht 0.10 each (2011: 3,666,300,000 ordinary shares of Baht 0.10 each)		333,300,000	366,630,000	333,300,000	366,630,000
Issued and fully paid					
3,333,000,000 ordinary shares of Baht 0.10 each (2011: 2,000,000,000 ordinary shares of Baht 0.10 each)		333,300,000	200,000,000	333,300,000	200,000,000
Share premium on ordinary shares	27	5,210,297,103	-	5,210,297,103	-
Retained earnings (deficit)					
Appropriated - statutory reserve	29	25,258,366	18,174,650	25,258,366	18,174,650
Unappropriated (deficit)		(657,254,088)	(362,719,166)	281,919,402	147,328,791
Components of shareholders' equity		8,039,921	32,522,474	-	-
Total shareholders' equity (capital deficit)		4,919,641,302	(111,992,042)	5,850,774,871	365,503,441
Total liabilities and shareholders' equity		9,343,585,309	8,952,861,218	10,231,419,283	7,624,223,050

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

Statement of comprehensive income

For the year ended 31 December 2012

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit or loss:					
Revenues					
Revenue from sale of real estate		4,960,210,417	5,483,310,809	5,800,000	16,500,000
Revenue from project management services	6	20,396,848	62,506,733	132,169,272	221,106,498
Commission income	6	-	-	76,320,817	64,594,860
Services income		94,006,730	83,582,813	-	-
Revenue from sale of food and beverages		28,209,894	31,420,396	1,075,360	-
Trademark income	6	-	-	246,604,912	273,140,540
Interest income	6	7,164,216	3,846,074	44,439,806	182,288,650
Dividend income		-	-	945,741,193	515,667,600
Other income		28,283,163	21,344,917	4,408,607	426,378
Total revenues		5,138,271,268	5,686,011,742	1,456,559,967	1,273,724,526
Expenses					
Cost of real estate sold		3,355,815,198	4,333,806,913	4,283,278	17,605,536
Cost of project management services		14,482,795	49,929,979	70,871,713	72,906,045
Cost of services		66,361,532	53,694,559	-	-
Cost of food and beverages		11,925,389	14,693,302	621,884	-
Selling expenses		745,390,567	427,821,578	224,923,608	30,619,845
Administrative expenses		545,553,099	370,710,702	409,530,982	257,714,067
Other expenses					
Amortisation of agreements to buy and to sell condominium signed with customers		349,741,437	232,217,893	-	-
Loss from impairment of investments in subsidiaries	16	-	-	285,000,000	6,000,000
Total expenses		5,089,270,017	5,482,874,926	995,231,465	384,845,493

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

Statement of comprehensive income (continued)**For the year ended 31 December 2012**

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit before share of profit from investments in associates, finance cost and corporate income tax		49,001,251	203,136,816	461,328,502	888,879,033
Share of profit from investments in associates	15.2	8,345,217	1,169,042	-	-
Profit before finance cost and corporate income tax		57,346,468	204,305,858	461,328,502	888,879,033
Finance cost					
Finance cost associated with the acquisition	16	(287,518,043)	(571,918,271)	(287,518,043)	(571,918,271)
Other finance cost		(19,774,104)	(9,485,744)	(32,136,132)	(33,467,767)
Profit (loss) before corporate income tax		(249,945,679)	(377,098,157)	141,674,327	283,492,995
Income tax expenses	26	(37,505,527)	59,802,378	-	-
Profit (loss) for the year		(287,451,206)	(317,295,779)	141,674,327	283,492,995
Other comprehensive income:					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		(287,451,206)	(317,295,779)	141,674,327	283,492,995
Earnings per share					
Basic earnings per share					
Profit (loss) for the year		(0.14)	(0.17)	0.07	0.15
Weighted average number of ordinary shares (shares)		2,105,620,219	1,880,136,986	2,105,620,219	1,880,136,986

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

Statement of financial position

Ananda Development Public Company Limited and its subsidiaries

As at 31 December 2012
(Unit: Baht)

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	Consolidated financial statements									
	Retained earnings (deficit)					Other components of equity				
	Issued and fully paid share capital	Share premium on ordinary shares	Appropriated - statutory reserve	Unappropriated (deficit)	Surplus on business combination under common control	Valuation surplus of the fair value of assets from an acquisition	Total other components of shareholders' equity	Total shareholders' equity		
Balance as at 1 January 2011	187,500,000	- 0	4,000,000	(17,359,737)	2,239,713	64,811,539	67,051,252	241,191,515		
Amortisation of valuation surplus	- 0	- 0	- 0	- 0	- 0	(34,498,778)	(34,498,778)	(34,498,778)		
Total comprehensive income for the year	- 0	- 0	- 0	(317,295,779)	- 0	- 0	- 0	- 0	(317,295,779)	- 0
Dividends paid	- 0	- 0	- 0	(13,889,000)	- 0	- 0	- 0	- 0	(13,889,000)	- 0
Increase in ordinary shares	12,500,000	- 0	- 0	- 0	- 0	- 0	- 0	- 0	12,500,000	- 0
Appropriated retained earnings to statutory reserve	- 0	- 0	14,174,650	(14,174,650)	- 0	- 0	- 0	- 0	- 0	- 0
Balance as at 31 December 2011	200,000,000	- 0	18,174,650	(362,719,166)	2,239,713	30,312,761	32,552,474	(111,992,042)		
Balance as at 1 January 2012	200,000,000	- 0	18,174,650	(362,719,166)	2,239,713	30,312,761	32,552,474	(111,992,042)		
Amortisation of valuation surplus	- 0	- 0	- 0	- 0	- 0	(24,512,553)	(24,512,553)	(24,512,553)		
Total comprehensive income for the year	- 0	- 0	- 0	(287,451,206)	- 0	- 0	- 0	- 0	(287,451,206)	- 0
Increase in ordinary shares	133,300,000	5,210,297,103	- 0	- 0	- 0	- 0	- 0	- 0	5,343,597,103	- 0
Appropriated retained earnings to statutory reserve	- 0	- 0	7,083,716	(7,083,716)	- 0	- 0	- 0	- 0	- 0	- 0
Balance as at 31 December 2012	333,300,000	5,210,297,103	25,258,366	(657,254,088)	2,239,713	5,800,208	8,039,921	4,919,641,302		

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

Statement of financial position

Ananda Development Public Company Limited and its subsidiaries

As at 31 December 2012
(Unit: Baht)

	Note	Issued and fully paid share capital	Share premium on ordinary shares	Retained earnings (deficit)		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated (deficit)	
Balance as at 1 January 2011		187,500,000	- 0	4,000,000	(108,100,554)	83,399,446
Total comprehensive income for the year		- 0	- 0	- 0	283,492,995	283,492,995
Dividends paid	34	- 0	- 0	- 0	(13,889,000)	(13,889,000)
Increase in ordinary shares		12,500,000	- 0	- 0	- 0	12,500,000
Appropriated retained earnings to statutory reserve		- 0	- 0	14,174,650	(14,174,650)	- 0
Balance as at 31 December 2011		200,000,000	- 0	18,174,650	147,328,791	365,503,441
Balance as at 1 January 2012		200,000,000	- 0	18,174,650	147,328,791	365,503,441
Total comprehensive income for the year		- 0	- 0	- 0	141,674,327	141,674,327
Increase in ordinary shares	27	133,300,000	5,210,297,103	- 0	- 0	5,343,597,103
Appropriated retained earnings to statutory reserve		- 0	- 0	7,083,716	(7,083,716)	- 0
Balance as at 31 December 2012		333,300,000	5,210,297,103	25,258,366	281,919,402	5,850,774,871

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

Cash flow statement

For the year ended 31 December 2012

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit (loss) before tax	(249,945,679)	(377,098,157)	141,674,327	283,492,995
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate developments costs as a result of transfer to cost of sales	3,355,815,198	4,333,806,913	4,283,278	17,605,536
Decrease in project management in progress as a result of transfer to cost of services	14,482,795	49,929,979	70,871,713	72,906,045
Depreciation and amortisation	444,279,591	266,629,078	74,509,531	19,386,622
Doubtful accounts (reversal)	1,553,253	(458,400)	1,553,253	(458,400)
Long-term employee benefit expenses	4,673,371	4,387,570	3,973,149	3,735,573
Reversal loss on diminution in value of real estate development cost	-	(2,311,900)	-	(2,311,900)
Reversal of provision for loss on project management	(7,413,216)	(13,016,863)	(734,540)	(13,016,863)
Loss on writes-off of interest receivable	11,629,015	-	11,629,015	-
Loss on impairment of investments in subsidiaries	-	-	285,000,000	6,000,000
Loss on sales/writes-off of buildings and equipment	134,781	250,606	132,023	236,977
Transfer deferred financial fees to interest expenses	60,252,036	194,078,126	59,552,036	194,078,126
Share of profit from investments in associates	(8,345,217)	(1,169,042)	-	-
Interest income	(7,164,216)	(3,846,074)	(44,439,806)	(182,288,650)
Dividend income	-	-	(945,741,193)	(515,667,600)
Interest expenses	247,040,111	377,186,030	260,102,139	405,071,502
Profit (loss) from operating activities before changes in operating assets and liabilities	3,866,991,823	4,828,367,866	(77,635,075)	288,769,963
Operating assets (increase) decrease				
Trade and other receivables	1,032,825	119,014,497	(339,992,527)	(203,638,989)
Constructions in progress	-	323,922	-	323,922
Project management in progress	149,780,562	(51,694,774)	(50,905,308)	(96,730,371)
Inventories	196,342	(171,552)	(58,415)	-
Real estate developments cost	(1,777,205,098)	(3,528,758,528)	(971,356,197)	(2,119,708,164)
Land development costs	-	969,714	-	969,714
Advance payments for constructions	(83,209,716)	101,299,128	(126,599,712)	-
Other current assets	(117,000,054)	9,323,730	(139,811,607)	6,235,330
Other non-current assets	1,521,314	(15,528,461)	13,783,604	(15,473,862)

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

Cash flow statement (continued)

For the year ended 31 December 2012

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Operating liabilities increase (decrease)				
Trade and other payables	5,935,667	24,729,308	164,580,858	79,329,104
Unbilled payables	(4,526,515)	(6,600,214)	(8,183,920)	(21,410,118)
Advances received from project management services	(21,468,396)	(55,348,628)	(94,365,952)	(135,726,012)
Advance received from customers	122,732,498	(654,528,787)	572,237,439	-
Other current liabilities	27,289,246	(89,461,777)	51,052,740	7,803,406
Provision for long-term employee benefits	(1,012,960)	-	(1,012,960)	-
Cash flows from (used in) operating activities	2,171,057,538	681,935,444	(1,008,267,032)	(2,209,256,077)
Cash received from income tax refund	17,362,114	-	3,819,944	-
Cash paid for corporate income tax	(458,757,044)	(136,088,934)	(24,317,943)	(7,471,378)
Net cash flows from (used in) operating activities	1,729,662,608	545,846,510	(1,028,765,031)	(2,216,727,455)
Cash flows from investing activities				
Decrease (increase) in restricted financial institution deposits/withdrawal conditions	330,888,761	(407,922,722)	(322,480)	2,977,082
Decrease (increase) in current investments	(100,000,000)	3,127,328	(100,000,000)	-
Cash paid for purchase of investments in subsidiaries	(134,622,468)	-	(254,375,000)	(406,303,441)
Decrease (increase) in short-term loans to related parties	-	-	(275,918,104)	149,703,409
Decrease in long-term loans to related parties	-	-	3,615,821	1,008,519,643
Cash received from subordinated long-term loans to related parties	-	-	783,520,633	-
Cash paid for subordinated long-term loans to related parties	-	-	(11,065,385)	-
Dividend received	-	-	747,741,210	-
Interest income	5,653,419	2,288,682	4,452,523	17,676,905
Proceeds from sales of equipment	2,056	1,741,196	2,056	1,741,196
Cash paid for acquisitions of buildings, equipment and intangible assets	(65,416,178)	(62,218,842)	(52,920,838)	(56,901,917)
Net cash flows from (used in) investing activities	36,505,590	(462,984,358)	844,730,436	717,412,877

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

Cash flow statement (continued)

For the year ended 31 December 2012

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(18,138,904)	18,138,904	(18,138,904)	18,138,904
Increase (decrease) in short-term loans from related parties	-	(27,440,500)	-	1,020,844,676
Decrease in subordinated short-term loans from related party	-	-	1,195,291,456	-
Repayments of promissory notes	(443,842,500)	-	(443,842,500)	-
Cash paid for liabilities under finance lease agreements	(1,576,877)	(3,633,915)	(1,546,848)	(3,513,703)
Cash received from long-term loans	1,698,748,747	2,942,569,697	1,327,362,919	2,161,879,697
Repayments of long-term loans	(5,816,334,992)	(2,763,912,852)	(5,013,556,526)	(1,234,207,948)
Cash paid for interest expenses	(428,947,524)	(441,816,383)	(415,164,884)	(413,772,168)
Cash paid for financial fees	(149,003,722)	(49,759,570)	(146,539,761)	(49,759,570)
Proceeds from increase in share capital	5,598,600,000	12,500,000	5,598,600,000	12,500,000
Cash paid for expenses incurred in making the offering	(209,325,393)	-	(209,325,393)	-
Dividends paid	-	(13,889,000)	-	(13,889,000)
Net cash flow from (used in) financing activities	230,178,835	(327,243,619)	1,873,139,559	1,498,220,888
Net increase (decrease) in cash and cash equivalents	1,996,347,033	(244,381,467)	1,689,104,964	(1,093,690)
Cash and cash equivalents at beginning of year	62,179,851	306,561,318	8,658,241	9,751,931
Cash and cash equivalents at end of year (Note 7)	2,058,526,884	62,179,851	1,697,763,205	8,658,241
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Payable for purchase of investment in subsidiary	750,000,000	-	750,000,000	-
Dividend receivable	-	-	197,999,983	-
Payables for expenses incurred in making the offering	20,007,601	-	20,007,601	-
Transferred real estate development costs to investment properties	113,714,509	-	-	-
Transferred real estate development costs to buildings	9,090,210	-	-	-
Amortisation of valuation surplus of the fair value of assets from an acquisition	24,512,553	37,254,483	-	-
Increase in promissory notes from purchase of land for project development	-	443,842,500	-	443,842,500
Motor vehicles acquired under finance lease agreement	-	2,420,000	-	2,420,000
Transferred land held for development to property, buildings and equipment	-	155,119,633	-	42,420,033

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

Cash flow statement (continued)**For the year ended 31 December 2012**

Ananda Development Public Company Limited and its subsidiaries

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Offset subordinate short-term loans from and interest payable to related party with subordinate long-term loans to and interest receivable from related parties, and trade receivables - related parties	-	- 1,245,225,346	-	-
Offset interest receivable of subordinate long-term loans from related parties with other payables - related parties	-	-	80,265,582	-
Offset short-term loans from related party with dividend received	-	-	-	515,667,600
Offset short-term loans from related party with long-term loans to related party	-	-	-	911,525,109

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

Notes to consolidated financial statements

Ananda Development Public Company Limited and its subsidiaries

1. Corporate information

Ananda Development Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in development and sale of real estate, providing house construction service and management in real estate development projects. Its registered address is 99/1 Moo 14, Bangna-Trad Km. 10.5 Rd., Bangpleeyai, Bangplee, Samutprakarn.

The 2011 Annual General Meeting of the shareholders, held on 29 April 2011, passed a special resolution to change the status of the Company from a limited company to a public company, and to register the change of its name from “Ananda Development Company Limited” to “Ananda Development Public Company Limited”, with the Ministry of Commerce on 12 May 2011.

On 7 December 2012, the Stock Exchange of Thailand approved the listing of the Company’s ordinary shares, to begin trading from 7 December 2012.

2. Basis of preparation

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Ananda Development Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”).

Subsidiaries’ name	Nature of business	Country of incorporation	2012	2011
			Percentage of shareholding	
Blue Deck Co., Ltd.	Development of real estate, sale of food and beverages, and service sport club members	Thailand	99.96	99.96
Bira Circuit One Co., Ltd.	Services about car racetrack	Thailand	99.78	99.78

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

(Unit: Percent)

Subsidiaries' name	Nature of business	Country of incorporation	2012	2011
			Percentage of shareholding	
Bira Kart Co., Ltd. (held a 50.69% equity interest by Bira Circuit One Co., Ltd.)	Services about car racetrack	Thailand	49.31	49.31
The Agent (Property Expert) Co., Ltd.	Real estate brokerage	Thailand	99.98	99.98
The Works Community Management Co., Ltd.	Management of juristic person	Thailand	99.98	99.98
Ananda Development Two Co., Ltd.	Development of real estate projects	Thailand	100.00	100.00
Ananda Development One Co., Ltd.	Development of real estate projects	Thailand	100.00	-
Srivaree Development Co., Ltd.	Manufacturer and distributor of building materials	Thailand	100.00	100.00
Ideo Condo Co., Ltd.	Advertising production	Thailand	99.80	99.80

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The subsidiary which the Company owns through Ananda Development One Company Limited is as follow:

Subsidiaries' name	Nature of business	Country of incorporation	2012	2011
			Percentage of shareholding	
Baan Nirawana Co., Ltd.	Development of real estate	Thailand	100.00	-

b) Acquisition of investment in 2012

The consolidated financial statements exclude the 2011 financial statements of Ananda Development One Company Limited, in which the Company then held an interest of 51.74%, because the Company had no control over such company and it was not considered to be subsidiary. However the Company recognised share of the profit of this associate at 5% in accordance with the profit sharing percentage stipulated in the Articles of Association.

Subsequently, in December 2012, the Company acquired a further 48.26% interest in ordinary and preferred shares of Ananda Development One Company Limited from the former shareholders, for a price of Baht 1,004 million. As a result, the Company holds a 100% stake in that company and it became a subsidiary of the Company.

Ananda Development One Company Limited is the sole shareholder of Baan Nirawana Company Limited, and therefore Baan Nirawana Company Limited also became a subsidiary of the Company.

The Company has considered the acquisition of Ananda Development One Company Limited in accordance with the requirements of Thai Financial Reporting Standard No. 3 (Amended 2009) Business Combination and concluded that this acquisition is, in substance, an asset acquisition.

c) Business combination in 2011

In August 2011, the Company invested Baht 59,381 or 998 ordinary shares with a par value of Baht 59.5 each of Ideo Condo Company Limited. Such investment represented 99.80% of equity interest in this company.

- d) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Investments in the subsidiaries as recorded in the Company's books of account are eliminated against the equity of the subsidiaries in consolidated financial statements.

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

3. New accounting standards not yet effective

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of decreasing the Company and its subsidiaries' brought-forward deficit of the year 2013 by approximately Baht 165 million (the Company only: increasing brought-forward retained earnings approximately Bath 134 million).

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

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

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue recognition

Sales of land and houses and sales of residential condominium units

Sales of land and houses and sales of residential condominium units are recognised as revenue when the construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

Rendering of project management and construction

Service income from construction or project management contracts is recognised on the basis of percentage of completion, and the consideration of the percentage of completion is arrived at based on the proportion of actual construction costs or projects management cost incurred up to the end of the year to the total anticipated service costs. Allowance for the total anticipated loss on construction and project management projects will be made in the accounts as soon as the possibility of loss is ascertained.

Rendering of project management and construction

Service income from construction or project management contracts is recognised on the basis of percentage of completion, and the consideration of the percentage of completion is arrived at based on the proportion of actual construction costs or projects management cost incurred up to the end of the year to the total anticipated service costs. Allowance for the total anticipated loss on construction and project management projects will be made in the accounts as soon as the possibility of loss is ascertained.

The recognised revenues which have not yet been due as per contracts have been shown under the caption of "Unbilled receivables" in the statements of financial position.

Sales of food and beverages

Revenues from sale of food and beverages represent the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowance.

Rendering of services

Service revenue with respect to brokerage revenue is recognised when service is completed, and represents the invoiced value, excluding value added tax. Service revenue is recognized when services have been rendered, and represents the invoiced value, excluding value added tax. Service income from sport club member is recognised on the straight-line basis over the subscription period.

Interest income

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

4.2 Cost recognition

Cost of land and houses sold and cost of residential condominium units sold

In determining the cost of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and to residential condominium units sold on the basis of the salable area weighted to the selling price of the unit, and then recognised as costs in profit or loss concurrently with revenue from sales.

Development costs are stated at cost, consisting of cost of land, design fees, utilities, construction and related interest.

Cost of project management and construction services

In determining cost of construction services, the total anticipated construction costs are attributed to each construction projects and then recognised as cost of services in profit or loss on the basis of percentage of completion.

In determining cost of project management services, the total anticipated costs are attributed to each management projects and then recognised as cost of services in profit or loss on the basis of portion of revenue recognition.

The recognised cost of construction which have not yet been due have been shown under the caption of “Unbilled payables” in the statements of financial position.

The actual cost of services incurred but not yet recognised as cost of services in profit or loss has been regarded as “Construction in progress” and “Project management in progress” in the statements of financial position.

Construction in progress and project management in progress include the cost of raw materials, direct labour and other expenses incurred for each project. Such construction in progress is valued at the lower of cost or net realisable value.

4.3 Cash and cash equivalents

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

4.4 Trade accounts receivable

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

4.5 Inventories

Inventories are valued at the lower of average cost and net realisable value.

4.6 Real estate development costs

Land and construction in progress are stated at cost less provision for loss on diminution in value of projects. The details of cost calculation are as follows:

Land	Construction in progress
Cost of land using the weighted average method, calculating it separately for each project.	Construction in progress consists of the cost of construction, public utility costs and interest capitalised to cost of projects by records cost of construction and public utilities based on the actual cost incurred.

4.7 Investments

- a) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

4.8 Investment properties

Investment properties in the consolidated financial statements are measured initially at their fair value on the date of business acquisition plus additional costs incurred for which such total cost is regarded as cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

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

4.9 Land development costs

Land development costs are stated at cost less allowance for loss on diminution in value of projects (if any). Cost comprises the costs of land, land development costs, design and construction costs, other related costs and borrowing costs for construction.

4.10 Land held for development

Land held for development represents real estate set aside for future projects, and comprises the costs of land, land development costs and related expenses. Land held for development is stated at cost less allowance for loss on impairment of assets (if any).

4.11 Property, buildings and equipment/Depreciation

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

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

Buildings and structure	20 - 30	years
Temporary buildings	12 - 14	months
Machinery and equipment	5	years
Furniture, fixtures and office equipment	5	years
Motor vehicles	5 and 7	years

Restaurant operating equipment, consisting of crockery, glassware and utensils, is in the main determined annually by a physical count, and valued at net book value, after deducting an appropriate portion of depreciation.

Depreciation is included in determining income.

No depreciation is provided for land and assets under installation and under construction.

4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. 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.

4.13 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	Useful lives
Computer software	5 and 10 years
Deferred franchise fee	6 years
Agreements to buy and to sell condominium signed with customers	By conveyancing

4.14 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.15 Related party transactions

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

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

416 Long-term leases

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

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

417 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

418 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, buildings and equipment and other intangible 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 asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

419 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, the subsidiaries 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 recognised as expenses when incurred.

Defined benefit plans

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

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

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

4.20 Provisions

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

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4.21 Income tax

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Land development costs estimation

In recognising revenue and cost from sales of land, the Company needs to estimate all land development costs, including land costs, land improvement costs, design and construction costs, other related costs and borrowing costs for construction, to be used in calculation of revenue and cost. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Project management costs estimation

In recognising revenue and cost from project management, the Company has to estimate all project management costs, comprising payroll cost, promotional expenses and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs. The important factors in estimating the cost of project management are the expected duration of the project and personnel costs. These factors are uncertain, and depend on the overall state of the economy.

Project development costs estimation

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

Impairment of investment in subsidiaries and associates

The Company treats investments in subsidiaries and associates as impaired if the business operations of such companies are severely impacted by the economic crisis and the investments will take time to recover their value. The management determines devaluation of such investments based on management's judgment. The use of different estimates and assumptions could affect the amounts of allowances for impairment of investments in subsidiaries and associates and adjustments to the allowances may therefore be required in the future.

Depreciation and amortisation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In determining amortisation of intangible assets with finite lives, the management is required to make estimates of the useful lives of the Company's intangible assets and to review estimate useful lives when there are any changes.

In addition, the management is required to review buildings and equipment and intangible assets 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 cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Provision for condominium care warrantee

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

Post-employment benefits under defined benefit plans

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

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management of the Company and its subsidiaries has used judgement to assess of the results of the litigation and believes that such provision for contingent liabilities (if any) as at the end of reporting period is appropriated.

6. Related party transactions

The relationships between the Company and related parties are summarised below.

Name	Relationship
Bira Circuit One Co., Ltd.	Subsidiary
Bira Kart Co., Ltd.	Subsidiary
Blue Deck Co., Ltd.	Subsidiary
The Agent (Property Expert) Co., Ltd.	Subsidiary
The Works Community Management Co., Ltd.	Subsidiary
Ananda Development Two Co., Ltd.	Subsidiary
Srivaree Development Co., Ltd.	Subsidiary
Ideo Condo Co., Ltd.	Subsidiary
Ananda Development One Co., Ltd.	Subsidiary (being associate until 17 December 2012)
Baan Nirawana Co., Ltd.	Subsidiary (being associate until 17 December 2012)
Bira RT Kart Co., Ltd.	Associate
Windmill Architect Co., Ltd.	Common shareholders/Common directors (no common shareholders/common directors since July 2011)
Chanond Leasing Co., Ltd.	Common shareholders/Common directors
Maduro Co., Ltd.	Common shareholders/Common directors
Pimanda Development Co., Ltd.	Common shareholders/Common directors
Chiangmai Greenvalley Countryclub Co., Ltd.	Common shareholders/Common directors (no common shareholders/common directors since August 2012)
Greenvalley Properties Co., Ltd.	Common shareholders/Common directors
Greenpark Co., Ltd.	Common shareholders/Common directors
St. Andrews 2000 Co., Ltd.	Common shareholders/Common directors
St. Andrews Development Co., Ltd.	Common shareholders/Common directors (no common shareholders/common directors since August 2011)
Mitsu Natdhanai Co., Ltd.	Common shareholders/Common directors
PYI Consulting Co., Ltd.	Common directors (no common directors since October 2012)
Bira Circuit Co., Ltd.	Common directors (no common directors since May 2012)

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

(Unit: Million Baht)

	2012	2011	2012	2011	
	Consolidated financial statements		Separate financial statements		Pricing policy
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Project management income	-	-	111.8	158.6	6.5% of project value, as specified in contract
Commission income	-	-	76.3	64.6	2.5% of sale value for contract completed and transferred during the year
Trademark income	-	-	246.6	273.1	5% of sale value for contract completed and transferred during the period
Interest income	-	-	39.8	180.6	2.5%, MLR+0.1%, MLR+2%, MLR+2.1%, MLR+2.2% and MOR+1.725% per annum (2011: 8.39%, MLR+2% and MLR+2.2% per annum)
Dividend income	-	-	945.7	515.7	As declared
Interest expenses	-	-	17.6	30.2	2.75%, 3%, MLR+0.2%, MLR+1.1% and MOR+1.875% per annum (2011: MLR+2.2% per annum)
Transactions with associated companies					
Project management income	20.4	62.5	20.4	62.5	Contract price by the project
Interest income	1.5	1.6	1.5	1.6	1.5% per annum
Transactions with related companies					
Consulting fee	-	16.8	-	16.8	Contract price (Baht 0.15 and 2.5 million per month)
Rental expenses	1.2	3.7	-	-	Annual contract prices and other compensation 7% of revenue

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	313,997	383,735
Associated companies	-	75,646	-	75,646
Total trade and other receivables - related Parties	-	75,646	313,997	459,381
Trade and other payables - related parties (Note 21)				
Subsidiaries	-	-	27,942	2,147
Related company (related by common shareholders)	-	2,675	-	2,675
Management and directors	-	-	-	-
Total other accounts payable - related parties	-	2,675	27,942	4,822
Unearned project management revenue - related parties				
Subsidiaries	-	-	697,041	110,683
Associated companies	-	680,724	-	680,724
Total unearned project management revenue - related parties	-	680,724	697,041	791,407

As at 31 December 2012 and 2011, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Balance as at 1 January 2012		Increase		Decrease		Balance as at 31 December 2012	
	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest
Subordinated long-term loans to and interest receivable from related party								
Subsidiary (being associate until 17 December 2012)								
Ananda Development One Co., Ltd.	104,439	10,119	-	1,511	(104,439)	(11,630)	-	-

(Unit: Thousand Baht)

	Separate financial statements							
	Balance as at 1 January 2012		Increase		Decrease		Balance as at 31 December 2012	
	Loans	Interest	Loans	Interest	Loans	Interest	Loans	Interest
Short-term loans to and interest receivable from related parties								
Subsidiaries								
Ananda Development Two Co., Ltd.	-	-	288,200	12,101	(288,200)	(12,101)	-	-
Blue Deck Co., Ltd.	12,029	318	19,243	1,027	(15,212)	(1,302)	16,060	43
Bira Circuit One Co., Ltd.	7,283	1,160	-	646	(391)	-	6,892	1,806
Srivaree Development Co., Ltd.	308	15	551	31	-	-	859	46
The Works Community Management Co., Ltd.	750	2	4,349	188	-	-	5,099	190
Total short-term loans to and interest receivable from related parties	20,370	1,495	312,343	13,993	(303,803)	(13,403)	28,910	2,085
Subordinated short-term loans to and interest receivable from related parties								
Subsidiaries								
Ananda Development Two Co., Ltd.	-	-	447,741	3,807	(447,741)	(3,807)	-	-
Subordinated long-term loans to and interest receivable from related parties								
Subsidiaries								
Ananda Development Two Co., Ltd.	772,455	339,604	11,065	21,978	(783,520)	(361,582)	-	-
Subsidiary (being associate until 17 December 2012)								
Ananda Development One Co., Ltd.	104,439	10,119	-	1,511	-	(11,630)	104,439	-
Total subordinated long-term loans to and interest receivable from related parties	876,894	349,723	11,065	23,489	(783,520)	(373,212)	104,439	-
Short-term loans from and interest payable to related parties								
Subsidiaries								
Ananda Development Two Co., Ltd.	-	32,848	1,481,894	17,086	(1,481,894)	(49,934)	-	-
Blue Deck Co., Ltd.	-	-	55,370	536	(55,370)	(536)	-	-
Total short-term loans from and interest payable to related parties	-	32,848	1,537,264	17,622	(1,537,264)	(50,470)	-	-

Subordinated long-term loans to and interest receivable from related parties

On 14 December 2012, the Company entered into an amendment agreement to the subordinated convertible instruments agreement, to adjust the outstanding balances between Ananda Development One Company Limited and the Company. The Company agreed to waive accrued interest of Ananda Development One Company Limited with an outstanding balance as of 18 December 2012 of Baht 11.6 million, and agreed that no interest would be charged after such date, in accordance with the Share Sale and Purchase Agreement of Ananda Development One Company Limited (as described in Note 16).

On 22 January 2011, the Company and Ananda Development Two Company Limited reached agreement to prepare a new loan agreement, and to cancel the original agreement to provide a loan in the form of subordinated convertible instruments. The interest rate was changed from 1.5 % per annum to MLR + 2.2 % per annum and the loan is repayable on demand after 18 months has passed from the date of the agreement, which is effective on 16 November 2010. However, the long-term loans are considered to be subordinated because of a restriction in a loan agreement that the subsidiary made with a financial institution, stipulating that loans from the subsidiary's affiliates or directors or shareholders or anyone associated with this subsidiary are held to be fully subordinated debt.

Short-term loans to and interest receivable from related parties

During 2012, the Company granted loans to a subsidiary, carrying interest at MLR + 0.1% and MOR + 1.725% per annum and due at call. The subsidiary repaid the loans in full during the current year.

Subordinated short-term loan to and interest receivable from related party

During 2012, the Company granted a loan to a subsidiary, carrying interest at MLR + 2.1% per annum and due at call. The loan was regarded as subordinated loan in accordance with the conditions of a loan agreement between the Company and a financial institution. The subsidiary repaid the loan in full during the current year.

Subordinated short-term loans from and interest payable to related party

During 2012, subsidiaries granted loans to the Company, carrying interest at 2.75%, 3%, MLR + 0.2%, MLR + 1.1% and MOR + 1.825% per annum and due at call. The loans were regarded as subordinated loans in accordance with the conditions of a loan agreement between the Company and a financial institution. The Company repaid the loans in full during the current year.

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	26,107	17,664	26,107	17,664
Post-employment benefits	868	809	868	809
Total	26,975	18,473	26,975	18,473

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 35.7.

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7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	1,194	1,186	744	880
Bank deposits	2,057,333	60,994	1,697,019	7,778
Total	2,058,527	62,180	1,697,763	8,658

As at 31 December 2012, bank deposits in saving accounts and fixed deposits carried interests between 0.62% and 3.0% per annum (2011: between 0.75% and 2.2% per annum).

As at 31 December 2012, a subsidiary has a bank overdraft facility of Baht 10 million that has not yet been drawn down.

8. Current investments

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2012	2011
Deposit at bank with an original maturity more than three months	100,000	-

As at 31 December 2012, fixed deposit carried interest at a rate of 2.90% per annum.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	-	-	39,990	14,541
Past due				
Up to 3 months	-	-	-	26,122
3 - 6 months	-	-	-	77,239
6 - 12 months	-	-	-	265,608
Over 12 months	-	73,835	73,835	73,835
Total trade receivables - related parties	-	73,835	113,825	457,345
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	8,039	2,729	4,002	9,000
Past due				
Up to 3 months	798	342	9	-
3 - 6 months	1,275	580	-	-
6 - 12 months	603	10,396	-	-
Over 12 months	12,734	12,986	12,734	12,815
Total	23,449	27,033	16,745	21,815
Less: Allowance for doubtful debts	(7,565)	(7,565)	(7,565)	(7,565)
Total trade receivables - unrelated parties, net	15,884	19,468	9,180	14,250
Total trade receivables - net	15,884	93,303	123,005	471,595
Other receivables				
Dividend receivable - related party	-	-	198,000	-
Advances - related parties	2,146	3,957	3,905	3,995
Other receivables - related parties	-	-	413	187
Other receivable - unrelated party	5,841	3	5,024	-
Total	7,987	3,960	207,342	4,182
Less: Allowance for doubtful debts	(2,748)	(2,146)	(2,748)	(2,146)
Total other receivables	5,239	1,814	204,594	2,036
Trade and other receivables - net	21,123	95,117	327,599	473,631

The Company does not set aside an allowance for doubtful accounts for long outstanding trade accounts receivable - related parties since the Company still has outstanding debts to those related parties that are represented in advances received from project management services account.

10. Gross amount due from customers for management work / Gross amount due to customers for management work

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Amount of contract revenue recognised as revenue in the year	20,397	62,507	132,169	221,106
Aggregate amount of project management costs incurred to date	819,295	957,961	1,066,579	1,026,264
The recognised profits to date	686,618	684,405	949,675	877,053
	1,505,913	1,642,366	2,016,254	1,903,317
Sum of progress billings	(1,505,913)	(2,166,240)	(2,535,504)	(2,497,701)
	-	(523,874)	(519,250)	(594,384)
Gross amount due from customers for management work	-	-	-	-
Gross amount due to customers for management work	-	(523,874)	(519,250)	(594,384)
	-	(523,874)	(519,250)	(594,384)

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Advances received from project management services are recognised as income based on the stage of completion.

During the current year, the Company reclassified the items in the above note, and as a result, the balances presented in the consolidated financial statements as of 31 December 2011 differ from those previously presented, without any effect to the previously reported profit or loss for such year.

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Finished goods	-	173	-	-
Foods and beverages	1,030	1,053	58	-
Total	1,030	1,226	58	-

12. Real estate development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost of land	4,258,859	3,942,000	2,484,843	2,494,606
Construction in progress	827,492	2,419,315	769,517	12,087
Project management fee	272,884	374,868	103,830	33,546
Show houses	43,024	-	-	-
Capitalised interest cost	612,621	222,274	421,770	85,323
Total real estate development costs - net	6,014,880	6,958,457	3,779,960	2,625,562

Land and construction thereon of projects of the Company and subsidiaries have been pledged as collateral for credit facilities obtained from domestic commercial banks.

The Company and its subsidiaries capitalised borrowing costs in the cost of land and construction in progress for the year 2012 amounting to Baht 368 million (2011: Baht 67 million) (the Company only: Baht 336 million, 2011: Baht 42 million).

Additional information of the projects

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Total estimated sale value of projects	40,621,150	20,332,179	9,622,509	53,200
Total sale value of units with signed agreements to buy and sell, or units sold	27,843,461	16,305,913	6,642,266	5,900
Percentage of sale value of units with signed agreements to buy and sell, or units sold	68.54%	80.20%	69.03%	11.09%

As at 31 December 2012, the Company and its subsidiary had the following numbers of condominium units, land and construction thereon in already-launched projects, which will be transferred to the buyers and recognised as revenue in the future:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Total condominium units, land and construction thereon	5,314 units	1,649 units	2,509 units	-
Units, land and construction thereon with purchase and sale contracts	2,132 units	945 units	1,929 units	-
Units, land and construction thereon still without purchase and sale contracts	3,182 units	793 units	580 units	-

13. Land development costs

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2012	2011
Land	929	929
Land development costs	600	600
Total	1,529	1,529

14. Restricted financial institution deposits/withdrawal conditions

The balances represent savings deposit accounts of the Company and its subsidiaries, which the rights over these deposits has been transferred to financial institutions. The Company and its subsidiaries can withdraw cash from these deposits when they comply with the conditions specified in loan agreements.

In addition, the Company and its subsidiaries have savings deposit accounts which were pledged with the financial institutions to secure letters of guarantee.

In March 2012, the financial institution approved the Company's transfer of a deposit of Baht 11 million to a subsidiary to make payment of the subsidiary's selling and administrative expenses.

On 17 July 2012, a financial institution approved waiver for a subsidiary, enabling it to withdraw additional funds from accounts with the financial institution that have been pledged or are subject to withdrawal conditions, up to the amounts stipulated in the waiver.

15. Investments in associates

15.1 Details of associates

(Unit: Thousand Baht)

Associates' name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2012	2012	2011	2012	2011
Ananda Development One Co., Ltd.	Development of real estate projects	Thailand	-	51.74%	-	34,757	-	9,971
Bira RT Kart Co., Ltd.	Sale of spareparts and vehicle parts	Thailand	45.00%	45.00%	900	900	76	294
Total					900	35,657	76	10,265

(Unit: Thousand Baht)

Associates' name	Nature of business	Country of incorporation	Shareholding percentage	Separate financial statements							
				Cost		Allowance for impairment of investments		Carrying amounts based on equity method			
				2012	2011	2012	2011	2012	2011		
Ananda Development One Co., Ltd.	Development of real estate projects	Thailand	-	51.74%	-	34,757	-	(27,000)	-	7,757	
Total						-	34,757	-	(27,000)	-	7,757

Investments in associates are as follows:

(Unit: Thousand Baht)

Associates	Investments							
	Paid-up capital		Cost - common stocks		Cost - preferred stocks		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Ananda Development One Co., Ltd.	-	67,181	-	1,091	-	33,666	-	34,757
Bira RT Kart Co., Ltd.	2,000	2,000	900	900	-	-	900	900

According to the Article of Association of Ananda Development One Co., Ltd., preferred shares split into four groups: group A, group B, group C and group D. The Company invested in preferred shares group A, group B and group C. the preferred shareholders have the right to receive dividends before the common shareholders. The allocation of dividends to each group of preferred shares differs. In addition, any transfer, sale, pledge or sale of shares must be made in accordance with their regulations.

Voting rights

At any ordinary or extraordinary meeting of the shareholders, each share shall carry the voting rights in the following manner:

- (a) One ordinary share shall carry one voting right.
- (b) 100 preferred shares (all types) shall carry one voting right.

Under the contracts for investment contracts in the two companies, the Company is committed to provide financial support in the form of its investment in common stock and preferred stock and the provision of subordinated loans to those companies.

The consolidated statements of financial position as at 31 December 2012 included investments in associates presented under the equity method amounting to Baht 0.1 million (2011: Baht 10 million) and the consolidated statements of comprehensive income for the year ended 31 December 2012 included shares of profit from 2 associates amounting to Baht 8 million (2011: Baht 1 million) which are recorded based on financial statements prepared by the management of those associates and have yet to be audited by their auditors. The Company believes that the share of profit from associates recorded by the Company will not material differ had the respective financial statements audited by their auditors.

As at 31 December 2012, the status of Ananda Development One Co., Ltd. has been changed to subsidiary as discussed in Note 16.

15.2 Share of profit (loss) and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Associates' name	Consolidated financial statements	
	Share of profit (loss) from investments in associates during the years	
	2012	2011
Ananda Development One Co., Ltd.	8,563	1,476
Bira RT Kart Co., Ltd.	(218)	(307)
Total	8,345	1,169

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15.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

Associates' name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit (loss) for the years ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Ananda Development One Co., Ltd.	-	67.18	-	2,811.40	-	2,608.62	-	490.81	-	29.51
Bira RT Kart Co., Ltd.	2.00	2.00	0.83	1.30	0.67	0.65	1.37	1.52	(0.48)	(0.68)

16. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows.

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Investment proportion		Cost		Allowance for impairment of investments		Net	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Ananda Development Two Co., Ltd.	300,000	300,000	100.00	100.00	2,459,532	2,459,532	(285,000)	-	2,174,532	2,459,532
Ananda Development One Co., Ltd.	67,181	-	100.00	-	1,039,132	-	(27,000)	-	1,012,132	-
Blue Deck Co., Ltd.	233,000	233,000	99.96	99.96	232,900	232,900	-	-	232,900	232,900
Bira Circuit One Co., Ltd.	45,000	45,000	99.78	99.78	44,900	44,900	(27,000)	(27,000)	17,900	17,900
Bira Kart Co., Ltd. (50.69% held by Bira Circuit One Co., Ltd.)	36,500	36,500	49.31	49.31	17,999	17,999	(6,000)	(6,000)	11,999	11,999
The Agent (Property Expert) Co., Ltd.	1,200	1,200	99.98	99.98	1,200	1,200	-	-	1,200	1,200
The Works Community Management Co., Ltd.	1,000	1,000	99.98	99.98	1,000	1,000	-	-	1,000	1,000
Srivaree Development Co., Ltd.	89,200	89,200	100.00	100.00	89,200	89,200	-	-	89,200	89,200
Ideo Condo Co., Ltd.	100	100	99.80	99.80	59	59	-	-	59	59
Total					3,885,922	2,846,790	(345,000)	(33,000)	3,540,922	2,813,790

As at 31 December 2011, the Company had pledged all of its investment in shares of Ananda Development Two Company Limited with a financial institution to secure credit facilities. The pledge was redeemed in December 2012.

Acquisition of investment in Ananda Development One Company Limited from the former shareholders

On 14 December 2012 and 28 December 2012, the Company entered into Share Sale and Purchase Agreement ("SPA") and amendment agreement relating to the SPA with TMW Ananda GMBH ("the seller"), which was incorporated in Germany, Ananda Development One Company Limited ("ADO") and Baan Nirawana Company Limited ("BN"), which is a subsidiary of ADO, in order to acquire 48.26% of the ordinary shares and preferred shares of ADO from the seller. This included the additional ordinary shares to be issued by ADO with respect to the seller's intention to exercise its right as a long-term subordinated loan creditor to order ADO to repay the loan, and then itself use the payment to settle the price of the additional shares that ADO is to issue, in accordance with the SPA. The settlement of the subordinated long-term loans and the additional share capital of ADO was to take place in January 2013, with the Company to pay a consideration of Baht 1,004 million, separated into four installments as follow:

First payment	Second payment	Third payment	Fourth payment
On 18 December 2012	Within 30 June 2013	Within 31 December 2013	Within 30 June 2014
Baht 254 million	Baht 250 million	Baht 250 million	Baht 250 million

On 18 December 2012, ADO and BN are to provide the seller with three promissory notes issued by ADO and BN and avaled by a financial institution, in an aggregate amount of Baht 750 million, as a guarantee of the second, third and fourth payments.

As at 31 December 2012, the Company presented the second and third payments, totaling Baht 500 million, as "Current portion of share purchase payable" and presented the fourth payment of Baht 250 million as "Share purchase payable - net of current portion" in the statement of financial position.

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In addition, the SPA stipulates that subsequent to 18 December 2012 the following actions are to be taken by the various parties.

- The Company is to exercise its right as a long-term subordinated loan creditor to order ADO to repay the loan, and then itself use the payment to settle the price of the additional shares that ADO is to issue. On 3 January 2013 the Company received payment of subordinated loans amounting to Baht 104 million from ADO, and the Company used this money to make payment for 21 million additional ordinary shares of ADO.
- The seller is to exercise its right as a long-term subordinated loan creditor to order ADO to repay the loan, and then itself use the payment to settle the price of the additional shares that ADO is to issue. During 3 - 11 January 2013 the seller received payment of subordinated loans amounting to Baht 1,984 million from ADO, and the seller used this money to make payment for 397 million additional ordinary shares of ADO. Subsequently, the seller transferred the additional ordinary shares to the Company.
- ADO increased its registered share capital by Baht 2,089 million, from Baht 67 million to Baht 2,156 million, by issuing 417,759,985 new ordinary shares of Baht 5 each and allocating these new shares to the existing shareholders. ADO registered the increase in its share capital with the Ministry of Commerce on 14 January 2013.

As a result of the above share acquisition, the Company became the parent company of ADO and BN, since ADO is the sole shareholder of BN.

The 2012 consolidated financial statements included statements of financial position of ADO and BN as of 31 December 2012, and the statements of comprehensive income of ADO and BN as from the acquisition date. The Company has analysed the acquisition in accordance with the requirements of Thai Financial Reporting Standard No. 3 (Amended 2009) Business Combinations and concluded that this acquisition in substance is an asset acquisition.

Total costs of net assets acquisition

(Unit: Million Baht)

Carrying balances of investments at the previous proportion the Company had in Ananda Development One Company Limited before this acquisition	
- Investment accounted for under equity method	
(at the proportion before this acquisition) as at 17 December 2012	19
Acquisition price	1,004
Total costs of net assets acquisition	1,023

Fair value of assets and liabilities obtained

Assets and liabilities of Ananda Development One Company Limited and Baan Niravana Company Limited obtained as of 17 December 2012 according to the allocation of total costs of net assets acquisition are presented as follows

(Unit: Million Baht)

Cash and cash equivalents	120
Real estate development costs	564
Prepaid project management expenses	660
Other current assets	30
Restricted deposits at financial institution	7
Other non-current assets	1
Total assets	1,382
Trade and other payables	87
Advance received from customers	3
Retention payables	25
Other current assets	20
Long-term loans	120
Long-term subordinated loans from the Company	104
Total liabilities	359
Net assets obtained at acquisition date	1,023

Finance cost associated with the acquisition

In November 2010, the Company purchased the investment of 49% of ordinary shares and preferred shares of Ananda Development Two Co., Ltd. The Company used external sources of finance for this transaction, giving rise to finance costs associated with the acquisition which included related interest and front-end fees. These finance costs are not costs arising in the normal course of the operations of the Company but relate to a specific, one-off action performed in 2010. The Company is principally engaged in the development and sale of real estate, provision of house construction services and management of real estate development projects. Therefore, such finance costs would not have occurred, if the Company did not enter into the above transaction.

Income tax liability on acquisition of an entity

The Company has elected not to adopt TAS 12 Income Taxes at this time. However, in the purchase price allocation process of the acquisition of Ananda Development Two Co., Ltd. in 2010, there were assessment of the fair value of tax expenses which as a result of increasing in fair valuation of inventories and intangible assets. This amount has been presented as income tax liability on acquisition in the statements of financial position.

Dividend received

Dividend received from Ananda Development Two Co., Ltd. during the years ended 31 December 2012 and 2011 amounting to Baht 946 million and Baht 516 million, respectively.

17. Investment properties

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

	(Unit: Thousand Baht)
	Consolidated financial statements
	Office building for rent
Cost	113,715
Less: Accumulated depreciation	(4,872)
Net book value	108,843

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

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value at beginning of year	-
Transfers from real estate development cost	113,715
Depreciation charged	(4,872)
Net book value at end of year	108,843

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

	(Unit: Thousand Baht)
	Consolidated financial statements
Office building for rent	129,650

The fair values of the above investment properties have been determined based on valuations performed by an independent valuer. The fair value of the office building for rent has been determined using the income approach. The main assumptions used in the valuation are yield rate, long-term vacancy rate and long-term growth in real rental rates.

Investment properties of the subsidiary have been pledged as collateral for credit facilities obtained from a financial institution.

18. Property, buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Net
	Land and land improvements	Buildings and temporary buildings	Equipment	Furniture, fixture and office equipment	Vehicles	Assets under installation and under construction	
Cost:							
1 January 2011	45,379	191,712	24,080	54,019	41,442	6,979	363,611
Additions	1,963	1,040	221	4,083	2,420	52,538	62,265
Disposals/writes-off	-	(11,184)	(250)	(3,326)	(1,480)	-	(16,240)
Transfers in (out)	153,480	11,256	499	347	-	(10,462)	155,120
31 December 2011	200,822	192,824	24,550	55,123	42,382	49,055	564,756
Additions	4	1,444	1,240	7,726	-	43,516	53,930
Disposals/writes-off	-	(3,974)	(4)	(2,558)	-	-	(6,536)
Transfers from real estate development cost	-	9,091	-	-	-	-	9,091
Transfers in (out)	-	71,506	296	20,581	-	(92,383)	-
Increase from acquisition of subsidiary	-	-	-	13	-	-	13
31 December 2012	200,826	270,891	26,082	80,885	42,382	188	621,254
Accumulated depreciation:							
1 January 2011	-	43,143	7,188	25,279	29,237	-	104,847
Depreciation for the year	671	12,266	4,521	10,095	3,126	-	30,679
Depreciation on disposals/writes-off	-	(11,184)	(248)	(2,549)	(268)	-	(14,249)
31 December 2011	671	44,225	11,461	32,825	32,095	-	121,277
Depreciation for the year	793	56,231	4,570	21,014	2,863	-	85,471
Depreciation on disposals/writes-off	-	(3,974)	(4)	(2,422)	-	-	(6,400)
Increase from acquisition of subsidiary	-	-	-	13	-	-	13
31 December 2012	1,464	96,482	16,027	51,430	34,958	-	200,361
Net book value:							
31 December 2011	200,151	148,599	13,089	22,298	10,287	49,055	443,479
31 December 2012	199,362	174,409	10,055	29,455	7,424	188	420,893
Depreciation charged for the year:							
2011 (Baht 4 million included in cost of services, and the balance in administrative expenses)							30,679
2012 (Baht 4 million included in cost of services, and the balance in administrative expenses)							85,471

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land and land improvements	Buildings and temporary buildings	Equipment	Furniture, fixture and office equipment	Vehicles	Assets under installation and under construction	
Cost:							
1 January 2011	8,739	63,062	1,628	36,525	38,878	-	148,832
Additions	1,963	552	113	2,400	2,420	49,659	57,107
Disposals/writes-off	-	(11,184)	(247)	(3,306)	(1,480)	-	(16,217)
31 December 2011	53,122	52,845	1,494	35,888	39,818	48,975	232,142
Additions	4	1,347	342	6,914	-	42,287	50,894
Disposals/writes-off	-	(3,974)	(4)	(2,551)	-	-	(6,529)
Transfers in (out)	-	70,385	296	20,581	-	(91,262)	-
31 December 2012	53,126	120,603	2,128	60,832	39,818	-	276,507

(Unit: Thousand Baht)

Separate financial statements							
	Land and land improvements	Buildings and temporary buildings	Equipment	Furniture, fixture and office equipment	Vehicles	Assets under installation and under construction	Total
Accumulated depreciation:							
1 January 2011	-	31,133	1,490	21,012	26,953	-	80,588
Depreciation for the year	671	5,681	99	6,394	2,878	-	15,723
Depreciation on disposals/writes-off	-	(11,184)	(247)	(2,539)	(268)	-	(14,238)
31 December 2011	671	25,630	1,342	24,867	29,563	-	82,073
Depreciation for the year	793	49,309	169	17,216	2,832	-	70,319
Depreciation on disposals/writes-off	-	(3,974)	(4)	(2,417)	-	-	(6,395)
31 December 2012	1,464	70,965	1,507	39,666	32,395	-	145,997
Net book value:							
31 December 2011	52,451	27,215	152	11,021	10,255	48,975	150,069
31 December 2012	51,662	49,638	621	21,166	7,423	-	130,510
Depreciation charged for the year							
(as included in administrative expenses in statements of comprehensive income):							
2011							15,723
2012							70,319

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As at 31 December 2012, the Company and its subsidiaries had equipment under finance lease agreements with net book values amounting to Baht 6 million (2011: Baht 7 million) (the Company only: Baht 6 million, 2011: Baht 7 million).

As at 31 December 2012, certain buildings and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 46 million (2011: Baht 31 million) (the Company only: Baht 42 million, 2011: Baht 29 million).

As at 31 December 2012, the Company and its subsidiaries have mortgaged property, buildings and equipment amounting to Baht 163 million (2011: Baht 179 million) (the Company only: Baht 34 million, 2011: Baht 35 million) as collateral to secure short-term and long-term loans obtained from financial institutions and is posted as security to stay execution of a judgment against the Company which was sued by customers, claiming damages. However, on 20 February 2012, the land title deed was returned to the Company because the parties had agreed a compromise settlement.

Two subsidiaries have entered into land leases agreements with a company, the proprietary rights over all structures erected on the land amounting to Baht 22 million (2011: Baht 22 million) are to be transferred to that company at the end of the agreements (September 2035 and December 2036).

19. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements				
	Computer software	Agreements to buy and to sell condominium signed with customers	Deferred franchise fee	Assets under installation	Total	Computer software	Deferred franchise fee	Assets under installation	Total	
Cost:										
As at 1 January 2011	43,378	748,079	-	18	791,475	43,197	-	-	43,197	
Additions	1,261	-	467	646	2,374	1,118	467	631	2,216	
Transfers in (out)	33	-	-	(33)	-	-	-	-	-	
As at 31 December 2011	44,672	748,079	467	631	793,849	44,315	467	631	45,413	
Additions	409	-	467	1,314	2,190	247	467	1,314	2,028	
Transfers in (out)	1,795	-	-	(1,795)	-	1,795	-	(1,795)	-	
As at 31 December 2012	46,876	748,079	934	150	796,039	46,357	934	150	47,441	
Amortisation:										
As at 1 January 2011	14,309	6,343	-	-	20,652	14,293	-	-	14,293	
Amortisation	3,733	244,440	-	-	248,173	3,664	-	-	3,664	
As at 31 December 2011	18,042	250,783	-	-	268,825	17,957	-	-	17,957	
Amortisation	4,142	368,149	126	-	372,417	4,065	126	-	4,191	
As at 31 December 2012	22,184	618,932	126	-	641,242	22,022	126	-	22,148	
Net book value:										
As at 31 December 2011	26,630	497,296	467	631	525,024	26,358	467	631	27,456	
As at 31 December 2012	24,692	129,147	808	150	154,797	24,335	808	150	25,293	

Agreements to buy and to sell condominium signed with customers include intangible assets acquired through business combination. These assets are amortised on the transferred of ownerships to buyers after all payments received from the buyers

20. Short-term loans from financial institutions

(Unit: Thousand Baht)

Loans	Credit facilities (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated financial statements		Separate financial statements	
				2012	2011	2012	2011
1	20	MLR - 0.5	At call	-	17,957	-	17,957

Short-term loans were secured by the mortgage of land and construction of the Company and its subsidiary and guarantees provided by the Company's director and the subsidiary.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	-	-	823	873
Trade payables - unrelated parties	147,964	207,497	115,432	32,081
Other payables - related parties	-	2,675	24,961	3,949
Other payables - unrelated parties	81,526	20,202	18,132	20,202
Accrued expenses	-	-	2,158	-
Advances from related parties	119,251	226,346	55,473	200,557
Total trade and other payables	348,741	456,720	216,979	257,662

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22. Promissory notes

Promissory notes carried no interest, matured in April 2012, and were guaranteed by a financial institution. On 30 April 2012, the Company settled the promissory notes in full.

23. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities under finance lease agreements	2,874	4,617	2,874	4,581
Less: Deferred interest expense	(126)	(292)	(126)	(286)
Total	2,748	4,325	2,748	4,295
Less: Portion due within one year	(1,433)	(1,577)	(1,433)	(1,547)
Liabilities under finance lease agreements - net of current portion	1,315	2,748	1,315	2,748

The Company and its subsidiaries have entered into the finance lease agreements with leasing company for rental of equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The term of the agreements is generally 4 - 5 years. Finance lease agreements cannot be cancelled.

Future minimum lease payments of the Company and its subsidiaries required under the finance lease agreements are as follows:

(Unit: Thousand Baht)

	31 December 2012		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,526	1,348	2,874
Deferred interest expense	(93)	(33)	(126)
Present value of future minimum lease payments	1,433	1,315	2,748

(Unit: Thousand Baht)

	31 December 2012		
	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,526	1,348	2,874
Deferred interest expense	(93)	(33)	(126)
Present value of future minimum lease payments	1,433	1,315	2,748

(Unit: Thousand Baht)

	31 December 2011		
	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,743	2,874	4,617
Deferred interest expense	(166)	(126)	(292)
Present value of future minimum lease payments	1,577	2,748	4,325

(Unit: Thousand Baht)

	31 December 2011		
	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,707	2,874	4,581
Deferred interest expense	(160)	(126)	(286)
Present value of future minimum lease payments	1,547	2,748	4,295

24. Long-term loans

(Unit: Thousand Baht)

Loans	Credit facilities (Million Baht)	Interest rate (% p.a.)	Repayment schedule	2012		2011	
				Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
1	104	MLR + 1.5	Repayment at the rate of 80% of the selling price of land, or not less than Baht 36,000 per square wah and repayment in every 3 months starting March 2006	-	520	-	-
2	4,800	MLR + 2	Repayment within March 2013 or date registered paid-up capital from the issuance and offering of initial public	-	3,607,006	-	3,607,006
3	1,270	MLR	Payment the interest at the end of each month and repayment principal upon redemption of residential condominium unit of the project sold at the rate of 60% - 80% of the selling price or not less than amount per square meter as stated in the contract within December 2012	-	445,495	-	-
4	60	MLR - 0.5	Payment the interest at the end of each month and repayment principal under three scenarios, which are depend on certain conditions within December 2012	-	11,931	-	11,931
5	775	MLR	Payment the interest at the end of each month and repayment principal upon redemption of residential condominium unit of the project sold at the rate of 75% of the selling price and not less than amount per square meter as stated in the contract within November 2014	392,201	315,000	392,201	315,000
6	1,362	MLR - 0.25 and MLR	Payment the interest at the end of each month and repayment principal upon redemption of residential condominium unit of the project sold at the rate of 75% of the selling price and not less than amount per square meter as stated in the contract within October 2014	736,751	176,657	736,751	176,657
7	570	MLR	Payment the interest at the end of each month and repayment principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount per square meter as stated in the contract within August 2014	348,475	293,160	348,475	293,160

(Unit: Thousand Baht)

Loans	Credit facilities (Million Baht)	Interest rate (% p.a.)	Repayment schedule	2012		2011	
				Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
8	1,800	5	Repayment within December 2013 or date registered paid up capital from the issuance and offering of initial public	-	852,324	-	852,324
9	1,209	MLR	Payment the interest at the end of each month and repayment principal upon redemption of residential condominium unit of the project sold at the rate of 75% of the selling price and not less than amount per square meter as stated in the contract within December 2014	565,347	472,889	565,347	472,889
10	295	MLR + 1.5	Payment the interest at the end of each month and repayment principal upon redemption of land in the project at the rate of 70% of the selling price within December 2018	43,798	-	-	-
11	1,135	MLR + 1	Payment the interest at the end of each month and repayment principal upon redemption of land in the project at the rate per square wah as stated in the contract within December 2018	19,632	-	-	-
12	178	MLR + 1.5	Payment the interest at the end of each month and repayment principal upon redemption of land in the project at the rate per square wah as stated in the contract within December 2018	65,410	-	-	-
13	699	MLR + 1	Payment the interest at the end of each month and repayment principal upon redemption of land in the project at the rate per square wah as stated in the contract within December 2018	6,370	-	-	-
Total long-term loans				2,177,984	6,174,982	2,042,774	5,728,967
Less: Deferred financial fees				(28,741)	(100,770)	(28,741)	(100,770)
Total				2,149,243	6,074,212	2,014,033	5,628,197
Less: Current portion				(42,755)	(4,009,104)	-	(3,563,089)
Long-term loans - net of current portion				2,106,488	2,065,108	2,014,033	2,065,108

Long-term loans are secured by mortgages of land and construction in progress of the Company and its subsidiaries, pledges of the Company's shares held by its shareholders and a subsidiary's shares held by the Company, a guarantee by the Company's director, guarantees by the Company and its subsidiaries, and the transfer of rights of claim in bank deposits.

In December 2012, the financial institution respectively released and cancelled the pledge of the Company's and its subsidiary's shares and the guarantee provided by the director that had secured the above loans.

Loan agreements contain certain covenants and restrictions imposed by the lenders regarding, the shareholding proportion of the major shareholders, changes in the Board of Directors of the Company and the subsidiary, guarantees to loans or aval to promissory notes of any other persons or other companies, dividend payment, borrowing from related parties which has to be treated as subordinated loan and repayment to such related parties, merger or combination with any other companies, and decrease in share capital.

As at 31 December 2012, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 4,263 million (2011: Baht 3,923 million) (the Company only: Baht 1,873 million, 2011: Baht 3,614 million).

On 30 April 2012, the Company entered into an amendment to the loan agreement for the credit facility under loan No. 2, with the following major changes.

- repayment of principal within March 2013 or the date the increase in paid-up capital as a result of the initial public offering is registered
- payment of the loan management fee in monthly installments, within March 2013 or the date the increase in paid-up capital as a result of the initial public offering is registered

The Company was to pay an extension fee at the rate specified in the agreement.

On 30 April 2012, a subsidiary agreed the following amendments to the loan agreement with a financial institution for the credit facility under loan No. 3, whereby the maturity date was postponed from 30 April 2012 to 31 December 2012 and the subsidiary was to pay an extension fee at the rate specified in the agreement.

The Company committed to pay front-end fee and credit management fee to the bank under credit facilities of loan No. 8.

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	6,074,212	5,628,197
Add: Additional borrowings	1,698,750	1,327,363
Increase from loan of subsidiaries		
at acquisition date	120,587	-
Amortisation of financial fees	74,869	74,169
Less: Repayments	(5,816,335)	(5,013,556)
Deferred financial fees	(2,840)	(2,140)
Balance as at 31 December 2012	2,149,243	2,014,033

25. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	18,507	14,119	17,155	13,419
Current service cost	3,950	3,824	3,304	3,200
Interest cost	723	564	669	536
Benefits paid during the year	(1,013)	-	(1,013)	-
Defined benefit obligation at end of year	22,167	18,507	20,115	17,155
Provisions for long-term employee benefits at end of year	22,167	18,507	20,115	17,155

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	3,950	3,824	3,304	3,200
Interest cost	723	564	669	536
Total expense recognized in profit or loss	4,673	4,388	3,973	3,736
Line items under which such expenses are included in profit or loss:				
Selling and administrative expenses	4,673	4,388	3,973	3,736

Principal actuarial assumptions at the valuation date were as follows:

(% per annum)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Discount rate	4.1%	4.1%	4.1%	4.1%
Future salary increase rate (depending on numbers of working years of employees)	0 - 9%	0 - 9%	0 - 9%	0 - 9%
Staff turnover rate	6.0% - 20.0%	6.0% - 20.0%	6.0% - 20.0%	6.0% - 20.0%

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

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	22,167	20,115
Year 2011	18,507	17,155
Year 2010	14,119	13,419
Year 2009	10,035	9,670

26. Income tax liability on acquisition of an entity/ Corporate income tax

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Net book value as at 1 January 2012	181,089	555,527
Amortisation during the year	(147,738)	(319,324)
Effects of changes in the applicable tax rates	(4,350)	(55,114)
Net book value as at 31 December 2012	29,001	181,089

Income tax liability on acquisition has been arisen from 30% of the difference between the fair value and the carrying value of inventories and intangible assets at combination date. The Company amortises this liability in accordance with amortisation of the fair value of inventories and intangible assets based on the numbers of condominium units sold and transferred.

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

Corporate income tax of the Company and subsidiaries for the years 2012 and 2011 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Income tax on taxable income	181,989	295,914	-	-
Amortisation of income tax liability on acquisition of an entity	(140,351)	(303,358)	-	-
Effects of changes in the applicable tax rates	(4,133)	(52,358)	-	-
Income tax income as included in profit or loss	37,505	(59,802)	-	-

27. Share capital

On 15 October 2012, the Extraordinary General Meeting of the Company's Shareholders approved the reduction of the Company's registered share capital by Baht 33.33 million, from Baht 366.63 million to Baht 333.3 million. The Company registered the reduction of its share capital with the Ministry of Commerce on 16 October 2012.

On 3 December 2012, the Company made an initial public offering of 1,333 million ordinary shares at a price of Baht 4.20 per share. Total proceeds from the share offering were Baht 5,598.6 million, with a share premium of Baht 5,210.3 million, net of related expenses incurred in making the offering. The Company registered the change in its paid-up share capital to Baht 333.3 million with the Ministry of Commerce on 4 December 2012.

28. Warrants

On 26 September 2011, the Extraordinary General Meeting of the Company's Shareholders No. 2/2554 passed a resolution to issue and allocate 333.3 million warrants (ADC-W1) to the existing shareholders of the Company totaling 200 million warrants and the subscribers to the Company's public offering totaling 133.3 million warrants at no cost. The warrants entitle the holders to subscribe to the Company's ordinary shares in a ratio of 1 warrant per 1 ordinary share at prices of Baht 3.58 - 3.72 each, and can be exercised for 3 years from the issue date. Subsequently, on 15 October 2012, the Extraordinary General Meeting of the Company's Shareholders approved a resolution to cancel the issue and the allocation of the whole warrants.

29. Statutory reserve

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

30. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Costs of land and payments of construction costs during the year	1,649,908	4,109,011	1,103,865	2,678,132
Changes in land and constructions in progress	(1,448,049)	13,269,158	1,100,074	2,676,838
Salary, wages and other employee benefits	341,171	263,856	258,382	198,445
Depreciation and amortisation	89,739	266,629	74,510	19,387
Advertising expenses	132,350	22,932	85,065	21,059
Professional and consultant fees	31,723	25,323	24,037	16,000
Transferred fee	36,960	45,477	165	321
Specific business tax	165,631	181,024	191	545

31. Earnings per share

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

32. Segment information

The Company and its subsidiaries' business operations involve two principal segments: a real estate developer and real estate development projects. The Company and its subsidiaries have only one geographical segment because they operate only in Thailand.

The Company and its subsidiaries' financial information by segment of real estate business and real estate development projects business in the consolidated financial statements as of and for the years ended 31 December 2012 and 2011 are as follows:

(Unit: Million Baht)

	Real estate business		Real estate development projects		Others		Total		Elimination of inter-segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from external customers	4,960	5,483	20	63	122	115	5,102	5,661	-	-	5,102	5,661
Intersegment revenues	-	-	112	158	332	344	444	502	(444)	(502)	-	-
Total revenues	4,960	5,483	132	221	454	459	5,546	6,163	(444)	(502)	5,102	5,661
Segment income	297	899	61	148	376	391	734	1,438			459	559
Unallocated income (expenses):												
Interest income											7	4
Other income											28	21
Selling expenses											(24)	(27)
Administrative expenses											(421)	(354)
Share of profit from investments in associates											8	1
Finance cost											(307)	(581)
Income tax expenses											(37)	60
Loss for the year											(287)	(317)
Real estate development costs	7,592	6,874	-	-	-	-	7,592	6,874	(1,577)	84	6,015	6,958
Land held for development	81	-	-	-	-	-	81	-	28	-	109	-
Property, buildings and equipment	203	221	102	105	116	117	421	443	-	-	421	443
Intangible assets	-	-	25	28	1	-	26	28	129	497	155	525
Other assets											2,644	1,027
Total assets											9,344	8,953

Pricing policies between business segments are set out in Note 6.

33. Provident fund

In 2012, the Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 2% of basic salary. The fund, which is managed by Krung Thai Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company and its subsidiaries contributed Baht 0.5 million (the Company only: Baht 0.5 million) to the fund.

34. Dividends paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2011	Board of Directors' meeting	14	0.074
Total dividends for 2011	No. 6/2554 on 25 July 2011	14	0.074

35. Commitments and contingent liabilities

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35.1 Construction and furniture and equipment agreement commitments

As at 31 December 2012, the Company and its subsidiaries had commitments of totaling Baht 2,385 million (2011: Baht 533 million) (the Company only: Baht 2,212 million, 2011: Baht 64 million), under the projects construction contracts and acquisitions of furniture and equipment for the projects.

35.2 Commitments related to agreement to sell and to purchase land

As at 31 December 2012, the Company had a commitment to pay a total of Baht 725 million to a third party for a land purchase within January 2013, under an agreement to sell and to purchase land

35.3 Investment commitment

As at 31 December 2012, the Company was committed to purchase 21 million additional ordinary shares of Ananda Development One Company Limited at a price of Baht 104 million, in accordance with conditions of the Share Sale and Purchase Agreement described in Note 16. The Company paid this amount on 3 January 2013.

35.4 Operating lease agreement commitments

The Company and its subsidiaries entered into several agreements in respect of the lease of land, building floor and equipment. The terms of the agreements are generally between 1 to 30 years.

Future minimum lease payments of the Company and its subsidiaries required under these non-cancellable operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Payable:				
In up to 1 year	26	24	20	22
In over 1 and up to 5 years	38	27	18	14
In over 5 years	75	77	-	-

35.5 Commitments from ongoing projects development

As at 31 December 2012, the Company and its subsidiaries had commitments to transfer condominium units, land and construction thereon totaling Baht 7,745 million under agreements to buy and to sell in projects (2011: Baht 4,019 million) (the Company only: Baht 6,623 million, 2011:none).

35.6 Management and royalty agreement commitment

A subsidiary entered into a management assistance agreement with an individual. Under this agreement the subsidiary is to pay management fee, revenue sharing and royalty fee at the term and condition stipulated in the agreement.

35.7 Guarantees

(1) As at 31 December 2012, the Company and its subsidiaries have commitments in relation to provisions of guarantees for the following liabilities:

- The Company has commitments in respect of its guarantee of all liabilities of subsidiaries with financial institutions, amounting to Baht 2,724 million (2011: Baht 3,366 million).
- A subsidiary had commitments in respect of its guarantee of liabilities of the Company with financial institutions amounting to at least Baht 3,916 million (2011: Baht 10,527 million).
- A subsidiary had commitments in respect of its guarantee of liabilities of its subsidiary with financial institutions amounting to Baht 1,046 million, and its subsidiary had commitments in respect of its guarantee of liabilities of this company with financial institutions amounting to Baht 1,678 million.
- Two subsidiaries issued promissory notes of Baht 750 million that are avaled by a financial institution, to a share purchase creditor of the Company, in order to secure payment for the shares.

(2) As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 164.7 million (2011: none) (the Company only: Baht 0.2 million, 2011: none) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 0.2 million to guarantee contractual performance and Baht 164.5 million to guarantee the allotment of land with provision of public utilities or public services, or land improvement and public utility maintenance.

35.8 Litigations

As at 31 December 2012, the Company and its subsidiaries were being sued in various cases, under which total claims amounted to Baht 1,290 million (the Company only: Baht 1,119 million). These included a case whereby in December 2012 a housing estate juristic person and house owners sued the Company and a subsidiary, claiming damages amounting to Baht 1,074 million on the grounds that the Company and the subsidiary had violated agreements with some of the house and land purchasers in the projects. This case is being considered by the court of first instance and is at the stage of examination of witnesses. The other cases are also at the stage of being considered by the court of first instance.

Since the outcomes of the above cases have not yet been finalised, cannot be predicted, and currently have no impact on the operations of the Company and its subsidiaries, the Company and its subsidiaries have therefore not set aside provision for losses that may result from these cases.

35.9 Land repurchase agreement commitment

In 2007, subsidiaries entered into agreements amounting to Baht 30 million to sell plots of project land under development and to register the transfer of ownership of the land to an external party, under which the external party agreed to grant the subsidiaries rights to buy back the land in the future at a total repurchase price of not less than Baht 33 million. Currently, the land is under the effective control of the subsidiaries, therefore the subsidiaries do not recognise the relevant income and cost of sales in their financial statements.

In 2012, the subsidiaries had yet to repurchase the land, which is presented as part of real estate development costs in the consolidated statement of financial position as at 31 December 2012.

36. Financial instruments

36.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations," principally comprise cash and cash equivalents, trade and other receivables, loans, restricted financial institutions deposits/withdrawal conditions, investments, trade and other payables, share purchase payable, retention payables, liabilities under finance lease, short-term and long-term loans. The financial risks of the Company and its subsidiaries associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statements of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, liabilities under finance lease, short-term and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

As at 31 December 2012

Consolidated financial statements

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
	(Million Baht)						(% p.a.)
Financial Assets							
Cash and cash equivalents	-	-	-	2,057	1	2,058	Note 7
Current investments	100	-	-	-	-	100	2.9
Trade and other receivables	-	-	-	-	21	21	-
Restricted bank deposits/ withdrawal conditions	-	-	-	87	-	87	0.75
	100	-	-	2,144	22	2,266	
Financial liabilities							
Trade and other payables	-	-	-	-	341	341	-
Share purchase payable	-	-	-	-	750	750	-
Retention payables	-	-	-	-	115	115	-
Liabilities under finance lease agreements	1	1	-	-	-	2	2.1 - 7.9
Long-term loans	43	2,106	-	-	-	2,149	Note 24
	44	2,107	-	-	1,206	3,357	

As at 31 December 2012

Separate financial statements

Fixed interest rates

	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
	(Million Baht)						(% p.a.)
Financial Assets							
Cash and cash equivalents	-	-	-	1,697	1	1,698	Note 7
Current investments	100	-	-	-	-	100	2.9
Trade and other receivables	-	-	-	-	327	327	-
Short-term loans to and interest receivable from related parties	31	-	-	-	-	31	2.5
Restricted bank deposits/ withdrawal conditions	-	-	-	1	-	1	0.75
Subordinated long-term loans to and interest receivable from related parties	-	-	104	-	-	104	1.5
	131	-	104	1,698	328	2,261	
Financial liabilities							
Trade and other payables	-	-	-	-	210	210	-
Share purchase payable	-	-	-	-	750	750	-
Retention payables	-	-	-	-	18	18	-
Liabilities under finance lease agreements	1	1	-	-	-	2	2.1 - 7.9
Long-term loans	-	2,014	-	-	-	2,014	Note 24
	1	2,015	-	-	978	2,994	

As at 31 December 2011							
Consolidated financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
(Million Baht)						(% p.a.)	
Financial Assets							
Cash and cash equivalents	-	-	-	61	1	62	Note 7
Trade and other receivables	-	-	-	-	95	95	-
Restricted bank deposits/ withdrawal conditions	-	-	-	411	-	411	0.75
Subordinated long-term loans to and interest receivable from related parties	-	-	115	-	-	115	1.5
	-	-	115	472	96	683	
Financial liabilities							
Short-term loans from financial institutions	-	-	-	18	-	18	MLR - 0.5
Trade and other payables	-	-	-	-	457	457	-
Promissory notes	-	-	-	-	444	444	-
Retention payables	-	-	-	-	116	116	-
Liabilities under finance lease agreements	1	3	-	-	-	4	2.1 - 7.9
Long-term loans	-	852	-	5,222	-	6,074	Note 24
	1	855	-	5,240	1,017	7,113	

As at 31 December 2011							
Separate financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
(Million Baht)						(% p.a.)	
Financial Assets							
Cash and cash equivalents	-	-	-	8	1	9	Note 7
Trade and other receivables	-	-	-	-	474	474	-
Short-term loans to and interest receivable from related parties	-	-	-	22	-	22	MLR + 2
Subordinated long-term loans to and interest receivable from related parties	-	-	115	1,112	-	1,227	1.5 and MLR
	-	-	115	1,142	475	1,732	+ 2.2
Financial liabilities							
Short-term loans from financial institutions	-	-	-	18	-	18	MLR - 0.5
Trade and other payables	-	-	-	-	258	258	-
Short-term loans from and interest payable to related parties	-	-	-	33	-	33	MLR + 2.2
Promissory notes	-	-	-	-	444	444	-
Retention payables	-	-	-	-	3	3	-
Liabilities under finance lease agreements	1	3	-	-	-	4	2.1 - 7.9
Long-term loans	-	852	-	4,776	-	5,628	Note 24
	1	855	-	4,827	705	6,388	

Foreign exchange risk

As at 31 December 2012 and 2011, the Company and its subsidiaries do not have significant financial instruments in foreign currencies.

36.2 Fair values of financial instruments

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

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

37. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 0.9:1 and the Company's debt-to-equity ratio was 0.7:1 (2011: 20:1)

38. Events after the reporting period

38.1 On 9 January 2013, the Company entered into a loan agreement with a financial institution, granting a credit facility of Baht 1,846 million to fund real estate project development. Interest is payable monthly at MLR - 0.5% to MLR - 1.0% per annum and the loan is payable within February 2016, whenever condominium units are redeemed, in accordance with conditions in the agreement. The loan is secured by mortgages of land and future construction thereon.

38.2 On 28 February 2013, a meeting of the Company's Board of Directors approved the following resolutions:

(1) Issue and offer debentures in a total amount not exceeding Baht 3,000 million. The debentures can be secured or unsecured, denominated in Thai Baht or foreign currency, and are to have a tenor of no more than 5 years. However, the final terms and conditions of the debentures will depend on the market conditions at that time. The offering can be made as part of one or more issues and/or schemes and/or in the form of revolving debentures, and can be made through a public offering and/or by private placement and/or to domestic and/or international institutional investors. In this regards, The Company delegated the Executive Committee to determine the interest rate and tenor, and appoint financial advisors and/or underwriters and/or a credit rating agency as well as endorse the relevant contracts and/or documents.

Such debentures will be proposed for approval by the Annual General Meeting of the Company's shareholders.

(2) Obtaining the following types of credit:

- Promissory notes with credit facilities of up to Baht 1,000 million, secured by mortgages of land and construction thereon of a subsidiary.
- Loans for development of two real estate projects with total credit facilities of Baht 2,212 million from 2 financial institutions, secured by mortgages of land and the future construction thereon.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2013.

